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Ohio Broadcasters Association 4/29/92 [OA 7572]

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Regulatory Horror Stories

1] RCRA Toxicity Characteristic, CFC Refrigerants, and Asthma Medication: The same CFCs which are used as refrigerants also are used as the propellants in a variety of pharmaceuticals, including the bronchodilators used by millions of asthmatics. FDA approved these chemicals as propellants because they are safe and effective. Because of EPA overregulation, they are also hazardous wastes.

Explanation:

EPA seeks (and will soon require under CAAA) the recycling of CFC refrigerants to prevent them from being vented into the atmosphere where they may ultimately damage the ozone. However, the act of reclaiming these refrigerants transforms them into "solid wastes" under RCRA. The refrigerator repairman thus becomes a "generator" for purposes of RCRA, and has a legal obligation to test this "solid waste" to ensure that it is not hazardous.

To make matters worse, CFC refrigerants contain trace levels of chloroform and carbon tetrachloride -- ingredients in CFC manufacture. Because these trace levels are greater than the thresholds permitted under the "toxicity characteristic" rule promulgated in 2/1990, reclaimed CFCs are classified as hazardous wastes and must be managed in accordance with strict RCRA requirements.

2] USDA Marketing Orders: USDA requires that the label for any product containing meat or poultry be approved prior to use. An office at USDA (with 8 label reviewers) reviews approximately 180,000 labels a year. Their system is so inefficient that a private industry of "label expeditors" has grown up to help usher label applications through the USDA process. There is a huge backlog of applications because whenever USDA changes its rules, all affected labels must be resubmitted and re-approved. No other labeling program (such as FTC or FDA) requires prior approval of labels.

3] Used Lubricating Oil: EPA is about to list used lubricating oil as a hazardous waste unless it is managed in accordance with strict management standards. Once the value of this substance is decimated by EPA, millions of gallons of used lube oil that is currently recycled will be dumped into the trash or down the nation's storm drains and into streams, rivers, lakes and estuaries.

Explanation

EPA's own estimates show these standards will raise the cost of recycling used lube oil by about \$1 per gallon. Since the

current market price of used lube oil in the recycling market is about zero (i.e., collectors will take it away for free), EPA's regs. will cause the market price to plummet to -\$1 per gallon (i.e., collectors will charge \$1 per gallon to take it away).

4] Flooding Balconies Rule: In implementing the Fair Housing Act, HUD initially wanted to require all multi-unit housing with balconies to make these balconies "flush" with the inside floor level (in order to improve wheelchair accessibility). Unfortunately, as any architect or home builder will tell you, doing so could cause water to flood the apartment whenever it rained. As a result of White House review, HUD modified the requirement (to 4 inches).

5] Christopher Columbus Rule: The NRC already protects the American public from Low Level Radioactive Waste Disposal. At an estimated cost of \$2.3 billion, EPA wants to further regulate such waste to prevent no more than 13 cancers cases over a 10,000 year period, the first case not occurring until after 500 years. Thus, if Christopher Columbus had had this \$2.3 billion investment when he discovered the New World, the first death averted would only just now be occurring.

6] Clean Hard Hat Rule: When OSHA updated its rules on hard hats, it included a new requirement that all hard hats be "disinfected" before exchanging hands. This requirement would have cost some \$60 million a year with no measurable benefits. There was not one documented case of anyone catching anything from an infected hard hat. After White House review, OSHA decided to drop this requirement from the regulation.

7] Happy Animals Rule: USDA has been drafting rules to modify its laboratory animal welfare standards. Such rules must provide, among other things, for the "psychological wellbeing of primates." The original drafts specified exact cage sizes and other details of daily care and feeding. USDA estimated the costs of these rules at \$3 billion. After receiving strong criticism from the scientific community (and after discussions with the White House), USDA has modified the rules and cut about \$1 billion from the costs.



STATE OF OHIO
WASHINGTON OFFICE

Georgu V. Voinovich
Governor

Mike DeWino
Lt. Governor

April 29, 1992

To: Bob Simon
From: Tom Needles

Dayton Area Health Plan

In this State, an unreasonable and unnecessary federal regulation almost forced the closing of the Dayton Area Health Plan, an innovative Medicaid managed care program designed to offer high quality care to some 43,000 Medicaid recipients in Dayton.

Governor Voinovich led the effort to change this inequity, and, just two days ago, I signed legislation granting an exemption for this reform initiative that I am confident will continue to provide cost-effective, quality care to needy Ohioans.

Federal regulations on education funding

One final example of federal over-regulation is in the area of education -- which is more highly regulated than most U.S. enterprises.

Let me give you an example of what I mean: In Ohio, local schools districts send nearly 350 different forms totalling over 1,000 pages to the State each year. Over 50 percent of this paperwork is required to receive federal funds that constitute only about 5 percent of a local district's budget.

I think we can do better than that. I have instructed Lamar Alexander, my Education Secretary, to work with State officials to identify federal, state and local education programs that have unnecessary and burdensome paperwork and reporting mandates and eliminate them.

Bob, I hope this helps.



A-1 AMBULANCE SERVICE, INC.

P.O. Box 179

123 Plainfield Avenue

Bedford Hills, N.Y. 10507
(914) 666-2901

December 13, 1991

Mr. Allan B. Hubbard,
~~Deputy Chief Of Staff~~
The White House Council on Competitiveness
The White House
1600 Pennsylvania Avenue
Washington DC 20013

Dear Mr. Hubbard:

In the past we have all been incensed when we learned of items sold to the U. S. Government for amounts far beyond reasonable cost. Unfortunately, I have personally just encountered such an example where Federal Law has caused such an outrageous purchase specifications that make a \$500 toilet seat look like a bargain! Specifically, our company has been a vendor to the Veterans Administration for over 15 years, providing an established service for a reasonable fee. In our most recent bid request we encountered a new Federal Wage Department Regulation which will increase the costs of providing our service, and therefore costs to the government, by over 34 times. As a businessman I feel participating in this inequity to be extremely distasteful and as a taxpayer I am outraged!!

The Federal law now included in this Veterans Administration bid (Bid IFB 620-15-92) is The U.S. Department of Labor, Employment Standards Administration, Wage and Hour Division Register of Wage Determinations Under the Service Contract Act. This includes Federally established wages and benefits (Decision 99-768 Rev. 5) which, we are told MUST be paid to employees of companies who contract with the Federal Government. Unfortunately these wages and benefits are a little more than double the industry standard for this area. This industry standard is based upon what the private market will pay and more specifically what Medicare and Medicaid will allow.

We are now faced with the quandary, either double our companies ENTIRE compensation cost or lose a major contract. If we are to bid this contract we will have to cover a doubling of all of our labor costs. It should be noted that the business our VA contract produces is approximately 10% of total revenue. This would result in the government paying for an ambulance call, which is now approximately \$198.00 and have the cost jump to approximately \$6,800.00 per call. Since we were the only bidder for this contract we have been informed by the Hospital they will have to accept whatever bid is received. If we do not bid the contract this which will result in Franklin Delano Roosevelt Hospital being without an emergency ambulance service.

Copy to DM, BB -

Let's do

Copy to letter only to DM or me

Only to

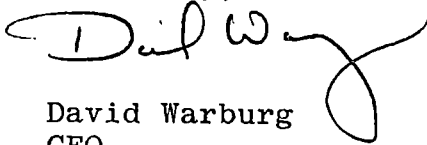
BB

*paid holidays
meal periods
uniforms
wages*

Allan B. Hubbard
December 13, 1991
Page 2

Please understand the difficult moral position this puts me in, increasing my prices 3400% to continue to provide the same service is insane, therefore I have yet to decide to submit this bid. Your assistance in confirming that this wage determination is a requirement for a federal contract would be appreciated. In addition should anyone question a \$6,800 ambulance trip, which everyone else could buy for \$198.00, that the local Senators were informed and this is the Federal Law. If this is true, I wonder how many toilet seats we have all bought for \$500.00?

Sincerely,

A handwritten signature in dark ink, appearing to read "D. Warburg", with a large, stylized flourish extending from the end of the signature.

David Warburg
CEO

cc: Senator(s) Moynihan & D'Amato
enclosures

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210

Page 1 of 5

REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

Al. L. Moss
Director

Division of
Wage Determinations

LOCALITY	State: New York			
	Area: NY COUNTIES: BRONX, KINGS, NEW YORK PUTNAM, QUEENS, RICHMOND, ROCKLAND WESTCHESTER			
Wage Determination No.: 88-0768 (Rev. 5) Date: 05/01/1991				
Class of Service Employees	Minimum Hourly Wage	Fringe Benefit Payments		
		Health & Welfare	Vacation	Holiday Other

75
1 OF 2

General Services and Support Occupations,
Transportation, and Miscellaneous:

1. Baker	\$ 16.15
2. Cook I	\$ 14.17
3. Cook II	\$ 16.15
4. Meat Cutter	\$ 16.15
5. Mess Attendant	\$ 12.33
6. Cleaner, Vehicles	\$ 12.33
7. Gardener	\$ 12.33
8. Housekeeping Aide I	\$ 12.33
9. Housekeeping Aide II	\$ 12.94
10. Janitor, Porter, Cleaner	\$ 12.33 4/
11. Laborer, Grounds maintenance	\$ 12.33
12. Pest Controller	\$ 14.17 5/
13. Refuse Collector	\$ 12.33 6/
14. Embalmer	\$ 12.32
15. Mortician	\$ 12.32
16. Truckdriver, Refuse Collection	\$ 14.17 6/
17. Taxi Driver	\$ 11.15
18. Tractor Operator	\$ 14.17
19. Ambulance Driver	\$ 14.17
20. Animal Caretaker	\$ 12.33
21. Emergency Medical Technician	\$ 14.17

U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210

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REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

Al L. Moss Division of
Director Wage Determinations

LOCALITY	State: New York			
	Area: NY COUNTIES: BRONX, KINGS, NEW YORK PUTNAM, QUEENS, RICHMOND, ROCKLAND WESTCHESTER			
Wage Determination No.: 88-0768 (Rev. 5) Date: 05/01/1991				
Class of Service Employees	Minimum Hourly Wage	Fringe Benefit Payments		
		Health & Welfare	Vacation	Holiday Other

22. Recreation Specialist	\$ 10.07
23. Registered Industrial Nurse	\$ 17.35
24. Swimming Pool Operator	\$ 13.56
25. Vending Machine Attendant	\$ 7.35
26. Vending Machine Repairer	\$ 9.89
27. Vending Machine Repairer Helper	\$ 7.99

Fringe benefits applicable to all classes of service employees
engaged in contract performance:

1/

2/

3/

- 1/ HEALTH & WELFARE: \$.59 an hour or \$23.60 a week or \$102.26 a month.
- 2/ VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; 3 weeks after 5 years; 4 weeks after 15 years. Length of service includes the whole span of continuous service with the present (successor) contractor, wherever employed, and with the predecessor contractor in the performance of similar work at the same Federal facility. (Reg. 4.173)
- 3/ HOLIDAYS: 11 paid holidays per year: New Year's Day, Martin Luther King Jr's Birthday, Washington's Birthday, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees)

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U.S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON, D.C. 20210

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REGISTER OF WAGE DETERMINATIONS UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary of Labor

A. L. Moss Division of
Director Wage Determinations

Class of Service Employees

LOCALITY	State: New York			
	Area: NY COUNTIES: BRONX, KINGS, NEW YORK PUTNAM, QUEENS, RICHMOND, ROCKLAND WESTCHESTER			
Wage Determination No.: 88-0768 (Rev. 5) Date: 05/01/1991				
Minimum Hourly Wage	Fringe Benefit Payments			
	Health & Welfare	Vacation	Holiday	Other

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involved.)

4/ Rate applies to Putnam, Rockland, and Westchester counties.

5/ Rate applies to Putnam and Rockland counties.

6/ Rates apply to Rockland county only.

NOTE: The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination. Such conformed classes of employees shall be paid the monetary wages and furnished the fringe benefits as are determined. Such conforming procedures shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees. A written report of the proposed conforming action, including information regarding the agreement or disagreement of the authorized representative of the employees involved or, where there is no authorized representative, the employees themselves, shall be submitted by the contractor to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work. The contracting officer shall review the proposed action and promptly submit a report of the action, together with the agency's recommendation and all pertinent information including the position of the contractor and the employees, to the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, for review. (See section 4.6 (b)(2) of Regulations 29 CFR 4)

UNIFORM ALLOWANCE: If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of \$3.80 a week (or 76 cents a day); and effective April 1, 1991, the rate shall be \$4.25 per week (or \$.85 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

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NOTE: The duties of employees under job titles listed are those described in the Service Contract Act Directory of Occupations, Second Edition, July 1986, unless otherwise indicated. See also 29 CFR Part 4 Section 4.152.

***** OCCUPATIONS NOT INCLUDED IN THE SCA DIRECTORY OF OCCUPATIONS *****

ANIMAL CARETAKER

The purpose of this position is to clean animal cages, feed and water animals, and perform animal handling and other duties associated with maintaining laboratory animals used in the biomedical research or training programs.

1. Cleans laboratory animal cages, enclosures and adjacent areas. Sanitizes cages using mechanical washers. Sanitizes runs, cage racks, shipping crates, carts, and other bulky equipment manually using hose spray, brushes, and cleaning agents. Empties, washes, and refills feed and water containers. Inspects cages to insure doors, latches, and fittings are operational. Makes minor adjustments and repairs to caging, or notifies the supervisor.
2. Handles animals in conjunction with relocating, examining, grooming, or administering medications. Ensures accurate identification of animals moved, requested, or treated.
3. Unloads, lifts, carries, and stacks large bags or boxes of animal feeds, bedding material, fresh fruits, and other supplies and equipment. Observes stock levels of these items and advises supervisor as quantities are exhausted.
4. Prepares and feeds regular and special diets. Observes feeding habits of individual animals and reports any irregularities in appetite, consumption rate, or rejection of food. Reports any unwholesome or poor quality detected in feeds.
5. Operates cage washing machines, autoclaves, portable steam generators, incinerators, and other related equipment. Reports defective operation of units to the section.
6. Observes animals continuously for indications of poor health or injury. Reports any abnormal stool or urine conditions, evidence of parasites, appearance of blood or mucous, and any suspicious skin or coat conditions. Collects biological samples as requested. Assists in administering medical treatments as directed by the veterinarian.
7. Performs other duties as assigned.

TOTAL P. 05

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1991 EMS Salary Survey

by Richard A. Keller and Jamiel M. Yameen

From the moment of birth, humans are evaluated. The one-minute, 10-point Apgar test begins a lifelong journey of countless assessments that track intelligence, credit-worthiness, personality traits and professional standing. In the same way that individuals are evaluated, so too are the organizations for which they work. For example, the JEMS 1991 EMS Salary Survey evaluates the compensation and benefit levels of a wide variety of EMS agencies across the United States. Using this survey, EMS professionals can compare their agencies against the competition.

The authors of the Salary Survey realize that it is received each year with mixed emotions. One ambulance-service owner commented, "I always know when the Salary Survey is published because the next morning it is on my desk, with the wage comparisons between private and fire services highlighted." Periodically, the authors receive calls from various union negotiators representing EMS personnel; the main question asked is, "Do you have any newer [read: higher] numbers to report?" Judging by the amount of correspondence generated by the survey, it is apparent that it fills an important informational need.

This is the fourth year that JEMS and Fitch & Associates Inc., a national EMS consulting firm, have collaborated in providing a standardized report on EMS compensation and salary comparisons. While the sample size used is too small to classify the Salary Survey as scientific, the survey is designed to identify ongoing trends and provide a basis for comparison among various organizations. It is designed to aid management in the development of long-term compensation plans and to

Position Definitions

Executive Director (general manager, director, chief executive officer, president, owner, etc.)—Responsible for entire service, including operations, financial, billing and collections. Reports directly to board of directors, governmental board or owner, or reports to no one.

Administrative Director (controller, director of administrative functions, etc.)—Responsible for financial, billing and collections and other administrative functions. Is *not* directly responsible for ambulance operations. Reports to executive director.

Operations Manager (fire chief, assistant director, etc.)—Directly responsible for all operational activities without necessarily being fully responsible for all administrative duties.

Division/Operations Supervisor (battalion chief, assistant chief, etc.)—More involved in daily supervision of field and communications personnel. Has no financial responsibilities.

Field Supervisor (captain, field or communications supervisor)—Directly responsible for the daily supervision of field or communications personnel. Has no financial responsibilities.

Paramedic—Holds certification at the paramedic level and is primarily responsible for direct patient care.

EMT-Intermediate—Holds certification at any intermediate level and is primarily responsible for direct patient care.

Basic EMT—Holds certification at the basic level and is primarily responsible for direct patient care.

Dispatcher—Primary responsibilities are taking and routing ambulance calls.

Physician Medical Director—Responsible for overseeing medical control and supervision.

Training Director—Responsible for continuing education, quality assurance and specialized training.

Public Information Officer—Major responsibilities include supervising public-education programs, dealing with the media, internal communications and public relations.

First Responder—Involved in EMS as first responder and has received specialized training in patient care.

allow EMS personnel to gauge their progress.

This year's survey gathered information during June and July of 1991. Although called the 1990 survey, information in last year's survey was gathered in October 1989. Therefore, when comparing both surveys, it should be noted that there is a difference of 16 months in the data as opposed to one year.

The same organizations are asked to complete the survey each year; new organizations also are enlisted to provide a broader representative sample and to maintain an adequate survey-sample size. The 1991 Salary Survey resulted in 305 data-entry points for each completed survey. Data were received from 92 organizations and entered into a computerized statistical analysis system. The results were cross-tabulated based on the type of organization, region, service area, population served and emergency call volume. As every service did not answer every question, there is a variation in the total number of respondents for certain questions.

The format and presentation of information in this year's survey are consistent with the three previous surveys. However, this year's salary report differentiates between fire departments that use cross-trained EMS personnel and those that separate EMS operations from fire suppression.

The organizations surveyed were asked to provide salary information for 13 employee categories, including, for the first time, first responders, medical directors, training directors/officers and public-information officers (see "Position Definitions"). The 1991 survey provides compensation information about nearly 15,000 EMS professionals, including 3,724 paramedics and 6,280 EMTs or EMT-Intermediates (see Table 1). This information is valid as of June 1991.

Ninety-two organizations submitted completed surveys. Of the responding organizations, 21.7 percent (20) are private EMS agencies, 56.4 percent (52) are from the public sector, 15.2 percent (14) are hospitals, and 6.5 percent (6) are other types of organizations. Twenty of the 52 public agencies are fire departments that use cross-trained personnel, seven are fire departments with separate EMS divisions, 21 are city and county third services, and four are another type of public agency (e.g., police, public safety, health department, etc.). See Table 2 for a complete delineation of the various provider groups represented in the survey.

The geographic distribution of respondents is presented in Table 3. Divided into four regions, 17.6 percent (16)

Table 1

Personnel Included in Survey

Position	Number
Executive Directors	69
Administrative Directors	50
Operations Managers	79
Division/Operations Supervisors	127
Field Supervisors	660
Paramedics	3,724
EMT-Intermediates	697
Basic EMTs	5,583
Dispatchers	770
Medical Directors	18
Training Directors/Officers	44
Public-Information and Education Officers	34
First Responders	3,071
Total	14,926

Table 2

Sample Group by Provider Type

Provider	Respondents	Percentage
Private	20	21.7
Public		
Fire Dept., Cross-trained	20	21.7
Fire Dept., Separate	7	7.6
Third Service	21	22.8
Other Public	4	4.3
Hospital	14	15.2
Other	6	6.5
Total	92	99.8*

* Percentage correct to the closest point.

Table 3

Geographic Distribution of Respondents

Region	Respondents	Percentage
1. Northeastern Connecticut, Maine, Massachusetts, New Hampshire, Delaware, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Michigan	16	17.6
2. Western Alaska, Arizona, California, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, Washington, Colorado, Texas, Montana, Wyoming	34	37.4
3. Central North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Ohio, Minnesota, Iowa, Missouri, Illinois, Wisconsin, Indiana	25	27.5
4. Southeastern Florida, Georgia, Alabama, Mississippi, Arkansas, Tennessee, North Carolina, South Carolina, Kentucky, Virginia, West Virginia, Louisiana, Maryland	16	17.6
Total	91*	100.1**

* Agency location not given by one responder.

** Percentage correct to the closest point.

of the respondents are from the northeastern, 37.4 percent (34) are from the western, 27.5 percent (25) are from the central, and 17.6 percent (16) are from the southeastern United States. One of the respondents did not identify the area in which his agency is located.

The responding EMS organizations provide service to more than 37 million Americans. See Table 4 for the breakdown by population served.

Emergency-call volume is another criterion analyzed in the survey. Services responding to the survey range from those with fewer than 2,000 emergency calls per year to those that respond to more than 100,000 per year. Nearly 52

percent (44) of the respondents have fewer than 10,000 annual emergency responses (see Table 5). Cumulatively, 87 of the 92 survey respondents handled between 1.2 and 2.4 million emergency and non-emergency incidents last year.

Annual Compensation

As previously stated, the mean salaries for the 13 EMS positions represented were separated into seven provider types (see Table 6); the type of provider—private, public or hospital—is the most significant factor affecting compensation levels. The mean overall salary is provided for each position and, as the average figure nationwide,

Table 4.

Respondents by Population Served

Population Range	Respondents	Percentage
Less than 20,000.....	6.....	6.5
20,000 to 49,999.....	8.....	8.7
50,000 to 99,999.....	13.....	14.1
100,000 to 249,999.....	26.....	28.3
250,000 to 999,999.....	31.....	33.7
Greater than 1,000,000.....	8.....	8.7
Total.....	92.....	100.0

Table 5.

Respondents by Emergency-call Volume

Annual Emergency-call Volume	Respondents	Percentage
Less than 2,000.....	17.....	19.5
2,001 to 5,000.....	13.....	14.9
5,001 to 10,000.....	15.....	17.2
10,001 to 25,000.....	18.....	20.7
25,001 to 50,000.....	16.....	18.4
50,001 to 100,000.....	4.....	4.6
Greater than 100,000.....	4.....	4.6
Total.....	87.....	99.9*

* Percentage correct to the closest point.

represents the most statistically significant compensation figure (see "About the Salary Survey" on page 79). Variances are likely to be demonstrated within a particular provider type for a single position because of the survey's limited sample size.

Information in the 1991 Salary Survey is consistent with the results of previous surveys; fire departments continue to provide higher compensation than any other group for all positions. New infor-

mation from all types of providers reveals that medical directors are paid a mean of \$31,947 per year; training officers, \$37,325; public-information and education coordinators, \$33,228; and first responders, \$26,875.

Changes in compensation from 1990 to 1991 for field personnel and dispatchers are highlighted in Table 7, with increases seen in nine of the 12 categories presented. On the whole, declines in annual salary levels are seen for EMT-Is

and private and fire-department EMTs. However, variations within the EMT subgroups allowed for an overall increase in EMT salary levels. While variations are seen within the subgroups of private and fire-department compensation levels, increased compensation for each position overall ranges from 3.1 percent for EMTs to 12.4 percent for EMT-Is. Overall, paramedic compensation increased 4.2 percent, and dispatcher wages increased 4.4 percent.

Because the 1988 Salary Survey was based on information collected in 1987, it is now possible to analyze trends from 1987 through 1991. Table 8 analyzes the four-year compensation trends for nine positions; executive directors demonstrate the largest mean salary increase, 28.6 percent, while the smallest increase occurred in paramedic compensation, which, over the four years, was 13.4 percent. The average increase for all positions was 18.9 percent; on an annual basis, this computes to an average 4.7-percent increase per year.

Tables 9, 10 and 11 illustrate variations in compensation levels among 13 positions by region, call volume and population of the primary service area. Regional comparison of compensation levels reveals that, once again, the western region provides the highest salary for all but one of the 13 positions; in the majority of positions, the northeastern region has the lowest compensation levels, with the mean salary for 10 of the 13 positions lower than the national mean.

As seen in Table 10, mid- and upper-management positions in the busier services tend to have higher compensation levels than those that respond to fewer calls. Compensation levels for field personnel and dispatchers, however, do not seem to be dependent on call volume. A similar pattern is seen in

Table 6.

Annual Compensation by Provider Type

Provider Type	Executive Director	Administrative Director	Operations Manager	Div./Ops. Supervisor	Field Supervisor	Paramedic	EMT-Intermediate
Private	68,673	44,942	43,910	36,250	30,783	24,223	19,097
Public							
Fire Dept.,	69,204	57,847	58,230	46,825	39,577	33,355	35,077
Cross-trained							
Fire Dept.,	57,992	72,363	45,741	34,772	35,407	32,267	27,342
Separate							
Third Service	51,205	38,630	37,585	38,021	29,004	26,434	21,880
Other Public	47,781	N/A	42,652	N/A	28,153	25,083	19,500
Hospital	42,978	44,200	34,242	33,933	28,251	24,518	18,134
Other	46,400	24,000	37,167	28,500	28,641	24,822	22,800
Mean Salary	57,929	47,860	44,660	40,422	32,492	27,320	23,108

Table 11, which compares mean compensation levels by service-area population.

The range between mean starting salaries and top salaries is presented in Table 12. To draw relevant comparisons of an agency's performance, managers and personnel can determine if their service's mean salary falls within the range for each position. If so, that agency can be classified as being within industry norms. For example, if a paramedic earns between \$23,385 and \$30,560, that compensation level could be considered comparable to the industry as a whole. EMS dispatchers typically receive annual compensation between \$19,510 and \$26,442; basic EMTs, between \$20,637 and \$24,710; field supervisors, between \$28,226 and \$34,972; and executive directors, between \$46,164 and \$61,930. It must be remembered that the mean starting salary and the mean top salary do not represent the lowest and highest compensation levels according to the survey, but they are averages of the starting and top salaries identified for each position.

Age and Tenure

Another factor that could be expected to affect compensation levels is the employee's tenure with the service. Table 13 includes an analysis of age, tenure and hours worked per week for EMS employees; pertinent findings include the consistency of experience levels within the various categories from year to year. For example, the average private-service paramedic has worked within his current organization for 3.8 years, which is identical with last year's figure. Similarly, the average tenure of private-service dispatchers has been 4.2 years for the past two years. As expected, fire departments continue to

Table 7. Changes in Compensation from 1990 to 1991			
Position	1991	1990	% Change
Paramedics			
Overall.....	27,320	26,210	+4.2
Private.....	24,223	24,150	+0.3
Fire Dept., Combined.....	33,108	32,080	+3.2
EMTs			
Overall.....	21,650	21,000	+3.1
Private.....	17,227	18,500	-6.9
Fire Dept., Combined.....	28,029	28,050	-0.1
EMT-Is			
Overall.....	23,108	20,550	+12.4
Private.....	19,097	20,000	-4.5
Fire Dept., Combined.....	32,176	26,500	+21.4
Dispatchers			
Overall.....	23,460	22,470	+4.4
Private.....	21,591	21,500	+0.4
Fire Dept., Combined.....	28,292	27,940	+1.3

Table 8. Changes in Compensation from 1987 to 1991				
	1991	1987	Percent Change	Avg. Annual Increase (%)
Executive Director.....	57,929	45,050	+28.6	7.1
Admin Director.....	47,860	39,330	+21.7	5.4
Operations Mgr.....	44,660	37,030	+20.6	5.2
Div./Ops. Supervisor.....	40,422	33,420	+21.0	5.2
Field Supervisor.....	32,492	28,470	+14.1	3.5
Paramedic.....	27,320	24,100	+13.4	3.3
EMT-Intermediate.....	23,108	19,840	+16.5	4.1
EMT-Basic.....	21,650	18,710	+15.7	3.9
Dispatcher.....	23,460	19,740	+18.8	4.7
Average.....			+18.9	4.7

have less turnover and experience lengths of employee service that average two to three times higher than that

of private organizations, particularly within the field-personnel positions.

In comparing last year's report with this year's, a trend in a decreasing number of hours worked per week may be occurring in the private sector. The average workweek for a paramedic has shortened by 3.9 hours, from 54 to 50.1 hours, while the workweeks of basic EMTs averaged 6.6 hours shorter, from 56.4 to 49.8 hours. In fact, for the first time, the number of hours worked per week by private paramedics and EMTs is lower than that worked by fire-department EMS personnel.

Hourly Compensation Comparison

In order to compare various annual-compensation levels and take into consideration the length of the workweek, the survey's authors calculated an hourly rate of pay. This calculation was accomplished by dividing the mean salary by the number of hours worked

EMT- Basic	Dispatcher	Medical Director	Training Dir./Officer	Public Info./ Education Officer	First Responder
17,227	21,591	30,000	34,762	27,057	N/A
28,914	27,300	47,770	45,681	37,628	27,500
24,183	31,516	N/A	50,940	49,441	N/A
20,476	21,146	31,000	34,461	31,050	25,000
20,180	24,812	35,000	26,500	24,000	N/A
16,401	19,202	6,925	31,000	28,000	N/A
13,000	19,422	24,000	24,554	23,109	N/A
21,650	23,460	31,947	37,325	33,228	26,875

Table 9

Annual Compensation by Region

Region	Executive Director	Administrative Director	Operations Manager	Div./Ops. Supervisor	Field Supervisor	Paramedic	EMT-Intermediate
Region 1—Northeastern	55,423	43,913	32,583	38,283	29,922	25,877	20,650
Region 2—Western	62,941	51,983	48,497	42,795	34,652	29,128	26,060
Region 3—Central	51,768	49,557	42,745	37,439	30,578	26,388	22,245
Region 4—Southeastern	56,777	41,804	48,458	39,827	32,429	26,300	20,837
Mean Salary	57,929	47,860	44,660	40,422	32,492	27,320	23,108

Table 10

Annual Compensation by Emergency-call Volume

Call Volume	Executive Director	Administrative Director	Operations Manager	Div./Ops. Supervisor	Field Supervisor	Paramedic	EMT-Intermediate
Less than 2,000	42,333	42,000	34,864	30,004	27,508	23,588	22,123
2,001 to 5,000	38,533	37,101	34,281	35,500	26,584	25,681	17,911
5,001 to 10,000	49,055	43,500	46,622	42,605	35,355	30,072	27,767
10,001 to 25,000	61,697	44,845	47,219	43,637	34,454	28,886	21,442
25,001 to 50,000	62,785	51,249	52,418	39,670	34,214	26,827	21,798
50,001 to 100,000	62,500	60,325	42,880	37,894	30,519	27,399	22,850
More than 100,000	95,333	74,500	60,400	51,333	39,065	32,614	28,598
Mean Salary	57,929	47,860	44,660	40,422	32,492	27,320	23,108

Table 11

Annual Compensation by Service-area Population

Service-area Population	Executive Director	Administrative Director	Operations Manager	Div./Ops. Supervisor	Field Supervisor	Paramedic	EMT-Intermediate
Less than 20,000	40,000	N/A	30,438	25,316	23,243	24,189	20,967
20,000 to 49,999	37,500	44,731	40,428	34,333	28,919	26,713	25,515
50,000 to 99,999	42,378	40,813	33,618	37,167	27,023	24,790	20,193
100,000 to 249,999	55,695	43,533	50,586	42,810	36,344	29,818	23,512
250,000 to 999,999	59,720	45,730	44,663	38,721	31,626	26,409	22,747
Greater than 1,000,000	82,667	65,800	52,657	47,126	34,429	29,282	29,799
Mean Salary	57,929	47,860	44,660	40,422	32,492	27,320	23,108

per year and did not differentiate between regular pay and overtime compensation. The estimated hourly compensation changes from 1990 to 1991 for paramedics and basic EMTs are presented in Table 14. While private paramedics only experienced a 0.3-percent increase in annual-compensation levels from the previous year (see Table 7), their hourly compensation increased by 8.1 percent, since there were significantly fewer hours worked per week. In comparison, compensation for fire-department paramedics increased 3.2 percent, and their hourly pay increased by 3.3 percent, indicating that there was little change in the number of hours worked per week.

An examination of EMT salaries reveals an even wider variance between overall compensation levels and hourly

compensation increases. Private EMTs' compensation decreased by 6.9 percent from 1990 to 1991, largely due to a 12-percent decrease in the number of hours worked per week. When calculated on an hourly basis, private EMTs' compensation levels effectively increased 5.4 percent from 1990 to 1991, while the combined fire-department EMTs experienced a 1.8-percent decrease in hourly wage compensation.

In both the 1990 and 1991 surveys, private-service paramedics experienced decreasing workweek lengths, while private-sector EMTs significantly decreased the length of their workweek in 1990. Fire-department paramedics and EMTs have seen little change in the length of their workweeks; in 1987, fire-department paramedics worked an average of 51.2 hours per week, and in

1991, figures indicate that the average workweek for both cross-trained and separate fire-department paramedics is 51.9 hours. Fire-department EMTs worked 51.2 hours per week in 1987 and are currently working an average 53.1 hours per week. Fire departments in which EMS is provided by a separate division demonstrate a shorter average workweek for both paramedics and EMTs than fire departments that combine EMS and fire-suppression duties.

Women in EMS

For the first time, the 1990 Salary Survey provided information regarding the status of women in EMS. This information was provided as an adjunct to show the use of human resources and to demonstrate how women are integrated into management levels. The results of this

Region	Executive Director	Administrative Director	Operations Manager	Div./Ops. Supervisor	Field Supervisor	Paramedic	EMT-Intermediate	EMT-Basic	Dispatcher	Medical Director	Training Dir./Officer	Public Info./Education Officer	First Responder
Region 1—Northeastern	55,423	43,913	32,583	38,283	29,922	25,877	19,550	19,819	22,721	33,625	30,000	34,400	N/A
Region 2—Western	62,941	51,963	48,497	42,795	34,652	29,126	26,060	22,478	25,321	37,669	40,141	33,808	32,000
Region 3—Central	51,768	49,557	42,745	37,439	30,578	26,388	23,245	21,522	23,615	7,500	35,618	30,143	25,000
Region 4—Southeastern	56,777	41,804	48,458	39,827	32,429	26,300	19,837	21,878	20,094	33,800	35,603	35,508	25,250
Mean Salary	57,929	47,860	44,660	40,422	32,492	27,320	23,108	21,650	23,460	31,947	37,325	33,228	26,875

Call Volume	Executive Director	Administrative Director	Operations Manager	Div./Ops. Supervisor	Field Supervisor	Paramedic	EMT-Intermediate	EMT-Basic	Dispatcher	Medical Director	Training Dir./Officer	Public Info./Education Officer	First Responder
Less than 2,000	42,333	42,000	34,864	30,004	27,508	23,588	22,123	21,917	19,267	2,400	34,500	N/A	N/A
2,001 to 5,000	38,533	37,101	34,281	35,500	26,584	25,681	17,911	18,232	17,934	13,333	40,883	23,000	N/A
5,001 to 10,000	49,055	43,500	48,622	42,605	35,355	30,072	27,787	21,138	25,879	14,125	41,600	35,601	N/A
10,001 to 25,000	61,697	44,845	47,219	43,637	34,454	28,886	21,442	24,753	23,878	21,111	35,824	35,461	N/A
25,001 to 50,000	62,785	51,249	52,418	39,670	34,214	26,827	21,796	21,857	21,260	54,866	41,232	36,884	25,250
50,001 to 100,000	62,500	60,325	42,880	37,894	30,519	27,399	22,850	23,000	23,933	100,000	37,833	24,250	25,000
More than 100,000	95,333	74,500	60,400	51,333	39,065	32,614	38,598	26,350	33,800	87,750	40,970	28,000	32,000
Mean Salary	57,929	47,860	44,660	40,422	32,492	27,320	23,108	21,650	23,460	31,947	37,325	33,228	26,875

Service-area Population	Executive Director	Administrative Director	Operations Manager	Div./Ops. Supervisor	Field Supervisor	Paramedic	EMT-Intermediate	EMT-Basic	Dispatcher	Medical Director	Training Dir./Officer	Public Info./Education Officer	First Responder
Less than 20,000	40,000	N/A	30,438	25,316	23,243	24,189	20,967	19,000	N/A	1,200	30,000	N/A	N/A
20,000 to 49,999	37,500	44,731	40,428	34,333	28,919	26,713	25,515	24,859	22,600	6,000	39,500	23,000	N/A
50,000 to 99,999	42,378	40,813	33,618	37,167	27,023	24,790	20,193	18,755	16,384	3,933	41,766	N/A	N/A
100,000 to 249,999	55,695	43,533	50,588	42,810	36,344	29,818	23,512	23,287	23,717	18,100	39,058	36,091	N/A
250,000 to 999,999	59,720	45,730	44,663	38,721	31,626	28,409	22,747	21,709	23,504	39,518	36,192	31,109	25,187
Greater than 1,000,000	82,667	65,800	52,657	47,126	34,429	29,282	29,799	20,560	27,550	91,833	38,488	33,500	32,000
Mean Salary	57,929	47,860	44,660	40,422	32,492	27,320	23,108	21,650	23,460	31,947	37,325	33,228	26,875

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Women in EMS

For the first time, the 1990 Salary Survey provided information regarding the status of women in EMS. This information was provided as an adjunct to show the

year's survey indicate a decline in the involvement of women in private-sector EMS services; the percentage of private-sector women who are identified as field supervisors declined from 20.7 percent to 13 percent; the number of women paramedics in private services decreased 5.1 percent; basic EMTs by 5.7 percent; and dispatchers by 11.1 percent. There was, however, little difference between fire departments that use cross-trained personnel and the combined fire-department services analyzed last year. Furthermore, more women appear to be involved in fire-department EMS that separates EMS operations from fire-suppression responsibilities. Table 15 identifies the percentage of women em-

Position	Mean Starting Salary
Executive Director	46,164
Administrative Director	41,336
Operations Manager	36,889
Division/Operations Supervisor	34,772
Field Supervisor	28,226
Paramedic	23,385
EMT-Intermediate	19,220
EMT-Basic	20,637
Dispatcher	19,510
Medical Director	21,441

Employee B. Salaries represent total compensation; considered as are provided salaries (se against inform indicate ber of organ employee bene regarding ti do not seem vision of the year, 93.5 p fully or pa major med Other bene more than ti ing organiza (91.3 percen percent); ur cent); retire percent); pai (81.5 percen ments (77.2 ance (75 per

Other Facts While defini of care has t ber of year provides an vations rega of EMS in ti of this year advanced li sponse has the total nu percent pro only four o not have AL Crew cor of ALS care of much di

EMT- Basic	Dispatcher	Medical Director	Training Dir./Officer	Public Info./ Education Officer	First Responder
19,819	22,721	33,625	30,000	34,400	N/A
22,478	25,321	37,669	40,141	33,808	32,000
21,522	23,615	7,500	35,616	30,143	25,000
21,878	20,094	33,800	35,603	35,506	25,250
21,650	23,460	31,947	37,325	33,228	26,875

EMT- Basic	Dispatcher	Medical Director	Training Dir./Officer	Public Info./ Education Officer	First Responder
21,917	19,267	2,400	34,500	N/A	N/A
18,232	17,934	13,333	40,883	23,000	N/A
21,138	25,879	14,125	41,600	35,601	N/A
24,753	23,878	21,111	35,824	35,461	N/A
21,857	21,260	54,866	41,232	36,884	25,250
23,000	23,933	100,000	37,833	24,250	25,000
26,550	33,800	87,750	40,970	28,000	32,000
21,650	23,460	31,947	37,325	33,228	26,875

EMT- Basic	Dispatcher	Medical Director	Training Dir./Officer	Public Info./ Education Officer	First Responder
19,000	N/A	1,200	30,000	N/A	N/A
24,859	22,600	6,000	39,500	23,000	N/A
16,755	16,384	6,833	41,766	N/A	N/A
23,287	23,717	18,100	39,056	36,091	N/A
21,709	23,504	39,516	36,192	31,109	25,167
20,560	27,550	91,833	38,488	33,500	32,000
21,650	23,460	31,947	37,325	33,228	26,875

year's survey indicate a decline in the involvement of women in private-sector EMS services; the percentage of private-sector women who are identified as field supervisors declined from 20.7 percent to 13 percent; the number of women paramedics in private services decreased 5.1 percent; basic EMTs by 5.7 percent; and dispatchers by 11.1 percent. There was, however, little difference between fire departments that use cross-trained personnel and the combined fire department services analyzed last year. Furthermore, more women appear to be involved in fire-department EMS that separates EMS operations from fire-suppression responsibilities. Table 15 identifies the percentage of women employed as field supervisors, paramedics, EMTs, basic EMTs and dispatchers among the various types of services.

Employee Benefits

Salaries represent one component of the total compensation package for EMS personnel; other factors that need to be considered are the various benefits that are provided in conjunction with those salaries (see Table 16). Comparison against information from last year's survey indicates that, generally, the number of organizations that provide employee benefits has increased. Concerns regarding the cost of health insurance do not seem to have impacted the provision of those benefits; during the past year, 93.5 percent of the organizations fully or partially paid for employee major medical-insurance coverage. Other benefits that are provided by more than three-fourths of the responding organizations include: life insurance (91.3 percent); liability insurance (89.1 percent); uniform allowance (88 percent); retirement or pension plan (85.9 percent); paid seminars and conferences (81.5 percent); EMS tuition reimbursements (77.2 percent); and dental insurance (75 percent).

Other Facts

While defining a national standard level of care has been problematic for a number of years, the JEMS Salary Survey provides an opportunity to make observations regarding this and other aspects of EMS in the United States. The results of this year's survey demonstrate that advanced life support for emergency response has become nearly universal; of the total number of respondents, 95.7 percent provide ALS services. In fact, only four out of the 92 respondents do not have ALS capability.

Crew configuration for the delivery of ALS care continues to be the subject of much discussion. Last year, it was

Table 12.
Mean Starting and Top Salaries

Position	Mean Starting Salary	Mean Salary	Mean Top Salary
Executive Director	46,164	57,929	61,930
Administrative Director	41,336	47,860	51,521
Operations Manager	36,889	44,660	45,835
Division/Operations Supervisor	34,772	40,422	43,255
Field Supervisor	28,226	32,492	34,972
Paramedic	23,385	27,320	30,560
EMT-Intermediate	19,220	23,108	24,650
EMT-Basic	20,637	21,650	24,710
Dispatcher	19,510	23,460	26,442
Medical Director	21,441	31,947	N/A
Training Dir./Officer	34,301	37,325	41,632
Public Info./Education Officer	27,819	33,228	30,421
First Responder	23,085	26,875	31,441

Table 13.

Mean Age, Tenure and Hours Worked per Week

PROVIDER TYPE	EXECUTIVE DIRECTOR			ADMINISTRATIVE DIRECTOR			OPERATIONS MANAGER			DIV./OPS. SUPERVISOR			FIELD SUPERVISOR		
	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk
Private	40.4	9.0	46.4	37.6	5.2	43.1	36.9	7.8	47.0	35.4	6.0	47.9	31.0	5.8	51.2
Public															
FD., Cross-trained	48.1	14.5	41.0	49.2	19.7	39.9	46.4	16.4	40.0	43.2	18.8	44.8	39.1	15.1	51.2
FD., Separate	45.0	21.0	40.0	48.0	23.5	40.0	42.8	18.8	40.0	46.3	20.7	49.7	40.6	15.6	51.2
Third Service	42.4	9.6	44.4	42.3	10.5	42.6	40.5	11.3	42.6	33.8	10.5	48.3	34.9	9.0	46.3
Other Public	40.0	21.0	40.0	N/A	N/A	N/A	42.5	13.0	40.0	N/A	N/A	N/A	38.3	13.0	46.3
Hospital	39.8	8.7	44.6	37.0	10.7	50.3	32.0	8.6	44.3	34.0	9.7	51.3	33.1	6.8	46.3
Other	38.8	6.2	45.0	35.0	7.0	45.0	36.2	12.0	46.3	38.0	10.0	45.0	33.5	6.2	46.3
Mean	42.3	10.7	44.1	41.0	10.5	42.8	40.1	11.7	43.2	39.0	13.0	46.9	35.3	10.2	46.3
PROVIDER TYPE	PARAMEDIC			EMT-INTERMEDIATE			EMT-BASIC			DISPATCHER			MEDICAL DIRECTOR		
	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk
Private	28.6	3.8	50.1	28.2	2.9	51.3	26.0	3.5	49.8	29.0	4.2	42.8	38.7	5.0	51.2
Public															
FD., Cross-trained	32.3	10.1	52.7	32.6	10.5	55.0	30.7	8.9	53.1	32.8	9.9	42.0	46.0	4.8	19.1
FD., Separate	32.8	7.8	48.8	31.7	10.7	51.0	35.3	14.7	52.7	37.3	6.0	40.0	40.0	4.0	5.0
Third Service	30.0	6.0	52.2	27.8	3.2	59.3	27.9	4.5	47.3	35.0	7.2	41.5	41.9	7.6	14.6
Other Public	31.3	4.5	53.0	30.0	N/A	48.0	38.5	18.0	49.3	31.0	N/A	42.7	N/A	N/A	N/A
Hospital	29.1	4.8	46.6	27.8	4.5	47.5	29.8	5.2	41.2	33.5	7.2	43.3	39.0	7.0	5.3
Other	29.0	3.5	47.0	25.5	2.0	41.0	21.0	1.0	40.0	24.0	3.0	42.0	37.0	6.0	20.0
Mean	30.2	6.0	50.7	29.0	5.0	52.1	29.1	6.2	49.2	31.9	6.5	42.2	41.9	6.0	14.6
PROVIDER TYPE	TRAINING DIR/OFFICER			PUBLIC INFO/ EDUCATION OFFICER			FIRST RESPONDER								
	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk	Age	Yrs.	Hr/wk						
Private	33.9	7.1	48.1	31.1	4.6	47.4	N/A	N/A	N/A						
Public															
FD., Cross-trained	43.0	17.0	40.0	39.1	12.3	41.1	42.5	19.0	50.0						
FD., Separate	35.0	15.0	40.0	38.5	9.0	40.0	N/A	N/A	N/A						
Third Service	38.0	9.0	43.2	37.3	10.8	45.7	40.0	10.0	42.0						
Other Public	31.0	N/A	44.0	26.0	N/A	40.0	N/A	N/A	N/A						
Hospital	36.0	8.0	44.7	N/A	10.0	40.0	N/A	N/A	N/A						
Other	33.5	6.0	46.0	36.0	3.0	47.0	N/A	2.0	N/A						
Mean	37.7	10.8	43.8	35.9	9.2	43.7	41.7	12.5	48.0						

Table 14.

Hourly Wage Comparison

PROVIDER	PARAMEDIC			EMT-BASIC		
	1991	1990*	Percentage	1991	1990*	Percentage
Private	9.30	8.60	+8.1	6.65	6.31	+5.4
Public						
Fire Dept., Combined	12.27	11.88	+3.3	10.17	10.36	-1.8
Fire Dept., Cross-trained	12.17	N/A	N/A	10.47	N/A	N/A
Fire Dept., Separate	12.72	N/A	N/A	13.83	N/A	N/A
Third Service	9.74	9.71	+0.3	8.42	8.08	+4.2
Other Public	9.10	7.69	+18.4	7.87	6.41	+22.6
Hospital	10.12	9.99	+1.3	8.66	8.29	+4.5
Other	10.16	N/A	N/A	8.24	6.25	+32.0
Mean	10.36	10.07	+2.9	8.46	7.81	+8.3

*Data obtained in October 1989.

reported that 68.6 percent of the ALS services provided two paramedics. But a slight decline is revealed this year, with 64.7 percent of the services providing ALS with two paramedics. The one-paramedic and one-EMT configuration increased from 27.9 percent to 32.9 percent, while those services that use more than two paramedics on a crew decreased from 3.5 percent to 2.4 percent. These figures continue to indicate that approximately one-third of the paramedic services now employ the one-paramedic and one-EMT configuration, while two-thirds opt for at least two paramedics on each ALS unit.

Nearly two-thirds of the organizations provide prearrival instructions to callers, which is identical to last year's figures. Of those services that offer prearrival instructions, an impressive change has occurred. While last year, 69 percent indicated that they allow dispatchers to improvise prearrival instructions over the phone, this year, only 37.8 percent allow dispatchers to improvise.

Conclusion

After conducting four surveys that analyze EMS compensation and information, it is possible to discuss trends and report observations. Information gleaned from these four surveys indicates that stabilization may be occurring in the EMS work force; indicators that support this conclusion are the steady—but not precipitous—increases in compensation levels, decrease in number of hours worked and the gradual increases in personnel tenure within organizations.

The difference between the hourly compensation of fire department and private service personnel continues to narrow. This is likely due to the continued fiscal constraints among local governments and the private sector's need to compete with fire departments for EMS personnel.

Actual compensation levels for paramedics, EMTs and dispatchers demonstrate increases comparable to last year's inflation rate. If this increase is combined with the reduced workweek, however, the effective hourly compensation has exceeded the annual inflation rate for private-sector paramedics and EMTs by a considerable margin.

In summary, there are strong indications of a maturing and stable work force within the EMS industry. Within the last four years, the average age of the basic EMT has increased by 1.2 years, and tenure within organizations has lengthened by 1.6 years. The average paramedic is 1.5 years older than

continued on page 83

About the Salary Survey

Every survey has its limitations: Survey respondents represent only a small portion of the potential subjects to be analyzed. Also, the size and makeup of the sample is a key constraint to the survey process.

The JEMS Salary Survey is not designed to be "scientific." For one thing, a scientific survey would require a tremendous amount of resources and money. Moreover, it would necessitate the use of stratified, random-sampling techniques, a process that dictates that a random sampling be obtained for each subgroup (e.g., provider type or region) to elicit responses that reflect each subgroup's proportional representation within the industry.

The methodology employed for the JEMS Salary Survey has been solely designed to monitor trends. Surveys are sent to essentially the same group of EMS providers each year. By monitoring their compensation levels, we can draw conclusions about trends that are applicable to the entire industry. The tables contained in this survey reflect changes in compensation levels among survey respondents. While it is not possible to say that these salaries apply to the entire industry, it is expected that the overall mean for each category is a reflection of the industry.

Readers are cautioned against attempting to explain variations within the subgroups. For example, an inappropriate conclusion might be drawn that medical directors who work for fire departments make more money than those who work for private services; this generalization cannot be supported by the data. Since the sample was not random in nature, it is inappropriate to assume that relationships exist among subgroups. For this reason, extreme care was taken to avoid conjecture within the text of this article.

Calculations

The survey form requested specific information regarding compensation for each job position. Data regarding the starting salary, top salary and the actual average wages paid to personnel were then collected. From this information, the mean compensation levels were calculated.

The mean salary represents the arithmetic average of the sample group. It is derived by calculating the answers provided in response to a particular question. Cross-tabulation of data is conducted to describe various subgroups and to cull the compensation levels by provider type, region, call volume, etc. The accuracy of these subgroup compensation levels is based largely on the group's sample size.

When reading through the article and charts, consider the following: Certain numbers have been rounded off within the text to make it easier to read. When tallied, some percentages do not equal 100 percent due to rounding off of the subgroups to the nearest one-tenth of 1 percent.

The number of respondents cited within certain tables may not equal 92 (the number of survey respondents) due to the fact that some services did not answer all of the questions.

Information is sometimes reflected as N/A (not available) because the pertinent question was not answered by any member of the subgroup being analyzed.

Table 15

Women in EMS: Percentage by Category

Provider Type	Field Supervisor	Paramedic	EMT-Intermediate	EMT-Basic	Dispatcher
Private	13.0	29.0	24.0	20.0	38.0
Public					
Fire Dept., Cross-trained	3.0	6.0	0.0	3.0	37.0
Fire Dept., Separate	8.0	27.0	12.0	1.0	50.0
Third Service	3.0	11.0	28.0	4.0	39.0
Other Public	5.0	11.0	29.0	6.0	13.0
Hospital	10.0	19.0	23.0	15.0	33.0
Other	14.0	31.0	30.0	0.0	53.0
Mean	5.0	16.0	15.0	5.0	38.0

EMS SALARY SURVEY

continued from page 79

verage paramedic was in 1987 and worked for the organization six- of a year longer. In addition, the s of compensation and the provi- of benefits have consistently, but ramatically, increased. ■

ard Keller is a partner with Fitch & associates Inc., a national health-care ulting firm specializing in EMS the air-medical transportation stry. He specializes in EMS system gn, operations, resource utilization, finance and reimbursement.

iel Yameen is an associate of Fitch associates Inc. He supports the s research and data-analysis activi- and specializes in the development implementation of marketing pro- ns.

Table 16.

Benefits Provided

Benefits	1991 Percentage	1990 Percentage
Major medical—employee	93.5	90.7
Life Insurance	91.3	84.5
Liability Insurance	89.1	81.4
Uniform allowance	88.0	83.5
Retirement or pension plan	85.9	79.4
Paid seminars and conferences	81.5	72.2
Tuition reimbursement, EMS only	77.2	78.4
Dental Insurance	75.0	67.0
Major medical—family	72.8	71.1
Employee assistance plan	68.5	74.2
Short-term disability	58.7	53.8
Long-term disability	54.3	62.9
Education incentive, non-EMS courses	48.9	58.7
Optical Insurance	44.6	39.2
Shift differential	30.4	27.8
Financial incentive programs	27.2	23.7
Meal allowance	18.5	15.5
Profit sharing	13.0	10.3

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NATIONAL ASSOCIATION OF
State Emergency Medical
Services Directors



Director of Operations

SAN FRANCISCO AMBULANCE

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manages the on-site fleet maintenance facility.

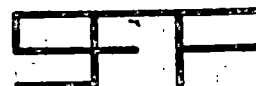
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Qualified applicants should contact:

Kim E. Johansen
Chief Operating Officer
San Francisco Ambulance Service
2829 California Street
San Francisco, CA 94115
(415) 922-9400



For More Information Circle #55 on Reader Service Card

THE WHITE HOUSE
WASHINGTON

DATE: 4/29

TO: Joe

FROM: DAVID J. BEIGHTOL DB
Special Assistant to the President for
Intergovernmental Affairs
Room 160, OEOB, x7170

- ☒ FYI
- ☒ Appropriate Action
- ☒ Let's Discuss
- ☐ Per Our Conversation
- ☐ Per Your Request
- ☐ Please Return

COMMENTS:

The Gov. thinks it would
be good for POTUS to
add ~~the~~ some mention of
the attached into one of
his speeches. POTUS signed
this Tues
Gail Wilensky has more details

THE WHITE HOUSE

WASHINGTON

April 15, 1992

MEMORANDUM FOR SAMUEL K. SKINNER

FROM: GAIL R. WILENSKY *gwr*

SUBJECT: Ohio Medicaid Waiver

Ohio Gov. Voinovich in early February asked the President for help on a number of Ohio problems, including one with the Dayton Area Health Plan (DAHP). Dayton covers its Medicaid recipients through the three Health Maintenance Organizations (HMOs) in the DAHP. The organization received a waiver from HHS three years ago with a deadline for compliance of April 30th. The Governor requested a new waiver from Secretary Sullivan for the DAHP so that it might continue to serve the community. Secretary Sullivan reported that current law allows his Department to waive these standards for only three years. You wrote to Gov. Voinovich, explaining the statutory restrictions covering these waivers.

Ohio now has a legislative solution to its problem. H.R. 4572 waiving the "75/25 rule" for the DAHP was passed by both the House and Senate, April 9th and 10th respectively. This waiver allows the three HMOs in the DAHP to continue to operate through January 31, 1994 despite their non-compliance with the rule which requires 25 percent of enrollees in an HMO contracting with Medicaid to be private patients.

As of this afternoon, the bill has not yet been received by the Clerk's office, however they are expecting it soon. Once signed, Voinovich will be satisfied on this issue.

The 25 percent rule is a bad proxy for quality assurance which hinders Medicaid HMOs in Ohio as well as in other States. Before I left HCFA, I asked the Medicaid Bureau to develop some direct measures of quality assurance that could be used in place of the 25 percent rule. As soon as these are available (probably by summer or early fall), we should consider proposing corrective legislation.

cc: Clayton Yeutter

THE WHITE HOUSE
WASHINGTON

(Duggan/Simon)
April 28, 1992
Draft Four
Broadcast

PRESIDENTIAL REMARKS:

OHIO BROADCASTERS ASSN.
COLUMBUS, OHIO
THURSDAY, APRIL 30, 1992
[time]

[Acknowledgments] Let me begin with a few words about the great man who gave his name to this city. Christopher Columbus dared to explore far beyond the horizons of his continent -- and he discovered a new world. None of us would be here had it not been for his vision.

In much the same manner, we wouldn't be holding a convention of broadcasters if not been for other daring individuals -- scientific prodigies like DeForest and Marconi, business geniuses like Sarnoff and Paley.

There's a lesson here we must not lose on our young people today. It's important to remember, against the background of centuries of human history, just how new this thing called broadcasting is. ^{The year} ~~Around the time~~ my father was born here in the city of Columbus, Marconi was in Europe bringing his dreams to their first fruition. It was just four years before I was born that the first radio station went on the air in the United States. And when I was growing up, the notion of pictures moving over the airwaves was only a wild and distant dream. I see ~~many~~ ^{a few} in the audience now nodding that you've lived the same experience -- and I wouldn't exactly say any of us are Methuselahs.

Yes, telecommunications is still in its infancy. And it is taking its first baby steps hand in hand with another thing

World
Almanac
92
p. 201
356

COLUMBUS
DISPATCH
2-8-90

World
Almanac 92

1920
KDKA
see file

THE WHITE HOUSE

that's bright and new in human ^{WASHINGTON} history: the worldwide spread of freedom and democracy. In many lands of Eastern Europe, of Asia, of Africa and South America, people have thrown off the old ways of dictatorship and command economies. They are enjoying true self-government and economic freedom for the very first time.

When men like Washington and Madison gave us our system of freedom and self-government, they put America in the vanguard of historic change. It would be tragic if now -- as most of the world embraces the new order of freedom -- if now America should lose its sense of leadership and lag behind.

Leaders don't lead sheltered lives -- they take risks. That is the essence of the reforms we need to carry our ideals and our leadership into the new century. We must work for more open trade -- and to fight protectionism at home and abroad. We must pull ourselves out of the rut of excessive bureaucracy -- and renew the spirit and practice of limited government.

Powerful popular movements are underway to change this country for the better. In community after community, we see parents standing up to the bureaucratic establishment -- asserting their rights in their children's education. A citizens movement is fighting to limit the terms of congressmen and make them more accountable. I support both these movements, and I'm working hard also for another important reform: to stop the epidemic of nuisance lawsuits. Our climate of hair-trigger litigation makes a mockery of justice. We need to spend more time helping one another and less time suing each other. \\

THE WHITE HOUSE

WASHINGTON
Increasingly, the people are showing their anger and impatience with the heavy hidden taxes of government regulation. For far too long, Congress has been levying these hidden taxes. For far too long, Congress has imposed arbitrary mandates on the the American people and made unelected bureaucracies the regulatory equivalent of prosecutor, judge and jury. For far too long, Congress and the bureaucracies it creates have evaluated their own actions on the basis of intentions -- while sternly judging the people they regulate on the basis of results.

Consider just a few examples of the burden of regulation:

city of Columbus
Mik Pongelli
645-6181
Here in Columbus, the city government has projected that over the next decade its cost of compliance with federal environmental regulations alone would be ^{1.6}~~one~~ billion dollars.

10% ↓
23% ↓
of city budget
Now, this is for a community whose entire city budget last year was \$591 million.

856 per year per household

A small business owner from Bedford, New York, wrote to me recently. He runs an ambulance service, and he bid for a contract with the local Veterans Administration hospital. He estimates that wage-rate rules mandated by Congress inflate the cost of an ambulance call from less than \$200 to almost \$7,000.

In Juneau, Alaska, a local charity, the St. Vincent de Paul Society, wanted to build an addition to its shelter for the homeless. The shelter is surrounded by concrete, on a city block that includes two car dealerships, a plumbing store and a storage business. But the building project was delayed for a whole year because bureaucrats erroneously declared the site a "wetland."

THE WHITE HOUSE

WASHINGTON
[other real-life examples, preferably some from Ohio]

Yesterday in Washington, I took some new actions to breathe new life into our ability to compete, to innovate, to create jobs. I've extended the moratorium on regulations that I had instituted in my State of the Union Address.

Just since the moratorium began three months ago, we've already yielded big benefits for the American people. We estimate that our reforms already in place will save consumers about \$20 billion a year -- and that's just a down payment on savings to come. [examples, preferably some from Ohio]

During the first 90 days of our accelerated reform efforts, every federal agency I asked responded with action to ease the burden of unnecessary regulation. And let me take this occasion to salute the Federal Communications Commission for its action to relax needless restrictions on ownership of radio stations.

That's a very welcome reform. Al Sikes, the FCC chairman, believes in free markets and innovation -- and it's clear to me that is the right direction.

Looking forward, one can't help but see that new telecommunications technologies will revolutionize science, education, and the way we do business. They'll be an important boon to families: The day is coming when mothers and fathers will be able to spend more time at home with their children even as they make ever more productive contributions to our economy.

In harmony with with regulatory reform is the movement to sell off government-run facilities that would serve the public

FCC
Release

3-12-92

far more fairly and efficiently if operated by competitive enterprises. Next week I'll present a major initiative to help state and local governments turn over some key services to the free market where they belong. We want to help more people enjoy cheaper and better waste-water treatment service by letting businesses with real market incentives do the job.

Privatizing state enterprises is one of the great hopes for economic growth and rebirth in such places as Mexico and Russia. Surely it would be a sad mistake if we missed our opportunities to spur efficiency and innovation in the same manner right here in our own country.

Of one thing, however, I am certain: The status quo will not yield without a fight.

And another issue that highlights another issue where the divide between popular reformers and protectors of the status quo is campaign financing. I've asked Congress repeatedly to reform the campaign financing system -- I want the total elimination of the special interest PACs. But the entrenched leadership in Congress is proposing instead a ~~bill that would require broadcast stations to carry [taxpayer-subsidized] advertising for candidates who receive federal matching funds.~~ *a lot of this* The upshot would ~~be to further protect incumbents.~~ And I think you'll agree -- the last thing this country needs is more public expenditure to perpetuate the tenure of incumbents in Congress. So let me repeat: I want real reform. If Congress sends me ~~another~~ *their* "incumbent protection bill" -- I'll veto it.

a taxpayer-financed incumbent protection scheme

Baseball
Anecdotes
p.
207

This is springtime -- and a young man's thoughts turn -- and his radio dial turns -- to baseball. So I'd like to leave you with a favorite story about the legendary Yogi Berra. In Yogi's hometown of St. Louis, the local people organized a celebration in his honor at the old Sportsman's Park. Yogi quavered with emotion as he stepped up to speak. "First," he said, "from the bottom of my heart, let me thank all the people who have made this day necessary." \\\

The point of the story is this: The freedom-loving people in this country -- people of ingenuity and enterprise, people in leading-edge industries like your own -- are not merely making renewal of limited government possible. \\ They're making it necessary. \\ They're making it inevitable. \\ Technological advance is accelerating so rapidly that the old guard in Congress and the bureaucracy can hope only in vain to keep up.

We've reached a turning point. \\ We're on the verge of watershed reforms to make government stop stifling people who want to use their freedoms to create, to produce, to serve. \\ The day is coming when enterprisers and innovators like yourselves will lead us to new horizons. The day is coming when dreams not yet imagined will come true. The day is coming -- and we will not be stopped.

Thank you, and may God bless the United States of America.

#

g Form

and Urban Development
Office of Administration

black ink only.

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Category B Offices
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Title(s) of Addressee(s)

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W. H. RESEARCH

4-29
1 PM

FROM: DEAN CLANG
HUD SPEECHWRITING

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WALL STREET JOURNAL

MONDAY, JULY 8, 1991

Free Housing From Environmental Snobs

By JACK KEMP

A widely reported study by the U.S. Census Bureau recently revealed that 57% of American families are unable to buy a median-priced home in their community. Just 9% of all renters have the financial wherewithal to become homeowners, and the figures are even worse for black and Hispanic renters, 98% of whom cannot afford to buy a median-priced home.

But the chief cause of this alarming trend has gone largely unreported. Housing is quietly becoming the most heavily regulated sector of the American economy. At every level of government, a stealth bureaucracy is choking off the supply of affordable housing for low- and middle-income Americans and adding an invisible premium to the cost of all housing.

Exorbitant Prices

Young people cannot afford homes in the towns where they grew up. Older couples cannot afford to rent apartments near their children. Millions of Americans are compelled to live far from their workplaces, to accept hours-long commutes, and to pay exorbitant prices for the privilege.

Developers don't like it and consumers can't afford it, yet a growing web of overlapping environmental and wetlands regulations, zoning laws, rent control ordinances, construction permits, and impact and construction fees is distorting the market and sending building costs and land prices spiraling upwards. The effect is to keep new affordable housing out of established neighborhoods, reflecting the notorious NIMBY syndrome (Not In My Back Yard). Regulatory horror stories abound.

In Mercer County, N.J., before work can commence on a new housing subdivision, the project must clear 11 separate reviews from nine different agencies, including seven reviews just on storm drainage. As the state's director of housing and development notes sardonically, even "jet fighter planes and moon rockets get by with triple redundant control systems." Developers estimate that, in New Jersey, government regulations add as much as 25% to 35% percent to the cost of every house they build.

In Bridgehampton, Long Island, the discovery of a single, tiny tiger salamander crawling along the ground led to a one-

Ashley, and the 20 other members of the advisory commission will present President Bush and me with their findings in a report entitled, "Not In My Back Yard: Regulatory Barriers to Affordable Housing."

The Kean-Ashley commission has determined that overall housing affordability actually improved during the 1980s. Lower interest rates and inflation, combined with a booming economy, easily boosted housing affordability over its dismal 1970s levels. But in those areas of the country where regulatory policy has gotten out of hand, like California and much of the Northeast, there is an escalating affordability crisis.

In Southern California's Orange County, the Rube Goldberg-inspired approval and permits process alone adds \$20,000 to the cost of a single-family unit. That's a penalty tax on homeownership, imposing an equal and unnecessary burden on rich and poor alike. A zoning law in Ring County, Wash., allows just one house per five acres over a 1,500 square-mile swath of land. Not surprisingly, last year the county recorded the largest one-year jump in housing prices nationwide.

It doesn't take a Ph.D in economics to understand the consequences. Builders increasingly build for the upper end of the housing market, knowing that high-income families can absorb the steep costs of government intervention.

In urban areas, rent control is a particularly invidious form of housing discrimination against the poor. A large body of research indicates that rent control pri-

marily benefits middle- and even upper-income households, reducing housing mobility and eroding the stock of available housing. Well-off residents are encouraged to remain in their rent-controlled apartments, locking lower-income families out of the housing market. Some 10 million Americans live in communities with such counter-productive rent control ordinances.

Environmental protection is another well-meaning public policy which wreaks havoc on the housing market. The Kean-

Ashley commission indicates that overzealous environmental regulation is a primary threat to affordable housing. Clearly, preservation of the environment is a top national priority. But when environmental

Broad new environmental restrictions are being imposed at every level of government. The duplication of effort, ambiguous requirements and heavy administrative burden have vastly complicated the task of developing low-cost housing.

Moreover, the commission suggests that opponents of low- and moderate-income housing development are learning to use environmental concerns as a cover for exclusionary zoning. An environmental challenge is a swift and simple mechanism for delaying or even terminating new construction. And developers who must carry the costs of waiting out government investigations will ultimately pass the expense on to consumers, conveniently pricing the homes out of reach of buyers deemed "undesirable" by the local community.

On the theory that the need for affordable housing is at least as important as the need to protect, say, the tiger salamander, the commission recommends that the federal government, states and localities design housing impact statements to assess the consequences of proposed environmental rules. These would balance the pervasive environmental impact statements which have so hamstrung the housing industry.

Congress can get the ball rolling by permitting HUD to condition federal housing assistance to the states on progress toward reducing excessive regulation. Last year's otherwise revolutionary National Affordable Housing Act specifically prohibits such powerful federal action. The Treasury Department's Low Income Housing Tax Credit and Mortgage Revenue Bonds (MRBs) should also be tied to state action on the affordable housing front.

Regulatory Barriers

But Washington alone cannot clear away the thicket of regulatory barriers to affordable housing and homeownership. The states must make this cause their own. Gov. Kean, Rep. Ashley and their colleagues recommend that states define a specific time limit for zoning and other reviews and impose uniform standards for impact fees. States should also move quickly to merge their multiple housing bureaucracies into streamlined, stand-alone agencies.

"Not In My Back Yard" is a firebell in the night, calling upon government at all

clearing along the ground led to a one-year delay in construction of a 102-acre subdivision, part of which was set aside for low-cost housing. The costly interference by eco-bureaucrats eventually forced the developer to slash the number of affordable housing units by half.

Shortly after I became secretary of Housing and Urban Development, President Bush asked me to establish a commission to investigate these regulatory barriers to affordable housing. I asked former New Jersey governor Tom Kean to chair the commission. Today, Mr. Kean, his vice chairman, former Rep. Thomas Ludlow

holds priority. But when environmental concerns are not properly balanced against other vital social demands, the results can be tragic.

Consider the case of a critically needed homeless shelter in Juneau, Ala., built by a Catholic group. Construction was put on hold for more than a year when environmental regulations collided with local zoning ordinances. The city of Juneau required that a parking lot be built along with the shelter. But the quarter-acre lot purchased for that purpose was declared a "wetland" and the entire project halted by the Army Corps of Engineers. While homeless families went without decent housing, the patch of wetland was safe and sound. Surely our environmental laws were not meant to operate with such single-minded callousness.

Extended Page 2, 1
the night, calling upon government at all levels to reform housing regulation before the traditional upward mobility of American society is seriously threatened.

But this is not just another in a long line of apocalyptic government studies making gloomy forecasts about America's future. On the contrary, the commission has uncovered a dramatic opportunity to slash the cost of housing in the 1990s. If we do not seize this opportunity, then the question will be not "what" are the barriers to affordable housing but "who" they are.

Mr. Kemp is secretary of Housing and Urban Development.

KEMP COMMISSION REPORT 1991

Environmental Protection Regulation

administrative procedures for regulating their use, lead to adverse impacts on housing affordability.

Definitional Problems in Wetlands Regulations

Most people think of wetlands in commonsense terms: ponds, swamps, bogs, marshy coastal areas, or bottomland forests. In reality, the scientific definition is highly technical and is based on hydrology, soil condition, and specific types of water-loving vegetation. Wetlands are often identified by the presence of plants found in soil that is, at a minimum, periodically saturated or covered with water. In terms of their physical appearance, however, wetlands are as varied as America's geography.

Because the protection of wetlands has resulted in widespread restrictions on residential development, advocates of affordable housing have long sought to modify the definition of wetlands to exclude a number of naturally occurring soil conditions that are largely unrelated to water quality and, thus, not within the purview of Section 404 of the Clean Water Act (CWA). In 1989, the four Federal agencies that regulate the use of wetlands—the

Environmental Protection Agency (EPA), the Army Corps of Engineers (the Corps), the Soil Conservation Service, and the Fish and Wildlife Service (FWS)—joined to produce *The Federal Manual for Identifying and Delineating Jurisdictional Wetlands*. Instead of narrowing the definition of wetlands, this manual takes an even more inclusive view: to be defined as a wetland, the soil need be only temporarily saturated with water, in some instances. The effect of this expanded definition is that more private, buildable land—land that is totally dry nearly all of the time—can be declared a wetland, and its use for development denied.

In general, wetlands statutes tend not to take land-use issues into account. Typically, existing statutes do not differentiate between critical and ecologically low-value wetlands. If the statutes were to make this distinction, then the development of a low-value wetlands might be permitted for some important public purpose. Similarly, most environmental protection statutes that deal with wetlands do not effectively differentiate between publicly and privately owned land.

The problems that arise as a result of the lack of land-use distinctions in wetlands regulations are exemplified by the predicament that builders of a Juneau, Alaska, homeless shelter faced. In May 1989, the St. Vincent de Paul Society, a public charity, began planning for the construction of a six-unit homeless shelter for families in downtown Juneau. To meet a city requirement that parking spaces be available at the shelter, the Society purchased a vacant lot that adjoined the shelter property and applied to the Corps for a permit to pave. Because this quarter-acre lot was designated a "wetland," however, the Corps would not issue the permit. Without the permit, there could be no parking lot, and, without the parking lot, the city would not issue a building permit for the shelter. It took more than a year of administrative maneuvering before the Corps and the city issued the necessary permits and construction could begin on both parking lot and shelter. Had the wetlands permitting regulations recognized distinctions with respect to the public benefit to be derived from the intended land use, considerable time and money would have

Federal permits for wetlands activities are increasingly difficult to get. In the San Francisco District of the Corps of Engineers, for example, the Bay Planning Coalition has compiled statistics from the Government showing that, in a recent 5-year period, only two "major" wetland permits have been issued by the Corps....

Robert Briscoe, Land Use
Attorney
San Francisco, CA

Chapter 4

been saved, and homeless families could have been sheltered much sooner.

Jurisdictional Problems With the Federal Wetlands Regulation

The Clean Water Act has a number of important functions pertaining to the "waters of the United States," including protecting navigation, water quality, and wetlands. Congress entrusted this statute's complex and wide-ranging mission principally to the EPA and the Corps. Section 404 of the CWA is the legislative focal point of current Federal wetlands protection efforts. It authorizes the Corps to issue permits for filling and subsequent development of wetlands, and requires the Corps to follow EPA guidelines when issuing these permits. It also authorizes EPA to veto any Corps decision to issue a permit for use of wetlands.

Their overlapping jurisdictions occasionally produce conflicts between EPA and the Corps. Resolving these interagency conflicts can prove time-consuming and expensive for applicants. Sometimes, such conflicts lead to extensive litigation, such as the 1987 Attleboro Mall case, which upheld the EPA's broad authority to oversee, and even veto, the Corps' permit approvals.³ Even without interagency

conflict, overlapping jurisdictions render the permitting process unnecessarily complicated and lengthy, obliging applicants to negotiate with both Federal agencies in hopes for a speedy, positive result. In addition, the FWS, the Soil Conservation Service, and the National Marine Fisheries Service are sometimes consulted on matters pertaining to individual permit applications. The need to obtain both State and Federal permits often complicates the situation.

The Complexity of the Federal Permitting Process

Although concerns about keeping the Nation's water supply clean are by no means new, environmental protection became a clear national priority with the passage of the National Environmental Protection Act of 1969. NEPA introduced the environmental impact statement into the Federal regulatory process by requiring assessments of the potential impact of federally financed projects on the environment. These assessments have become a time-consuming and costly adjunct to the Federal wetlands permitting process.

Designed to ensure adequate protection of aquatic ecosystems, the Federal permitting process for developing a wetland is often arduous and costly

In 1986, a Warcham, Massachusetts, businessman wished to expand his sales and storage facilities onto adjacent property. Since a portion of the proposed building site contained wetlands, he consulted the local conservation commission, hired environmental engineers, and applied for Federal, State, and local permits. Four years and \$173,100 later, construction had not begun on the planned building annex. Much of the time and money was consumed in efforts to meet differing requirements of the EPA and the Corps.

Case Studies on Problems with the Section 404 Regulatory Program - Volume I
National Association of Home Builders
December 1989

During the President's trip to Columbus, Ohio next Thursday, I think we can make a little extra local news with minor effort.

Since the President will be talking about regulatory reform, tied in with his March announcement in Oklahoma to reduce regulatory burdens in the natural gas industry, I think we should provide natural gas vehicles for the motorcade. The local gas company, Columbia Gas, has four door sedans, mini vans, a 15-passenger van, and a bus available, all powered by natural gas.

This makes a nice environmental hit, one week after Earth Day, the President planting a tree, the physical fitness event (breath clean air); as well as sending a strong message about concern for maximizing domestic energy sources; reducing the trade deficit; and cutting the cost to consumers. All pluses for the Administration.

In a nut shell, over 90% of the natural gas used in the U.S. is domestic, it's the cleanest burning fossil fuel, it sell for about half the cost of gasoline, and it's safer than gasoline. Sixty-seven per cent of our trade deficit in 1991 was imported oil, money which would have been better spent at home.

In addition, for every additional 1 Tcf of gas used, 10,000 - 16,000 permanent jobs are created in the gas industry. (Gary Mauro in Texas says it 50,000 jobs, but the A.G.A. thinks that too high.)

The pending national energy strategy contains provisions for increasing the number of alternative fueled vehicles on the road. This is a good way to illustrate the President's commitment to seeing energy independence become a reality. This could also be done in other states that have a utility company which is utilizing natural gas.

Most people do not realize you can drive your car with the same stuff you cook and heat your home with, I think it's a good side story.

Joe -
From Gary Foster

April 28, 1992

MEMORANDUM FOR SHERRIE ROLLINS

THROUGH: DAVID DEMAREST

FROM: JOE DUGGAN *JD*

SUBJECT: "REAL PEOPLE" CONSTITUENTS FOR THE REGULATION EVENT

Even on short notice, you may be able to get people from nearby states to attend the ceremony. Sam Brunelli of the American Legislative Exchange Council may be able to suggest free-market reformist state legislators -- who themselves would make good guests. The legislators in turn may be able to suggest some of their constituents who fit the mold of grassroots regulatory reformers.

Young people are a great target audience. They are the ones who will benefit from these long-term reforms. I suggest you get some economics students -- graduate and undergraduate -- from George Mason University and the University of Virginia.

Finally, don't forget the academic and think-tank stalwarts. Just on the other side of the Beltway at George Mason is the Nobel Laureate economist James M. Buchanan. Let's give him a place of honor at this ceremony. GMU also has stalwarts like Henry Manne at the law school, and others. Invite Judge Bork -- he's a profound constitutional expert on regulation.

On the think-tank front, Fred Smith and Sam Kazman of the Competitive Enterprise Institute are two of the bravest free-market soldiers. Chris DeMuth, the president of AEI, is one of the most brilliant intellectual analysts of regulation. And Bob Hahn of AEI is also a first-rate expert. Jim Miller of Citizens for a Sound Economy is a free-market hero -- and it would cheer a lot of our conservative base to have him go out to the press stakeout and praise the authenticity of our regulatory reforms.

With all due respect to the big-business lobbyists, I don't think they are the types we want at the press stakeout after this event. Ditto the Cabinet and agency officials -- they should be seen and not heard. Better that we have beyond-the-Beltway activists and nationally respected intellectuals amplify the President's message.

REPORT

The Value of Pharmaceuticals

A Study of Selected Conditions

to Measure the Contribution

of Pharmaceuticals to

Health Status

To

Schering-Plough

March, 1990

BHARC-01390/010

avoiding ischemic heart disease mortality. It is estimated that the annual health care cost associated with all heart disease deaths is approximately \$220 million.

Cerebrovascular Disease. The impact of controlling hypertension was estimated by examining the mortality rate for stroke between 1940 and 1970 and extrapolating that rate to 1986. Excluding the impact of lifestyle factors and non-pharmaceutical treatment, it was estimated that 456,000 deaths and between 2.6 million and 6 million nonfatal strokes were avoided between 1970 and 1986. This represents an estimated \$16.3 billion savings in indirect costs.

Arthritis. The contribution of pharmaceuticals to the treatment of arthritis was assessed in qualitative terms because there are no data on changes in arthritis symptoms. Anti-arthritic medications are the primary therapeutic measure for dealing with this condition. Their impact is appraised primarily in terms of reduced pain, increased mobility and improvements in quality of life.

Cancer. As with arthritis, pharmaceutical approaches to cancer cannot be clearly valued in terms of lives saved, rather the most appropriate measure of impact is survival rate. Changes in survival rate are a function of early detection and improved therapies, including pharmaceutical treatment. Childhood leukemia is an example of a neoplasm that is particularly responsive to chemotherapeutic agents. Five-year survival for this condition has increased from 4 to 70 percent between 1960 and 1985. Besides prevention, pharmaceutical approaches to cancer are the major modality for reducing mortality. This includes decreasing the unpleasant side effects of chemotherapeutic agents, controlling pain, and developments in restoring a cancer victim's immunity.

In our review, we have observed that the death rates for many of the major diseases have fallen and life expectancy has increased. Infectious diseases caused by bacteria have been nearly eliminated as major health threats, however, viral and multifactorial diseases remain to be conquered. The majority of premature deaths are now due to chronic conditions and diseases of old age. This report demonstrates that pharmaceuticals provide methods to ease pain and permit those inflicted to live more normal lives, in addition to being a significant contributor to saving lives. Concerns have been raised regarding the level of investment in pharmaceuticals.

Health care expenditures in the U.S. topped \$500 billion in 1987, an increase over 1986 of 9.8 percent. These expenditures were growing at double-digit rates through

EXECUTIVE SUMMARY

This report examines the impact of pharmaceuticals on eight major diseases in the U.S.: tuberculosis, poliomyelitis, influenza, pneumonia, coronary heart disease, stroke, arthritis, and cancer. When possible, we attempt to assess that portion of improvement in health status that is attributable to pharmaceuticals by extrapolating trends of morbidity and mortality.

Tuberculosis. Based on an extrapolation of mortality rates due to tuberculosis, we estimated that between 60,000 and 90,000 deaths were avoided from 1947 and 1986. These figures take into account the potential contribution of environmental and other non-pharmaceutical factors that may have been operating during this time period. It is estimated that these avoided deaths represented between \$7.4 billion and \$11.1 billion in indirect cost savings. (Indirect costs were measured as the potential economic productivity losses which were avoided by preventing premature death.)

Poliomyelitis. We estimated the number of cases of polio that may have occurred if polio vaccines had not been introduced in 1955 and 1962. Assuming that the average incidence rate between 1940 and 1955 would continue, it was estimated that approximately 970,000 cases of polio were avoided between 1955 and 1986. Of these cases, approximately 630,700 would have been paralytic and as many as 409,000 individuals would have experienced significant or severe disability. Indirect costs associated with these cases would have been \$26.4 billion to \$30.8 billion. Direct costs would have been \$1.3 billion.

Influenza and Pneumonia. Fluctuations in influenza epidemics constrain our ability to predict the mortality of pneumonia which is often associated with influenza. The ravages of the pandemic in 1918-1919 have not been repeated and the drop in deaths from pneumonia has been attributed to the introduction of sulfonamide in 1938 and other antibiotics. While vaccines are available for both influenza and pneumonia and their benefits have been demonstrated in cost-benefit analyses, they are not widely used. Given the characteristics of these diseases, additional improvements in morbidity and mortality will likely be made only through pharmaceutical advances.

Coronary Heart Disease. Assuming that medical treatment of ischemic heart disease and hypertension control accounted for 10 percent of the reduction in mortality between 1968 and 1986, it was estimated that 671,000 lives were saved during this time period. This represents \$83.8 billion in averted indirect costs. Published information is available on the direct (medical care) cost savings associated with

the 1970s to 1983 when stringent measures were employed to decrease expenditures for hospitalizations under Medicare. The measures worked for a few years (lowering the growth rate to 8 percent), but now the growth is resuming and there are no signs of its abating in the near future. These figures have caused considerable concern within the circle of government and other third party payers who pay for nearly three-quarters of the personal health care bills.

Increasing costs can be attributed in part to inflation, the aging population, greater access to health care services for the poor and the elderly, and vast improvements in health care technology. During the past fifty years, physicians' black bags have been augmented by numerous new tools and medications to diagnose and treat patients. It is understood that increases in technology which prolong and improve life will cost money, but there is some concern that the improvements in health are less dependent on medical care than on other factors.

It has been suggested that environmental factors, economics, education, heredity and behavior all influence an individual's health and the interrelationship with the health care system could only account for a small amount of the improvements in health. No one argued that the current health care system should be abandoned and greater emphasis was placed on factors other than medical care.

While health care may not play the dominant role in determining health status, it still has the primary role once an individual becomes ill due to the environment, behavior or hereditary. Personal health care expenditures for 1987 were \$442.6 billion, of which the lion's share went to hospitals (44%) and physicians' services (23.3%). Outpatient expenditures for drugs (and medical sundries) of \$34 billion accounted for 7.7 percent of the total personal health care. In the context of medical care, however, pharmaceuticals are a vital and significant contributor to health status. Although expenditures for pharmaceuticals as a proportion of total medical care costs are less than 10 percent, for many conditions medical treatment is synonymous with drug therapy.

Gary S. Persinger
DEPUTY VICE PRESIDENT
HEALTH CARE SYSTEMS

**Pharmaceutical
Manufacturers
Association**

November 6, 1991

Mr. John Cohrssen
Associate Director of
The Competitiveness Council
Office of the Vice President
Room 286
Old Executive Office Building
Washington, D.C. 20501

Dear Mr. Cohrssen:

Based on recent research by the Battelle Medical Technology Assessment and Policy Research Center for Schering-Plough (The Value of Pharmaceuticals: An Assessment of Future Costs for Selected Conditions), we have estimates of the projected number of lives that could be saved in five disease categories over a 25-year period and one disease category over a ten-year period attributable to pharmaceutical advances:

<u>Disease Category</u>	<u>Projected Lives Saved Due to New Pharmaceuticals</u>
Coronary Heart Disease	4,400,000
Cerebrovascular Disease	900,000
Leukemia	83,000
Lung Cancer	409,000
Colorectal Cancer	170,000
HIV Disease (Ten year period)	23,000

These are straight line projections and thus, if one wanted to convert them to a monthly figure, one would simply divide the 25 year totals by 300 (25 x 12). For HIV disease, one would divide by 120 (10 x 12). This assumes that the rate at which new pharmaceuticals are introduced is uniform over the 25-year period.

Also enclosed are copies of slides that you might find helpful. A copy of the full Battelle report will be sent by messenger. I will be happy to meet with you at your convenience to discuss this material. Please call me at (202) 835-3539.

Sincerely,


Gary S. Persinger

Enclosures

America's Pharmaceutical Research Companies

1100 Fifteenth Street NW, Washington, DC 20005 • Tel: 202-835-3539 • FAX: 202-835-3413, 3414

Industry Perspective

The Value of Pharmaceuticals I

Prescription drugs have played an important role in the vast improvement in the nation's health care since 1940 (Figure 1).

That fact is dramatically illustrated in a March 1990 report prepared for the Schering-Plough Corporation by the respected Battelle Medical Technology and Policy Research Center in Washington, D.C. In the 61-page analysis, authors Ruth E. Brown and Bryan R. Luce, Ph.D., have attempted to measure the contributions of pharmaceutical products in preventing or treating eight major diseases.

The diseases are tuberculosis, poliomyelitis, influenza, pneumonia, coronary heart disease, stroke, arthritis and cancer. (Not included in the Battelle study are several diseases that have been virtually eliminated in the U.S., although they are still worldwide health problems. These include measles, mumps, whooping cough, diphtheria and yellow fever. Another disease, smallpox, has been totally eradicated.)

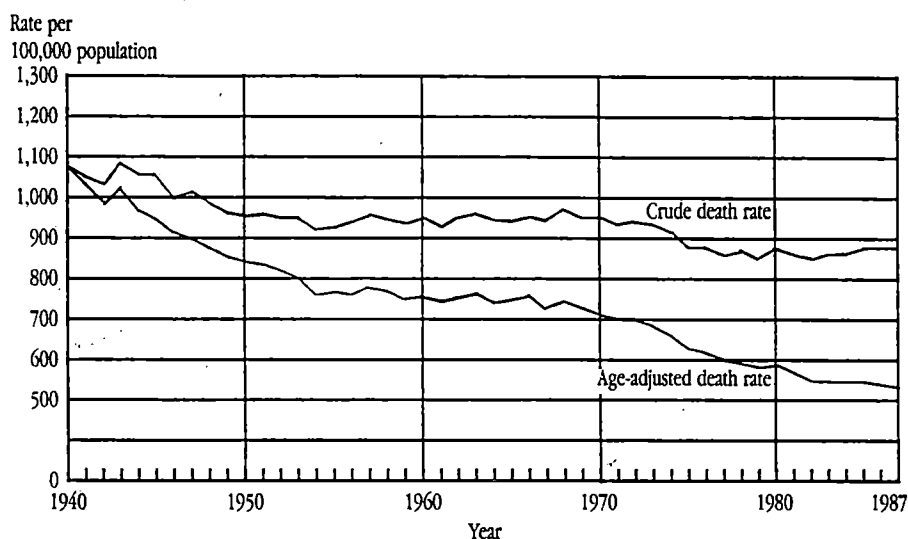
Tuberculosis. Death rates from tuberculosis were already declining from a high of 32.7 per 100,000 when streptomycin became available in 1947. After that, tuberculosis mortality declined far more sharply than what had been expected, dropping even more precipitously when isoniazid came on the market in 1952. The two curves merged at 0.5 deaths per 100,000 in 1985 (Figure 2). The Battelle researchers estimate that between 60,000 and 90,000 deaths were avoided because these antibiotics were available between 1947 and 1986. This represents between \$7.4 billion and \$11.1 billion in indirect cost savings, measured as the potential economic productivity losses avoided by preventing premature death. (Since the technology for treating tuberculosis has changed considerably since the 1940s, the direct costs were not estimated because of lack of historic data on the costs of treating TB in the early years.)

Poliomyelitis (infantile paralysis). During the 1940s and early 1950s, polio rates increased irregularly (Figure 3), with the highest incidence—20 per 100,000—occurring during 1952–54, when the total number of cases neared 132,000.

continued on page 2

Crude and Age-Adjusted Death Rates: United States, 1940–1987

Figure 1

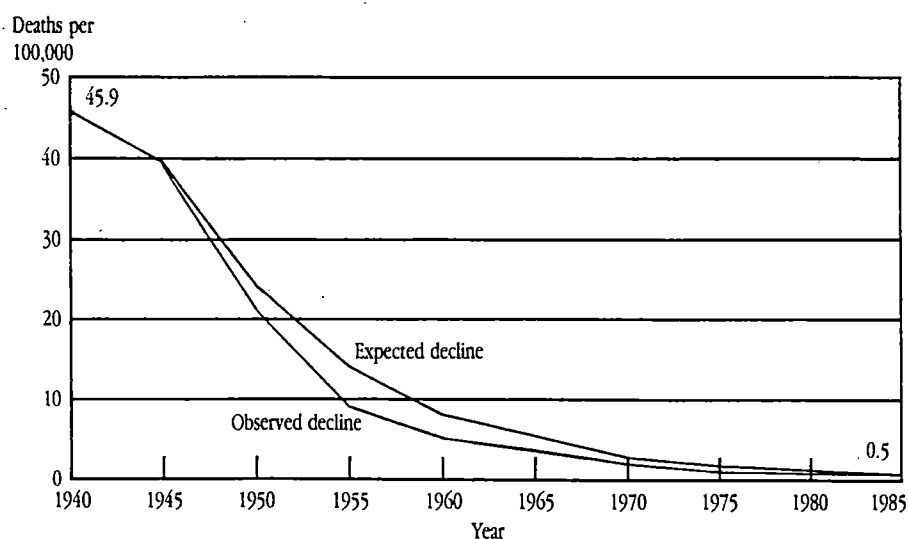


Death rates have been steadily decreasing since 1940.

Source: Vital Statistics

Tuberculosis Death Rates

Figure 2



Expected versus actual tuberculosis death rates are merging.

Source: Battelle Medical Technology and Policy Research Center

continued from page 1

Mortality from these cases reached 3,145 in 1952. Since 1955, when the Salk vaccine was introduced, the number of polio cases has declined dramatically, falling to 1.8 per 100,000 in 1960 and to less than 0.1 since 1965. Without the vaccine, the Battelle researchers estimate, the average incidence rate between 1940 and 1955 would have continued, producing approximately 970,000 cases of polio, of which about 630,700 would have been paralytic. As many as 409,000 individuals would have experienced significant or severe disability. Indirect costs associated with these cases would have been \$26.4 billion to \$30.8 billion. Direct costs of treating these polio victims would have been \$1.3 billion.

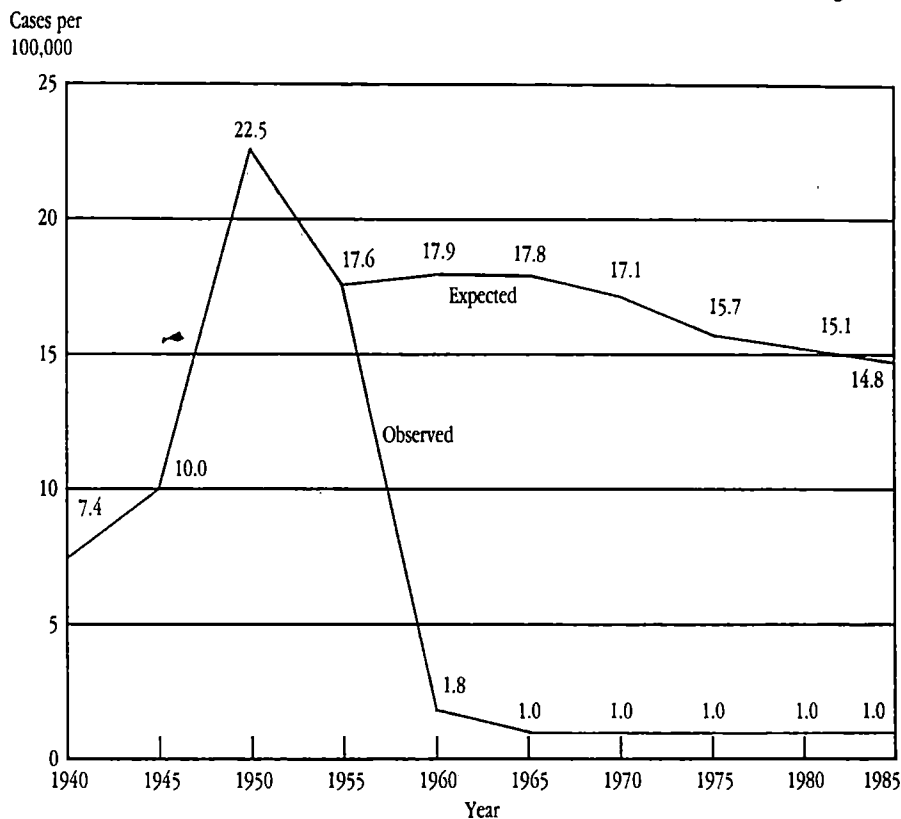
Influenza and Pneumonia. Although they are separate diseases caused by different organisms, influenza and pneumonia are tracked together because of their interrelationship: pneumonia is the most common complication of influenza and there is difficulty in separating the two for reporting purposes. An estimated 20 to 30 million people died in the 1918-1919 worldwide influenza epidemic—548,000 in the U.S.—and 50 times that were stricken. But there has been a steady decrease in deaths from the two diseases in this century, with a sharp drop beginning in 1938 attributable to the introduction of sulfonamide and the later introduction of other antibiotics (Figure 4). Despite four epidemics between 1957 and 1969, the age-adjusted death rate for influenza and pneumonia dropped below 100 deaths per 100,000 in 1938 and has continued dropping almost without interruption to 13.5 in 1986. Although antibiotics and vaccines clearly contributed to this decrease, Battelle found it difficult to estimate the portion of the improved health status attributable to pharmaceuticals because of the fluctuations in epidemics.

Coronary Heart Disease. Cardiovascular diseases have been the number one cause of death in the U.S. since 1900. The unexpected decline in mortality rate that began in 1968 (Figure 5) has been analyzed by epidemiologists, physicians and policy analysts in attempts to determine the cause of the reduction. If the downward shift from 1968 had not occurred and the rates continued unchanged through 1986, there would have been approximately 1,609,000 deaths in 1986 instead of the actual number of 968,240. Examining coronary heart disease alone, analysts in 1984 estimated that medical therapy and treatment of hypertension accounted for 18.5% of the eight-year decline from 1968 to 1976, of which 10% of the estimated 3.6 million lives saved were from

continued on page 3

Poliomyelitis Case Rates

Figure 3

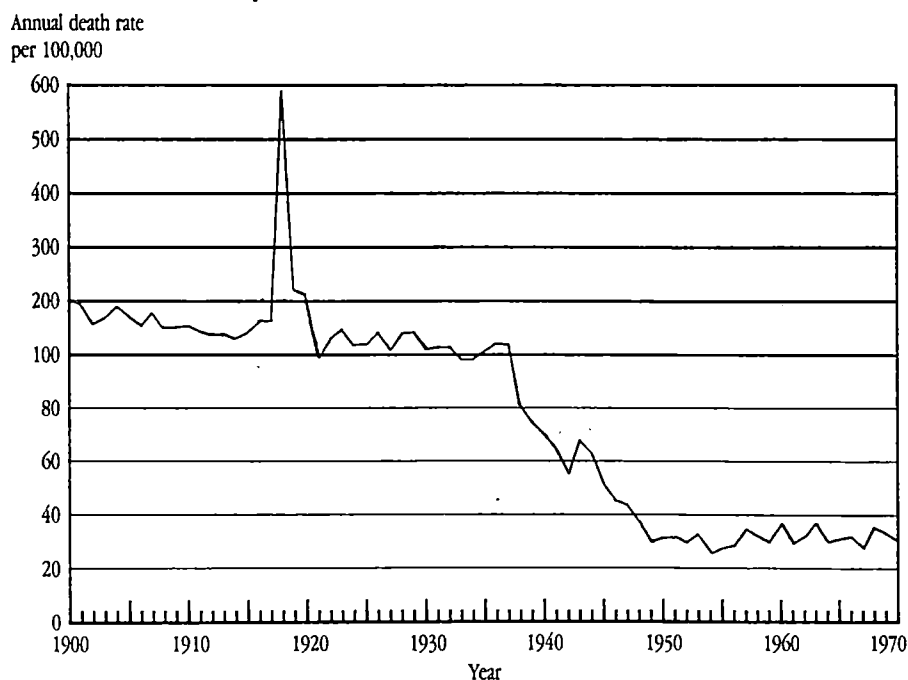


Drop in polio cases coincides with introduction of Salk vaccine.

Source: Battelle Medical Technology and Policy Research Center

Influenza and Pneumonia: Trends in Mortality, 1900-1970

Figure 4



Introduction of antibiotics decreased flu/pneumonia mortality.

Source: Vital Statistics

continued from page 2

therapeutic interventions resulting from medical treatment and 8.5% from hypertension control. The 671,000 lives saved through pharmaceutical interventions represent \$83.8 billion in averted indirect costs during the eight-year period. The Battelle researchers estimate the annual direct cost for all heart disease deaths is approximately \$220 million.

Cerebrovascular Disease (stroke). Death rates from cerebrovascular disease decreased gradually between 1900 and 1950, when the rate reached 88.8 deaths per 100,000. Mortality decreased slightly in the next 20 years, reaching 66.3 in 1970, then decreased more sharply until it hit 31.0 in 1986 (Figure 6). There is strong evidence that lowering blood pressure can reduce the incidence of stroke. The first anti-hypertensive drugs became available in the early 1950s and the number of effective agents increased considerably through the 1960s and 1970s, paralleling the downward trend in mortality. By extrapolating the mortality rate for stroke between 1940 and 1970 to 1986, and excluding the impact of lifestyle factors and nonpharmaceutical treatment, the Battelle researchers estimated that 456,000 deaths and between 2.6 million and 6 million nonfatal strokes were avoided between 1970 and 1986. This represents an estimated \$16.3 billion savings in indirect costs.

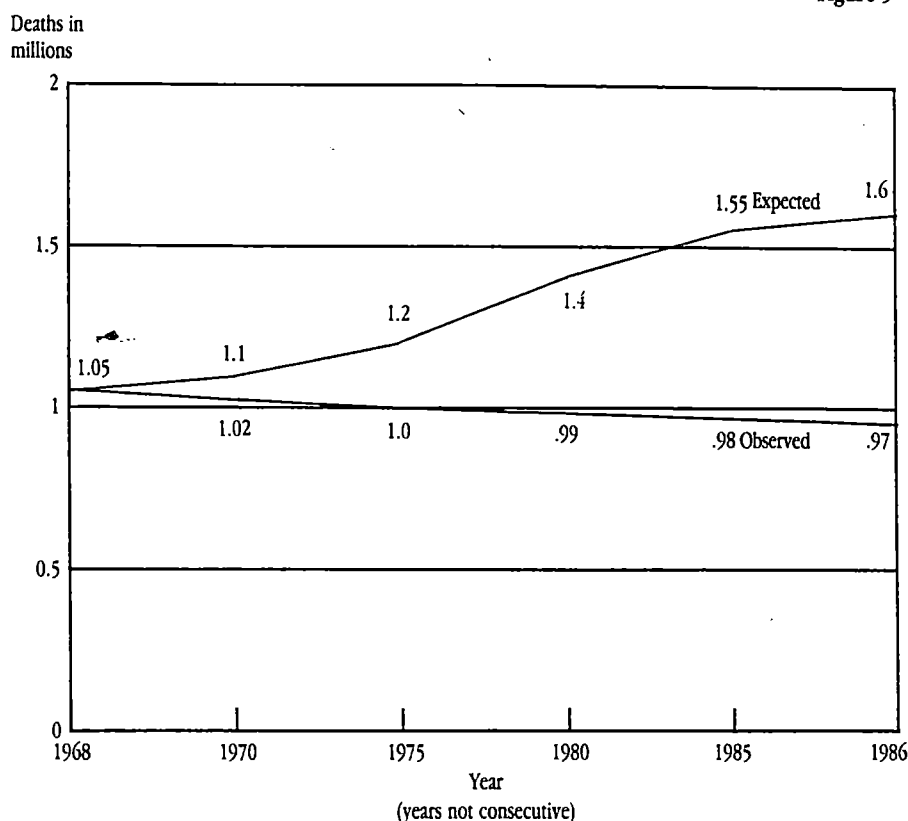
Arthritis. The contribution of pharmaceuticals to the treatment of arthritis was assessed in qualitative terms because there are no quantitative data on changes in arthritis symptoms. Anti-arthritic medications are the primary therapeutic measures for dealing with this condition. Their impact is appraised primarily in terms of reduced pain, increased mobility and improvements in quality of life. Of the 30.3 million people reporting arthritis in 1985, 6.1 million (20%) reported having limitations in activity due to the disease. Individuals with arthritis incur up to three times the medical care costs of individuals without it. In three studies reviewed by the Battelle researchers, the direct costs per arthritis patient varied from \$1,316 to \$4,033.

Cancer. The American Cancer Society estimates that over one million people are diagnosed annually as having cancer. As with arthritis, pharmaceutical approaches to cancer cannot be clearly valued in terms of lives saved. Rather, the most appropriate measure of impact is survival rate, which depends on early detection and improved therapies, including pharmaceutical treatment. Survival rates improved for almost all forms of cancer between 1950 and 1982 (Figure 7). Besides increasing survival

continued on page 4

Cardiovascular Disease Deaths

Figure 5

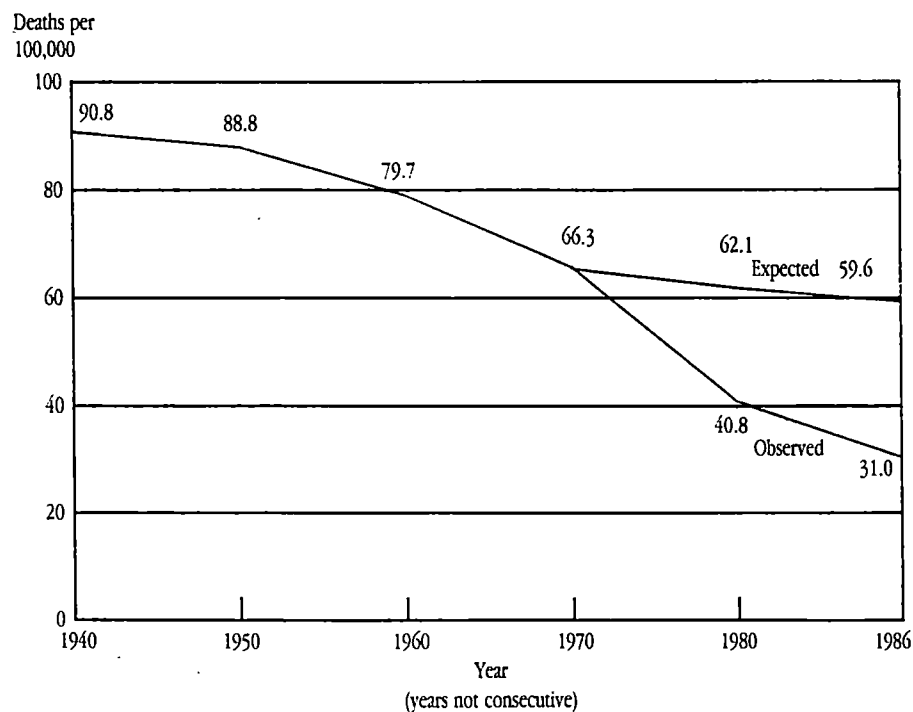


Medical therapy partly explains unexpected mortality decline.

Source: Battelle Medical Technology and Policy Research Center

Stroke Death Rates

Figure 6



Mortality decreases may be related to lower hypertension.

Source: Battelle Medical Technology and Policy Research Center

continued from page 3

from some cancers, pharmaceuticals are used to decrease the unpleasant side effects of chemotherapeutic agents, to control pain, and to restore the cancer patient's immunity.

Conclusion

The Battelle researchers conclude that health care—as opposed to heredity, behavior or environment—plays the dominant role in determining health status *once an individual becomes ill*. According to Health Care Financing Administration statistics, the lion's share of the \$539.9 billion spent on personal health care in 1988 went to hospitals (39%) and physicians' services (19%). Expenditures of \$41.9 billion for drugs (and medical sundries) accounted for 7.8% of the total. "In the context of medical care, however, pharmaceuticals are a vital and significant contributor to health status," the researchers concluded. "Although expenditures for pharmaceuticals as a proportion of total medical care costs are less than 10 percent, for many conditions medical treatment is synonymous with drug therapy."

For more information, contact Jeff Trewhitt, manager of media services at the Pharmaceutical Manufacturers Association (202/835-3463).

Survival Trends by Cancer Type

Figure 7

Cancer type	5-year relative survival rate (%)		Improvement (%)	
	1950	1982	Absolute	Relative to 1950
Bladder	53	77.3	24.3	45
Endometrial	72	87.1	15.1	21
Prostate	43	71.1	28.1	65
Breast	60	74.6	14.6	24
Leukemia	10	33.0	23.0	230
Non-Hodgkin's Lymphoma	31	48.1	17.1	55
Cervical	59	67.4	8.4	14
Rectum	40	49.7	9.7	24
Head & Neck	45	54.3	9.3	21
Lung	6	11.6	5.6	93
Stomach	12	15.7	3.7	31

$$\text{Improvement} = \frac{1982 \text{ survival} - 1950 \text{ survival}}{1950 \text{ survival}}$$

Survival rates are improving for almost all forms of cancer.

Source: 1950 statistics from NCI End Results Program; 1982 statistics from SEER Program.

**Pharmaceutical
Manufacturers
Association**

1100 15th Street, NW, Washington, DC 20005

Industry Perspective

The Value of Pharmaceuticals II

Advances in medical care and changes in lifestyle will save millions of lives and billions of dollars over the next 25 years, reducing both the human and financial costs of cardiovascular disease, cancer, arthritis, Alzheimer's disease and HIV disease.

These are the major findings of a study commissioned by Schering-Plough Corporation from Battelle's Medical Technology Assessment and Policy (MEDTAP) research center in Washington, D.C. [A related Battelle MEDTAP study, also commissioned by Schering-Plough, analyzes the impact of lifestyle changes and medical advances on selected diseases during the past 50 years. For a detailed discussion, see *The Value of Pharmaceuticals I*.]

The Battelle study projects death and disease rates for eight key diseases through 2015. They include: coronary heart and cerebrovascular disease (stroke); leukemia, lung and colorectal cancer; rheumatoid arthritis and osteoarthritis; and Alzheimer's disease. The toll from HIV disease, due in part to a lack of data, is more difficult to project and is estimated only through the year 2000.

Released in April 1991, this second study is unique in three respects. First, it estimates the number of cases and deaths from these diseases that will occur in the next 10 to 25 years, taking into account demographic changes such as the graying of America. Second, it uses expert forecasting to project the impact that lifestyle changes and medical advances will have on rates of death and disease. Third, it projects the resulting economic benefits.

"Disease imposes an enormous burden of costs on our society. First, there are the direct costs of medical care. Then there are the indirect costs of lost productivity due to premature deaths and time away from work because of disease," said Dr. Bryan R. Luce, director of Battelle MEDTAP. "These new forecasts show the value of investments in behavioral and technological innovations."

Cardiovascular Disease. Half of the decline in cardiovascular disease, involving about 6.6 million cases, will be attributable to continued

Reductions in Baseline Disease Estimates Due to Pharmaceutical Advances (1990-2015)

Figure 1

	# cases prevented	% of total	# deaths avoided	% of total	\$ costs saved	% of total
cardiovascular*	9,100,000	40	5,300,000	40	211	40
lung cancer	94,000	12	409,000	24	11	16
leukemia*	0	0	83,000	95	3.6	95
colorectal cancer	61,000	20	170,000	50	1.1	26
Alzheimer's disease†§	—	—	—	—	68	89
arthritis§						
rheumatoid	—	—	—	—	19	100
osteoarthritis	—	—	—	—	162	80
HIV disease‡	39,000	75	23,000	75	11	73

Note: disease models are not interactive

*indirect costs only

†direct costs only

‡1990-2000

§pharmaceuticals used in treatment, not prevention, of disease

Source: Battelle Medical Technology and Policy Research Center

improvements in behavior that reduce risk factors. An additional 10 percent decline will result from other biomedical advances, such as surgical plaque removal and heart-assist devices. The remaining 40 percent decline in cases (5.3 million) will result from improved pharmaceuticals, including lipid-lowering agents and anti-hypertensive medications.

If, as the study suggests, these behavioral and therapeutic advances do occur, deaths and the incidence of cardiovascular disease will be reduced by two-thirds over the next 25 years. The 40 percent reduction in cardiovascular cases and deaths attributable to improved pharmaceuticals would save cumulative indirect costs of \$211 billion (Figure 1).

Lung Cancer. Behavior changes play a key role in the forecasted decrease in lung cancer cases and deaths over the 25-year study period. The number of new cases will fall in proportion

to the decline in smoking. The portion of the population that continues to smoke will drop from 26 percent in 1990 to approximately 13 percent in 2010. Advances by the pharmaceutical industry will be responsible for 12 percent of this overall decline of 94,000 cases.

About 409,000 deaths will be averted. Pharmaceutical advances are credited with half the decline in mortality between 2010 and 2015. Radically new treatments, such as cancer vaccines and monoclonal antibody therapy, may play a major role in this decline (Figure 1).

Leukemia. Of the three cancers studied, leukemia offers the most hope for medical cures. Pharmaceuticals have already proven successful against childhood leukemia, inducing remission in over 90 percent of children. Since lifestyle is unlikely to be a major contributing factor, researchers are focusing on improved methods of

continued on back

continued from front

chemotherapy and outpatient treatment.

Mortality is expected to decrease 20 percent, with pharmaceutical advances responsible for 95 percent of the decrease, amounting to \$3.6 billion in reduced indirect costs (Figure 1).

Colorectal Cancer. While behavioral changes will play a role in lowering the number of future colorectal cancer cases, pharmaceuticals will prevent about 170,000 future deaths.

Twenty percent, or 61,000, of the reduction in cases between 1990 and 2015 will be attributable to pharmaceutical advances, while the other 80 percent will result from dietary changes and improvements in screening. This decline assumes that dietary changes make a difference, almost as much a difference as reduced smoking makes in lung cancer (Figure 1).

Arthritis. Approximately 30 million people were identified as having arthritis in the 1985 National Health Interview Survey. The survey ranks arthritis as the second most prevalent chronic condition, after sinusitis, for all individuals and the most prevalent chronic condition for those over age 44.

The new study estimates that there will be a reduction of 1.96 million cases of rheumatoid arthritis and osteoarthritis by 2015. In 90 percent of those cases, progress will be the result of pharmaceutical advances such as improved immunosuppressants and prostaglandin inhibitors. Cost reductions due to pharmaceutical improvements should save \$19 billion for rheumatoid arthritis and \$162 billion for osteoarthritis (Figure 1).

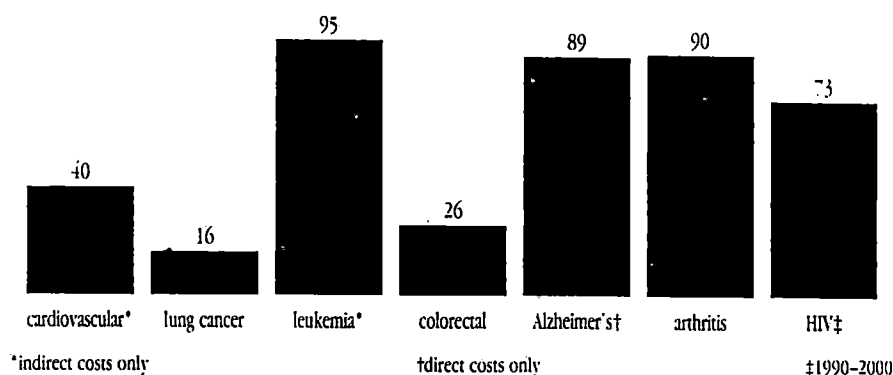
Alzheimer's Disease. Approximately four million people suffer from Alzheimer's disease (AD) in the U.S. today. The study projects that, by the year 2015, over six million people will have AD, about half of whom will need special care in nursing homes or in their own homes. As in the cases of leukemia and arthritis, the prevalence of AD is expected to remain unchanged over the next 25 years.

Technology, environmental improvements and genetic modulation will decrease by 10 percent the need for institutionalization or enhanced community care. This translates into a \$76 billion cumulative direct medical cost savings, of which \$68 billion, or 90 percent, will be due to direct innovations in pharmaceuticals (Figure 1).

HIV Disease. From 1981 through early 1991, nearly 160,000 AIDS cases, resulting in more than 100,000 deaths, were reported to the Centers for Disease Control. Because of difficulties in projecting the incidence of AIDS, forecasts are provided only for the period 1990 to 2000, assuming 30,000 new cases each year. It was predicted that preventive and therapeutic advances would result in a 10 percent decrease

Percent of Total Cost Avoided Due to Pharmaceutical Advances (1990-2015)

Figure 2



Source: Battelle Medical Technology and Policy Research Center

in the number of people progressing to AIDS and a 10 percent decrease in the number of deaths.

Based on these estimates, it is expected that there will be 52,000 fewer individuals progressing to AIDS. About 75 percent of the reductions, or

39,000, would be due to pharmaceutical advances. (Figure 1).

For more information, contact Jeff Trehwitt, manager of media services at the Pharmaceutical Manufacturers Association (202/835-3463).

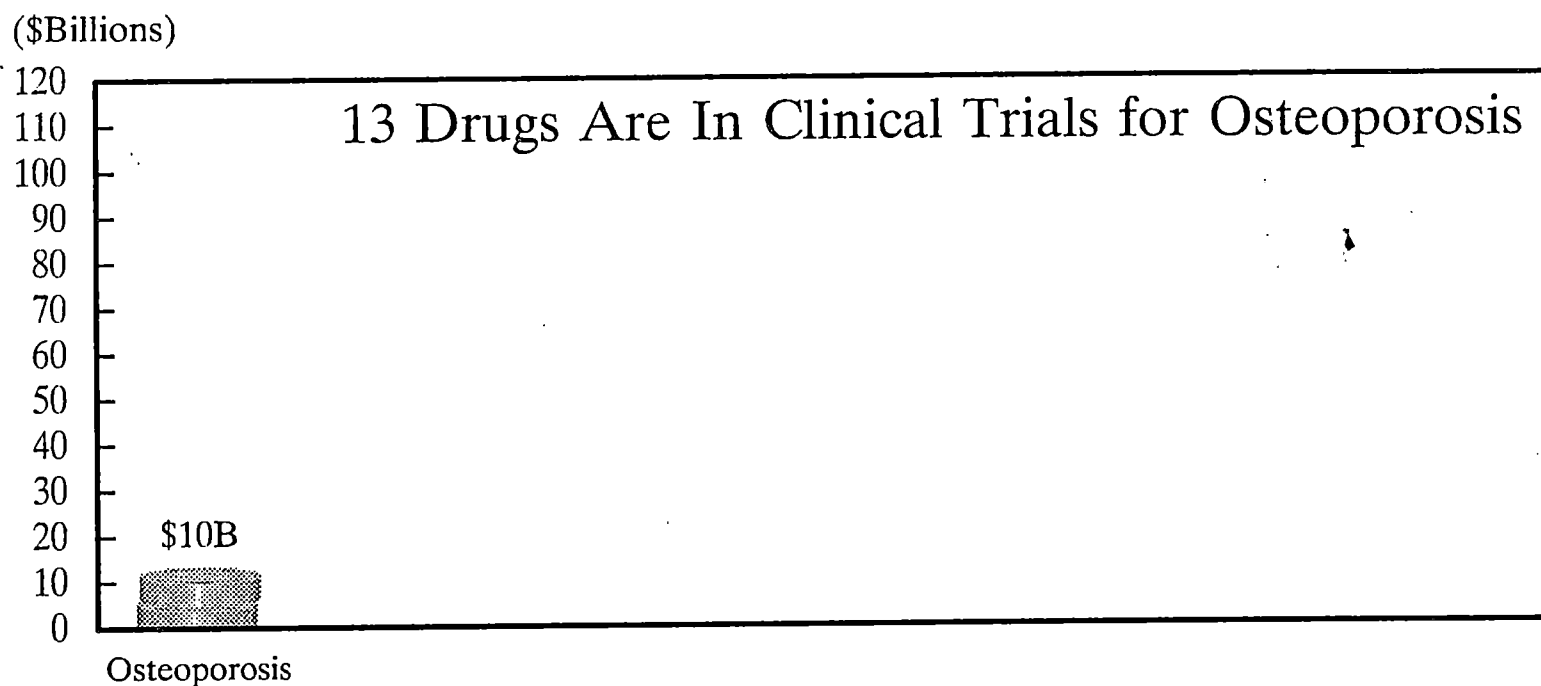
Pharmaceutical Manufacturers Association

1100 15th Street, NW, Washington, DC 20005

Innovation and Access

COST OF UNCURED DISEASES

Pharmaceutical
Manufacturers
Association

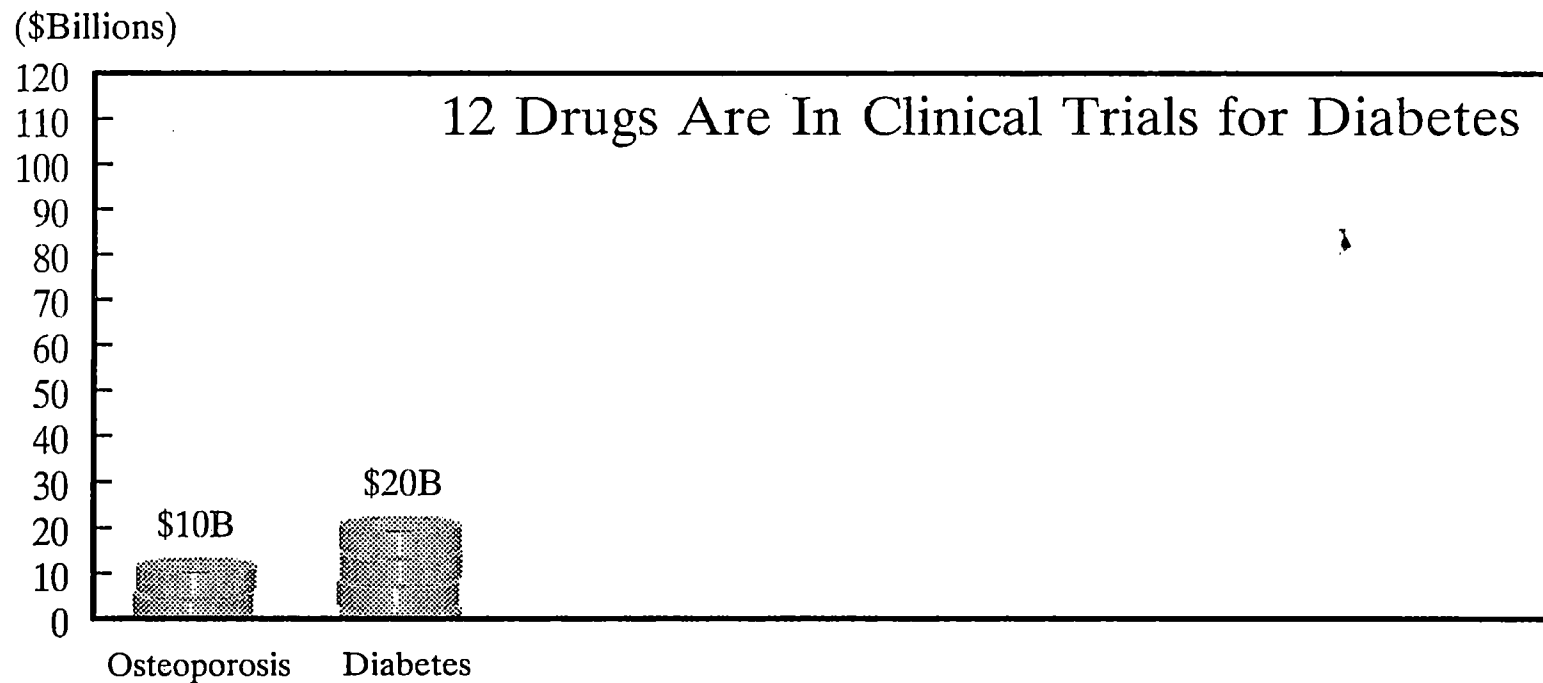


Sources: Alliance for Aging Research;
PMA *New Medicines in Development* Survey

Innovation and Access

COST OF UNCURED DISEASES

Pharmaceutical
Manufacturers
Association



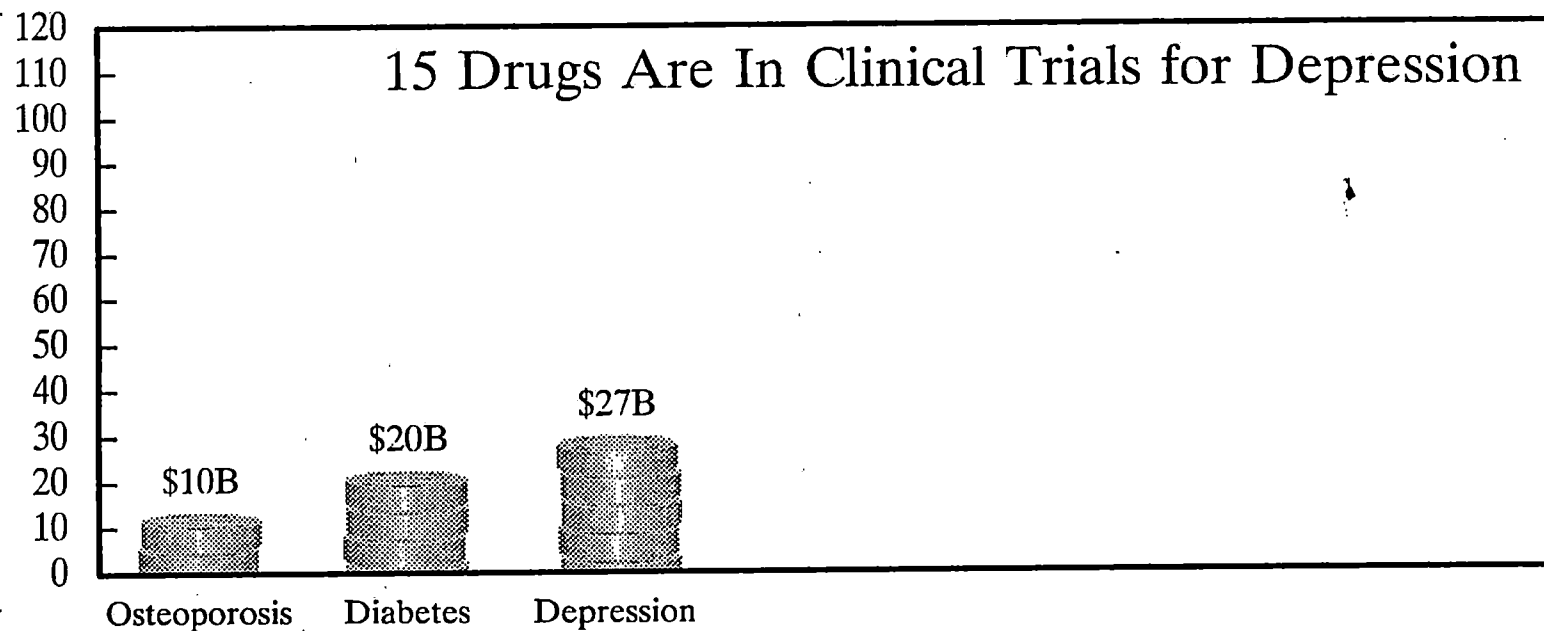
Sources: American Diabetes Association;
PMA *New Medicines in Development* Survey

Innovation and Access

COST OF UNCURED DISEASES

Pharmaceutical
Manufacturers
Association

(\$Billions)

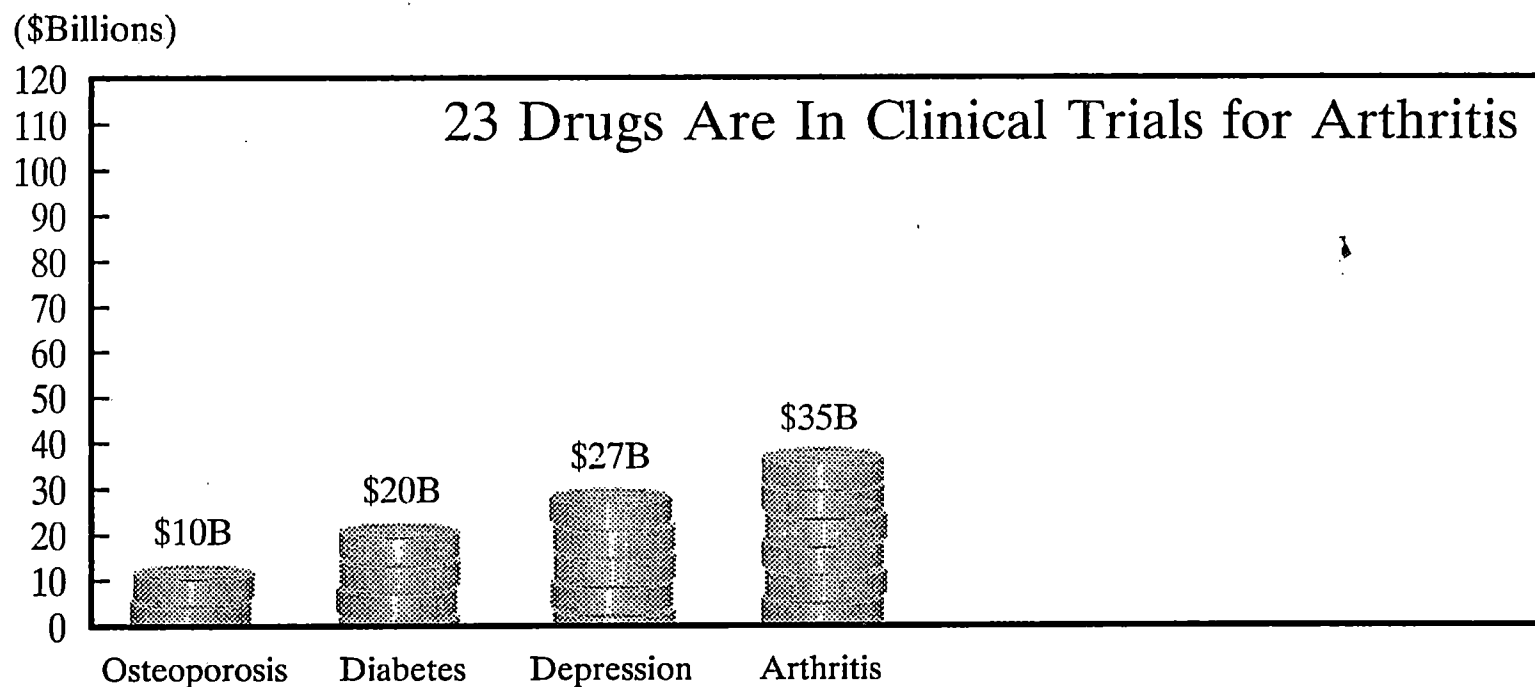


Sources: National Institute of Mental Health;
PMA *New Medicines in Development* Survey

Innovation and Access

COST OF UNCURED DISEASES

Pharmaceutical
Manufacturers
Association

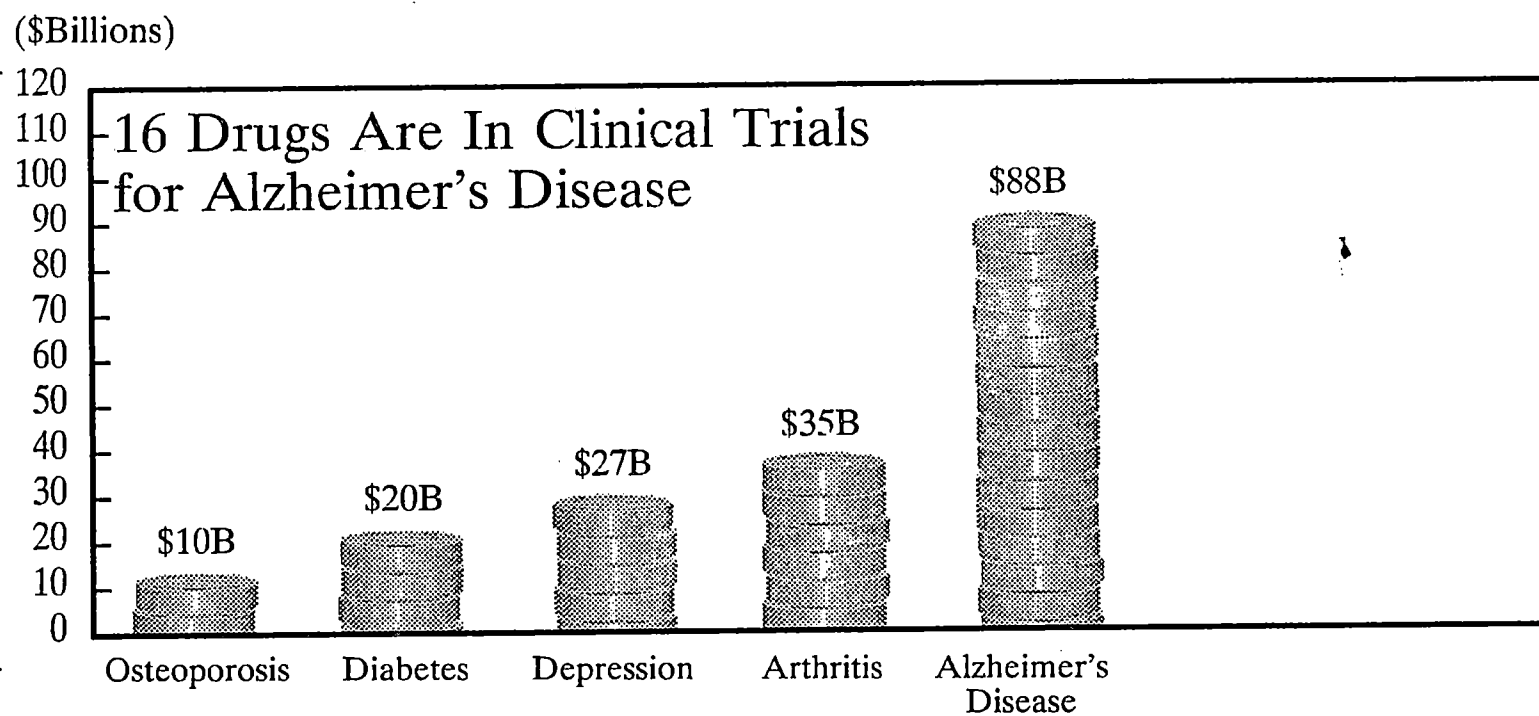


Sources: Alliance for Aging Research;
PMA *New Medicines in Development* Survey

Innovation and Access

COST OF UNCURED DISEASES

Pharmaceutical
Manufacturers
Association

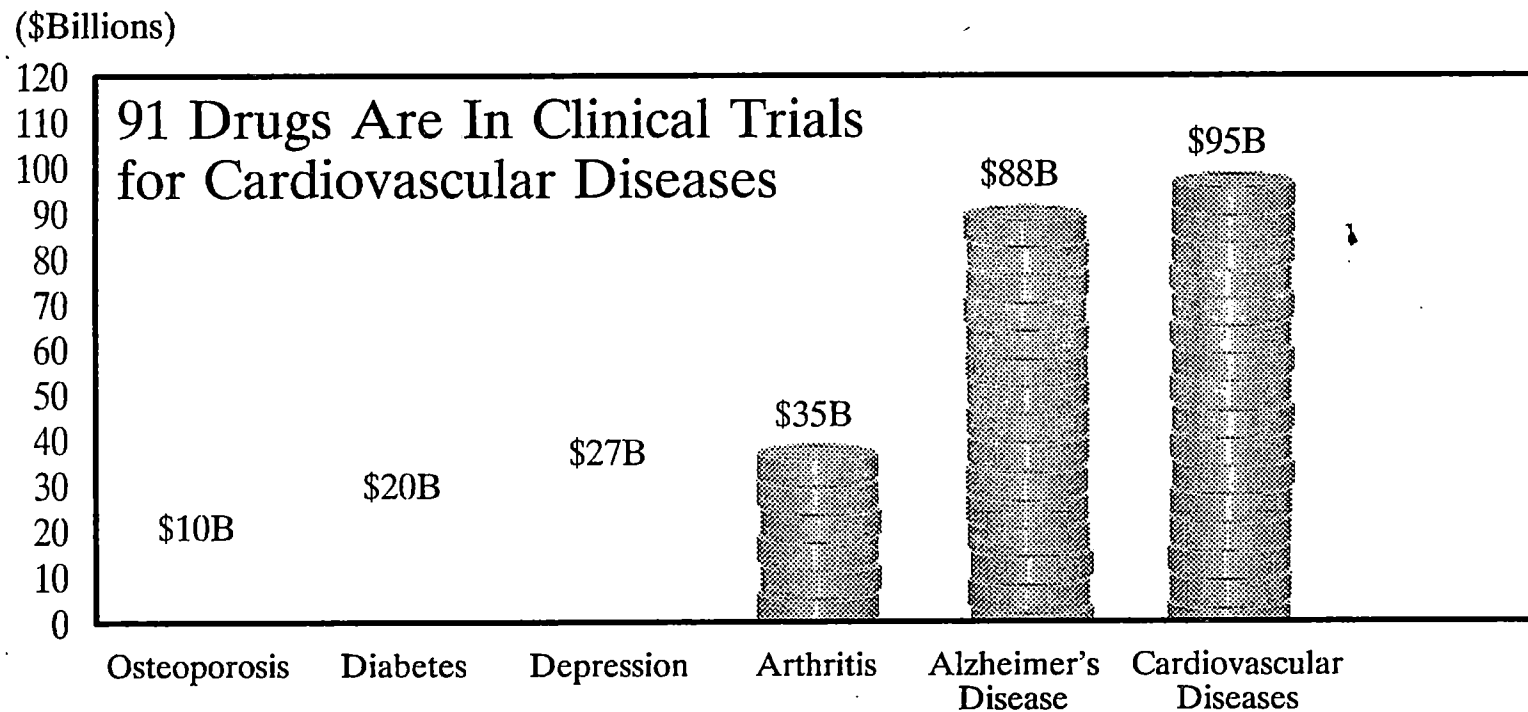


Sources: Alzheimer's Association;
PMA *New Medicines in Development* Survey

Innovation and Access

COST OF UNCURED DISEASES

Pharmaceutical
Manufacturers
Association

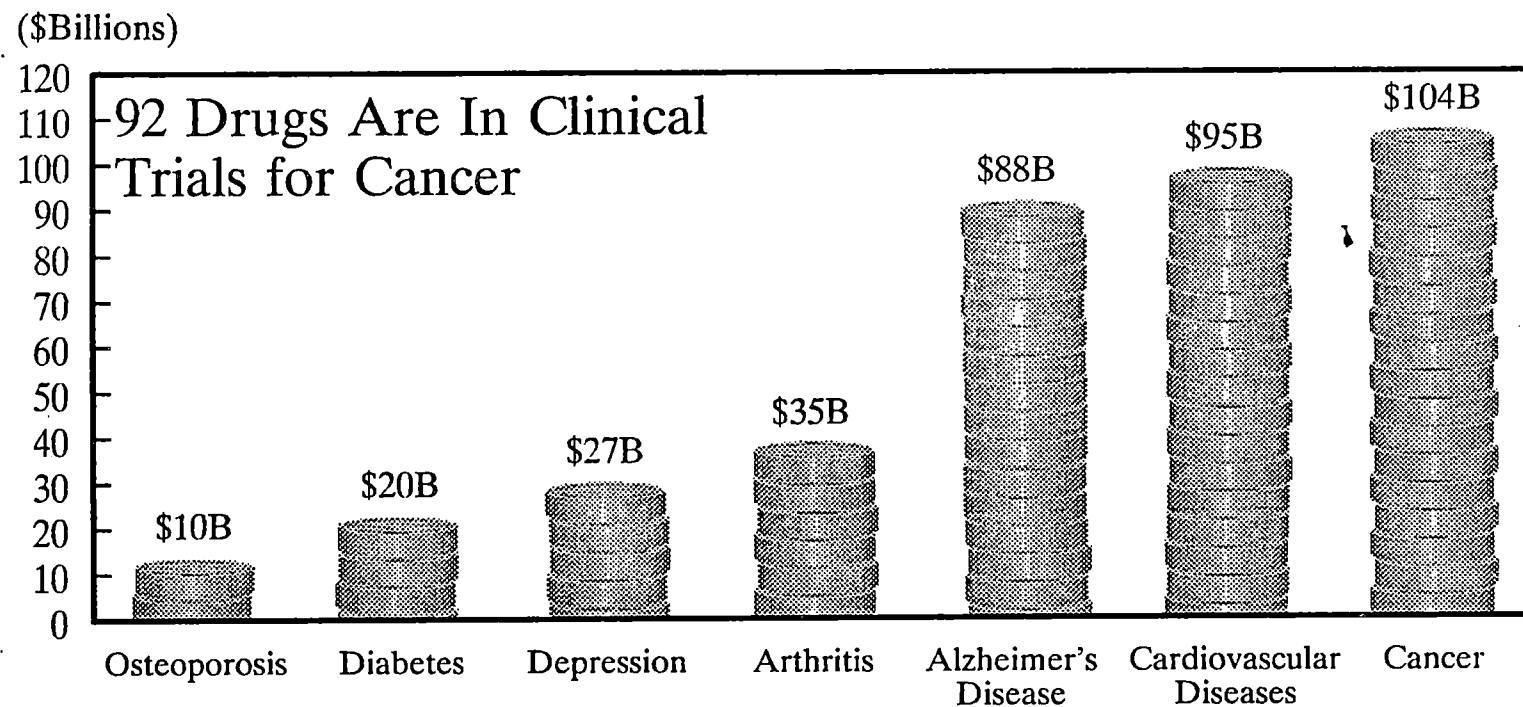


Sources: Alliance for Aging Research;
PMA *New Medicines in Development* Survey

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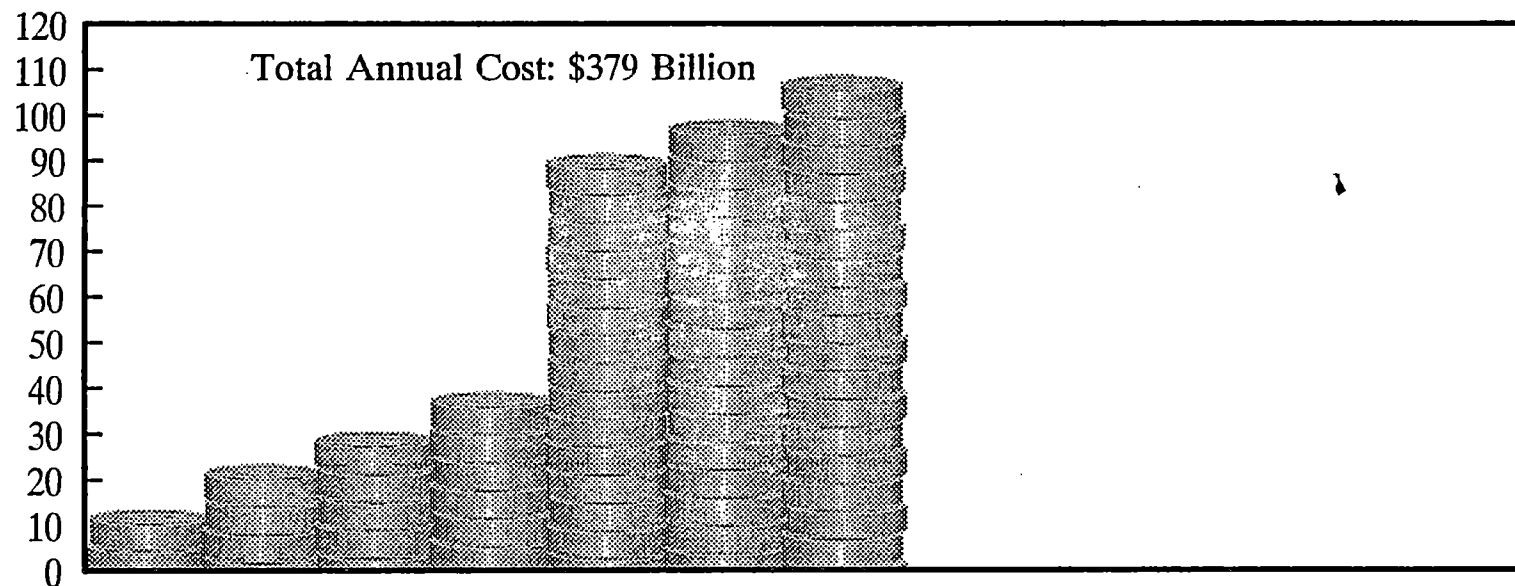
Sources: "The National Economic Burden of Cancer," 1990;
PMA *New Medicines in Development* Survey

Innovation and Access

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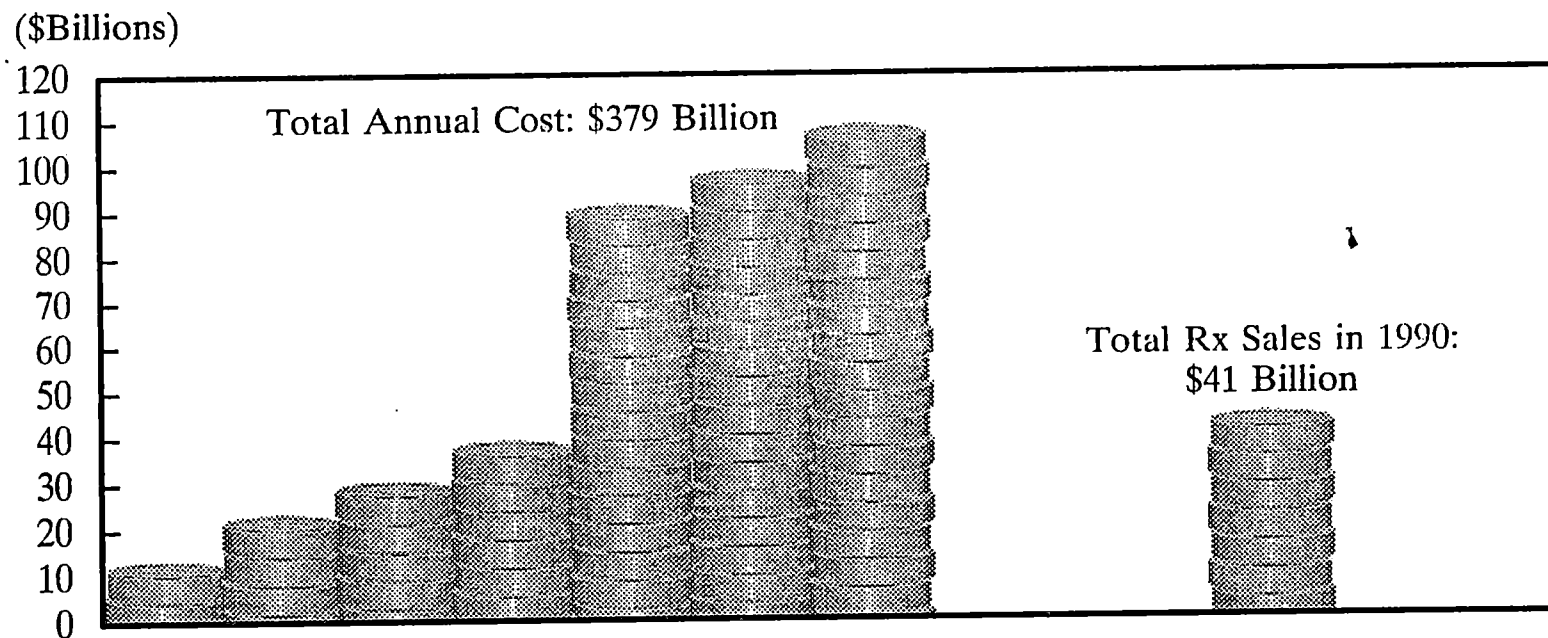
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Innovation and Access

COST OF UNCURED DISEASES

Pharmaceutical
Manufacturers
Association



Source: PMA Survey

THE WHITE HOUSE
WASHINGTON

DATE: 4/28

TO:

for Duggan
Rm. 122

FROM: DANIEL A. CASSE
Deputy Director
Office of Cabinet Liaison
Room 239, OEOB, x2800

- ☒ FYI
- ☐ Appropriate Action
- ☐ Let's Discuss
- ☐ Per Our Conversation
- ☐ Per Your Request
- ☐ Please Return

*Small bus. owners
even families
that employ
~~hundreds~~ of employees*

COMMENTS:

POSSIBLE SPEECH MATERIAL: Regulatory Reform (HHS)

Single Wage Reporting System

Today, an employer has to file multiple forms to report wage and tax information -- not just to the federal government, but also to each state. And if a company has employees in more than one state, then different forms have to be filed for each state.

For the individual employer -- small and large employers alike -- this process is needlessly costly, inefficient, and complex. The paperwork burden on the American public is estimated at 500 million hours a year for federal reporting alone.

It's also a bad deal for the individual employee, since this system is more likely to produce errors -- and that can affect tax reporting and Social Security payments.

Our Departments of HHS, Treasury and Labor are exploring ways to simplify this process. We're looking for a simpler reporting mechanism so that we can get the information we need, more accurately and at less cost in time and dollars.

In the long term, our employers can save \$6 billion or more each year through a simpler wage reporting system. And the government's own administrative costs can be reduced, as well.

(See attached bullets for additional info.)

Accelerated approval of new drugs

Some of the biggest success stories in modern medicine have been new pharmaceutical products. The most important new drugs can literally save millions of lives, and reduce health care costs at the same time, by reducing the need for surgeries or hospitalization, or other more expensive treatments.

We need to get the most promising new drugs to the marketplace faster. And under the steps being taken by the Food and Drug Administration, we will.

New regulations to accelerate the approval of breakthrough drugs can reduce the approval period for those drugs by as much as one to three years -- with savings of \$1 billion or more per year -- and still ensure safety for the consumer.

(See attached Press Release)

*cite
Companies
going
to market
w/ new
drugs
since
Jan. 28*

Page 2

Health Care Administrative Costs

We've all dealt with complicated insurance forms and reports. Multiply that experience by the millions, and you can envision the unnecessarily high administrative costs in our health care system.

The fact is, with today's computer capacities, we can streamline our health insurance administrative system, for both private and public insurers. And that will reduce the hassle for the patient and the individual doctor as well.

Through direct electronic billing, we can save as much as \$1 to \$2 dollars for each health insurance claim that's being filed today through paperwork -- and there are some 3 billion paper claims today.

The process can improve accuracy as well. And electronic systems can also be extended to patient records -- meaning records could be more quickly and easily retrievable, for example in an emergency situation.

Secretary Sullivan has launched an initiative with the medical, hospital and insurance sectors to make electronic billing a reality. The potential savings is in the range of \$4 billion a year.

WAGE REPORTING INITIATIVECurrent Status of Wage Reporting

- o The wage and tax reporting system now requires that employers report wages, and their corresponding tax amounts, in a variety of ways to several Federal and State entities. Last year more than 5 million employers reported about \$850 billion in payroll taxes.
- o Employers file Forms W-2/W-3 data yearly with the Social Security Administration (SSA) and States; Form 941 data quarterly and annually with the Internal Revenue Service (IRS); and unemployment compensation data quarterly with the States, who subsequently share these data with Federal agencies such as IRS and Department of Labor.
- o Reporting requirements among the various Federal and State agencies are overlapping but not identical. Employers, therefore, must present information in a variety of formats.
- o Many Federal and State programs are dependent on the wage and tax reporting information. Data reported to one agency is generally shared with selected other agencies. For example, SSA and IRS share reported Form W-2/W-3 and Form 941 data with each other.
- o The current processes are costly, complex, inefficient and burdensome to businesses. It is estimated that the paperwork burden on the public for just the Federal reporting is in excess of 500 million hours annually.

Proposal

- o Federal and State agencies working together could develop standardized reporting requirements to capture all essential wage and tax data currently reported via Forms W-2/W-3 and 941 and unemployment compensation data.
- o Employers would be required to file these integrated wage and tax data with only one agency (to be selected).
- o The agency receiving these data would be responsible for sharing pertinent information with other federal and State agencies needing it.
- o Cost-sharing would be equitably divided among all agencies making use of the data reported.
- o Implementation would be phased-in over several years.

Potential Costs/Benefits

- o Costs include, but are not limited to, development and start-up costs for the federal government, state governments and employers.
- o There is some potential for adverse reaction from groups concerned that all wage data stored in one place could increase the likelihood of abuse or misuse. In addition, some might view the present system as more likely to uncover reporting errors than would a single report.
- o Benefits include, but are not limited to, reduced employer burden for wage and tax reporting, increased consistency of data used by various agencies, reduced duplication of processes among federal and State agencies and; therefore, collective operating costs would be reduced, improved timeliness of data.
- o While no estimates of costs or benefits have been developed, it is likely that cost savings to the private sector could be 6 - 7 billion dollars annually.

Next Steps/Actions

- o Develop and document alternatives for implementation strategies and plans and system proposal.
- o Alternatives will be presented to various federal agencies for consideration.
- o Input from States and employers will be solicited and their reactions incorporated into the system proposal and implementation strategy and plan.
- o System proposal and implementation strategy and timetable are finalized.
- o The actions listed above should be completed by the end of 1992.

HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

P92-10
FOR IMMEDIATE RELEASE
April 9, 1992

Food and Drug Administration
Eva Kemper -- (301) 443-3285
(Home) -- (410) 740-2633

Vice President Dan Quayle and HHS Secretary Louis W. Sullivan, M.D., today announced that four initiatives are being implemented by the Food and Drug Administration to speed access to new drugs and improve the drug review process.

"These initiatives follow through on FDA's commitment made last November, as recommended by the President's Council on Competitiveness, to provide earlier access to important new drugs, ease unnecessary regulatory burdens and strengthen U.S. competitiveness," said Vice President Quayle, who chairs the Council.

"These actions will save both lives and money and reduce human suffering. They will substantially improve FDA's ability to respond vigorously to the nation's health needs by allowing important new drugs to be approved months or even years earlier than was previously possible," Secretary Sullivan said.

FDA Commissioner David A. Kessler, M.D., said that the changes will streamline the drug development process without sacrificing rigorous oversight. "While drug reviews will be accomplished faster, patients can be assured that only drugs that are both safe and effective will be approved," he said.

-MORE-

ATTENTION TV BROADCASTERS: Please use open caption for the hearing impaired.

Page 2, P92-10, Drug Approval

The four initiatives reported today are:

Accelerated Approval.--Proposed rules are being published to accelerate the approval of new "breakthrough" drugs. They will allow these therapies to be approved at the earliest time in their development at which safety and effectiveness can be reasonably established. Under these new procedures, in making an approval decision, FDA will use "surrogate endpoints" that indicate that a drug is effective and then further confirm its effectiveness through additional human studies that will be carried out after marketing approval. "We used surrogate endpoints in approving the AIDS drug DDI. DDI was approved in just months -- not years, as would normally have been the case," Dr. Kessler said.

Under the new procedures time to approval could be reduced by as much as one to three years for "breakthrough" drugs.

Parallel Track.-- Experimental therapies will be made available to AIDS patients as early as possible in the drug development process -- a departure from the current practice of making investigational drugs available initially only through controlled clinical studies. This "parallel track" policy, an effort of the National Institutes of Health and FDA, will be published in the Federal Register this week. It will permit access to these drugs by those patients with AIDS who are unable to participate in the controlled clinical trials. The new policy, initially aimed at AIDS, may be evaluated for other serious diseases.

Safety Testing Harmonization.--Through guidance based on consensus among the European Community, Japan and the United States, safety data based on animal testing in one of the participating countries will now be accepted by the others. This will eliminate the need to duplicate valid animal testing,

-MORE-

Page 3. P92-10. Drug Approval

and will reduce the time currently required for long-term testing by six months or more.

"As a result, safety data developed in accordance with one country's standards will be accepted by another, and drug sponsors will no longer face the burden of performing multiple studies on new drugs to meet varying national requirements. This will cut the time and resources currently required for such testing," Dr. Kessler said.

Outside Expert Reviews.--To reduce the backlog of new drug applications, FDA is undertaking an external review program to use qualified experts from outside the government to review certain routine types of applications. FDA has solicited a proposal for a pilot external review. A contract to manage and conduct this review is being negotiated with the MITRE Corporation. A notice appeared Friday, April 3, in Commerce Business Daily soliciting additional qualified organizations to participate in this program. Although FDA will retain final approval authority, the expert reviewers will assume much of the burden of analyzing the data in these applications.

Both FDA and NIH are agencies of the Public Health Service within HHS.

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READER'S DIGEST

March 1992

A regulatory noose is keeping millions from realizing the American dream of a home of their own

How Government Makes Housing Unaffordable

BY TREVOR ARMBRISTER

TOM NOLAN is a \$38,000-per-year New York City Transit Police officer. His wife Patricia is a \$16,000-per-year school-bus driver. They'd love to own a home, but a three-bedroom house in Farmingdale, N.Y., where they live costs on average \$150,000. "We could afford the mortgage," Tom says, "but how do we get the down payment?"

In Mission Viejo, Calif., school-system employees Karen and Barry Jaspersen earn a combined \$42,000. They figure they would need \$40,000 to \$50,000 down to buy a



home for them and their two kids. "Impossible," says Barry.

Montgomery County, Md., firefighter Richard Huff and wife, Pat, set out to buy a home. "You really can't afford this," their real-estate agent kept saying. "You can't afford that." Finally, they found a place in Frederick, Md., 37 miles away. How does he feel about being

unable to live in the community where he works? "Something is severely messed up," he says.

Despite low mortgage rates, many young people today are discovering home ownership is an impossible dream. According to the Census Bureau, 57 percent of families—56 million Americans—can't afford to buy a median-priced home where they want to live. Nine of ten renters are, in effect, frozen out of the market for median-priced houses. The situation is particularly acute in California and the northeast corridor between Boston and Washington, D.C. But it's spreading fast to states like Florida, Ohio and Illinois.

What's responsible? Turbulence in the banking industry is one factor; others are the increasing costs of land, labor and materials. But the real villain is something few buyers suspect: a spider web of regulation at all levels of government that chokes off the supply of new affordable homes and drives up

prices by as much as 35 percent.

"It's a national scandal," says former New Jersey Governor Tom Kean, chairman of a bipartisan panel that investigated the situation for Housing and Urban Development (HUD) Secretary Jack Kemp. Here are some of the costly regulations Kean and his colleagues uncovered.

• **Zoning.** Last fall, Libertyville, Ill., persuaded Motorola, Inc., to build a plant that would provide 3000 to 5000 jobs. But village officials didn't change the master zoning plan to allow the building of affordable homes.

Exclusionary zoning frequently stems from a concern that new development may lower property values, increase traffic congestion and create a need for such expensive services as schools. But restrictions drive up the cost of land, which in turn drives up the cost of housing.

Some sections of Plainsboro, N.J., for example, allow only one residence for every six acres. The town boasts office parks and millions of square feet of commercial space. But the people who work there are too often forced to live elsewhere.

• **The permit maze.** Back in the 1930s, the Empire State Building was completed in little more than a year. Today it can take developers two to five years just to get permits (water, sewer, electricity) for subdivision homes.

These delays are expensive. In some California communities, according to Brookings Institution economist Anthony Downs, the first \$30,000 of the cost of a new home is directly attributable to governmental permits and fees.

The permit maze sometimes stops housing altogether. In West Windsor Township, N.J., the de-

HUD News Summary

Periodicals

veloper of a proposed 2600-unit subdivision discovered that he needed 11 different approvals from nine separate agencies before construction could begin. But after four years of pursuing permits, the market had disappeared, and the housing project was suspended.

"Jet fighters and moon rockets get by with triple redundant control systems," says William M. Connolly, director of New Jersey's Division of Housing and Development. "We need seven government agencies to look at whether storm drainage will drain."

Taylor Woodrow Homes executive Jeffrey Prostor sought permission to build 123 condominiums in Laguna Niguel, Calif., priced at \$150,000 to \$195,000. After Orange County approved the plans, the company spent \$1 million putting in streets and utilities and began building models. But when Prostor sought to include lower-priced units, opposition emerged. A local resident filed a last-minute appeal to the city council. The units, he complained, would house too many people and be inappropriate for the community. Council members, fearing that they would be labeled "pro-development," rejected the proposed additional homes.

The council "ignored the needs of senior citizens," wrote a blind man to a local newspaper. "They ignored the needs of people who want to live independently in smaller homes designed with their physical needs in mind. When the arrogance of no-growth elitists and the cowardice of politicians combine, we get a brand of government-sponsored prejudice which should have no place in our society."

• *Unreasonable environmentalism.* In August 1985 Barbara and Alan Tepper signed a contract to buy a three-bedroom home in a

new 238-unit subdivision on Staten Island, N.Y. Priced at \$76,500, it was the "only house we could afford." The Teppers put down ten percent and looked forward to moving in that October.

The site for the development was not designated as a wetland on preliminary maps of the area issued by the state's Department of Environmental Conservation (DEC). But after work had begun, a DEC technician found ten-year-old aerial photographs showing that the site previously contained flora similar to that on protected wetlands nearby. It was enough to close the project down.

Home buyers like the Teppers were effectively shut out. They sought help from the DEC, but the agency's bureaucrats said their hands were tied. Finally, after 18 months, the logjam broke and the Teppers were able to claim their home.

Even so, the rest of the project took another year of redesigning, study and permit approval. Of the original 238 homes, fewer than 140 were built and sold. When the project was finished, prices had increased at least 50 percent.

In their quest to stop development in its tracks, environmentalists cite "wetlands" almost everywhere. They also take advantage of the 19-year-old Endangered Species Act.

In Riverside County, California, development has been restricted on 81,000 acres while authorities study how much of the area the Stephen's kangaroo rat needs. In Walton County, Florida, in 1991, U.S. Fish and Wildlife Service concerns about the Choctawhatchee beach mouse effectively shut down one large subdivision before it could get off the ground. And in scrubland along the Southern California coast, builders fear that the California gnatcatcher—described by a developer as "a tiny bird with a big attorney"—will go on the endangered list.

• *Exorbitant impact fees.* In the Cincinnati suburb of Cleves, builder Jay Buchert sells a 1000-square-foot starter home for \$65,000. He has to pay a total of \$750 for water and sewer hookup fees, building permit and final inspection charges.

Just 30 miles away, in Mason, such "impact fees" for a nearly identical home total as much as \$5150, which he passes along to his customers. "They're using that extra money to cover improvements to the water and sewer departments in the rest of the community," Buchert says, "laying the cost off on people who buy new homes."

In at least 30 states, communities are forcing developers—and hence new home buyers—to pay for schools, parks, fire stations, recreational facilities and improvements to roads and bridges used by longtime residents.

Nowhere are impact fees more onerous than in Southern California where, says Timothy L. Coyle, director of that state's Department of Housing and Community Development, they can add at least \$20,000 to the cost of a house. That could mean \$150 to \$200 extra in monthly mortgage payments.

"It's extortion," says Upland, Calif., developer Ira Norris, "and there's no political risk. In many cases the victims are not yet voters."

• *Overly restrictive building codes.* Experts say the technology exists to reduce the cost of building an average-sized house by as much as 27 percent. But these money-saving measures are frequently forbidden by local building codes.

Chicago's plumbing code, for example, requires metal pipe for many uses rather than the far cheaper and simpler-to-install plastic. Chicago developer Salvatore Ferrera estimates that the extra cost for a 1400-square-foot home is between \$3000 and \$4000. Electric-code specifications require rig-

id, as opposed to flexible, conduits: another \$3000 to \$4000. Special venting, pipes and other requirements tack on as much as \$5000 more. In all, the codes add between \$10,000 and \$15,000 to a \$100,000 home.

• *The Davis-Bacon Act.* Enacted by Congress in 1931, Davis-Bacon (and subsequent related acts) requires that builders of federally subsidized projects pay the "prevailing" wage—as determined by the Department of Labor. Today that law, which hasn't been substantially modified since 1964, has been estimated to add as much as \$1 billion to residential construction costs every year.

Not long ago, Boston developer Bill Stetson considered bidding for a small federally sponsored apartment project in Springfield, Mass. If he didn't have to pay "prevailing"—i.e., union—wages, he figured that he could complete the job for \$300,000. Under federal requirements, however, the cost soared to \$550,000. He declined the opportunity.

The impact of Davis-Bacon is not limited to public-housing projects. "It affects *all* housing," says California Housing Director Coyle. "Builders with federally guaranteed loans, for instance, must pay the highest wage scales, driving up prices for middle-income buyers and often pricing them completely out of the market."

• *Rent control.* From Boston to Berkeley, ordinances determine the rents of some seven million apartment dwellers. Supporters argue that rent control helps the poor. Yet, impartial studies reveal that it benefits middle- and upper-income families disproportionately, reduces housing mobility and further erodes the stock of housing that's still available.

"Rent control drives down supply," explains Stephen E. Carlson, executive director of the nonprofit California Housing Council in Sacramento, "and that drives up the cost of everything else." Adds Brookings Institution's Downs:

"Where there is stringent rent control, no one will build additional rental units. The failure to build these units continues the shortage of housing in that community."

IN NOVEMBER 1989, President Bush asked HUD Secretary Kemp to look into this regulatory morass. At Kemp's request, Governor Kean and former Rep. Thomas "Lud" Ashley (D., Ohio) headed a bipartisan commission to examine the problem in depth and come up with practical, common-sense solutions. The commission's report was entitled "Not in My Back Yard: Removing Barriers to Affordable Housing" and reached Kemp's desk last summer. Its recommendations, endorsed by all 21 members, provide a blueprint for making housing available—and affordable—to all Americans.

Most of the regulations crippling housing were set in place by local and state governments. What they have to do now is help clear away the thicket. They should standardize and simplify zoning regulations and building codes. They should adopt strict time limits for permit reviews, and they should lessen the crushing burden of impact fees. It is grossly unfair to single out new home buyers for infrastructure improvements that benefit everyone.

Congress, too, has an important role. It should:

1. Encourage HUD to withhold federal subsidies from communities that resort to discriminatory zoning

policies and exorbitant development fees.

2. Provide exemptions to the Davis-Bacon Act mandates on federally funded housing projects.

3. Overhaul and modernize the Endangered Species Act. No one disputes the need for environmental protection, but, says commission member Larry Arnn, "it should be within the context of having one's priorities right."

Secretary Kemp's department is already putting together more specific plans for reform. Over the next few months, he plans to buttonhole governors and address state legislatures everywhere.

"This report is a call to arms," he says. "Housing has become the most overregulated industry in the United States, and it is being smothered by government. Something must be done about it now."

HUD News Summary

Major Dailies

WEDNESDAY, JULY 10, 1991

The Washington Times

WARREN BROOKES

In 1989, the Interfaith Housing Development Corp. of the Maryland Eastern Shore bought an abandoned farm field in Cambridge, in the second-poorest county in the state.

This non-profit alliance of ministries of various faiths planned to build 91 units of housing for an average below-cost price of \$55,000 for families in the \$15,000 income range.

But in the spring of 1990, the Environmental Protection Agency and the Corps of Engineers told them all but 1.5 acres of their property was "non-tidal wetlands," and couldn't be developed. Interfaith offered to cut the units to 42, and the "disturbance" to only 13.6 acres, but to no avail. After \$34,600 in costs, the project is now on hold.

Interfaith is not unique. In 1990, a 102-acre subdivision in Bridgehampton, Long Island, was halted when a tiger salamander was found on the property. After a year's delay, the developer cut the number of affordable units by half and got his permit.

Across the country, the environmental movement, dominated by the wealthy and the powerful, has discovered that wetlands, endangered species and "biodiversity" have been good covers to carry out a massive campaign of "snob zoning." Whole towns from Lockport, N.Y., to Hampton, Va., have seen most development stopped by wetlands enforcement.

This week, Housing and Urban Development Secretary Jack Kemp declares war on these "snob zoners" with a new study called "Not in My Back Yard (NIMBY) — Removing Barriers to Affordable Housing," prepared by the Presidential Advisory Commission on Regulatory Barriers to Affordable Housing.

The commission, cochaired by the impeccably "green" Tom Kean (former Republican governor of New Jersey) and former Rep. Tom Ashley, Ohio Democrat, looked at all the ways invented by communities to stop housing development and identified two major blocks: regulatory barriers (growth controls, exclusionary zoning, rent control, etc.) and environmental protection.

While the commission pays obeisance to environmental concerns and regulation, it points out that its

Kemp's drive against snob zoning

Affordable housing mission

fundamental effect is to "seriously restrict the amount of buildable land that is available for development. This effect raises the cost of what land remains for homebuilding."

As an example it cites the plan to set aside a 30-square-mile system of preserves within Riverside County, Calif., to protect the allegedly endangered Stevens Kangaroo Rat. The projected cost of this is \$100 million to \$200 million. Already a fee of \$1,950 is levied on every acre in the county that is developed: "Housing affordability is becoming an inadvertent casualty."

In fact, it's anything but "inadvertent." Environmentalists consider any development a threat to biodiversity. The Nature Conservancy has worked closely with government agencies to computerize a national inventory of all open spaces and the possible species impacted. That data bank is routinely used as a weapon to stop development. That often drives down land values, which incidentally allows TNC to buy bargains which they then sell at a profit to Uncle Sam. TNC now serves as the only non-governmental participant in the U.S. Fish and Wildlife Service's Task Force on Biodiversity, advising it on "Land Acquisition Initiatives."

While the rhetoric of all this has a veneer of science its basic premise is flawed. There is growing evidence that when areas are locked away from human impact, biodiversity of

The environmental movement has discovered that wetlands, endangered species and "biodiversity" have been good covers to carry out a massive campaign of "snob zoning."

ten decreases. Indeed, one of the premises of Darwinian evolution is that disturbance promotes species development and diversity.

It has become increasingly evident that the often irrational extremism of federal wetlands and endangered species enforcement is nothing more than an anti-growth effort by a predominantly upscale environmental movement to promote land-use planning to keep affordable development down.

The commission didn't mince words: "The impact of environmental regulation on the availability of affordable housing is substantially amplified by the widespread use of environmental protection as a stalking horse for NIMBY groups bent on opposing unwanted development. Often environmental con-

HUD News Summary

Major Dailies

cerns raised against the development of multifamily or low- and moderate-income housing really constitute attempts at exclusionary zoning."

But it's not just NIMBY groups. The Riverside County Stevens Rate controversy is the direct result of a supervisor in the Fish and Wildlife Service named Nancy Kaufman who told The Washington Post that "humans have reached the limit on how far they can intrude on the environment" and defended the Stevens Kangaroo Rat ruling, saying, "I'm not required by law to analyze the housing price aspect for the average Californian."

Last winter when the FWS made the National Forest Service start shutting down millions of acres of logging potential in the Northwest to protect the spotted owl, the futures price of lumber shot up at the prospect that NFS harvest levels will fall by 92 percent if the habitat rules are enforced.

As Larry Kudlow of Bear Stearns told his clients recently, "In a classic supply shock, the ecological decision to protect the spotted owl has been a tremendous drag on lumber and plywood output in the West, driving up prices despite a very weak housing recovery."

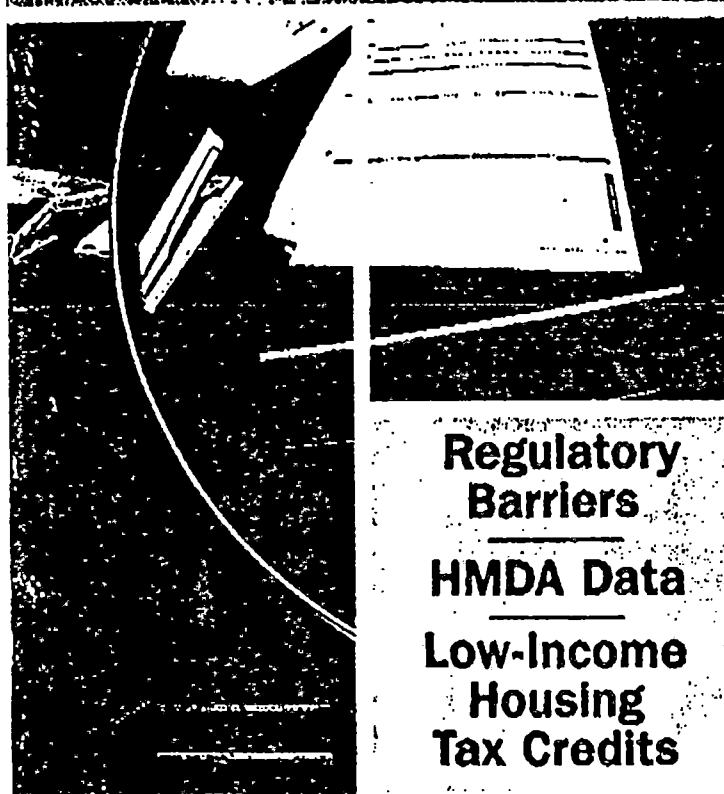
Fortunately, Mr. Kemp and his ally Vice President Dan Quayle seem to be winning their war with EPA Administrator William Reilly over wetlands extremism, while Congress is beginning to wake up to overall property rights, and the rising groundswell of populist resentment of the snob zoners. Stay tuned.

Warren T. Brookes is a nationally syndicated economics columnist.

Volume 8, Number 4

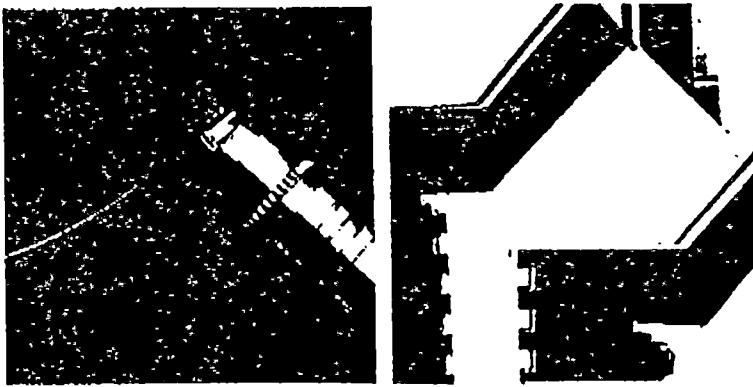


MAKING HOUSING AFFORDABLE



Low-Income Housing Tax Credits

—James W. Rouse



REGULATORY BARRIERS TO AFFORDABLE HOUSING

From the perspective of
someone who cuts through
the red tape.

by Kathryn Wyldé

THE NEW YORK CITY HOUSING PARTNERSHIP brings business and civic leaders together to mobilize support for programs that expand the supply of affordable housing and to stimulate private investment in the redevelopment of inner-city neighborhoods. A key component of this effort is to control development costs.

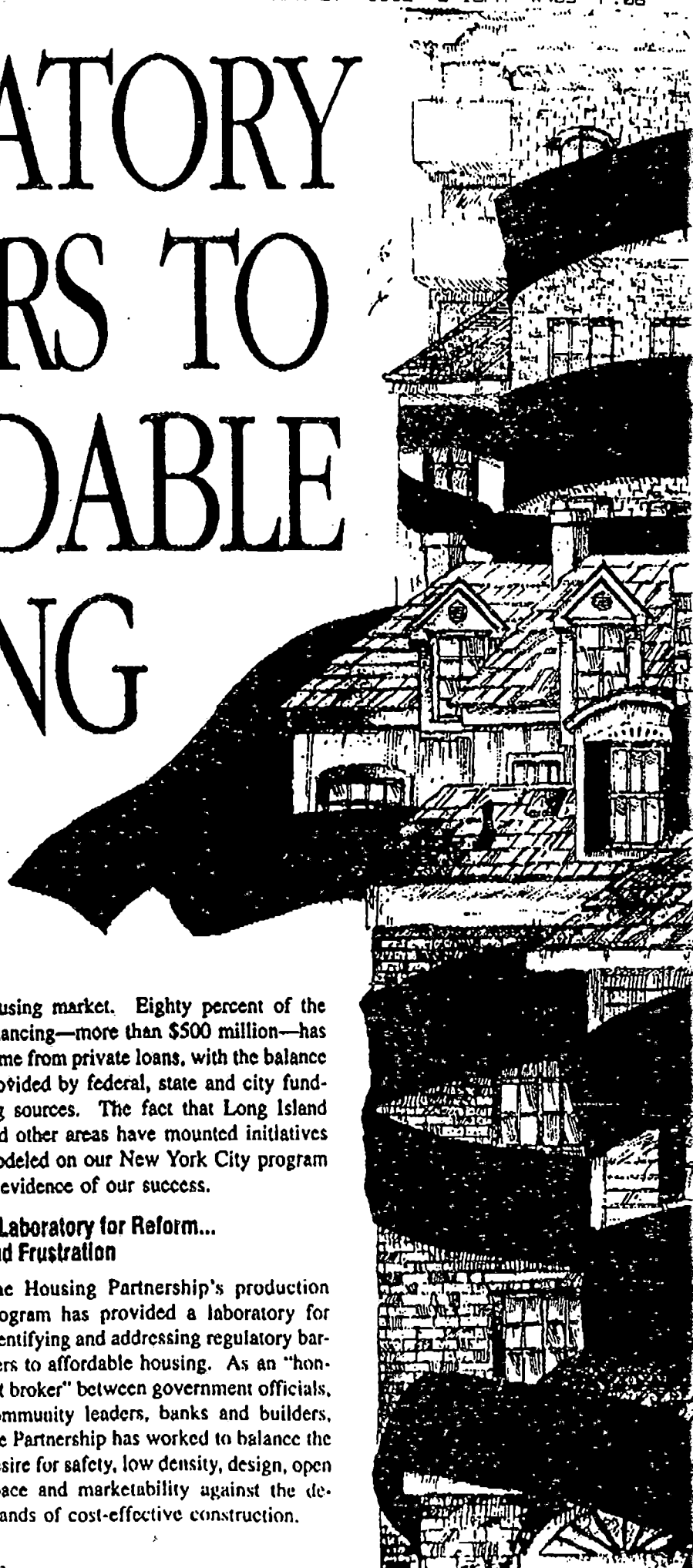
Since 1983 the Housing Partnership's New Homes Program has produced about 5,000 homes and apartments in 40 neighborhoods across New York's five boroughs. Partnership projects put vacant, city-owned land back on the tax rolls, revitalize neighborhoods and bring homeownership within reach of working families priced out of the New York

housing market. Eighty percent of the financing—more than \$500 million—has come from private loans, with the balance provided by federal, state and city funding sources. The fact that Long Island and other areas have mounted initiatives modeled on our New York City program is evidence of our success.

A Laboratory for Reform... and Frustration

The Housing Partnership's production program has provided a laboratory for identifying and addressing regulatory barriers to affordable housing. As an "honest broker" between government officials, community leaders, banks and builders, the Partnership has worked to balance the desire for safety, low density, design, open space and marketability against the demands of cost-effective construction.

Kathryn Wyldé is president of the New York City Housing Partnership. This article is based on testimony before the Advisory Commission on Regulatory Barriers to Affordable Housing.





During the past 10 years, cooperation between government, union and industry leaders has led to some streamlining of the local development approval process and the elimination of certain bureaucratic obstacles. A Mayor's Office of Housing Coordination has been established to perform an expediting and coordinating role among the 18 public agencies involved in a typical affordable housing project.

This progress has been offset, however, by a panoply of new regulations enacted without consideration of their impacts on the achievement of affordable housing goals.

Examples of public actions in non-housing areas that have direct impacts on housing costs include increases in city permitting fees (for example, for zoning applications, sewer taps, tax abatements and curb cuts); restrictions on dump sites for construction debris; mandatory installation of water meters; required planting of street trees and open space; required on-site stormwater retention due to overload at sewage treatment plants; toxicity testing and liability insurance for hazardous waste; provision of access for the handicapped; and mitigation measures triggered by proximity to water, historic or archaeologically significant sites.

Affordable housing sites in urban centers are often located in or near manufacturing districts. Under evolving definitions, virtually any former manufacturing site could be a candidate for being listed as a hazardous waste site under federal law. While it is relatively easy to get on the federal list, there is not yet a procedure for getting a site off the list. There are no standard guidelines for testing or remediation of hazardous conditions, forcing localities or developers to make up the rules as they go along. As a consequence, it has become impossible to determine the feasibility or cost of affordable housing on sites that represent so much of our urban inventory.



In 1984 the Housing Partnership undertook a 200-home development on Staten Island. A zoning change and federal funding were involved, so the project went through an exhaustive environmental review. The project passed all regulatory hurdles, but midway through construction the State Department of Environmental Conservation pulled the building permits and brought the project to a halt for 18 months. The site had been retroactively declared a freshwater wetland. While this was a political embarrassment to top city and state officials, they were powerless to interfere with the technician who decided the wetland status and required that we reconstruct a natural wetland three times the size of what we had supposedly destroyed. Fear of litigation and of the political power of the environmental lobby outweighed concern about 200 units of affordable housing. The consequence was bankruptcy of the original builder, default on the construction loan and redesign of the project—with a 50 percent increase in home prices.

The Beneficiaries: Regulatory Entrepreneurs

Interpreting and explaining how to comply with or circumvent development regulations has become a business. It has its own technical jargon and vested professional interests. The new class of regulatory entrepreneurs—environmental consultants, lawyers and such subspecialists as traffic engineers and noise consultants—are the direct beneficiaries of increased regulatory costs and complexities. In New York we even have professional expeditors who know in which lines to stand in the Buildings Department.

Legislators, political leaders and the general public hesitate to make decisions about issues they do not understand, particularly when it comes to health and safety. A private and public technocracy, with virtually no public accountability, has taken over the regulatory process.

One of our Brooklyn projects, which was designed to generate permanent jobs and 600 units of affordable housing, had the misfortune of being in proximity to what the federal Clean Air Act regulations define as a "hot spot." The environmental review took two years and cost more than \$5 million. Significant resources were spent on consultants to determine such matters as the "modal split" needed for environmental sign-off—a process of speculating how many people employed at the project will walk, drive or take a subway to work. The project was approved, but several lawsuits were filed on environmental grounds. After years of litigation, the Housing Partnership has won two of these cases, but the disposition of another is still pending.

Federal Barriers to Local Reform

One Housing Partnership breakthrough in the local regulatory and political process was to secure Buildings Department and trade union acceptance for construction of factory-built, modular, two- and three-family rowhouses. The economic advantages of the modular building system have been substantially diminished, however, by the slow process of plan reviews, inspections and approvals by multiple levels of government.

When federal funding or action is involved, a project is subjected to an additional layer of review.



In 1985 we secured city approvals and financing commitments for an 85-unit modular housing project in a devastated section of the South Bronx. The project was about a block from "Fort Apache," the abandoned police precinct immortalized by Paul Newman and subsequently designated a candidate for the National Register of Historic Properties. Because our site was within six blocks of this property, the U.S. Department of the Interior reviewed—and rejected—our plans. (Federal involvement was triggered because we were using a small Urban Development Action Grant (UDAG) as part of the construction financing.) The required redesign of facades put the cost of the housing beyond the local market, and 85 homes still have not been built.

In 1987 we calculated that a modular home built in Pennsylvania would cost 30 percent more to install in New York than in New Jersey, exclusive of land costs and profits. The added cost is largely a function of local government regulation: fees and taxes; professional engineering, expediting and legal services; and carrying costs during the 13-month preconstruction and 18-month construction periods. Today, New York's regulatory costs are even higher, but New Jersey is undoubtedly catching up. Regulatory barriers increasingly emanate from federal statute and case law.

Federal Barriers to Affordable Financing

We have tried to tap pension funds to finance Housing Partnership projects at favorable terms. New York's building codes and other pension funds have been

prepared to invest in local housing at rates about two percentage points lower than conventional sources.

In 1987 a federal court supported a similar affordable mortgage program on the basis that Congress required pension investments regulated by the Employee Retirement Income Security Act (ERISA) to be made at reasonable—not prevailing—rates. Subsequently, the federal Department of Labor, which brought the suit to block the affordable mortgage program, changed its regulations to eliminate below-market financing. While pension funds can make highly speculative loans to finance construction of shopping centers and luxury condominiums, they face a regulatory prohibition against guaranteed investments in affordable housing at returns meeting the funds' overall investment objectives.

Obstacles from Special-Interest Groups

Historically, the special interests that created regulatory barriers to development came largely from within the industry, for example, contractors protecting cast-iron plumbing requirements or unions blocking prefabricated building components. Today, the forces lined up against regulatory reform are not necessarily motivated by concern for their own jobs or for the safety, soundness or affordability of housing. On the contrary, they may represent special interests whose aims are best served if nothing is built.

One such case was played out in federal court. The court issued an order to stop construction of a housing project for the elderly sponsored by a nonprofit Latino community group on Manhattan's lower east side. The court ruled on the basis of a Department of Housing and Urban Development (HUD) regulation against overconcentration of low-income housing. This decision delayed construction of desperately needed housing. If upheld, it will jeopardize federal housing investment in the neighborhoods that most need this assistance.

One consequence of such litigation is that the agencies responsible for assisting and regulating affordable housing focus on the threat of litigation on procedural grounds rather than on substantive goals. Increasingly, lawsuits are brought by groups that have not been able to stop

projects during the public approval process, whether they are legitimate environmental advocates, anti-development interests or not-in-my-backyard (NIMBY) groups. In New York the key test for bureaucratic approval of a project has become, "Can the decision-making process withstand a nonsubstantive lawsuit?"

Effects on the Community

The projects hurt most in this overregulated environment are those located in communities with the fewest resources. In the case of government-assisted housing, there is also a direct impact on the taxpayer. Bureaucratic delays on a 50-home Housing Partnership project in Brooklyn, including a 21-month period of environmental review that ultimately produced a declaration of no significant impact, resulted in a \$500,000 increase in the public subsidy required.

Overregulation also has a chilling effect on the activities of state and local governments. For example, New York's obsolete zoning laws have not been updated, and a variety of planning and regulatory reform efforts have been stymied, because of the costs of the environmental impact studies and assessments that would be required.

The NIMBY Report

The Advisory Commission on Regulatory Barriers to Affordable Housing established by HUD Secretary Jack Kemp took some courageous steps forward in its final report (see sidebar). In particular, the Commission reinforced the role of states in overriding local zoning and development regulations that exclude affordable housing. The report recommends that the federal government require states and localities to develop and implement barrier-removal strategies in order to qualify for federal housing aid. It also recommends that the federal government consider the costs and benefits of proposed federal legislation on affordable housing and that a federal Affordable Housing Regulatory Review Board be established to resolve administrative obstacles that confront affordable housing proposals at the federal level.

However, the Commission report did not sufficiently deal with the high cost of the planning, technical analysis, public education and professional training that

are needed in order to mount a serious barrier-removal effort. The Commission proposes heavy reliance on voluntary initiatives at the state and local levels. These initiatives are unlikely to take place, especially in fiscally strapped localities, unless the federal government provides incentive grants to help pay for the reform process.

In addition, the Commission report did not address several regulatory areas with enormous impacts on housing affordability. One is the area of soil contamination and related liability; another is the impact of regulatory intervention on the banking industry's real estate lending practices. There is also no proposal for limiting the discretion exercised by the judiciary in interpreting and redefining laws that affect the development process, despite the fact that litigation is consistently used to thwart development activity that serves the public interest.

Comprehensive Housing Affordability Strategies

The 1990 National Affordable Housing Act contains the first major federal initiative for housing in more than a decade. It requires states and localities that want federal aid, such as Community Development Block Grants, to submit to HUD a Comprehensive Housing Affordability Strategy (CHAS), including plans for removing regulatory barriers. Typically, the general public and members of private industry pay little attention to such intergovernmental submissions.

Those concerned with development issues should pay attention to the CHAS, however. Community input will be solicited in preparing the CHAS, providing an opportunity for serious evaluation of state and local barriers and to influence which programs receive funding. In addition, the CHAS must be updated annually, and states and localities must show how federal funds are meeting the needs that have been defined. Contributing to the CHAS submission and monitoring its implementation are important new tools for advocates of affordable housing and barrier removal.

The CHAS process and HUD's follow-up to the Commission recommendations are promising developments for regulatory reform at all levels of government.

SMM

Implementing the NIMBY Report Recommendations

On July 8, 1991, Department of Housing and Urban Development (HUD) Secretary Jack Kemp delivered to President Bush the report of the Advisory Commission on Regulatory Barriers to Affordable Housing. Titled "Not In My Back Yard," the report provided 31 recommendations to reduce excessive and unnecessary government regulations that increase housing costs.

The commission focused on problems including exclusionary zoning, building codes geared to new construction rather than rehabilitation, and certain environmental protection regulations. Such obstacles add \$15,000 to the price of a \$55,000 house in Central Florida, between \$20,000 and \$30,000 to the price of new houses in Southern California, and 25 to 35 percent to the price of a new house in New Jersey, according to the report.

Among the commission's recommendations were the following:

- State and local governments should institute barrier-removal reforms.
- Federal housing assistance to state and local governments should depend on their barrier-removal strategies.
- Authority for low-income housing tax credits and mortgage revenue bonds should be made permanent; states' allocations should depend on having barrier-removal plans.
- The federal government should share with states the costs of implementing barrier-removal reforms.
- Federal agencies should be required to provide housing impact analyses before promulgating major rules or rule changes.
- Secondary market institutions should offer products that serve affordable housing needs.
- Projects under \$250,000 should not be subject to the Davis-Bacon Act.
- Federal regulation of wetlands should be reviewed and streamlined.
- The Endangered Species Act should also be reviewed.
- HUD should work with government and private-industry groups to develop model building codes and statutes for use by state and local governments.
- Each state should reform its zoning and land planning systems to remove barriers to affordability.
- States should establish procedures to resolve disputes between developers and local governments.
- States should eliminate duplicate regulatory requirements and set time limits for building code and zoning approvals.
- State and local governments should provide the infrastructure needed for affordable housing and growth.
- States should stop putting manufactured housing, duplex and triplex housing, and single-room-occupancy units at a disadvantage.
- Concerned organizations should build coalitions, such as the New York City Housing Partnership, to support regulatory reform and affordable housing.

The commission noted that, in the past 25 years, at least eight other studies or task forces have addressed the problems of exclusionary, discriminatory or excessive housing regulations. Despite agreement among experts and public policymakers, little has been accomplished.

The National Affordable Housing Act directed Secretary Kemp to submit his recommendations for specific legislative and administrative actions within four months of the commission report. The proposals were unveiled in January 1992 in connection with HUD's budget request for fiscal year 1993.

To foster state and local action, \$10 million in Community Development Block Grant funds would be set aside to fund barrier-removal efforts. In addition, HUD has already approved a \$1 million award to the National Association of Home Builders' National Housing Research Center to develop model land development standards and legislation for use by states.

Currently, HUD approval is not needed for the barrier-removal component of the Comprehensive Housing Affordability Strategies (CHAS) prepared by state and local governments. The administration proposes requiring HUD approval for all aspects of the CHAS submissions. The administration also proposes establishing an Interagency Affordable Housing Regulatory Review Board within the White House so that states will be able to "fast track" the processing for their affordable housing projects at the federal level.

A regulatory reform clearinghouse already has been established within HUD to provide information to builders, governments and affordable advocates. Also, a barrier-removal officer has been appointed.



FEDERAL COMMUNICATIONS COMMISSION

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Fax Number: _____

TO:Name: James Gattuso

Organization: _____

Office: 456-1649Fax Number: 456-6231**SPECIAL INSTRUCTIONS:**

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Report No. DC-2073

ACTION IN DOCKET CASE

March 12, 1992

NATIONAL AND LOCAL RADIO OWNERSHIP RULES AND FCC'S TIME BROKERAGE RULES MODIFIED (MM DOCKET 91-140)

The Commission has revised the national and local radio ownership rules, as well as its time brokerage policies, to reflect the profound changes in the radio industry over the past decade.

It revised the national ownership limit so that a single licensee could own up to 30 AM stations and 30 FM stations nationwide. The previous limit was 12 of each service.

On the local level, in markets with fewer than 15 stations, a single licensee will be able to own up to three stations, no more than two of which are FMs, provided that the owned stations represent less than 50 percent of the stations in the market. AM-FM combinations would be allowed in any event. In markets with 15 to 29 stations, a single licensee will be able to own up to two AMs and 2 FMs, provided that the combined audience share does not exceed 25 percent. In markets with 30 to 39 stations, a single licensee will be able to own up to three AMs and two FMs, provided that the combined audience share does not exceed 25 percent. In markets with 40 or more stations, a single licensee will be able to own up to three AMs and three FMs, provided that the combined audience share does not exceed 25 percent. Current rules prohibit ownership of more than one AM and one FM in the same market.

The Commission will not permit same-service simulcasting to exceed 25 percent of the broadcast hours of either station involved, if those stations overlap and the overlap area constitutes more than 50 percent of either station's service area.

The Commission did not impose additional restrictions on joint ventures other than time brokerage agreements (sometimes known as Local Marketing Agreements or LMAs) involving stations in the same market. Given today's relaxation of the local ownership rules, widespread and substantial time brokerage among such stations could undermine broadcast diversity and competition. Accordingly, a station brokering time on another station serving the same market will be considered to have an attributable ownership interest in the brokered station for purposes of the Commission's multiple ownership rules. As a result, a station will not be permitted to time broker another local station which it could not own under the revised local ownership rules.

The Commission also prohibited a licensee from simulcasting more than 25 percent of its programming on another station in the same service through a time brokerage arrangement where the brokered and brokering stations serve substantially the same area.

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In addition, licensees involved in time brokerage agreements will be required to keep those agreements in their public files, with confidential or proprietary information redacted as necessary. Licensees will also be required to file with their ownership reports copies of any IMA agreements in which they are involved.

The new rules will allow for increased group ownership of radio stations, and economies of scale and, in turn, will help stations to remain viable in the increasingly competitive media marketplace. The number of radio stations continues to grow, as does the number of non-radio outlets, such as cable, that compete with radio broadcasters for audience and advertising.

The record in this proceeding reveals that allowing some greater degree of consolidation will result in further diversity and competition in the radio industry. The evidence reveals that the mass media marketplace in which radio competes, and the radio industry itself, are highly competitive. The ability to consolidate will strengthen radio's ability to compete in the marketplace. With respect to diversity, the record indicates that group owners grant individual stations editorial autonomy. Moreover, the evidence suggests that commonly owned stations tend to offer more public service programming than other stations and, because they generally have higher ratings for their local news programming, may be responding to viewer demand for news more effectively than stations not commonly owned.

The changes adopted today will significantly strengthen the radio service as a whole and assist radio broadcasters in improving their service to the public in an increasingly competitive environment.

The Commission directed the Mass Media Bureau to prepare an annual report to assess the effect of these revised rules on the radio industry, including their impact on competition, diversity, and minority ownership.

Action by the Commission March 12, 1992, by Report and Order (FCC 92-97). Chairman Sikes, Commissioners Quello, Marshall and Duggan with Commissioner Barrett abstaining and Commissioners Quello, Barrett and Duggan issuing separate statements.

- FCC -

News Media contact: Rosemary Kimball at (202) 632-5050.

Mass Media Bureau contact: Jane Hinckley Halprin at (202) 632-7792.

Federal Communications Commission Record

Statement of Commissioner James H. Quello

Report and Order, Revision of Radio Rules and Policies

As has become clear to everyone familiar with the radio industry, we are living in a totally different world today than in 1953 when our ownership rules were adopted. At that time, it was difficult for a person who had a radio license to fail. But today, with the splintering of formats and the advent of competition from new nonbroadcast media, it is difficult to succeed. The problems facing radio are not the result of a temporary slump brought on by a bad economy. They go to the heart of radio's future as a viable mass medium in this country.

I think this Report and Order is a responsible attempt to address these new realities. Of course, reasonable people may disagree about the precise number of stations that a single owner should be permitted to acquire. Some have suggested that there should be no limits — a position with which I cannot agree. Others have argued that there should be no change, and, again, the facts force me to reach a different conclusion. Once it became clear that we must find a middle ground, it also became clear that there is no metaphysically perfect answer. Perhaps no politically perfect answer, either.

Recognizing the difficulty of this task, Chairman Sikes took particular care in this proceeding to provide all offices with the findings of the Mass Media Bureau and solicited ideas from all of the Commissioners. Of all of the proceedings that have come before this agency since the Chairman arrived in 1989, I believe this proceeding has involved the most open exchange of views among the Commissioners. The give and take was genuine, and the Chairman should be commended.

This does not mean that the final outcome is what I would have crafted myself. I initially believed that the national ownership caps could have been relaxed even more, since there is no danger that a single owner could dominate the national radio market. This is particularly true when the level of concentration in radio is compared to that in the cable television or

publishing industries. In the end, however, I was persuaded that a more moderate approach to altering the national ownership limits would allow the Commission to monitor the effect of rule changes. If experience reveals that we have chosen the wrong number, there will be time enough to address the situation.

Similarly, if I had the only vote, I would have been somewhat more cautious in altering the duopoly rules. In particular, I am uneasy about allowing ownership of three AM and three FM stations in a single market. I would have preferred setting the limit at two AM and two FM stations. Ultimately, I was willing to go along because such levels of ownership will be allowed only in the very largest markets and will be subject to an audience cap of 25 percent. Additionally, the Mass Media Bureau will prepare an annual report on the effect of these changes, and we will be able to revisit the question of duopoly limits, if it becomes necessary.

There undoubtedly will be spirited disagreements about the final choices we have made, just as there were among all the Commissioners who chose to participate in the extensive internal debates in this proceeding. To critics, I would simply suggest that a good starting point for discussion would be to indicate what makes one policy choice inherently more reasonable than another.

The one point about which all agree is that the radio industry is in bad shape. There may be many causes for this, but to debate them and point fingers is not very productive. We have been considering the volumes of comments in this proceeding for most of a year and the time to act is upon us.

I may not be entirely comfortable with our choice, but I am completely at ease with the honest, open and thorough process by which we reached it.

March 12, 1992

STATEMENT
OF
COMMISSIONER ANDREW C. BARRETT

IN RE: REVISION OF RADIO RULES AND POLICIES [MM DOCKET NO. 91-140]

In my two years and seven months at the Commission, I have rarely dissented from an action the FCC has taken. I have issued a number of separate statements and concurred on several occasions, but rarely have I been forced to dissent from a Commission action. In fact, if I voted today, based on what I know at this point, this would only be my second dissenting opinion since arriving at the Commission. [See KARK-TV, Little Rock, Arkansas: Fairness Doctrine, adopted Dec. 31, 1991.] However, because I have insufficient information before me upon which to base a vote, I am refraining from issuing a final vote until I receive a complete Report and Order detailing the rationale of these decisions. By abstaining today, I want to emphasize my grave concerns that the actions taken by the majority today seem to be based more upon wishful thinking and personal goals than upon a thorough and balanced examination of real-world market implications, public interest concerns and economic factors. This should not have been a decision to provide relief to the radio industry by blindly attempting to eradicate our structural rules and attendant public interest concerns and then backing off to the compromise adopted today. Rather, this decision should have been premised upon real-world market implications, both short and long term. Restructuring the industry to the extent the Commission has done today is not necessary to address the issues of increased competition for media revenues. Instead of grossly eradicating the current ownership structure in order to concentrate industry revenue among fewer, well-funded, and larger radio industry players, I would have preferred a more modest relaxation of the rules phased in over a period of years with a subsequent thorough market study of the implications of such actions. Additional flexibility from any modest relaxation should have been on a strict waiver basis only. If necessary, in order to further address the revenue side, I would have preferred to subsequently explore the possibility of seeking ways to give broadcasters more flexibility with the use of their existing spectrum; particularly in light of ongoing advances in digital and compression technologies. Such an examination would determine whether existing broadcasters could be provided with long-term incentives to modernize their facilities in order to use their spectrum efficiently and derive more sources of revenue from their

existing spectrum. However, instead of taking an approach that could create additional economic activity in the long term, the Commission embarks on a quick-fix program that will result in shorter-term bursts of radio station trading. The beneficiaries of such shorter-term activities will be station brokerage companies and a few large-group owners with deep pockets. In the long term, the likely losers from this action will be small radio group owners, stand alone radio station licensees, small market radio station licensees; new entrants, and last, but not least, the public. It is the long-term, real-world market implications of the structural changes adopted in this Order which bother me the most. It is clear to me that this Order is the first step in a series of actions to make radical modifications to the ownership rules, not only in radio, but also possibly in the television industry. Even if the record does not clearly support such actions, this Commission seems intent on modifying all of the Commission's structural rules. I am sorry that the American listening public and the radio industry will be required to withstand the gross experimentation undertaken with the ownership rules in today's Order. Perhaps, upon further examination during reconsideration and appeals, the real-world implications of these actions will be examined more thoroughly and more rationally. Clearly, further examination of these new rules will be required by Congress, the public and the courts.

I abstain from voting on the action taken today on several grounds. First, procedurally within the Commission, I was provided with a "market sensitive" draft Order two weeks ago that, as reported in the press, this draft Order proposed to eliminate all of the national rules and relax duopoly rules to a 25% market share test, except in smaller markets [i.e. less than 8 voices], where up to 3 stations could be owned. That draft Order presented arguments that attempted to provide a rationale for eliminating the national rules and drastically increasing the local ownership rules. That is the only draft Order I have received upon which I can base a vote. The other document I received late yesterday afternoon, is a one page proposal for national and local ownership caps.¹ That document, along with another document on time brokerage decisions, appears to be the basis for Commission action today. I have received no Order explaining the rationale and record support for these decisions. The original draft Order explains why we should eliminate the national rules; there is no explanation for 30 AM and 30 FM stations national cap. The original draft Order also explains why we should adopt a 25% audience share limit for local ownership; there is no explanation for the present four-phase local ownership labyrinth voted on by the Commission today. Nor

¹ Based upon press phone calls and specific inquiries, it appears that the press had knowledge of this most recent ownership limit document even before I received it in my office.

have I received any draft Order explaining the cumulative real-world implications of applying the new national and local rules adopted today. Thus, as a procedural matter, I abstain from voting in this docket until I see the complete written Order supporting the decision.

Second, based upon the two pages of decisions I was presented with yesterday, I have several serious concerns about the combined effect of the new national and local ownership rules adopted today. First, I am concerned about the sufficiency of market analysis that provides the impetus for the action the Commission attempts to address today. The Notice of Proposed Rulemaking in this docket generally asked whether there was a need to change the ownership rules for the AM service. It also asked whether there was a similar need to change ownership rules for FM. The January 29, 1992 Mass Media Bureau radio industry memo indicates that 287 radio stations are currently dark, 153 of them within the past 12 months. There is no further analysis of the type of stations that went dark, what markets they are located in, and the local economic conditions in those markets. Based upon a December 17, 1991 Mass Media Bureau list, it appears that approximately 170 AM stations and 40 FM stations have gone silent for 6 months or more. Thus, based on these figures, it appears that more relief is needed for AM service than FM service, yet no differentiation is made in the national rules adopted today. Nor is any explanation provided at this point. I await the Order to explain some of this market analysis further.

I also am interested in understanding how the Order will differentiate the shorter term impact of the recession and corporate restructurings on radio market revenues and profit trends from the longer-term impact of increased media competition. It is misleading to cite only recent industry statistics from the last several years to buttress support for significant eradication of the ownership rules based on decreasing revenue trends; those figures also must be analyzed with respect to the compounded effect of recession and corporate restructurings. Without further market analysis of short and long-term trends, it is difficult to determine how much of the current advertising revenue trend could be changed by an improved economy and stabilizing corporate structures. Thus, my discomfort with voting on any action without this type of thorough market study.

With respect to the decision to change the national and local ownership rules, I am very concerned about the market implications of the potential restructuring of the radio industry. 30 AM stations and 30 FM stations represents a 150% increase over the present 12/12 limit on national radio ownership. Also, allowing anywhere from 3 to 6 stations to be owned in a local market, subject to a 25% audience share cap,

represents up to a 200% increase over the present duopoly limits. While some might argue that on a macroeconomic scale, due to the total number of AM and FM stations [i.e. approximately 4984 commercial AM and 4588 commercial FM radio stations] and other competing media voices, these are insignificant numbers, I disagree. I am concerned that the real-world implications of this national rule change, in combination with the new local ownership rules, could result in drastic ownership changes at the local level. Thus, while it is easy to draw up something on paper that doesn't appear to have much impact from a "macro" industry perspective, the cumulative impact of implementing these changes will have significant impacts from a micro, local perspective. For example, in the Mass Media Bureau radio industry memo, there is an indication that the top 10 group owners account for about 15% of industry revenue. As of 1990, none of these groups were listed as owning the full limit of 24 stations [i.e. 12 AM/12 FM]. In fact there appears to only be a handful of groups that are at or near the current 12/12 limits.² The top 50 radio stations accounted for 11% of industry revenue and 50% of industry profit in 1990; part of which was a recessionary period. Under the rules adopted today, these groups could potentially get together to combine acquisitions of the top stations in most markets. For example, in markets with 40 or more stations like New York, Washington D.C., Chicago, San Francisco, or Los Angeles, several groups could own 3 of the top 10 stations in each market without surpassing the 25% audience reach cap. After all the economies of that type of consolidation take effect, what's left for the remaining 30+ stations in the market, with average audience shares of 3 or less? Based on market realities they either will be forced to consolidate with another group or leave the market. In my view, there will be a significant detrimental impact on radio ownership diversity from this type of consolidated structure.³ Further, any attempts to argue that increased group ownership will not impact program diversity is anecdotal, at best. Thus, I remain concerned about the real-world implications of this action today.

In addition to concerns about potential real-world market implications, I also am concerned that the Commission today creates a labyrinth of national and local rules that have not been provided by nor commented upon by industry experts. The Radio Operators Caucus of the National Association of Broadcasters recently testified that the radio group operators

² Based on general industry figures, it appears that there are only five or six groups that are even close to the 24 station (12/12) limits.

³ See Commissioner Barrett Separate Statement on Changing Video Marketplace, July 11, 1991.

supported a cautious approach to relaxing the radio ownership rules; specifically they proposed 25 AM/25 FM for national rules and 2 AM/2 FM for local rules.⁴ Large group owners who commented in the record of this docket, proposed modest relaxation of the national and local rules. For example, CapCities/ABC proposed a total of 30 stations, and a relaxed waiver policy allowing ownership of a second AM and/or FM. Great American, proposed moderate expansion of the national limits. Group W proposed 25 AM/25 FM and up to 4 stations in local markets, no more than 2 of which can be FM stations in the top 25. Bonneville proposed 18 AM/18 FM in first 3 years, and 24 per service in 3 years. Bonneville also proposed 2 AM and 2 FM. Even CBS which proposed eliminating the national rules, supported 2 AM and 2 FM in local markets, with a waiver policy for a third station. What then is the source for the complicated combination of national and local ownership limits adopted by the Commission today? Where does the 25% audience share limit come from? Why is that considered an effective limit on ownership diversity when you can still combine the largest stations in the top markets? Where do the local market size breakdowns come from in the record? What is the impact of using a reception test to determine the number of voices in a market as opposed to a city of license/transmission test? Does it potentially skew the markets to make smaller markets look like larger markets in order to allow more relaxed local numbers? What impact will allocations of expanded AM band stations have upon these new ownership limits? I will likely read about the answers to these questions in the press before I ever get any Order explaining these actions.

The actions taken by the Commission on Time Brokerage also cannot be viewed in isolation. To the extent we have unnecessarily loosened the local ownership rules, I am concerned that any additional flexibility allowed in this area will only worsen the consolidation impact of today's action. I await the Order in this regard before making any final statements about this aspect of the item.

In addition to all of the above concerns, I also am concerned that the Commission appears to be paying lip service to the impact of these changes on our minority ownership policies. Congress, in appropriations riders, has directed the Commission to avoid taking any action that would modify our current minority ownership policies. This Commission, Congress and the Courts have supported and upheld our minority ownership policies. The decision in the Metro Broadcasting case highlights the importance of Commission and Congressional support for our

⁴ See Testimony of Richard Ferguson before Senate Communications Subcommittee, March 11, 1992.

minority ownership policies.⁵ Our 1984 Order, addressing these radio ownership limits, acknowledged the important public policy concerns addressed by the minority ownership incentives in our structural ownership rules. These structural ownership incentives form a predicate for market activities that utilize the minority ownership policies [i.e. comparative hearing, distress sales, and tax certificate] in station transactions. Thus, it is disingenuous to argue that eliminating the minority ownership cap will have no detrimental impact on new entrants. Today, the Commission takes such an action. In light of the appropriations rider, I wonder whether this action violates the intent and will of Congress. I am particularly concerned about this in light of other Commission actions being proposed at today's meeting. I will continue to monitor Commission actions in this regard. I do not believe that the annual Bureau reporting requirement adopted today will have much positive impact on Commission activities regarding new entrants or minority ownership. Thus, I view this aspect of the proposal as a symbolic gesture. Further, given delays in following up on the 1990 Minority Conference and Small Business Advisory Committee, I question the real interest in these issues. I hope we will see positive steps in this regard; any backtracking from the action taken today will only exacerbate my concern of the real motivations in this area.

I view the action taken today as an integrated package with interrelated effects in the local markets. I do not support the overall action taken, particularly without any written Order to analyze. Based on a review of this docket, I would have been more interested in a phased-in approach with stricter alternatives to the actions taken today. I am cognizant of the economic situation affecting radio station owners. I also am aware of the increased competition being experienced in the radio industry. I believe this competition is a long-term trend that should be addressed. Thus, I was willing to support a more restrictive but reasonable relaxation of the rules to address this longer term issue. However, I am concerned with supporting any structural modifications to the rules based on the compounded effect of shorter term dislocations in the advertising marketplace. Factors such as the recession and the impact of corporate restructurings are shorter-term situations which may be rectified as the result of economic recovery. Thus, while I am willing to grant flexibility in non-structural areas, such as local marketing agreements, to address these short-term factors, I am unwilling to support changes that could result in a drastic restructuring of the radio industry. I believe additional and more thorough market studies are needed. Such studies could address the market variables, both short and long term, that

⁵ See also, Lamprecht v. FCC, D.C. Cir. No. 88-1395 (February 19, 1992).

impact the advertising picture, diversity and competition in the radio industry. Without these actions, I abstain from today's vote.

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March 12, 1992

STATEMENT OF
COMMISSIONER ERVIN S. DUGGAN

In Re Revision of Radio Rules and Policies (MM Docket No. 91-140)

This Commission has a mandate from Congress to regulate broadcasting in the public interest. Perhaps no mass media service under our jurisdiction has been as historically, fundamentally close to that interest--- to the communities and towns of this country--- as radio. Yet, over the course of this proceeding, it has become abundantly clear to me that the face of the radio industry is changing dramatically and permanently--- and that the ability of radio to continue to serve the public interest is suffering as a consequence. The actions we take today are a moderate attempt to deal with these sea changes and, ultimately, to help a stable and profitable radio industry continue to provide the programming, news and community service that we have long expected from it.

In recent weeks, nearly 80 sets of comments have arrived in my office supporting changes in the Commission's radio ownership rules: comments from such places as North Beverly, Massachusetts, East Lansing, Michigan, Lufkin, Texas and Sacramento, California. The great majority were not the impeccably written, extensively footnoted, word-processed products of large law firms. Often, they were often simple two- and three-page letters. Were they part of an organized campaign? Perhaps many were. But they were not the standard canned argument.

These comments, rather--- all of which were added to the record in this docket--- were often poignant and persuasive pleas for regulatory change from stations that are struggling to serve their audiences in an increasingly beleaguered radio marketplace.

One such plea came from the Chairman of station WNUS in Belpre, Ohio, whose letterhead read, with a note of pride, "Radio Gets Results!...Serving the Parkersburg, WV/Marietta-Belpre, Ohio Market." "I have been in the business of owning and operating Radio Stations for the past thirty years," the letter read. "In all of that time, I have never experienced the dilemma that each and every broadcaster is experiencing today.

"All markets, large and small," it continued, "face the very same problem of too many facilities. The smaller markets are suffering a disproportionate hardship because of the lack of advertising dollars... too many stations... not enough advertising dollars to go around. What has been a fairly stable

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industry in the past has turned into a day-to-day survival game... [T]he station that goes into Chapter 11 last is the winner."

The consequences? "The base premise of 'community service,'" the writer said, "becomes increasingly difficult to perform without the assistance of talented people to execute these programs on a daily basis. Talent costs money."

A group owner in Indiana wrote: "The loser in this [crisis] is obviously the public. . . . Stations can't afford a local news staff. Stations can barely pay the minimum number of people to keep the station on the air, let alone a local news staff. . . . What a shame to harm the public in this manner," he said.

"Those in our government who would scoff at such examples and scoff at the utter seriousness of this situation are shortsighted, indeed. The crisis is real and it is now."

I cite these letters not simply because they are so clearly genuine or so compelling, although certainly they are both. I do so because they accurately represent the gravamen of the comments received in this docket supporting meaningful changes in the Commission's radio ownership rules as a means of addressing these severe challenges. The comments cut across groups, individual stations, small markets, large markets, trade associations, brokers, banks and former broadcasters. In the aggregate, they tell the story of an American audience that is increasingly ill served when much of the radio industry that serves the public must struggle just to survive.

Unfortunately, these listeners do not have a powerful lobbying group keeping them informed of these problems and pressing their interests at the FCC. But I strongly believe that if they fully understood the depth and permanency of the structural erosion of the industry, they, too, would have flooded us with calls for action. It is their long-term interests that I have foremost in mind in moderating some of the FCC's structural rules affecting ownership in the radio industry.

The statistics that piled up during this proceeding dramatically underscore the anecdotal evidence. The FCC's Mass Media Bureau found that half or more of the nation's 10,000 commercial radio stations lost money in 1990. Average AM profits dropped by half; average FM profits dropped by fully a third. One half of one percent of all stations accounted for 50 percent of the industry's profits in 1990.

These numbers are alarming. They are not merely an artifact of the current recession. On the contrary, we found

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that they arise from a trend that began in the mid-1980s and has not abated. The industry's financial base is rapidly eroding, spurred both by the glut of stations and aggressive new competitors, including cable. Cable advertising sales reached \$3 billion in 1991, an 18 percent increase from the previous year. Most broadcasters now view their local cable systems--- which are undeniably a fixture of the mass media landscape--- as their primary competitor for local advertising dollars. These competitive forces are here to stay.

So there we have it: The numbers and the comments in the record support the conclusion that stations across the nation cannot continue to serve their communities under current conditions. This fundamental truth provides the foundation for our actions today.

I must say, however, that the solutions advocated by many struck me as extreme. Some recommended abolishing the national ownership limits. Some called for radical reform of the local ownership rules, including a no-holds-barred approach to the ownership of as many AM and FM stations in a single market as any owner could achieve.

The guiding principle for me throughout this proceeding, however, has been to find a solution that would bring significant progress without endangering the Commission's traditional goals of localism and diversity: an incremental approach, not radical and dangerous surgery. I believe incremental change in the ownership rules is important for two reasons. First, as the foregoing comments illustrated, we can now see some decidedly unwelcome results of radical actions in the past. Perhaps the best example is Docket 80-90, which added nearly 700 new FM stations across the country. We have seen that 80-90, however well-intentioned, was an economic disaster for the industry. While the FCC, perhaps, could not have completely foreseen the consequences, the result convinces me that precipitous regulatory change, even when undertaken in the name of competition and economic growth, is much more complicated than we can fully anticipate. Better, then, to go carefully.

A second point is that we cannot yet predict the impact of oncoming new technologies like DAB and multichannel cable radio. These forces are likely to have an even more profound effect on the equilibrium of the radio industry and on the important public interest goal of localism. Thus--- although a significant part of the record argued for it, and our own Mass Media Bureau appeared to endorse it--- I never believed that decimating the ownership rules would be wise.

At the other extreme, some favored clinging to the status quo. They urged us to freeze the existing rules, or to make

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changes so small as to be largely symbolic. Neither of these options, in my view, would allow the industry to rejuvenate itself in a way that would lift every boat.

Fortunately, the Commission in its action today has steered a course between radical change and regulatory paralysis. The new rules we adopt today hew closely to a structure that I favored from the outset of the Commission's discussions of these issues. They reflect an extended, serious dialogue among the Commissioners--- one that Chairman Sikes actively promoted in a process of consensus-building. His role in crafting these rules was crucial, and he is to be commended for the leadership he demonstrated throughout the process.

The Report and Order represents a genuine victory for the public interest. It is the essence of measured change: a reasonable relaxation of the rules, not a destructive explosion of them. Today the Commission acts in a way that is true to the record and true to the principle of incrementalism. Our actions do not gut either the national ownership caps or the duopoly limits, which are particularly vital, in my judgment, to maintaining diversity, local community service and healthy competition. Our actions also feature significant new standards for time brokerage or "local market" agreements, which I feared were out of control and threatened a mockery of our ownership policies. I believe that our new rules clearly signal that the FCC strongly prefers to encourage ownership over LMAs, and that licensees who enter into such arrangements must, as trustees of the public interest, retain full editorial, financial and managerial control of their stations.

Our rules must operate in the real world. As part of our actions today, we make a definitive commitment to undertake an annual real-world review of the results of our rule changes. We direct the Mass Media Bureau to prepare and present to the full Commission a yearly study of the impact of the rules on competition, diversity and minority ownership. As part of that process, we will carefully monitor market shares of both national and local radio combinations, and the Bureau will recommend any Commission response that may be appropriate. I strongly supported including such a provision. I view it as crucial. I believe that the FCC is under a heavy burden to prove itself faithful to its own goals of competition, local service and diversity in the radio industry, and the review will help us to remain so.

In particular, I will treat the annual report as a recurring summons to promote minority participation in broadcasting. If our actions today should prove to have any negative effect on minority ownership, I will insist that we take swift and effective remedial action. Our rule changes must

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encourage opportunities for expanding minority broadcast interests, and we must be vigilant to ensure that those opportunities are realized.

Finally, I would note that only two-thirds of the "12-12-12" rule is revised today. While the Commission's current Inquiry into the state of the video marketplace raises the possibility that we might reexamine the last "12," I would simply underscore that the nation's radio and television marketplaces are different in many fundamental ways. Entirely distinct concerns would drive any proceeding dealing with television ownership rules. Thus, while I support the reforms we adopt in this Report and Order, no one should draw the automatic conclusion that our actions here implicate in any way the issues raised in the video Inquiry.

In this action--- so feared by many, so urgently desired by others--- we navigate prudently between the Scylla of deregulatory excess and the Charybdis of inaction. What we do--- both process and result--- will be scrutinized, as it should be. I believe that it will withstand that scrutiny as an example of significant, but prudent, change undertaken for the benefit of the American public.

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players are prime recruiting territory.

Unfortunately, the edict also includes younger kids. Ayers can't even show up to shake hands. An OSU appeal to the Big Ten was rejected.

Because the ruling doesn't affect Division III schools, Reynolds, Kennedy and Mehaffey still plan to participate. Ayers will end some of his players. Registration is open until Friday at 443-332.

Rules are rules. But maybe the CAA should take a second look at this one.

SYLVIA SALUTE — Sylvia Loggia doesn't get ugly to stand the spotlight.

But the proprietor of Sylvia's Back Door didn't have any choice yesterday as the Multiple Sclerosis Society kicked off the UGLY challenge at the Holiday Inn on one Avenue.

Saluting Sylvia's 10 years of ice-setting fund raising with the live that formerly was the Ugly bartender contest, the MS Society gave her a custom-designed neon sign to hang in her pub. It proclaims Sylvia's the Ugliest Bar In America.

After raising more than \$10,000, she's earned the title.

WELL VERSED — Cybil Carrells great stories around the dinner table.

Take this bit from Billy, the book she wrote with late husband Jimmy Carter:

"Billy could always make a point of his behavior. Once he received a letter of censure from the Moose Club after getting into a fight there in which he lost a front tooth. The letter said Billy's conversation was 'ungentlemanly.'"

Billy wrote back that if he had been a true gentleman to begin with, he never would have joined the Moose Club."

Should make the widow of former president Jimmy Carter's inebriated brother a great asset as the speaker for the Columbus Area Council on Alcoholism annual dinner-dance Feb. 10. Ticket info at 464-0191.

ODO TOW — A car was

budget, which calls for an additional \$500 million to be used in the education of preschoolers

programs do not have Wednesday sessions, so no children were around when "some classroom

director for the agency's 13 locations in central Ohio.

More than a dozen other

the jitters because there's a lot to do. Tomorrow I'll be so busy, it'll be over before I know it."

Columbus roots run deep in Bush family

Maine, Connecticut and Texas all have claimed George Bush as their own, but there is no denying that Columbus, where the president visits today, contains many of his family roots.

Bush's grandfather Samuel P. Bush came to Ohio from New Jersey in 1890 at age 27 as a supervisor for the Pennsylvania Railroad. He stayed nine years, leaving in 1899 to become a general superintendent for Chicago, Milwaukee and St. Paul Railway Co.

He returned to Columbus two years later as vice president of Buckeye Malleable Iron and Coupler, later Buckeye Steel Castings, 2211 Parsons Ave. He served as president of the company from 1905 until his retirement in 1927.

An avid athlete, Samuel Bush founded Columbus' first amateur baseball league and first tennis club. He also was involved in organizing and designing the

Scioto Country Club golf course.

In addition, he was the first president of the Ohio Manufacturers Association and helped reorganize the Ohio Chamber of Commerce.

He was a member of St. Paul's Episcopal Church until 1919 and later joined Trinity Episcopal Church.

In 1929, Samuel Bush moved to a 60-acre estate, Ealy Farms, at 3239 Mann Rd. in Blacklick. He died in 1948.

His brother, Harold M. Bush, the president's great-uncle, came to Columbus in 1891 and served 41 years in the Ohio National Guard. He was commissioned as a brigadier general in the Army by President Coolidge.

The president's father, Prescott Sheldon Bush, was born in the family home at 599 E. Broad St. in 1895 and attended Douglas Elementary School. He also attended Columbus Academy, which his father helped found.

The president's visit

2 p.m. — President Bush arrives at Port Columbus.

2:45 p.m. — He begins a 55-minute visit to the St. Aloysius Family Service Center, 35 Midland Ave., that includes a briefing on the Head Start program and visiting a Head Start class.

5:30 p.m. — He attends a private, \$5,000-a-couple Republican fund-raiser in the Hyatt Regency Columbus.

6:30 p.m. — Bush will speak for about 10 minutes at a \$2,500-a-couple dinner in the hotel, then depart for the airport to return to Washington, D.C.



Dispatch graphic

Prescott Bush attended Yale University and later moved to Connecticut, serving in the U.S. Senate from 1952 to 1963.

The president's wife, Barbara Bush, also has ties to Ohio. Her maternal grandfather, James E.

Robinson, a Marysville resident, served on the Ohio Supreme Court from 1917 to 1924. Her father, Marvin Pierce, was a businessman in Dayton and later president of McCall Publishing in New York.

COLUMBUS DISPATCH 2-8-90

Be patient — better 'Dispatch' is on way

Color photographs and revamped graphics. The late breaking news and sports from around the country and the world.

All of that will be available each morning to readers of *The Columbus Dispatch* as soon as a \$120 million production facility on the West Side is fully in operation.

By early summer, *The Dispatch* will bloom with greatly expanded color capability.

The new facility will also allow the newspaper to push back dead-

The Dispatch and its production crews are attempting to make the transition to printing at the new facility as painless as possible for readers.

Learning to use the four massive presses in the West Side plant means extensive training for the press operators. The 120-foot-long, 50-foot-high presses employ the most sophisticated technology available in the newspaper industry.

Production crews accustomed



(Duggan/Simon)
April 28, 1992
Draft Three
Broadcast

PRESIDENTIAL REMARKS: OHIO BROADCASTERS ASSN.
COLUMBUS, OHIO
THURSDAY, APRIL 30, 1992
[time]

[Acknowledgments]

Let me begin with a few words about the great man who gave his name to this city. Christopher Columbus dared to explore far beyond the horizons of his continent -- and he discovered a new world. None of us would be here had it not been for his vision.

In much the same manner, we wouldn't be holding a convention of broadcasters it not been for other daring individuals -- scientific prodigies like DeForest and Marconi, business geniuses like Sarnoff and Paley.

There's a lesson here we must not lose on our young people today. It's important to remember, against the background of centuries of human history, just how new ~~is~~ ^{is.} this thing called broadcasting. Around the time my father was born here in the city of Columbus, Marconi was in Europe bringing his dreams to their first fruition. It was just ~~eight~~ ⁴ years before I was born that the first radio station went on the air in the United States. And when I was growing up, the notion of pictures moving over the airwaves was only a wild and distant dream. I see many in the audience now nodding that you've lived the same experience -- and I wouldn't exactly say any of us are Methuselahs.

Yes, telecommunications is still in its infancy. And it is taking its first baby steps hand in hand with another thing

that's bright and new in human history: the worldwide spread of freedom and democracy. In many lands of Eastern Europe, of Asia, of Africa and South America, people have thrown off the old ways of dictatorship and command economies. They are enjoying true self-government and economic freedom for the very first time.

When men like Washington and Madison gave us our system of freedom and self-government, they put America in the vanguard of historic change. It would be tragic if now -- as most of the world embraces the new order of freedom -- if now America should lose its sense of leadership and lag behind.

Leaders don't lead sheltered lives -- they take risks. That is the essence of the reforms we need to carry our ideals and our leadership into the new century. We must work for more open trade -- and to fight protectionism at home and abroad. We must pull ourselves out of the rut of excessive bureaucracy -- and renew the spirit and practice of limited government.

Powerful popular movements are underway to change this country for the better. In community after community, we see parents standing up to the bureaucratic establishment -- asserting their rights in their children's education. A citizens movement is fighting to limit the terms of congressmen and make them more accountable. I support both these movements, and I'm working hard also for another important reform: to stop the epidemic of nuisance lawsuits. Our climate of hair-trigger litigation makes a mockery of justice. We need to spend more time helping one another and less time suing each other. \\

Increasingly, the people are showing their anger and impatience with the heavy hidden taxes of government regulation. For far too long, Congress has been levying these hidden taxes. For far too long, Congress has imposed arbitrary mandates on the the American people and made unelected bureaucracies the regulatory equivalent of prosecutor, judge and jury. For far too long, Congress and the bureaucracies it creates have evaluated their own actions on the basis of intentions -- while sternly judging the people they regulate on the basis of results.

Consider just a few examples of the burden of regulation:

Here in Columbus, the city government has projected that over the next decade its cost of compliance with federal environmental regulations alone would be one billion dollars. Now, this is for a community whose entire city budget last year was \$591 million.

A small business owner from Bedford, New York, wrote to me recently. He runs an ambulance service, and he bid for a contract to provide service to a local Veterans Administration hospital. He estimates that wage-rate rules mandated by Congress inflate the cost of an ambulance call from less than \$200 to almost \$7,000.

In Juneau, Alaska, a local charity, the St. Vincent de Paul Society, wanted to build an addition to its shelter for the homeless. The shelter is surrounded by concrete, on a city block that includes two car dealerships, a plumbing store and a storage

business. But the building project was delayed for a whole year because bureaucrats erroneously declared the site a "wetland."

[other real-life examples, preferably including some from Ohio]

Yesterday in Washington, I took some new actions to break the stranglehold of government bureaucracy on some of our basic freedoms. I've extended the moratorium on regulations that I had instituted in my State of the Union Address.

Just since the moratorium began three months ago, we've already yielded big benefits for the American people. We estimate that our reforms already in place will save consumers about \$20 billion a year -- and that's just a down payment on savings to come. [examples, preferably including something connected with Ohio]

During the first 90 days of our accelerated reform efforts, every federal agency I asked responded with action to ease the burden of unnecessary regulation. And let me take this occasion to salute the Federal Communications Commission for its action to relax needless restrictions on ownership of radio stations. That's a very welcome reform. Al Sikes, the FCC chairman, believes in free markets and innovation -- and it's clear to me that is the right direction.

Looking forward, one can't help but see that new telecommunications technologies will revolutionize science, education, and the way we do business. They'll be an important boon to families: The day is coming when mothers and fathers

will be able to spend more time at home with their children even as they make ever more productive contributions to our economy.

In harmony with with regulatory reform is the movement to sell off government-run facilities that would serve the public far more fairly and efficiently if operated by competitive enterprises. Next week I'll present a major initiative to help state and local governments turn over some key services to the free market where they belong. We want to help more people enjoy cheaper and better waste-water treatment service by letting businesses with real market incentives do the job.

Privatizing state enterprises is one of the great hopes for economic growth and rebirth in such places as Mexico and Russia. Surely it would be a sad mistake if we missed our opportunities to spur efficiency and innovation in the same manner right here in our own country.

Of one thing, however, I am certain: The status quo of overgrown government will not yield without a fight. The key force protecting that status quo is aptly described as an iron triangle -- made up of special interests, their allies in the bureaucracy, and their friends in Congress. But this year I feel the time is ripe as never before for a popular show of force to break the iron triangle. And here's one sign of my resolve to break with business-as-usual that even an entrenched Congressman ought to be able to understand: If Congress sends me any more legislation mandating excessive regulation -- I'll send it back with my veto as soon as it hits my desk. \\

Let me highlight another issue where the divide between popular reformers and protectors of the status quo could not be deeper. I've asked Congress repeatedly to reform the campaign financing system -- I want the total elimination of the special interest PACs. But the entrenched leadership in Congress is proposing instead a bill that would require broadcast stations to carry [taxpayer-subsidized] advertising for candidates who receive federal matching funds. The upshot would be to further protect incumbents. And I think you'll agree -- the last thing this country needs is more public expenditure to perpetuate the tenure of incumbents in Congress. So let me repeat: I want real reform. If Congress sends me another "incumbent protection bill" -- I'll veto it.

This is springtime -- and a young man's thoughts turn -- and his radio dial turns -- to baseball. So I'd like to leave you with a favorite story about the legendary Yogi Berra. In Yogi's hometown of St. Louis, the local people organized a celebration in his honor at the old Sportsman's Park. Yogi quavered with emotion as he stepped up to speak. "First," he said, "from the bottom of my heart, let me thank all the people who have made this day necessary." \\\.

The point of the story is this: The freedom-loving people in this country -- people of ingenuity and enterprise, people in leading-edge industries like your own -- are not merely making renewal of limited government possible. \\\ They're making it necessary. \\\ They're making it inevitable. \\\ Technological

advance is accelerating so rapidly that the old guard in Congress and the bureaucracy can hope only in vain to keep up.

We've reached a turning point. \\ We're on the verge of watershed reforms to make government stop stifling people who want to use their freedoms to create, to produce, to serve.\\ The day is coming when enterprisers and innovators like yourselves will lead us to new horizons. The day is coming when dreams not yet imagined will come true. The day is coming -- and we will not be stopped.

Thank you, and may God bless the United States of America.

#

The Book of Firsts

DENNIS SANDERS

be broadcast over the ether as part of the regular De Forest programs.

THE FIRST SPEECH BROADCAST ON RADIO

Was given by Lee De Forest's mother-in-law, the noted women's rights advocate Harriet Stanton Black, who spoke on women's suffrage in 1909.

THE FIRST DAILY RADIO STATION

The Charles Herrold School of Radio Broadcasts in San Jose, California, which began on a once-a-week broadcast schedule in January, 1909, became the world's first daily station in 1910, and now qualifies as the world's oldest continuously operating radio station. It is now station KCBS in San Francisco.

THE FIRST COMMERCIAL RADIO RECEIVERS

Receivers were sold in a shop in the Metropolitan Life Insurance Building on Madison Square in New York by Lee De Forest in 1910. The De Forest sets, which were sold by the Radio Telephone Company, were kits which had to be assembled by the purchaser. Like all early radios, they had an earphone rather than a speaker to amplify the sound.

THE FIRST "MODERN" RADIO STATION

The golden age of radio, the three decades from 1920 to 1950, began in earnest on November 2, 1920, when station KDKA in Pittsburgh began broadcasting. KDKA was the first station in the world to be organized and licensed as a fully commercial radio station broadcasting regularly to the public. (The earlier stations, including the De Forest and Herrold stations, were pretty much experimental, one-man operations broadcasting to a small group of pioneer "ham" operators.) With KDKA, true public broadcasting was born, and manufacturers began widespread sale of radio sets to the public.

AG5
.S25
WH

THE **FIRST** OF **EVERYTHING**

A Compendium of
Important, Eventful, and Just-Plain-Fun Facts
About All Kinds of Firsts

DENNIS SANDERS

Research coordinated by
LEONARD LOVALLO

DELACORTE PRESS/NEW YORK

Jennie Bunton



Ohio Association of Broadcasters

88 East Broad Street, Suite 1780
Columbus, Ohio 43215
814/228-4052
FAX 228-8133

THE OHIO ASSOCIATION OF BROADCASTERS IS CELEBRATING ITS 55TH YEAR! ORGANIZED IN 1937, THE OHIO ASSOCIATION OF BROADCASTERS IS ONE OF THE LARGEST STATE ASSOCIATIONS IN THE COUNTRY SERVING MORE MAJOR MARKETS THAN ANY OTHER STATE IN THE COUNTRY.

OHIO IS HOME FOR SEVEN LARGE METROPOLITAN MARKETS, OVER THREE DOZEN GROUP OPERATIONS, 100+ SMALLER MARKETS, PLUS OVER TWO DOZEN TELEVISION MARKETS.

THE OAB HAS A MEMBERSHIP OF ALL OHIO TELEVISION STATIONS, 90% OF ALL OHIO RADIO STATIONS, PLUS OVER FIFTY ASSOCIATE MEMBERS, ALL OF WHOM HAVE SOME INTEREST IN BROADCASTING.

THE OHIO ASSOCIATION OF BROADCASTERS IS THE ONLY STATE ASSOCIATION IN THE COUNTRY TO HOST TWO SITTING PRESIDENTS: PRESIDENT REAGAN IN 1984 AND PRESIDENT BUSH IN 1992.

PRE-ADVANCE/WALK-THRU QUESTIONNAIRE

EVENT: Ohio Association of Broadcasters

DATE: April 30

TIME: 3:30 approximate speaking time 3:15

LOCATION:
(GIVE DETAILS) Hyatt on Capitol Square
Governors Ballroom

EXPECTED AUDIENCE:
(NUMBER AND COMPOSITION) 200-250 people
Members of OAB

PRESS COVERAGE: Open

DIAS PARTICIPANTS: President of OAB Gary Robinson
Perhaps a couple other officers
No head table

**EXPECTED PARTICIPATION BY MEMBERS OF
CABINET/CONGRESSIONAL/ADMINISTRATION:** —

POTUS INTRODUCTION: Gary Robinson, President of OAB

PERTINENT SPEECH TOPICS: No suggested issues by OAB — concerns
are about economy as it affects the industry

REASON FOR EVENT: —

PLEASE ATTACH PRE-ADVANCE/WALK-THRU CALL SHEET

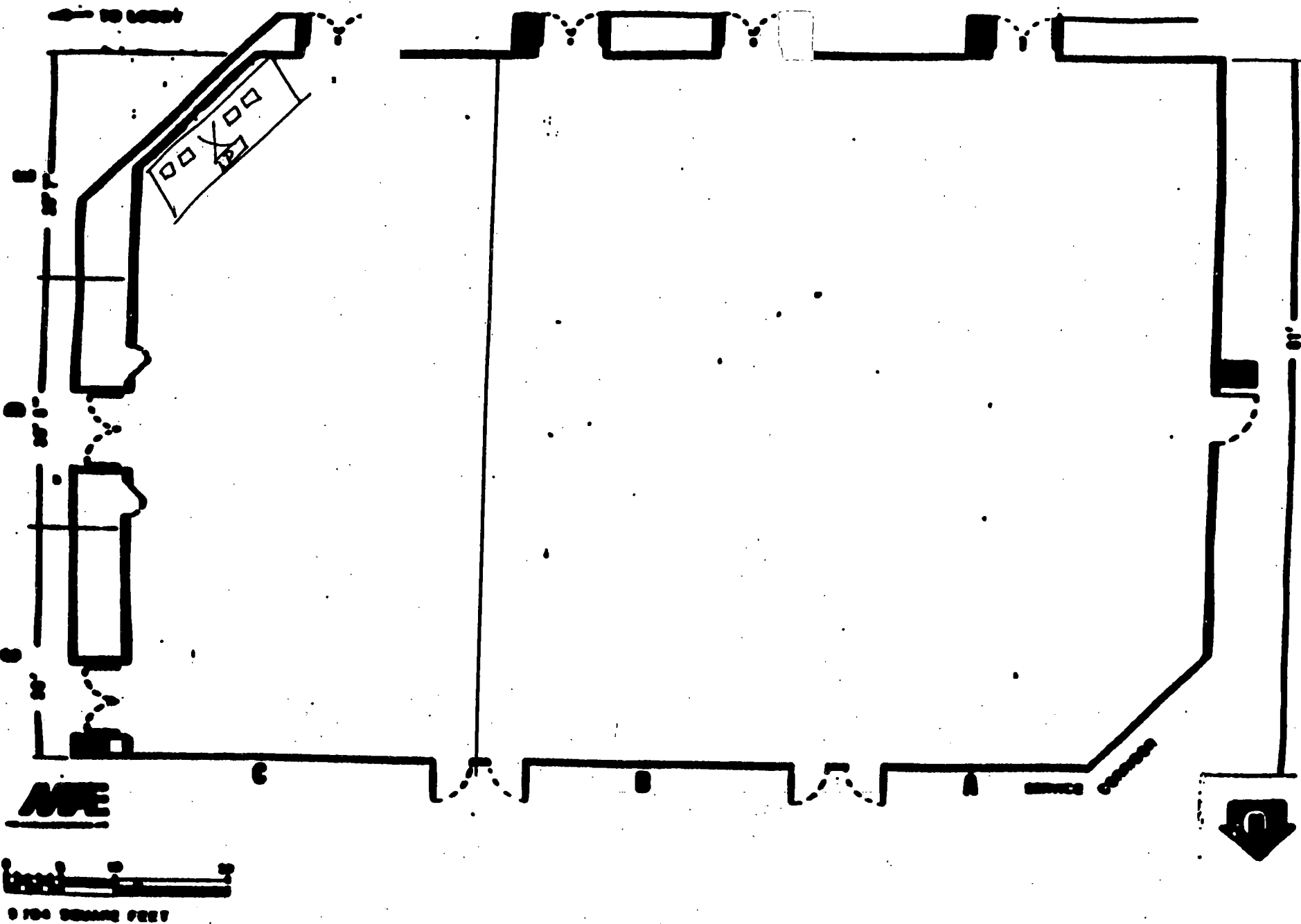


City/State: COLUMBUS, OH
Event: Ohio Assn. of Broadc.
Date: 4/30/92 (Event Date)
4/20/92 (Pre-Advance)

OFFICE OF PRESIDENTIAL ADVANCE CONTACT SHEET

Name	Office	Phone Number
Presidential Advance Office		202/456-7565
Presidential Advance Fax Number		202/456-2820
JOHN HERRICK	Office of Presidential Advance	202/456-7565
Peggy Hazelrigg	Office of Presidential Advance	202/456-7565
Craig Ray	Lead Advance, Office of Pres. Advance	614/463-1234
Michele Wix	Office of Speechwriting	202/456-7150
Dale Bring	Ohio Assn. Broadcasters	614/228/452
LYNDA CIMINELLO	Wharton Capitol Square	614-228-1234
ANDY FOSTER	WH POLITICAL AFFAIRS	202 456 6510
PETER GAILLARD	LEAD PRESS ADVANCE	202/456-7565
RUSS CANCELLA	MILITARY AIDE	(202) 395-1747
DALE ELLENBARBER	WHITE HOUSE COMM AGENCY	(614) 224-5400
BOB STEELE	" " " "	202-757-2440
DICK RATHMILL	U S SECRET SERVICE	202-395-4112

200 people



THE WHITE HOUSE
WASHINGTON

April 22, 1992

MEMORANDUM FOR DAVID DEMAREST
SPEECHWRITERS
RESEARCHERS

FROM: MICHELE NIX 
SUBJECT: PREADVANCE TRIP

Here's the poopski on the events scheduled for the Columbus trip and Miami/Charlotte:

• Bluffsvview Elementary School. To commemorate Arnold Schwarzenegger's 50th stop on a 50-state tour, POTUS is going to stop off at Bluffsvview Elementary School at approximately 2:00 p.m. (times are not finalized). He will go into a 10-minute briefing with leaders on the issue of physical fitness, then proceed to a room where 24 kids (5th graders probably) will be divided into teams and set up in stations where they'll be doing exercises to music. The stations are: curl ups, shuttle run, push ups, jump rope, stretching, juggling scarves. When the music stops, they'll change stations. POTUS (having already changed into a warm-up suit after the briefing) will interact with the kids along with Arnold. Then POTUS goes into a gymnasium and delivers brief remarks to approximately 500-600 people (kids, parents, teachers, some community leaders). Principal Donna Kelly will intro the Governor; the Gov. will intro POTUS. At the conclusion of the remarks, the kids will all stand and sing "God Bless the USA" to POTUS. After POTUS leaves, Arnold might go down into the audience and play "Arnold Says" with the kids.

Bluffsvview only opened this past September. It's brand spanking new. It's also situated in the Worthington School District in Franklin County. (The area seemed quite nice - a little too nice, somewhat uppercrust.) I talked to the assistant to the Superintendent, John Butterfield, and asked him for some info about the area, the school, etc.

(Researcher, his name and number are on the contact sheet.)

Some tidbits to note: The district adopted America 2000 about 2 months ago -- so the enthusiasm is still high. School colors: blue and white. The kids will probably make banners for the backdrop where POTUS speaks; they might say something like "Bluffsvview Bears are physically fit."

(Researcher see me for more color details.)

Ohio Association of Broadcasters. This event will be held at the Hyatt on Capitol Square in the Governors Ballroom. The expected audience is 200-250 people, all members of OAB. The attendees will eat lunch around 1:30 or 2:00 p.m. and then leave for an hour's intermission. They'll come back at 3:00 p.m.; POTUS will be introduced at 3:15 p.m. I asked the Executive Vice President, Dale Bring, to fax us certain info -- which I hear he did yesterday. He's probably the best contact for this event. OAB President Gary Robinson will intro POTUS. (Robinson is General Manager of an NBC affiliate in Cincinnati.)

Some tidbits: Columbus is headquarters to several insurance companies and also to Borden. Borden is just several blocks down the street from the Hyatt. POTUS has addressed this group twice before -- once as Vice President. A beautiful church is across the street. This is the OAB's annual meeting -- in which they will be discussing the economy as it impacts their industry.

Bush-Quayle Fundraising Dinner in Columbus. This event is being held at the Ohio State Fairgrounds. It's pretty standard. POTUS is announced, eats dinner, makes remarks, exits. Governor Voinovich will intro POTUS. POTUS will be speaking at the Lausche [LOW-she] Building -- named after a former Ohio governor (Democrat). Approximately 600 people are expected at \$1,000 a plate. They are community leaders, business leaders, and some major donors. BQ-Ohio wants the Pres to attend a reception before the dinner for about 100 couples -- all Asian Indian Americans. Evidently this group has raised some major bucks for other candidates in the past -- so they want POTUS to do some schmoozing with them. POTUS will also go over to a small reception for major donors. There will also be a possible 100-click photo op for VIPS before the receptions.

The proposed site for the photo op is in the adjacent building -- the FFA Center. This is headquarters to Ohio FFA members -- pretty obvious from the mannequins in FFA uniforms, the pictures from 20 years ago of FFA members who've gone on to greatness, etc. Some of it may be left exposed -- rather than piped and draped. The Pickerington High School Band will play "Hail to the Chief" -- and then leave. There may not be a head table (check with Craid Ray to see what's been decided).

Florida International University. This will be a great event -- bar any protestors. The Miami Beach Convention Center is the site -- perfectly Miamiesque in pale blues and pinks and decorated in leftover furniture from "Miami Vice." POTUS will arrive for a quick briefing (unrelated to event). He'll then move to a reception with about 100 people (business and community leaders) and then into the main arena (being announced at around 2:00 p.m.) POTUS will

receive an honorary doctorate in Public Service and then deliver his remarks to about 8700 people (graduates, families, faculty). President Mitch Maidique will intro POTUS.

(Jeannie -- I've already given you most of the details, so I won't elaborate again here.) One item to note: The students are outraged by the Florida budget passed by the legislature -- in which education funding has been cut. The governor vetoed it and sent it back. A lot of the kids will be wearing badges in the shape of dollar signs that say "Money for Education." The school administrators are very proud of their success -- and rightfully so. They've achieved a lot in 20 years. Re themes/issues: When I asked one administrator what's on the university's mind, he said, "FIU is the gateway to the South and the gateway to South America. We realize they're a lot of opportunities in trade for this country as a whole and for our students graduating in the coming years. That's something the President could touch on."

Bush-Quayle Fundraising Dinner in Charlotte, NC. This is my event so I won't bore myself, but for those interested: The site we looked at for this event did not work out -- it was way too small. Also, there was a huge plantation house and signs that boasted "Plantation Pavilion," "Plantation Picnic Area," etc. I could just see a photog snapping a picture of POTUS standing in front of the Plantation House surrounded by all these rich people (nice imagery -- not). Advance is trying to find a hotel ballroom for the event. POTUS arrives for a photo op, a reception with major donors, and then is announced at 6:30 p.m.; after dinner POTUS is intro'd by Governor Martin. Strom Thurmond will probably speak before Martin. They're trying to get Billy Graham there to do the invocation -- but no word yet. POTUS will deliver his remarks (7:10 p.m.) to about 500 people.

B-Q has a videotape by Jesse Helms that they want to play during the program. I don't think we're going to do that. (Wheeeew!)

One issue that B-Qites mentioned: they want to hear GB say what he has planned for the next four years. (I told them it was a secret. Kidding.)

③

OHIO ASSOC. BROADCASTERS: 3:15 PM; HYATT ON CAPITAL SQ;
200-250 PEOPLE; GOV'S BALLROOM; LUNCH; NO EAT;
RELEASED, 3 PM INTROS, DALE BRING - EXEC VP OF ASSOC;
614-228-4052; POTUS INTRO GARY ROBINSON - ASS. PRES;
BORDEN DAIRY PRODS CORP HQ IN COLUMBUS & NEAR
WHERE SPEAKING, COLUMBUS SURPASSED CLEVELAND IN
CENSUS, ANNUAL MFG., POTUS SPOKE TWICE 2 THEM,
ONLE AS VICE POTUS: NO HEADTABLE; A FEW OFFICERS
ON STAGE; WORKING ON BANNER; MILITARY BAND;

 JOB PLACEMENT OFFICE AT FIU - (CAREER CENTER)

FIU / CHARLOTTE / WHITE HOUSE [5:20]

PUBLIC AFFAIRS PROGRAM FOR OHIO BROADCASTERS

Conduct an offensive to communicate the strengths, benefits, and public services of broadcasting to the general public.

EMERGENCY PREPAREDNESS COORDINATION FOR OHIOANS

Coordination and initiation of actions designed to help Ohioans better cope with weather, energy, and other emergencies through the emergency broadcast system

BROADCASTERS' PERSONNEL PLACEMENT EXCHANGE

Operation of an active listing of "availables and availabilities" for stations and broadcasters' everchanging employment needs

COST-EFFICIENT GROUP INSURANCE PROGRAMS FOR YOUR EMPLOYEES

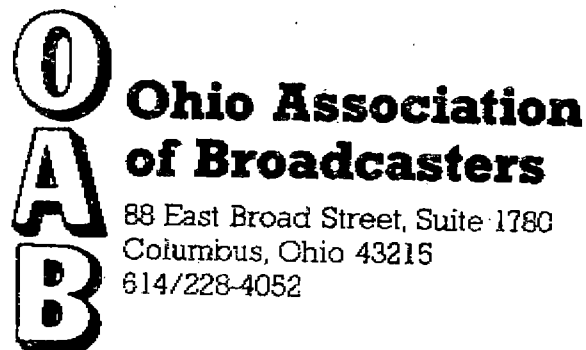
Provision for station management and employees of excellent and inexpensive group health, life and disability insurance programs...with the economies and benefits of group coverage.

oab...representing and serving ohio radio and

television since 1937...

..an organization that works for you..

WE INVITE YOU TO JOIN EFFORTS TO HELP US AS AN INDUSTRY HELP OURSELVES!



AN INVITATION GUARANTEEING BROADCASTERS A STRONG VOICE

ACCEPTING IT CONTINUES OHIO BROADCASTERS COMMITMENT TO EXCELLENCE AND THESE BENEFITS FOR YOU....

- congressional and state legislative watchdog*
- state of the art conventions, workshop, seminars*
- group insurance savings and benefits*
- personnel placement*
- grass-roots programs
strength through organization*
- strong advocacy and defense*
- executive education*
- professional growth and recognition*
- industry communications hub*

**oab...representing and serving ohio
radio and television since 1937...**

..an organization that works for you..

THE WHITE HOUSE

Office of the Press Secretary
(Columbus, Ohio)

For Immediate Release

April 30, 1992

P. 03

ACTION AREAS OF THE OHIO ASSOCIATION OF BROADCASTERS

ADVOCACY AND REPRESENTATION OF OHIO BROADCAST INTERESTS IN GOVERNMENT AREAS

Representation and communication of broadcaster positions on major issues before Congress, FCC, Statehouse, state agencies, and other government bodies

Organization of OAB liaisons for state legislators and Members of Congress

Distribution of bulletins stating OAB view, actions and objectives to government targets

Continuation of "all-member" grass-roots contact with government officials

INFORMATION SERVICES ESSENTIAL TO STA- TION OPERATION & MANAGEMENT

Provision of crucial services such as:

Bulletins summarizing current happenings and coming events, as well as reporting on industry developments, government actions and national and state broadcasting news

Government Action Alerts immediately notifying broadcasters of government developments, and recommending actions and positions

Audience Research Services helping sell, position and develop your station

Statehouse Watch keeping tabs on a state government aimed at increasing costly regulation and taxation

General Information Services continually available on a call-in as well as mail-out basis — (over 100 member service calls per week answered by OAB staff and counsel)

EXECUTIVE EDUCATION PROGRAMS AND PRACTICAL WORKSHOPS RELATED TO DAILY STATION FUNCTIONS, AND NEW COMPETITION

Production of special programs targeted to sales, management techniques, personnel problems, political broadcasting, news programming, education, engineering and other relevant topics.

Scheduled in easily-accessible, informal formats, centrally located to minimize travel expense

SEMI-ANNUAL CONVENTIONS AIMED AT CON- CRETE OPERATING NEEDS

Planning by Convention Committees representing all markets and media for continuity and program development

Presentations and participation of concrete benefits targeted to operation and management of broadcasting

FULL-TIME STAFF WORKING EXCLUSIVELY FOR OAB MEMBERS

The OAB serves as a year-round Columbus department of your station, covering legislative and administrative issues of importance to your operations and profits — an activity too costly for you to bear alone.

GENERAL COUNSEL IN COLUMBUS AND WASHINGTON

Retention of prestigious law firm Vorys, Sater, Seymour & Pease, General Counsel, with offices in both Columbus and Washington DC to provide legal talent and services

ACTION AS A COMMUNICATIONS "HUB" FOR THE OHIO INDUSTRY

OAB facilitates communication between broadcasters about industry developments, approaches to common problems, more unified reactions and initiatives...to keep ahead of change, new competition and critics.

ADVOCACY OF BROADCASTING WITH ORGANIZA- TIONS ESSENTIAL TO RADIO-TV INDUSTRIES

Organization of work with retailers, bankers, phone companies, sports organizations, universities, new and traditional competitors and other groups on general problems and programs of benefit to members

AFFIRMATIVE ACTION PROGRAM

Initiatives to encourage affirmative action within broadcasting industries and promotion of policies encouraging affirmative action.

other that we will not tolerate racism and bigotry and anti-Semitism and hate of any kind anywhere, any time. Not over the dinner table; not in the board room; not in the playground -- nowhere.

We must condemn violence. I make no apology for the rule of law or the requirement to live by it. And, yes, in some places in America there is, regrettably, a cycle of poverty and despair. But if the system perpetuates this cycle, then we've got to change the system. We simply cannot condone violence as a way of changing the system.

So we ought to change. We ought to try hard. Change the status quo. And we've got to do it peacefully and we've got to do it thoughtfully. This -- I am very hopeful, that calm can be restored to this very important part of our country and that goodwill will prevail over the hatred that we've seen in the streets in the last few hours.

I am now switching off to what I came here to talk to you all about. Let me just first say a word about this city and about the great man who gave his name to this city. Columbus dared to explore far beyond the horizons of his continent, and he discovered a New World. You talk about the vision thing, well, he had it.

Speaking of vision, we wouldn't be attending the Broadcasters Convention had it not been for the daring of scientific prodigies like DeForest and Marconi. We should keep in mind just how new this thing called broadcasting is. The same year that my dad was born right here in Columbus, Ohio, just a few blocks away on East Broad Street, Marconi invented radio. It either makes me very old or makes radio very young; I can't figure out which that is. (Laughter.)

But I'm sure there are many here who can remember when the first TV broadcast went on the air. I can remember the first TV set I had -- a great, big square looking box with a little tiny yellow-colored window. It was made by Hoffman. I don't think it proved to be too successful because I don't think they're making TV sets anymore. But it wasn't that long ago.

Telecommunications is still in its infancy. I think that it's taking big steps now. And as you look over the horizon at the future of this country in technology the steps are going to be enormous. They're something bright and new in human history.

In addition to all this new technology, I think we can look at a whole other area and talk about the worldwide spread of freedom and democracy. Around the globe, nations are joining a movement in which the United States is the great pioneer. We are -- never forget it -- the unsurpassed leader. And for those who will have you believe that this country is in a state of decline, travel abroad and see the respect with which this country is held.

We've got to protect our freedoms. We've got to trust people with their freedoms. These form the core of our crusade to make this country stronger. A free economy will be a strong economy, and it will create more good jobs. We'll keep our healthy society -- keep society healthy if we keep our family first -- put family first. And by keeping our defenses strong, we're going to keep the peace.

I'm working hard to open world markets. And open trade will create more and better jobs for this country. It offers our consumers lower prices and more choices. And expanding trade is one of five programs for this country's future that I view as really top priorities.

We're working as well to revolutionize -- this is the second one -- to revolutionize -- literally to reinvent our schools.

MORE

Parents are leading the way. In community after community, they are standing up to the bureaucratic establishment; they're asserting their rights in their children's education. And I salute Governor Voinovich, whose wife is with us here today, for the lead that Ohio is taking in achieving the goals of America 2000, our literally revolutionary education program.

We're working for fundamental reform of government, including a balanced budget amendment -- now it has strong support on both sides of the aisle. Clearly, it has to be phased in. But there's a change in the country; people are saying we've got to do better. I support strongly term limits to make Congress much more accountable. I think the time has come for that. And I also believe, and have submitted suggestions to the Congress for this rather revolutionary idea -- that Congress ought to live by the laws that it passes and laws that affect others. It is no longer right to be separate. (Applause.)

The next category is we are working to help the innovations and efficiencies of free market make quality health care available to all. I do not want to see us go to what they call a nationalized system or what some refer to as socialized medicine. We want to retain the quality of our health care, but we've got to give access to all, make insurance accessible to all. So we need to do that.

And then the last point I want to make is we are fighting the explosion of nuisance lawsuits. Let's spend more time helping each other and less time suing each other. And that means we need to put some limits on these outrageous liability claims. (Applause.)

I might add that we are fighting hard to get the burdens of unreasonable government regulation off the backs of the people. And regulation really imposes a hidden tax on every man, woman and child in this country. In the State of the Union address some 92 days ago, I lit a fire under our own administration's efforts for fundamental reform of government regulation. And this week we completed that 90-day moratorium that I ordered on new regulations. In just those 90 days we have completed or set in motion reforms that will save America \$15 billion to \$20 billion a year. And yesterday I ordered a 120-day extension on that moratorium, and I'm expecting many more achievements for freedom and for common sense.

Fundamental reform of regulation cannot be achieved overnight, and it's going to take a lot of tough, imaginative, patient effort. But I am totally committed to reforming regulation because the cost of inaction would be much more than we could bear. Think of some of the burdens and the contradictions that we already face.

Here in Columbus the city government has projected that over the next decade its cost of compliance with federal environmental regulations alone will be \$1.6 billion. And that's \$856 per household per year. Now, this is for a community whose entire city budget last year was \$591 million. The share of the city's budget to meet these regulations stands to increase from 10 percent to 23 percent. And right now, Columbus is one of the most attractive places in the country for people to work and live. But I can't say things will stay that way if the cost of meeting government mandates keeps going right out through the roof.

In Juneau, Alaska, a local charity, the St. Vincent de Paul Society, wanted to build an addition to its shelter for the homeless, also requiring more parking space. Unfortunately, the building project was delayed for a whole year because bureaucrats declared the site a wetland. Now, get this -- the shelter is in the middle of town, surrounded by concrete -- dry concrete, I think -- on a city block that includes two car dealerships, a plumbing store and

a storage business. There is something wrong with this picture. And obviously somebody in this episode was all wet, but it wasn't the real estate for the homeless shelter. I cite this as just the kind of example that we must fight against at the federal level; that the local level must fight against, too.

And back here in Ohio, an unreasonable federal regulation almost forced the closing of this health plan in Dayton -- we call the Dayton Area Health Plan. George Voinovich called this to my attention -- an innovative, managed care program designed to offer high quality care to some 43,000 Medicaid recipients in Dayton. Governor Voinovich and the Lieutenant Governor Mike DeWine led the effort -- who I did not introduce but who is with us here today -- led the effort to change this inequity. And just this week I signed legislation granting an exemption for this Ohio reform initiative.

I have confidence in the new ideas that Ohioans are developing on their own, and without the mandates from the know-it-alls in these subcommittees back in Washington, D.C. or in our own bureaucracy. We don't do much for Americans' health when we put HMOs, like the one in Dayton, on the critical list.

It's stories like these that remind us what a visionary Alexis de Tocqueville was. A century and a half ago -- a century and a half ago he warned that if Americans were not careful, government would -- and here's the quote -- "cover the surface of society with a network of small, complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate." This is de Tocqueville, coming over and taking a look at our society back then. I don't know what would happen to him if he took a look at it today.

We've heard the warning. We're fighting back. And our reform efforts are breathing new life into America's ability to compete, to innovate, and to create jobs. Every federal agency that I asked to participate has responded with action to ease the burden of unnecessary regulation. From biotechnology, to energy, to the banking field and, yes, to broadcasting and telecommunications, we are taking the shackles off of American enterprise.

Let me take this occasion to salute the FCC, Federal Communications Commission, for its actions to relax needless restrictions on ownership of radio stations. The FCC also has taken action to allow competition among international satellite companies. Now, this will help reduce prices that Americans now pay on more than a billion telephone calls every year to other countries. These are very welcome reforms. Al Sikes, who is our chairman, the FCC Chairman, believes in free markets and he believes in innovation. It's clear to me that that is the right direction.

Looking forward, one can't help but see that new telecommunications technologies will revolutionize science, education and the way we do business. They will be an important boon to families. The day is coming when mothers and fathers will be able to spend more time at home with their children even as they make ever-more productive contributions to our economy. The predictions for doing work at home in a productive way are absolutely outstanding, amazing. And I think you're going to see a whole new area build up for productivity.

In the same spirit as regulatory reform is privatization -- facilities now run by government to be owned and operated by competitive enterprises, and thus serve the public more fairly and more efficiently.

Today before I came out here to Columbus, I signed an executive order that will give state and local governments more freedom to sell or lease their infrastructure to the private sector if they choose to do so. We hear complaints that America's

infrastructure is crumbling and that states aren't putting enough money into expanding or repairing it. And at the same time, many private companies want to invest in these projects. So our executive order will remove impediments to competitive enterprises, buying infrastructure assets. That means bridges or roads or housing and sewage treatment plants.

This initiative could generate billions of dollars in new investment and millions of new jobs. American business has the funds to invest in infrastructure and has the funds to expand it.

Through today's actions we will help more people enjoy cheaper and better waste water treatment service by letting businesses with real market incentives do the job. We'll help low-income tenants buy their own housing. The dignity that comes with homeownership is a wonderful thing for our country. We're promoting competition that could dramatically reduce the cost of urban mass transit. And the money that states will receive for selling these facilities will be used to build even more new needed infrastructure or to lower the states' debts or to cut your taxes.

Privatizing state enterprises is one of the great hopes for economic growth and rebirth from Mexico City to Moscow. Take a look at what's happened south of our border under the courageous President of Mexico, Carlos Salinas. Look at the many formerly government-owned entities that he has turned over to much more efficient operation in the private sector. There is an example from what Mexico is doing for us right here in the United States. Same thing is true in Moscow.

As I sit down with the leaders from the new Commonwealth of Independent States -- and I'll be meeting very soon with Kravchuk, and shortly after that, with Boris Yeltsin -- we are encouraging them to move to the very kinds of privatization that I'm talking about here. I think you're going to find that they're doing it and it's going to be highly successful, and it offers them great hopes for recovery out of the economic morass that they're in right now.

So this idea presents many chances for positive change -- change abroad and change right here in our own country. And there are opportunities, frankly, that we simply cannot afford to overlook. And of one thing I am certain: the status quo, the old thinkers are not going to yield on this without a fight. The special interest crowd will not like the agenda that I've outlined for you today. They think that government ought to own more, not less. They think that government ought to mandate more, not less.

When I meet with the governors -- and I've done that quite a few times since I've been President -- all across party lines, all across ideological lines of conservative and liberal comes the cry from the governors, do not burden us with mandates coming out of some old thinking subcommittee in the Capitol Hill of Washington, DC. And we are determined to try to facilitate what the governors want by giving them flexibility and saddling them with far fewer mandates.

Washington hasn't changed much since you all have been there. It is swarming with noisy lobbyists for the old interests who want this highly centralized federal government and people who have never met a regulation that they didn't really like. And this is springtime, and a young man's thoughts turn, as does his radio dial, to baseball.

And so I thought I'd leave you with a favorite story. I don't know whether all these Yogi Berra stories are true or not -- you know, pair 'em up in threes and things like that. (Laughter.) In Yogi's hometown of St. Louis, the local people organized a celebration in his honor at the old Sportman's Park. And Yogi quavered with emotion as he stepped up to speak.

"First," he said, "from the bottom of my heart let me thank all the people who have made this day necessary." (Laughter.) I think the point of the story is this: The freedom-loving people of this country -- the people of ingenuity and enterprise, the people in leading-edge industries like your own -- are not merely making renewal of limited government possible, they're making it necessary. And they're making it inevitable. And technological advance is accelerating so rapidly that the old guard can only hope in vain to keep up. We'll make intrusive and gluttonous government a thing of the past.

We've reached a turning point. And we're on the verge of watershed reforms to make government stop stifling people who want to use their freedoms, their own freedoms, to create and to produce and to serve.

And the day is coming when enterprisers and innovators like yourselves will lead us into these exciting new horizons. The day is coming when dreams not yet imagined will come true. And I am confident about the years ahead. I know we've had difficult times. But I don't believe for one single minute that the United States of America is in decline. The future is tremendously exciting. And if we handle the technological change with the innovative manner I've outlined here today, I believe we can usher in all kinds of new eras of prosperity for the working men and women in this country.

Again, I'm confident of the years ahead. And the big thing is to keep this nation a champion of ideas and of opportunity, and with that first subject in mind, of justice. We can reform our schools and our courts and our health system -- our very system of government. And we can assure that when we reach the new century America will still be the strongest, the bravest, and the freest nation on the face of the Earth.

It's good to be back with you. And thank you all very, very much. (Applause.)

END

3:35 P.M. EDT

(Duggan/Simon)
April 29, 1992

PRESIDENTIAL REMARKS: OHIO BROADCASTERS ASSOCIATION
COLUMBUS, OHIO
THURSDAY, APRIL 30, 1992
3:15 PM

[Acknowledgments] Let me begin with a few words about the great man who gave his name to this city. Christopher Columbus dared to explore far beyond the horizons of his continent -- and he discovered a new world. None of us would be here had it not been for his vision.

In the same manner, we wouldn't be attending a broadcasters convention had it not been for the daring of scientific prodigies like DeForest and Marconi, pioneer newsmen like Murrow, and business geniuses like Sarnoff and Paley.

We should keep in mind just how new this thing called broadcasting is. The same year my father was born here in Columbus, just a few blocks away on East Broad Street, Marconi invented radio. And I am sure there are many here who can remember when the first TV broadcasts went on the air.

Yes, telecommunications is still in its infancy. And it is taking its first baby steps hand in hand with another thing that's bright and new in human history: the worldwide spread of freedom and democracy. They are joining a movement in which the United States is the great pioneer and the unsurpassed leader.

Protecting our freedoms -- trusting people with their freedoms -- these form the core of our crusade to make this country stronger. A free economy will be a strong economy, creating more good jobs. We'll keep our society healthy by

putting the family first. And by keeping our defenses strong, we'll keep the peace.

I'm working to open world markets. Open trade will create more and better jobs for Americans. It offers our consumers lower prices and more choices. Expanding trade is one of five programs for this country's future that I view as top priorities.

We're working as well to revolutionize -- literally reinvent -- our schools. Parents are leading the way. In community after community, they are standing up to the bureaucratic establishment -- asserting their rights in their children's education. \\ We're working for fundamental reform of government -- including a balanced budget amendment and term limits to make Congress more accountable. \\ We're working to help the innovations and efficiencies of free markets make quality health care available to all. \\ And we're fighting the explosion of nuisance lawsuits. \\ Let's spend more time helping one another and less time suing each other. \\

We're fighting hard to get the burdens of unreasonable government regulation off the backs of the American people. Regulation imposes a hidden tax on every man, woman and child in this country.

In my State of the Union Address, I lit a fire under my administration's efforts for fundamental reform of government regulation. This week we completed the 90-day moratorium I ordered on new regulations. In just those 90 days, we have completed or set in motion reforms that will save Americans 15 to

20 billion dollars a year. Yesterday, I ordered a 120 day extension of the moratorium -- and I am expecting many more achievements for freedom and common sense.

Fundamental reform of regulation can't be achieved overnight. It's going to take a lot of tough, imaginative, patient effort. But I am totally committed to reforming regulation, because the cost of inaction would be more than we could bear. Think of some of the burdens and contradictions we already face:

Here in Columbus, the city government has projected that over the next decade, its cost of compliance with federal environmental regulations alone will be \$1.6 billion. That's \$856 per household per year. Now, this is for a community whose entire city budget last year was \$591 million. The share of the city's budget to meet these regulations stands to increase from 10 percent to 23 percent. Right now, Columbus is one of the most attractive places in the country for people to work and to live. But I can't say things will stay that way if the cost of meeting government mandates keeps going through the roof.

In Juneau, Alaska, a local charity, the St. Vincent de Paul Society, wanted to build an addition to its shelter for the homeless. The shelter is surrounded by concrete, on a city block that includes two car dealerships, a plumbing store and a storage business. But the building project was delayed for a whole year because bureaucrats erroneously declared the site a "wetland."

Obviously somebody in this episode was all wet -- but it wasn't the real estate for the homeless shelter.

And back here in Ohio, an unreasonable federal regulation almost forced the closing of the Dayton Area Health Plan -- an innovative managed care program designed to offer high quality care to some 43,000 Medicaid recipients in Dayton. Governor Voinovich led the effort to change this inequity -- and just this week, I signed legislation granting an exemption for this Ohio reform initiative. I have confidence in the innovative ideas Ohioans are developing on their own -- without mandates from know-it-alls in the Washington bureaucracy.

It's stories like these that remind us what a visionary Alexis de Tocqueville was. A century and a half ago, he warned that if Americans were not careful, government would "cover the surface of society with a network of small, complicated rules, minute and uniform, through which the most original minds and the most energetic characters cannot penetrate."

Well, we've heard the warning. We're fighting back. Our reform efforts are breathing new life into America's ability to compete, to innovate, to create jobs. Every federal agency I asked has responded with action to ease the burden of unnecessary regulation. From biotechnology to energy to banking -- and, yes, to broadcasting and telecommunications -- we are taking the shackles off of American enterprise.

Let me take this occasion to salute the Federal Communications Commission for its action to relax needless

restrictions on ownership of radio stations. The FCC also has taken action allow competition among international satellite companies. This will help reduce prices Americans now pay on more than a billion telephone calls every year to other countries. These are very welcome reforms. Al Sikes, the FCC chairman, believes in free markets and innovation -- and it's clear to me that is the right direction.

Looking forward, one can't help but see that new telecommunications technologies will revolutionize science, education, and the way we do business. They'll be an important boon to families: The day is coming when mothers and fathers will be able to spend more time at home with their children even as they make ever more productive contributions to our economy.

In the same spirit as regulatory reform is privatization -- selling off government-run facilities that would serve the public far more fairly and efficiently if operated by competitive enterprises. Today, before I came here to Columbus, I signed an Executive Order that will give states more freedom to sell their infrastructure to the private sector if they choose to do so. We hear complaints that America's infrastructure is crumbling, and that states aren't putting enough money into expanding or repairing it. At the same time, private companies are chomping at the bit to invest in these projects.

My Executive Order will enable competitive enterprises to buy infrastructure assets -- including airports, rail facilities, bridges and roads, housing and hospitals. This initiative could

generate billions of dollars in new investment and millions of new jobs. American business has the funds to invest in infrastructure and expand it. Through today's action, we will help more people enjoy cheaper and better waste-water treatment service by letting businesses with real market incentives do the job. We will help air travelers get the bigger and better airport facilities we'll need for the 21st century. And the money that states will receive for selling these facilities will be used to build even more new needed infrastructure, or to lower the states' debts -- or to cut your taxes.

Privatizing state enterprises is one of the great hopes for economic growth and rebirth from Mexico City to Moscow. And this great idea presents many chances for positive change right here in our own country -- opportunities we can't afford to overlook.

Of one thing, however, I am certain: The status quo will not yield without a fight. The special-interest crowd won't like our agenda. They think government should own more, not less. Washington is swarming with noisy lobbyists for the old interests of know-it-all government -- people who've never met a regulation they didn't like.

This is springtime, and a young man's thoughts turn -- and his radio dial turns -- to baseball. So I'd like to leave you with a favorite story about the legendary Yogi Berra. In Yogi's hometown of St. Louis, the local people organized a celebration in his honor at the old Sportsman's Park. Yogi quavered with emotion as he stepped up to speak. "First," he said, "from the

bottom of my heart, let me thank all the people who have made this day necessary." \\\

The point of the story is this: The freedom-loving people in this country -- people of ingenuity and enterprise, people in leading-edge industries like your own -- are not merely making renewal of limited government possible. \\ They're making it necessary. \\ They're making it inevitable. \\ Technological advance is accelerating so rapidly that the old guard can only hope in vain to keep up. We'll make intrusive and gluttonous government a thing of the past.

We've reached a turning point. \\ We're on the verge of watershed reforms to make government stop stifling people who want to use their freedoms to create, to produce, to serve. \\ The day is coming when enterprisers and innovators like yourselves will lead us to new horizons. The day is coming when dreams not yet imagined will come true.

I am confident about the years ahead: We will keep this nation a champion of ideas and opportunity and justice. We can reform our schools and our courts and our health system -- our very system of government. We can assure that when we reach the new century, America will still be the strongest, the bravest, and the freest nation on the face of the Earth.

Thank you, and may God bless the United States of America.

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