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**Series:** Speech File Backup Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13830  
**Folder ID Number:** 13830-005

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**Folder Title:**  
Legal Reform 9/7/92 [OA 7579][2]

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5 Sept. 1992\

TO STEVE PROVOST  
somewhere on the campaign trail, USA  
FROM JBunton

Steve:

Here's a great example to illustrate --- "Dad's won't coach little league anymore" language --- here's why:

"in 1982 a Little League Coach in Runnemede, NJ was sued by the family of a child hit in the eye by a misjudged flyball. Lawyers for the family argued that the 10-year-old was a natural shortstop, and the coach had been negligent in repositioning him to the outfield. After 2 years of haggling, the case was settled for \$25,000."

From article: "A Thousand Points of Fright" -- reprinted in Feb. 91 Insurance Review. by David O. Weber

Also here is legal reform as went to Zoellick -- with your edits and info you request I find and add .....

JOSH BOLTEN just phoned to say "This year GORE voted against product liability twice -- once in committee and again on Senate floor. Also suggested Oppo should look into how much Gore got from trial lawyers for his re-election campaigns.....

## WAUKESHA COUNTY GOVERNMENT: 1846 TO PRESENT

In April of 1846 Waukesha County was formed with sixteen townships. Supervisors representing each of the sixteen towns were also elected in April, and by territorial statute were required to: 1) organize a county board; 2) elect officers; and to 3) provide for and build necessary county buildings.

The first county board met on June 8, 1846, and elected Curtis Reed as Chairman. It also voted Waukesha as the county seat after the twenty-fifth ballot with nine votes to seven, "amid a shout never to be forgotten by those who heard it." The county seat was originally called Prairieville, and later changed to Waukesha (a corruption of the Pottawatomic word for "fox"). The last official act of this meeting of the first Waukesha County Board was to provide \$2.50 to clean the church where they had met and to replace a broken water pitcher.

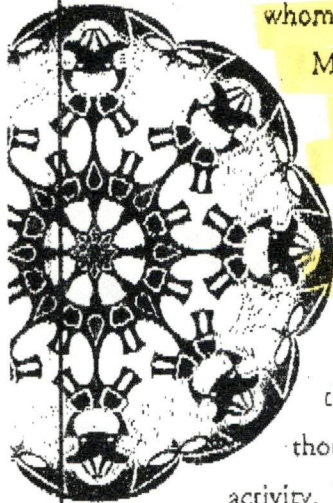
In 1965 the Wisconsin State Supreme Court ruled that county boards must equitably represent the population, and the Waukesha County Board switched to supervisory districts that represented an equal number of citizens, rather than the units system used previously. The Board still remained at the center of county government in its dual capacity as a legislative and executive agency. Most of the work was carried out in committees. The Chairman of the county board was elected for a two-year term, and was primarily responsible for seeing that county government met its statutory obligations and the needs of people locally.

In April of 1990 a new form of county government was established. The first county executive was elected by the voters of Waukesha County to take over the administrative functions of county government. The county board reorganized to better reflect this new form of governing. The county executive also has the ability to veto actions of the county board, and to appoint members to advisory boards and commissions.

Waukesha County continues to expand in its dual capacity as an arm of the state government and as a vital instrument for local government in serving Waukesha County citizens.

## History

The inspiring beauty of Wisconsin's landscape eluded all but the poetry of the Native American tongue. Waukesha is no exception, it takes its name from its first inhabitants, among whom were the Potawatomi,



Menomonee and

Winnebago Indians.

Waukesha is most

commonly translated to

mean "by the little Fox."

Settlers came to farm the soil made fertile by thousands of years of glacial activity. Waukesha attracted a variety of immigrants such as Germans and Norwegians who brought their unique language and way of life to the area.

The hard working community would soon find itself surrounded in the aura of a legend. In 1868, Colonel Richard Dunbar, who was ill with diabetes, came to Waukesha and discovered the "healing effects" of a natural water spring.

Claiming that he was cured after drinking the water, he bought the land around the spring and started bottling the water. Soon, resorts sprang up and Waukesha became known as the Saratoga

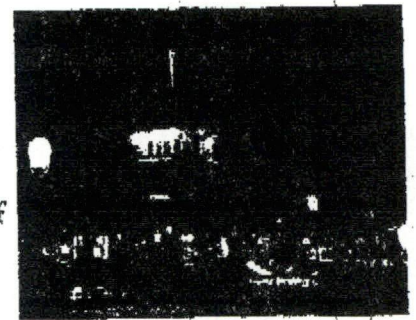
## History

of the West. For nearly forty years, people from all over the country, including Mrs. Abraham Lincoln and President Ulysses S. Grant, came to the plush resorts to vacation and drink the miracle water.

While visiting Waukesha, you can catch glimpses of this bygone era in the many parks, museums and carefully restored architecture of the downtown district.

### Downtown Waukesha

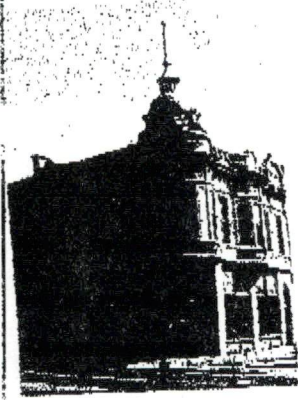
According to popular belief, the streets of downtown Waukesha are laid upon the worn paths of its early Indian inhabitants. These streets today converge at the "five points," where there now stands a replica of the springhouse reminiscent of Waukesha's resort era.



As activity and commerce flourished in Waukesha, so did its architecture. The beauty and variety of design in downtown Waukesha can be enjoyed during a self-guided walking tour.

History

Both the trained eye and the novice will appreciate the striking lines and ornaments of buildings ranging from French and Italian styles to the



ornate Victorian Gothic style. These carefully preserved and restored buildings stand tribute to the character of the people who have built this welcoming community. Bro-

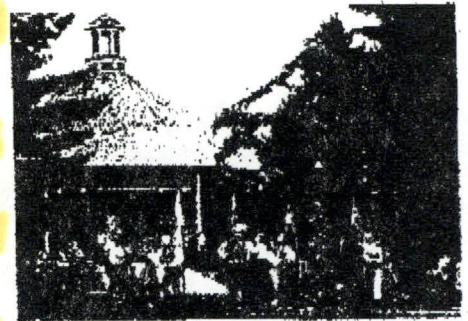
chures for the walking tour are available at the Waukesha County Historical Museum.

The Waukesha County Historical Museum not only showcases the area's history, it is a part of that history. It has been housed at its current location since 1914. At that time, it occupied one room of the county courthouse, constructed in 1893. Today, the entire first floor exhibits photographs, artifacts, and continually changing displays. The courthouse itself has long since been moved to a modern facility, but the original limestone structure stands today as an extraordinary example of Romanesque architecture. Admission to the Waukesha County Historical Museum is free.

Old World Wisconsin

One of the finest outdoor living museums in the nation is within 30 minutes of Waukesha. Plodding horses pull wrought iron through fertile soil of the Kettle Moraine, hickory smoke fills cabins, and the leathery face of the blacksmith is a familiar sight at Old World Wisconsin. The homes, shops, and gathering places of the early pioneers have been relocated into authentically landscaped communities. Costumed workers tell stories of the past while practicing their trades, planting the fields, preparing meals, and tending to chores. Festivals and historical re-enactments are celebrated in the Spring, Summer, and Fall.

The 576 wooded acres are home to more than 50



historic buildings assembled into 10 farmsteads and an 1870's crossroads village. Come and experience the rich ethnic culture and life-style of early settlers at Old World Wisconsin.

*History*

*Neighboring Communities*

In nearby Muskego, the Old Settlement Center features an 1880 farmhouse with period furnishings, a barn with antique equipment, an 1884 schoolhouse and a one-room log cabin.

It was not long ago when weary settlers rested in places like Delafield and Waterville on their way to Milwaukee. Imagine what it was like in the mid-1800's before automobiles and freeways. Hawks Inn is a restored 1846 stage coach inn located in Delafield that will acquaint you with the rigors of travel during that era.

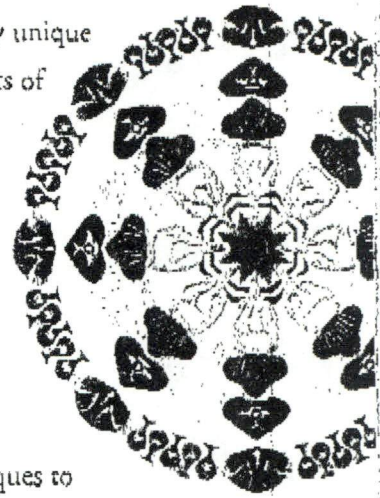
Also nearby is the oldest brick house in Waukesha County, now located at the Mukwonago Museum. Built in 1842, the house is decorated in Civil-War period style.

The Old Falls Village Museum in Menomonee Falls contains 8 special exhibits including an 1851 schoolhouse, an 1873 farmhouse, and an 1890 depot.

The neighboring community of Pewaukee opens the doors of the 1844 Mosley Clark Stage Coach Inn - the first hotel built in the lake community - in the Summer of 1993.

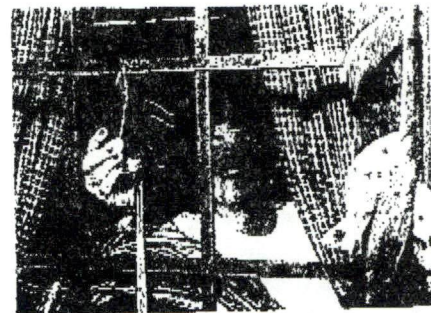
*Shopping*

Explore the many unique shops lining the streets of Waukesha's Downtown Historic District. The aroma of potpourri will lure you inside the country craft stores. Shops specialize in everything from antiques to dolls, clocks to cookware, and a variety of local ethnic gifts. For the traditional shopper, apparel and jewelry stores offer the latest styles.

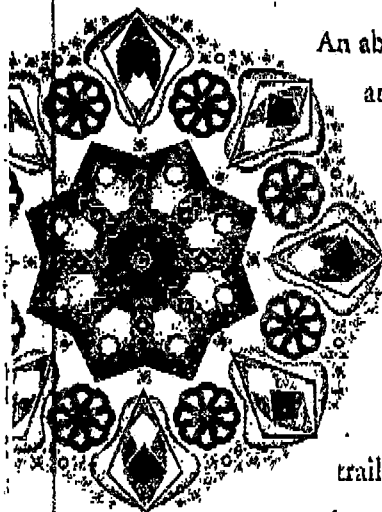


Work has already begun on a multi-million dollar river front development. Walkways, parks, and scenic areas will enhance the natural beauty of the Fox River and add further appeal to this unique shopping area.

Venture out to one of a number of readily accessible malls in the area once you have



completed your downtown shopping.



An abundance of recreational activities await people of all ages and interests. Waukesha has it all!

*Biking*

Miles of great bike trails for riders of all experience levels are available.

The longest in the area, the Glacial Drumlin Trail, is a 47 mile path laid on an abandoned railroad grade. The trail originates in the City of Waukesha and terminates in Cottage Grove. Hikers, bikers and joggers enjoy the trail in the warm seasons, while the snowmobilers and skiers utilize it

during the winter. Rest areas are in designated spots along the way.



The New Berlin Recreation Trail is 6 miles long and connects with the Milwaukee County 1976 Bike Trail in Greenfield Park. This trail

begins on South 124th Street at the Waukesha/Milwaukee county line and continues to Springdale Road in Waukesha.

The Bugline Recreation Trail is a 10.8 mile excursion running from Appleton Avenue in Menomonee Falls to a turnabout point 2 miles west of County J in Sussex.

*Parks and Lakes*

Waukesha recreational parks, numbering 35, have over 650 acres of land to enjoy picnics, camping, softball, tennis,



hiking, fishing, swimming, skiing and sledding. Waukesha is proud of all the facilities it provides including handicap accessible playgrounds, 2 outdoor pools, 5 lakes for swimming, and special toddler play areas. Each park offers unique grounds which will please everyone.

If you are feeling adventurous, the rolling hills and kettle lakes sculpted by the glaciers are the perfect setting for all your recreational

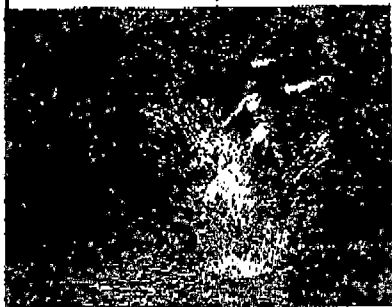
endeavors. Kettle Moraine State Forest (Southern Unit) offers 16,000 acres of land with campgrounds, lakes, beaches and 75 miles of



hiking trails. Nature's beauty abounds in this forest, featuring glacial formations such as eskers, moraines, canes, and natural springs. Visit the headquarters to

learn more about the glaciers that sculpted this land 12,000 years ago.

If you are a nature enthusiast, Retzer Nature Center is a must. Hiking, bird-watching and learning about native plants are just a few of the activities available on this 336 acre site. Special programs and events are geared to all ages.



Lapham Peak State Park features 671 acres of land with 14.6 miles of hiking and

skiing trails, 2.3 miles of lighted ski trails, picnic areas and nature paths. A lookout tower stands at the highest point in Waukesha County. A great escape for a morning or afternoon.

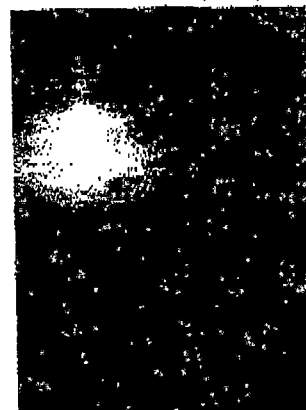
Some of the most scenic views can be found on the



greens. Golf at any of 15 courses, many set in natural glacial terrain, challenging both the novice and expert.

For those who enjoy fishing, 77 lakes are in the area, many of which have public access. Musky, northern pike, walleye, bass, panfish trout, and cisco are plentiful. These lakes cover over 14,000 acres. Pewaukee Lake and Lake

Nagawicka are two of the largest lakes in the area and are perfect for sailing, water-skiing, boating and swimming - activities for the whole family.



### SETTING

Waukesha County is in the enviable position of having the resources that make it truly an ideal location for industry, businesses, and residents alike. On the one hand, Waukesha County has the scenic splendor of the Wisconsin Kettle Moraine State Forest, 111 lakes, and 1,600 acres of public parks. The County is also an integral part of the Milwaukee Metropolitan area and is linked to the center of that area by an excellent interstate system of I-94 and I-43. As a result, Waukesha County industries and residents have easy access to the amenities of a large urban area while located within one of the most attractive regions in the country.

This special blend of urban and rural Wisconsin has made Waukesha County one of the fastest growing counties in the state. Since 1970 the population has increased 32 percent and continues to increase. The County has also consistently been one of the most popular locations for new and expanding industries in the state and is home to companies such as G.E. Medical Systems; Quad/Graphics, Inc.; Cooper Power Systems; Navistar International; Wisconsin Centrifugal, Inc.; Ringier American, Inc.; Waukesha Engine; Beatrice Cheese, Inc.; Pillsbury Company; Stokely USA, Inc.; and Harnischfeger Industries, Inc.

*Makes ↑ tech med. products  
heart monitors, CAT scan/mri  
more related  
to malpractice*

In addition to having an excellent location and a beautiful setting, Waukesha County also is recognized as a county that functions in an efficient manner. For example, Waukesha County was recently identified as being one of only thirty counties in the nation to receive a triple A rating by Moody's Investor Services. This triple A rating, coupled with a well developed street and highway system, low taxes, skilled work force, and a county airport that is able to accommodate any size corporate jet, provide Waukesha County with the resources that continually make it an attractive place to live as well as work.

## II. ECONOMIC CONDITIONS

To adequately prepare a strategic plan it is important to understand the economic conditions that are taking place in the County. The purpose of this section is to provide a brief overview of the current condition of the County's economy. This includes a review of the current changes in the County's total population; an examination of the changes in the County's civilian labor force; a description of the economic base of the County; an examination of changes in the employment of major industry sectors in the County; and a brief summary of the economic conditions that have had, or may have, important implications for the County's economy.

### Total Population:

As indicated in Table 3, the Waukesha County population increased by 24,512 residents to 304,715 in 1990, an increase of 8.7 percent over the 1980 County population of 280,203. During this same time period, the Southeastern Wisconsin Region's population increased by 2.6 percent, the State's population increased by 4.0 percent, and the U.S. population increased by 10.2 percent.

The population increase evident in the County during the 1980 to 1990 time period was reflective of the increases found in the cities, villages, and towns within the County. As indicated in Table 4, 27 of the 37 civil divisions in the County experienced population growth, with 21 communities experiencing growth greater than 10.0 percent. The largest percent increase in population was experienced in the Village of North Prairie, 4.1 percent. The City of Waukesha, the largest civil division in the County with a 1990 population of 56,958, showed an increase of 13.1 percent during the 1980 to 1990 time period.

The racial and ethnic composition of Waukesha County has not changed dramatically since 1980. Waukesha County is still dominated by whites (96%); however the Hispanic and Black population continues to increase. For example, from 1980 to 1990, the Black population increased 46% and the Hispanic population increased 36%. Even though the relative numbers are small, the percent increases of these two minority groups is significant. Table 5 shows the number and percent of the racial population in Waukesha County.

Waukesha County population will continue to grow through the year 2,000; however, at a slower pace than the 1970-1980 time period. But, possibly more important than the population growth will be the demographic change that takes place in Waukesha County. Table 6 shows the percentage change in population in each 10 year age group for the County. Note the change is quite different for the two age groups of children. There was a decline in the 10-19

Table 10

UNEMPLOYMENT RATES FOR WAUKESHA COUNTY, THE SOUTHEASTERN  
WISCONSIN REGION, WISCONSIN, AND THE UNITED STATES: 1990 AND 1991

Area	Unemployment Rates *		
	March 1990	March 1991	Percentage Point Change 1990 to 1991
Waukesha County.....	3.3	4.8	1.5
Region**.....	4.0	6.1	2.1
Wisconsin.....	4.9	6.7	1.8
United States.....	5.4	7.1	1.7

\* Civilian labor force data are not adjusted for seasonal employment.

\*\* The Southeastern Wisconsin Region includes the counties of Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha.

Source: U.S. Bureau of the Census; Wisconsin Department of Industry, La  
Labor and Human Relations; and SEWRPC.

### III. DEVELOPMENT TRENDS

Five trends will influence the form, style, location, magnitude, and profitability of development in Waukesha County. These trends are:

- Regional and national economic cycles of growth and decline;
- Continued improvement in Wisconsin's economy and business climate;
- Continued westward movement of jobs and housing within metropolitan Milwaukee;
- Increased interest in the marketplace and among top planners in mixed use development which integrates jobs, housing, and commercial support services;
- Increased emphasis on quality in residential, commercial, and industrial development.

#### Cyclical Economy:

While the effects of recent recession have been felt on both coasts, they have not received much notice in Wisconsin. The State's economy is more diverse today than it was at the beginning of the last decade. Many experts place Wisconsin's economy among the strongest in both the Midwest and the nation. A recent front page article in the Wall Street Journal notes that metropolitan Milwaukee "is much better insulated from the current economic downturn than most U.S. cities". Among the top 5 metropolitan areas in job growth since 1987, Milwaukee's unemployment rate of 4.5 percent is well below the national average. Strong export growth over the last several years is expected to further cushion Wisconsin manufacturers from a slowing national economy.

Wisconsin does not have the inflated land and building values of east and west coast states, or even places such as northern Illinois. Consequently, the drop in property values experienced in those regions is unlikely to occur here.

#### Wisconsin's Business Climate:

National recognition of Wisconsin's strong economy and greatly improved business climate increases opportunities for Waukesha County to attract potential development from throughout the region and country. Wisconsin's appeal to a national marketplace may strengthen ability to develop at a pace faster than that which would be supported by a purely local or regional market.

Three years ago in its annual ranking of business climates, the national management consulting and accounting firm Grant Thornton, placed

rate. Over that period the state created more than 46,000 new manufacturing jobs, and attracted over 100 out of state companies to Wisconsin.

A recent study conducted by Anderson/Roethlis, Inc., polled executives of companies that have relocated in Wisconsin within the last four years. Cited as the most common reasons for locating in Wisconsin were:

- the low cost of facilities;
- the availability and quality of skilled labor;
- proximity to markets;
- availability of good road transportation;
- pro-business attitudes of local and state governments.

Wisconsin's work force is excellent. Wisconsin's absenteeism due to weather is one of the lowest nationwide. Few states have a lower rate than Wisconsin for absenteeism due to illness. Output per worker in many industries is significantly above the U.S. average. The following productivity figures reinforce that contention.

Electrical Machinery Workers	106% (of US average)
Food Products Workers	119%
Paper Workers	121%
Transportation Equipment Workers	110%

Further, the size of Wisconsin's work force continues to increase. The population of Illinois, Michigan and Ohio grew by less than half a percent between 1980 and 1990. In comparison, Wisconsin's population grew by more than 4 percent. Wisconsin is known for its top ranked technical education system which provides job training and upgrading to one of every seven adults in the state annually, twice the national average. A growing, skilled work force puts Wisconsin in a very competitive position to attract new business to the state.

Wisconsin's electric power rates are among the lowest in the nation. For commercial customers this ranges from 5th lowest for large users to being second lowest for small users. Three of the four Triple A rated utilities in the country are in Wisconsin.

#### Westward Growth:

As with other metropolitan areas, communities surrounding Milwaukee began to develop as people who worked in the city sought a greater sense of country through a home in a subdivision in Brookfield or New Berlin. Over time, though, as these and other suburbs in eastern Waukesha County began to develop, that sense of country has diminished. Over the past decade or more, jobs have followed housing into Waukesha County. Many of those Brookfield residents who once commuted into Milwaukee now work in Brookfield or a neighboring suburb. Because much of eastern Waukesha County has lost its rural atmosphere, many of these people now look farther west towards newer suburban developments.

ABSTRACT OF PLAN FOR SERVICES TO SMALL BUSINESSES

Summary Description of the Business --- The W-O-W Private Industry Council, Inc. will develop, market, and deliver specialized services to small and medium-sized businesses that will 1.) assist them to analyze hiring and skill needs; 2.) facilitate processes for recruiting and selection of applicants who can meet those needs; and 3.) plan customized training systems for newly-hired or existing workers. The services will include information packets and on-site consultation in each content area, as well as a unique trainee-lease program. The services will be marketed and provided in coordination with area Job Centers in Waukesha, Ozaukee, and Washington counties.

Market Need --- Small and medium-sized businesses (e.g., 20 to 100 employees) generally do not have the in-house expertise such as developed Personnel Departments to analyze their workforce or to develop hiring and training systems that would result in more productive and motivated workers. Yet small businesses employ 57% of the nation's workforce, generate 47% of the gross national product, and create two out of every three new jobs. Having the knowledge and mechanisms to upgrade their workforce would reduce the high cost of turnover in these companies, improve the motivation and loyalty of the workers, and result in the output of higher quality products or services by the company. Many adult job applicants and workers have a need to develop basic remedial or technical skills while having a steady income from employment.

Product/Services to be Provided --- Specialized and flexible information packages, in the form of "How-to-do-it Manuals", cassettes, and/or videos, will be made available for sale to targeted businesses that will help them learn how to improve their capabilities to hire and train their workers. Three initial packages will assist companies to 1.) determine the actual job and skill needs of the company and, if desired, develop job descriptions or wage surveys (a sophisticated, computerized skills analysis module will be available as part of this packet that will generate various reports on the skill levels of specified jobs and on individual employees.); 2.) develop mechanisms for successfully recruiting, testing, assessing, and selecting new employees to meet their hiring and skill needs; and 3.) plan and establish alternative ways to train new or existing employees in needed skills either within the company environment or through access to various outside training options. Each information package will utilize a user-friendly system, easily modified and customized, to support thorough learning and understanding by the customer. On-site consultation by Private Industry Council staff, to assist in tailoring the various facets of the information material to each company's situation, will also be available to companies who desire assistance.

In addition, the Private Industry Council will offer companies a trainee lease program that will allow a job applicant who is interested in learning the skills needed by a company to be employed through a lease contract arrangement on the PIC payroll for a defined training period while working at the company, which would cover the costs of employment. The trainee will be expected to partake in a scheduled training plan that will develop the skills needed by the company. The PIC will work to arrange financing of the training or tuition costs through support by the company, the trainee, and other available funding sources. The PIC Corporation will establish a Trainee Development Fund, through tax-exempt contributions, to partially pay for such training costs. At the completion of the training period, depending on the success of the job match and skills learned, the trainee can be absorbed into permanent employment by the company. This trainee-lease program would reduce the company risk of hiring a person who is unable to perform the functions and skills required by the job.

Market Demand --- Surveys of several local businesses have indicated potential interest in the services, although worker development has not been a high priority for many and affordability appears more difficult for smaller companies. Special marketing materials will be prepared to advertise and explain the services of the new business. The Private Industry Council, because of its history of activities with federal job training grants, already has contact with many local businesses. The marketing effort will focus on demonstrating to business executives the importance and benefits of incorporating workforce development capabilities into their organizations and of investing in the upgrading of their workers.

Implementation of the Business --- Start-up funding will be needed to purchase the computerized skills analysis system and to develop the information packages and marketing materials for the program. The program will be implemented over a 4 to 6 month period. Subsequently, service fees for the information packets and the on-site consultation will be charged to the businesses. The operating costs of the trainee lease program will be fully covered by the businesses.

DRAFT

**MEMORANDUM OF UNDERSTANDING FOR A WAUKESHA JOB CENTER**

PURPOSE AND MISSION

This agreement is entered into in a spirit of cooperation by the signatory agencies to describe how their various funding and institutional resources can be utilized to better serve mutual customers, both job seekers and employers, through an integrated system of service delivery operated in a single location, called the Waukesha County Job Center. It is understood that the development and implementation of a Job Center will require mutual trust and teamwork between the agencies, all working together as partners to accomplish shared goals.

The Mission Statement of the Waukesha County Job Center is as follows:

It is the purpose of the Waukesha County Job Center to provide job seekers and employers with a seamless 'one-stop' service delivery system. This is to be achieved through the co-location and integration of employment and training activities and economic support services.

The objectives of the Job Center are:

1. To empower job seekers to actively achieve long-term economic self-sufficiency.
2. To assist employers in meeting their present and future workforce needs.
3. To meet participants' temporary economic and support service needs and strengthen the connection between economic assistance and preparing for work-related self-sufficiency.
4. To deliver necessary services in the most cost-effective and efficient manner possible.
5. To strengthen the bond between Waukesha County's economic development and Employment and Training programs by continual communication and coordination between the public and private sectors.

PARTICIPATING AGENCIES AND REVENUES SOURCES

The following are the agencies that shall form the Waukesha Job Center, along with the potential sources of funding that each will bring to the planning process. These agencies shall comprise the Management Team (along with any other major service provider in the Center), which shall be responsible for the on-going operation of the Center.

Agency

Revenue Sources

W-O-W Private Industry Council, Inc.

Job Training Partnership Act

Waukesha County Department of Human Services

Job Opportunities and Basic Skills (JOBS)  
Food Stamp Employment and Training Funds  
AFDC Income Maintenance Funds

Waukesha County Technical College

Carl Perkins Vocational Education Act  
Adult Education Act

Wisconsin Job Service

Wagner-Peyser Act & related Employment  
Service Funds

Wisconsin Division of Vocational Rehabilitation

Vocational Rehabilitation Act

**JOINT PLANNING PROCESS**

The signatory agencies commit themselves to a joint planning process wherein the annual plans of each agency's revenue sources will be mutually reviewed and discussed in relation to the operations of the Job Center. Particular focus shall be directed toward the Job Training Partnership Act, the Job Opportunities and Basic Skills (JOBS), Carl Perkins Vocational Education Act, and the Wagner-Peyser annual plans. Discussions shall include an overall review of the mission and service delivery approach of various grant funds, target group requirements, programmatic design, and budgeting priorities. The Job Center's Management Team shall be the body through which the joint planning process will take place. Meetings shall be conducted with the objective of obtaining consensus on joint planning decisions and shall occur periodically throughout the year in order to take into account the various timeframes for grant planning and implementation.

**JOINT FUNDING OF SERVICE PROVIDERS**

It is agreed that the following program activities will be mutually funded through a joint Request for Proposal process from the revenues sources indicated, to become operative no later than January 1, 1994:

AREA OF SERVICE	REVENUE SOURCES	COMMENTS/SPECIFICATIONS
Testing/Assessment	JTPA, JOBS, DVR	Separate layers of testing, assessment, and career exploration would be specified, each of which could be funded separately or on a combined basis. Testing for Job Service applicants would be included. Services under this RFP should be coordinated with other assessment services provided through WCTC.
Case Management	JTPA, JOBS	Single agency to be funded to provide on-going case management services for JTPA & JOBS participants.
Job Development; Employer Contacting	JTPA, JOBS, DVR	Single agency to be funded to provide job placements services to JTPA, JOBS, and DVR job-ready applicants. The agency that is funded would be required to coordinate with Job Service and its Automated Matching System.
Personal Development Pre-Employment Groups	JTPA, JOBS	Single agency to conduct these group activities. This RFP could be combined with the Case Management RFP.
Job-Seeking Skills Workshops; Job Clubs	JTPA, JOBS	Single agency to conduct these group activities. Could require coordination with Job Service U.C. Workshops. This RFP could be combined with the Job Development RFP.
Services to Targeted Minorities	JTPA, JOBS	Single agency to perform services to targeted minorities.

It is possible that additional revenue sources, such as Carl Perkins Vocational Education funds, may be identified in the joint planning process to be part of these RFP processes.

Each Request for Proposals shall be jointly developed by the Management Team. (Any agency that intends to submit a proposal in response to the RFP must exclude itself from the RFP developmental process.) The

RFP will contain the specific service and program requirements of each funding source, the amount of funds available from each source, the participation and performance levels expected, and a combined criteria for selection of the service provider. The Private Industry Council Office will be the lead agency for this mutual process, will issue the RFP on behalf of the funding agencies, and coordinate the review and recommendations to be developed on the proposals.

The joint recommendations from the granting agencies on proposals will be referred to the Job Center Proposal Review Board for funding decision. The Proposal Review Board shall be composed of three County elected officials and three Private Industry Council members from Waukesha County, appointed by the County Executive.

Once an agency has been selected to provide a program service, each funding source shall execute a contract with the service provider for its funds. The granting agencies shall work together to coordinate the contract provisions to the same sub-agent. Likewise, a unified monitoring process between the granting agencies will be implemented, including joint monitoring reviews. The Private Industry Council Office shall be the lead agency in developing coordinated contracting and monitoring procedures. The Management Team will conduct the final performance evaluation review on all contracted services. These findings will be communicated to the Proposal Review Board.

#### COORDINATION WITH JOB SERVICE

As an integral part of the Job Center, the Wisconsin Job Service shall provide public labor exchange, labor market information, veterans employment services, and other services available through the Wagner-Peyser funds. These services shall include the services of the Automated Job Matching System.

The Job Service shall be responsible for the initial intake of all applicants to the Job Center through its Wagner-Peyser resources. The Job Service shall be the lead agency in developing common application or pre-application formats and procedures, acceptable to all funding sources. The intake process shall include a referral process to variously funded program activities in the Center.

#### COORDINATION WITH COUNTY ECONOMIC SUPPORT SERVICES

The County Human Services Department shall be responsible for development of procedures which coordinate services available to welfare recipients through its economic support unit with the employment and training services at the Job Center. This coordination includes linkages with child care and other support services, as well as co-location of economic support staff in the Job Center.

#### COORDINATION WITH VOCATIONAL REHABILITATION SERVICES

The Wisconsin Department of Vocational Rehabilitation shall work with the Management Team to develop procedures that integrate specified services for handicapped individuals, particularly vocational assessment and job placement services, with such services provided at the Job Center.

#### REMEDIAL EDUCATION ACTIVITIES

## COORDINATED MARKETING TO THE COMMUNITY

The Private Industry Council shall provide a staff position at the Center, supported through JTPA funds, to execute comprehensive marketing of the Job Center to the community, to implement centralized OJT training contracts with employers, and to oversee coordination of the job placement functions with the Job Service's Employer Relations Program, including exploration of the use of JTPA and JOBS funding for the Automated Matching System for use by the Center's contracted placement agency.

## OPERATIONS MANAGEMENT AND ADMINISTRATIVE FUNCTIONS

The Job Center's Management Team shall be the body responsible for overseeing the operational management of the Center's activities. All of the lead agency functions designated in this document shall be subject to review and monitoring of effectiveness by the Management Team, in a spirit of mutual cooperation and development of high quality systems to serve the Center's customers. Decisions regarding the on-going management of the Job Center shall be made by the Management Team on a consensus basis.

The Waukesha County Human Services Department and the Private Industry Council Office, in close working relationship with the Management Team, shall share responsibilities of the operational management and the administrative functions of the Job Center, on the following basis:

1. Operational Management: The County Human Services Department shall provide a staff position, supported through JOBS funds, to conduct on-going operations management of the Job Center, including coordination of overall operational activities, development of operational policies and procedures, facilitating the interaction of Center agencies and staff, preparation of special reports on Center's activities, participation in the coordinated monitoring process, approval of centralized expenditures, coordination of the preparation of annual plans and budgets, assisting in the development of the Management Information System, preparation and monitoring of JOBS contracts, and development of integrated JOBS and income maintenance programming.
2. Administrative Management: In addition to coordinating the RFP, contracting and monitoring processes, the Private Industry Council shall maintain a computerized Management Information System which will collect and integrate data on program participants and employers utilizing the Job Center, after the MIS system has been jointly developed with all the members of the Management Team. The MIS system will be jointly supported by JTPA and JOBS funds. All of the participating agencies shall have input into the design of the data base and report formats, and have full access to the reports generated by this system.

## ADOPTION AND AMENDMENT TO THIS AGREEMENT

Nothing in this agreement shall violate existing contracts. Signatories reserve the right to modify the scope, direction, structure and content of this agreement based on legislative changes, governing board directives, and funding availability.

This agreement is effective as of the date when all parties have signed the document, and it will continue in effect on an indefinite basis. This agreement may be modified at any time by mutual consent of all the signatory parties. Each signatory party withholds the right to discontinue its participation in this agreement upon 60 days written notice to all the other parties.

AUTHORIZED SIGNATURES

This Memorandum of Understanding is agreed upon by the parties listed below on the dates indicated.

Daniel Finley, Waukesha County Executive

Date

Leonard F. Cors, W-O-W Private Industry Council, Inc.

Date

Peter Schuler, Waukesha County Human Services Department

Date

Richard Anderson, Waukesha County Technical College

Date

Diane Knutson, Wisconsin Job Service

Date

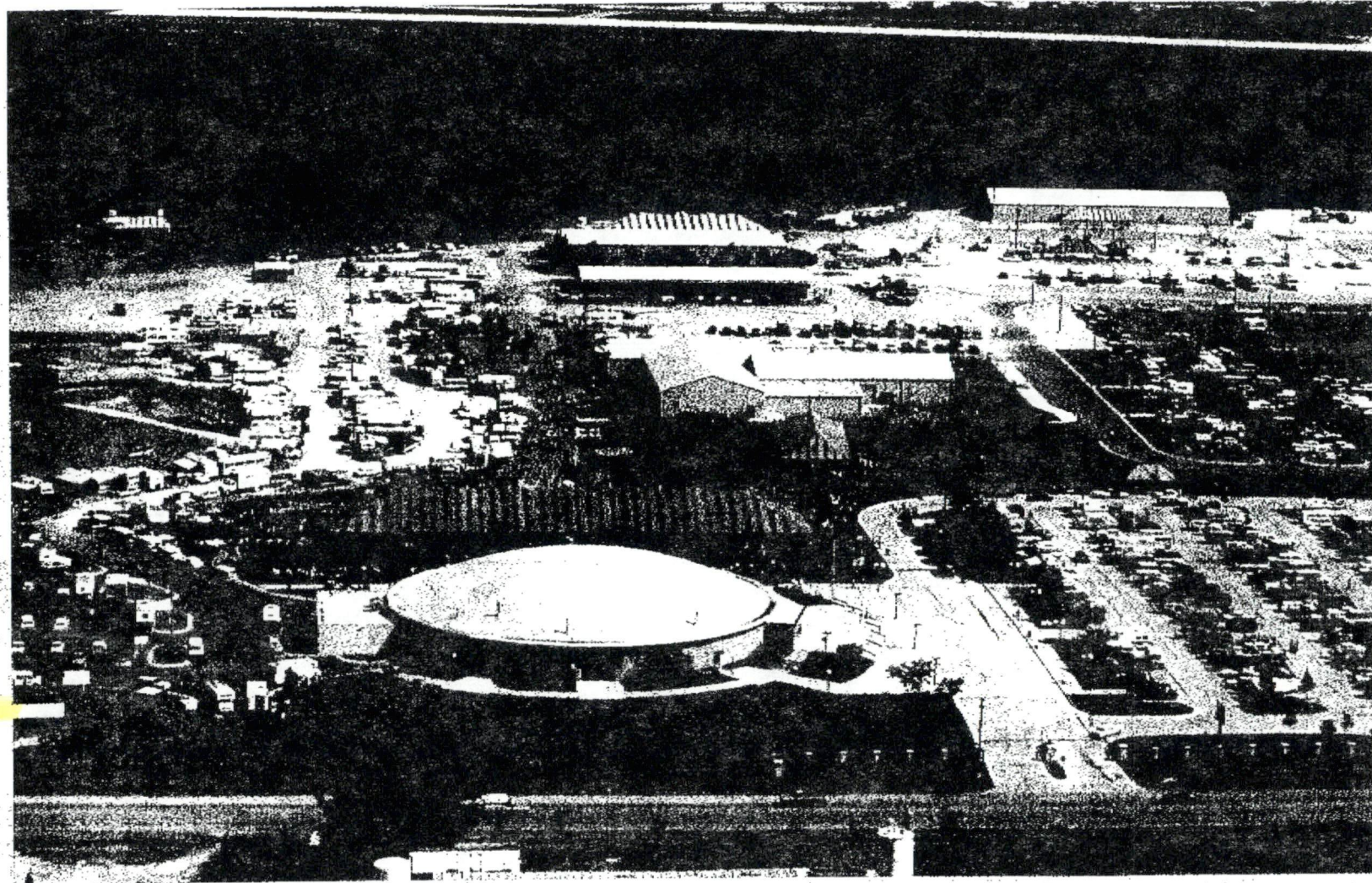
Frank Broder, Wisconsin Division of Vocational Rehabilitation

Date

**START-UP COSTS FOR THE WAUKESHA JOB CENTER**  
(includes planning costs for developing a multi-agency, customer-friendly facility)

	<u>Estimated Costs</u>
1. <u>Video for Reception Area</u> --- An audio-video presentation of the services in the Job Center will be developed to inform Job Center applicants, employers, and visitors about the Center	\$ 6,000
2. <u>Management Information System Development</u> --- An integrated data collection and reporting system will be developed that can serve all the funding sources utilizing the Center, to keep track of applicant and employer data. Hardware needs to be purchased, where necessary, and software packages will to be developed to provide customized management and activities reports regarding the programs and customers being served in the Center. These should be closely coordinated with other computer systems, such as the Job Service's Automated Matching System and the JTPA/JOBS reporting systems.	96,000
3. <u>Policy and Procedures Manual</u> --- Policies, procedures, and forms to be utilized in the Job Center will be developed and prepared for use by operational staff, in order to avoid confusion regarding the new operations.	5,000
4. <u>Marketing Materials</u> --- Marketing materials will be developed and printed for distribution to potential customers of the Center, both applicants and employers, and to the community at large.	6,500
5. <u>Staff Training</u> --- A key issue in starting up the operations of a Job Center in which several agencies relocate staff is a smooth transition into the new working environment and working relationships required. A training agent will be hired to develop and facilitate a staff training program that will allow all staff to provide input and understand the mission, objectives, and operations of the Center, so that unnecessary fears and misunderstandings are avoided.	3,000
6. <u>Moving Expenses and Facilitation</u> --- There will be costs to move furniture and equipment into the new location, as well as install telephone and computer equipment. A project manager will be needed to facilitate this process.	38,000
7. <u>Equipment for Handicapped</u> --- Special equipment to service handicapped applicants will be purchased, such as telecommunication devices for the hearing impaired and automatic electric-eye door openers for the wheel-chaired bound.	3,000
8. <u>Job Analysis/Workforce Development Services to Businesses</u> --- Initial costs of a skills analysis outreach program to small and medium businesses, marketed by the Private Industry Council, will be needed. Special job analysis modules will be purchased and user-friendly packets for use by the businesses will be developed.	35,000
9. <u>Computerized System for Individualized Learning</u> --- The Job Center will be equipped with inter-active work stations that will assist applicant customers with computer-aided instruction to learn basic skills in math, reading, writing, and problem-solving, as well as more technical skills such as applied science.	25,000
	<u>\$ 215,500</u>

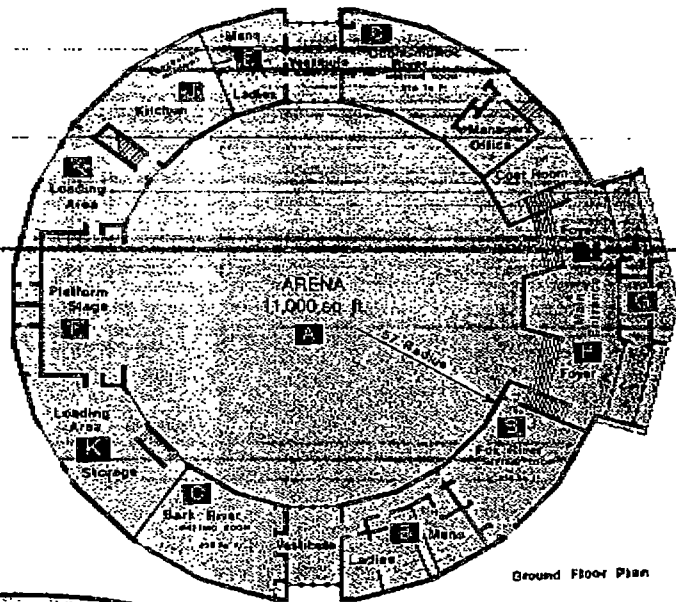
- 165 acres of landscaped Wisconsin country-side minutes from metro areas.
- Multi-purpose arena and forum building with 40,000 square feet of indoor exhibit space.
- Spacious parking paved and illuminated for 1600 cars.
- Finest horse complex in midwest with stabling for over 200 horses, plus show rings and dressage area.



**WAUKESHA COUNTY PARK  
& PLANNING COMMISSION**



**EXPO  
CENTER**



The arena is center stage upon entering the Expo grounds with its unique circular construction and domed roof housing a large auditorium, stage, three separate meeting rooms, kitchen, box office and office area.

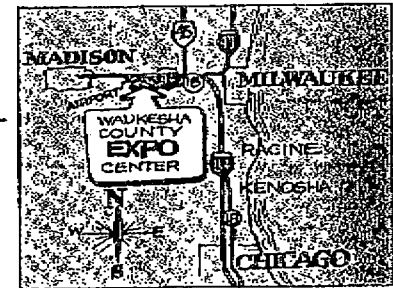
The ground level auditorium **A** features over 11,000 square feet of display area with an unlimited load cement floor and rises to a center height of 38 feet with the roof supported by eye-catching laminated beams. Adjacent to the auditorium are the Fox **B**, Bark **C** and Oconomowoc **D** River rooms, each containing 850 square feet with built-in kitchen.

In addition, rest rooms **E** are located on two sides of the arena, an 1100 square foot stage **F**, Box Office **G** and foyer **H**. Balconies **I** on two sides add another 4000 square feet and food service preparation is available from an 800 square foot kitchen **J** complete with stoves and walk-in cooler.

Entry is made from four sides of the arena with two overhead load-in doors 10' x 12' **K** to facilitate freight vehicles.

Air conditioning, water, heat and electric service is available in the arena.

• Over 4,000 Sq. Ft. of Balcony Floor Space • Over 13,550 Sq. Ft. of Main Floor Space • 38 Feet of Height Between Main Floor and Ceiling



Exit 284 on I-94 west, then south on C.T. "J" to Northview Road.

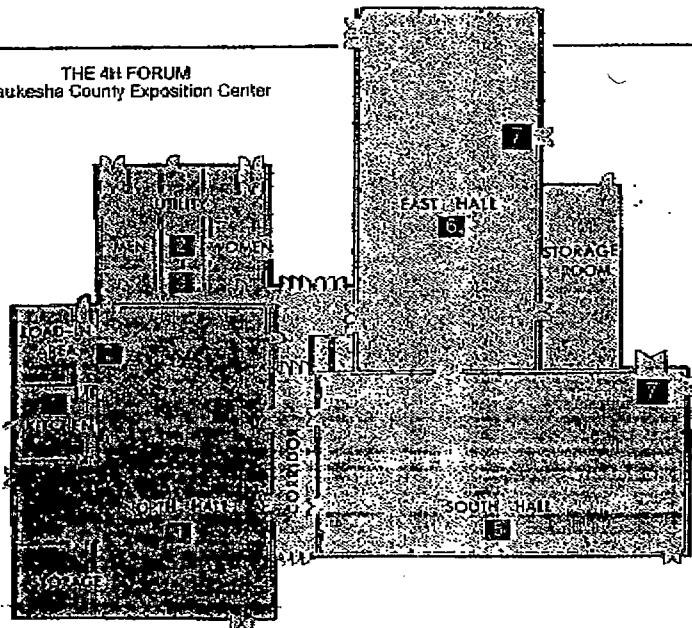
FOR INFORMATION, WRITE OR CALL:



**WAUKESHA COUNTY EXPO CENTER**

N1 W24848 Northview Road  
Waukesha, WI 53188  
414/548-7200

**THE 4H FORUM**  
Waukesha County Exposition Center



The 4-H forum building is comprised of three halls which combine for a total of 21,000 square feet of exhibit space, plus kitchen **1**, rest rooms **2** and showers **3**.

North Hall **4** is 6600 square feet and includes a 25' x 25' fully equipped kitchen. The South **5** and East **6** halls are each 7200 square feet with all three halls serviced by 10' x 12' over-head load-in doors. **7** Flexibility is the key to the forum enabling three separate events at the same time by using the three different halls.

# Waukesha County EXPO CENTER

with the flexibility of handling a

Planning, architecture, location and spacious parking have made the Waukesha County Exposition Center one of the most versatile and attractive facilities anywhere.

#### CONSIDER:

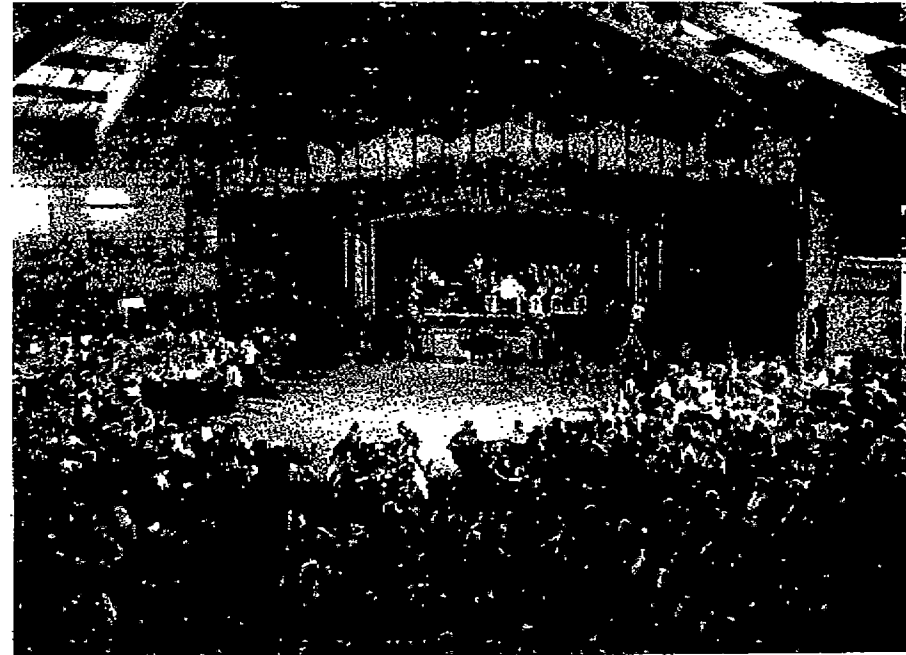
- The Expo Center is only 25 freeway minutes from downtown Milwaukee.
- There are 40 motels/hotels with 1700 rooms within a 15 minute drive from the Expo.
- There are 710 restaurants, six county parks, 20 golf courses and antique shops within the county.
- Over a quarter of a million people attended events at the Expo in 1985.

#### CONSIDER THE FACILITIES:

Two multi-purpose structures, the arena and the forum which total 40,000 square feet of usable exhibit space. Plus, one of the finest horse facilities in the midwest featuring three barns with stabling for over 200 horses, a large dressage area, three top-rated show rings and an announcer/registration two-level structure. Portable bleachers to accommodate over 1000 spectators.

#### CONSIDER PARKING:

Paved, striped and illuminated parking for 1600 cars and camper facilities to handle over 100 units with 20/40/50 amp service, complete with water and sanitary dump station.



SEE ARENA FLOOR PLAN ON BACK PAGE



#### CONSIDER SERVICE:

What do promoters of the Expo say about the facility?

Bridal Show '86... "Staff did more than their share to keep things running smoothly".

Dockside Marine... "Your cooperation and assistance made the show a success".

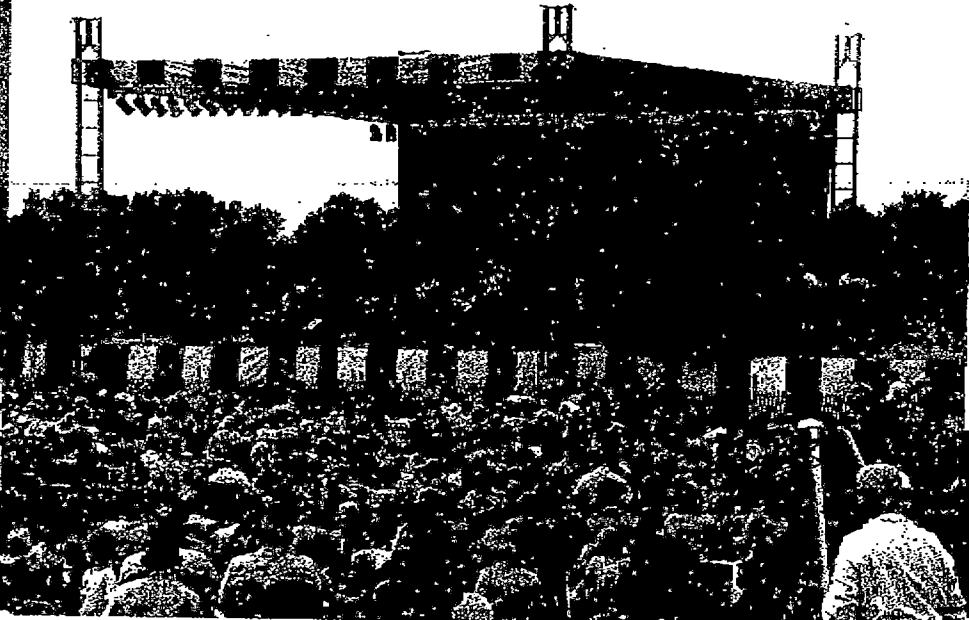
Rummage-A-Round... "Great facility. Many compliments on the buildings".

Milwaukee Miniature Motors... "As usual, everything was excellent. Always seems that way".

Rainbow Productions... "Never have had a complaint. Clean facility and excellent staff to work with".

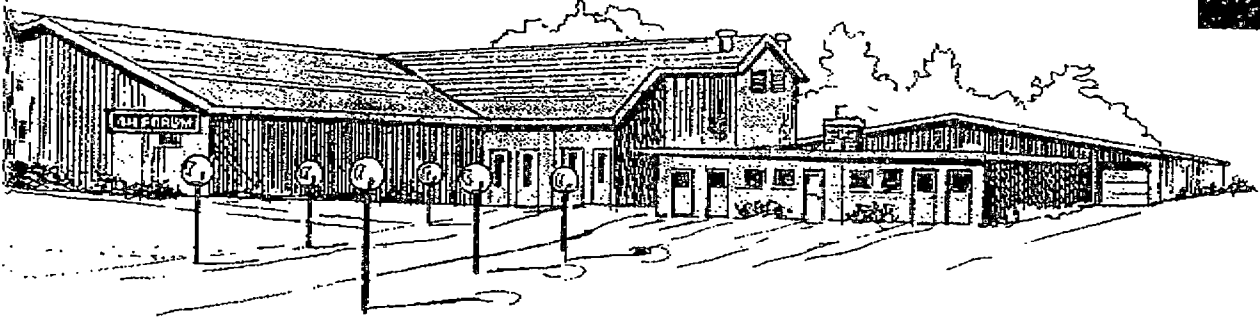
**That's what we're all about!**

of events, large or small, indoors or outdoors



**COMBINE IT** with the versatility of our facilities that have handled county fairs, five ring circus, stage shows, concerts, trade and exhibit shows, dinner/dance events, recreational vehicle and auto shows, national horse and dog shows, conventions.

**It all adds up to an affordable facility to handle your next event!**



**THE 4H FORUM**  
Waukesha County Exposition Center

SEE 4H FORUM FLOOR  
PLAN ON BACK PAGE

# NFIB Wisconsin

National Federation of  
Independent Business

## FAX COVER SHEET

DATE: 9/3/92

NUMBER OF PAGES: 22  
(Including this page)

TO: Parge Pickens **2816**

COMPANY: Office of the Vice President

TELEFAX NUMBER: 202-456-7044

FROM: BILL G. SMITH  
STATE DIRECTOR *Bill*

TELEFAX NUMBER: 608/255-4909

**IF THERE ARE PROBLEMS WITH TRANSMISSION  
PLEASE CALL - 608/255-6083**

MESSAGE: Am sending more than you

will need - watch the dates. Thought the  
school district problems, prisoners suing the  
State were particularly good, Note the  
school Also the boy scout problem  
in Portage, Wisconsin. Note the school  
district problem was in Waukesha. Not  
sure how the CAA is currently handling  
their liability problems. Call if you  
have questions - hope it is helpful.

State Office  
Suite 516  
119 M.L. King Jr. Blvd.  
Madison, WI 53703  
(608) 255-6083



# CPA urging liability law reform

By Mike Yaktus

As a wave of lawsuits floods through the CPA profession, accountants and auditors are becoming more selective in taking on clients.

Hundreds of millions of dollars have already been paid in auditor liability lawsuits, and an estimated 4,000 suits are pending nationwide with as much as \$15 billion in damage awards at stake.



Yaktus

Accounting firms are placing

## VIEWPOINT

Viewpoint is a weekly column that highlights issues facing the area's key employers.

more emphasis on evaluating the risk of certain clients and are thus becoming more choosy in regard to their client base. This would be similar to doctors only agreeing to treat healthy patients.

How bad has it been? Last year alone, the six largest accounting firms spent \$477 million in litigation and related costs. Combine this with the continued pressure of future potential lawsuits and already one of the larger accounting firms in the nation has folded.

In May, for example, a Texas jury imposed a \$338 million judgment against a CPA firm, and last year another CPA firm was

smacked with a \$300 million jury award. The profession cannot afford to pay out such sums and expect to remain viable.

In Wisconsin, the situation may be even worse than it is nationally. It is estimated that as many as 40 percent of Wisconsin's practicing accountants are "going bare" (i.e., not purchasing professional liability insurance) because of the limited availability and high cost of such coverage, according to testimony at a 1992 Wisconsin legislative hearing.

The hearing was on a bill to reinstate a time-period limitation on lawsuits involving professional accounting services. These kinds of limitations once existed, (and the statutes creating the limitation have not been changed), but courts around the country and in Wisconsin have changed their interpretation of these statutes.

Now, actions that once had to be brought within three or six years of the occurrence of the act may be brought within three or six years of the "date of discovery" of the problem. That creates an environment where one "discovers" the problem at whatever time it's handy to commence a lawsuit!

Wisconsin may be the best example of the puzzling nature of the current litigation boom. Over the years, Wisconsin test-takers of the uniform national exam for CPA candidates have scored, on an average, at or near the top of the state averages for each exam and its various sub-parts. Yet, Wisconsin CPAs are, again on the average, among the most frequently sued in the nation.

The statistics, admittedly anecdotal in nature, are staggering: a leading insurer of Wisconsin CPAs had claims filed against one in five

of its insured accountants in 1989. That was the highest year, but the five-year average from 1987 through 1991 still shows a claim frequency average in excess of 11 percent. The Wisconsin experience has ranged in recent years from almost three times the average to "only" 167 percent of the national average in 1991.

The net result from all of this is that every user of CPA services is paying more to cover the share of overhead represented by increased insurance premiums or the self-insurance reserve. It may mean that some potential users of CPA services will not get the benefit of any assistance, as accountants become defensively selective about who their clients will be.

It also means that the ultimate payer of this expense will be the loser as these expenses are passed down the line.

While I have only touched on the surface of this issue, it is quite clear that federal and state lawmakers should reform partnership liability law to prevent accounting firms from being smothered by litigation. U.S. business and capital markets face serious consequences unless these problems are quickly corrected.

Yaktus is a vice president with Madison Investment Advisors. He also is a certified public accountant and is currently president of the southern chapter of the Wisconsin Institute of Certified Public Accountants.

Business Thursday welcomes comments on the industry Viewpoint column. To be considered for publication, letters must be signed. Address correspondence to Business News, Wisconsin State Journal, Box 8058, Madison, Wis. 53708.

8/13/92

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- Ray - REMY  
2 faxes JOHN MURPHY  
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## IN BRIEF

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### Legislator calls for probe of costs tied to inmate suits

*Associated Press*

Disclosures that the state spends at least \$750,000 annually dealing with prison inmates' civil suits and court petitions deserve an investigation by auditors, a legislator says.

"Whether this explosion of inmate lawsuits reflects legitimate or frivolous claims, we need to find out why they are tying up our courts," Rep. Shirley Krug said Tuesday.

Krug, D-Milwaukee, co-chairwoman of the Legislature's Joint Audit Committee, cited an Associated Press report that the number of such lawsuits has nearly doubled in five years.

Charles Hoornstra, assistant attorney general, told The Associated Press it costs about \$750,000 for legal personnel in his office to respond to the documents.

Many petitions are requests for information obtainable under

the state's open records law. Krug said auditors should determine whether those requests are reasonable or simply attempts to collect a penalty payment.

State law provides a \$100 payment to people whose legitimate open records requests are denied by government agencies.

"Giving prison inmates a way to line their pockets is not the intent behind the state open records law," Krug said. "We must close any loophole that permits this kind of scam."

Rep. Robert Goetsch, R-Juneau, said he plans to introduce legislation next year to remove the \$100 payment and restrict requests by inmates.

State and federal governments do not have an administrative process to review inmate lawsuits and open records requests, Krug said.

"Better rules might resolve some disputes and head off expensive legal action," she said.

• • •



RHINELANDER, WI  
NEWS  
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FEB 23 1984

# Tort reform crucial to state's economic development

By JEFFREY BILS  
Of The Daily News Staff

State economic development professionals support tort reform more than any other legislative issue, a recent survey revealed.

This was the most surprising result of a survey of Wisconsin Economic Development Association (WEDA) members, according to Diane Pavelski, who is on the board of directors.

"It's not a specialized economic development issue," she explained. "We were surprised that it came out as high as it did."

Tort reform generally has to do with making it more difficult for businesses to be held liable for large sums of money following a lawsuit. "Basically what we're talking about is that it's extremely expensive for businesses to pay the costs of our current liability system," Pavelski explained, adding that insurance costs and the costs of court battles are excessive. This, she said, can have an effect on whether businesses locate to the state, and WEDA members realize that.

"The membership is becoming more sophisticated and understands the impact that tort reform has on doing business," she said.

While WEDA members ranked tort reform as the issue they most support, they indicated that maintaining the current tax structure as the most important issue for economic development in Wisconsin.

The state tax structure now is much more conducive to business development than it was just a few years ago, according to Pavelski, when the top personal income tax rate was 11.4 percent. Now the top rate is 6.9 percent. "We've got our rankings down to what is acceptable," she said, adding that the state is now more attractive to businesses.

Other aspects of the tax structure are also attractive just the way they are, Pavelski said. "Wisconsin business taxes are the fourth lowest of every state in the nation," she said. Machinery and equipment taxes, capital gains taxes and corporate income taxes are similarly attractive, according to Pavelski.

Members were asked to rank 10 issues in the survey. Three of the issues were opposed by those who responded. One of those issues was biotechnology regulation that would hinder the growth of the biotechnology industry.

Biotechnology is a quickly developing industry, according to Pavelski, and Wisconsin is in a prime position to tap that growth. "It's going to happen regardless of what Wisconsin does or does not do," she said. "If we can be in the forefront, we're saying let's go ahead, let's do it."

But many people have reservations about the young industry. "I think the public has misinformation and needs to be educated on biotechnology," Pavelski said. "There's still that mentality out there that you're going to be growing genetically abnormal kinds of who knows what." This, she said, will not promote economic development.

The state is particularly able to take the lead in biotechnology because of its forestry and agricultural strengths, and the research capacity of the state university system, she said.

WEDA members also opposed mandated health insurance for the underinsured or uninsured employee, and legislation allowing the state Department of Natural Resources to file a lien superior to all other liens where the DNR has incurred expenses under environment repair and hazardous substance clean-up laws.

A separate and unrelated survey of WEDA members showed that the future of state economic development professionals calls for more training as the arena of economic development becomes more sophisticated, according to Barbara Keller, vice president of Mooney LaSage and Associates. The firm conducted the survey.

"I suppose you might call it a reality check," explained Keller, adding that the WEDA board is in the middle of a future planning project. "What we discovered in the survey is that the board was on target," she said.

"More and more professionalism is being required to attract and keep businesses, and even to help small businesses," Keller said.

Increased training for elected officials and economic development professionals would be very beneficial to the state, she said.

The survey also showed the members feel technology is replacing manufacturing jobs, environmental regulation is increasing, labor supply is becoming an issue for a number of communities, and emphasis on production quality is growing, in addition to other things.



Survey of the NSBA Council of School Attorneys  
in Cooperation with the  
American Tort Reform Association

INTRODUCTION

NSBA conducted a survey of public school liability concerns in cooperation with the American Tort Reform Association and the National Association of Secondary School Principals. The survey was mailed to the 2,548 members of the NSBA Council of School Attorneys in December, 1988. The results summarized below are based on the 290 respondents who returned the survey.

A verbatim listing of the comments which respondents made can be found in the Appendix.

SUMMARY OF FINDINGS

Over one-third (36%) of the responding attorneys indicated that they had observed a change in the kinds of school-related programs offered by the schools they represented because of liability concerns and costs. On the other hand, the majority (62%) reported no changes in schools' offerings. Numerous respondents indicated that schools were paying higher premiums but continued to offer the programs, and others indicated that the potential for a "crisis" has largely been negated by strong sovereign immunity laws in their state.

When asked whether they had been involved in lawsuits or out-of-court settlements which had an impact on school-related programs, one-in-five (17%) said they had. Respondents cited suits resulting from accidents in shop classes, on the playground, during physical education classes, and during extracurricular activities -- especially sports.

Among the 81 percent who had not been involved in lawsuits, many indicated that the potential to be involved had caused the schools to be very cautious in deciding what programs to offer and under what conditions. Several reported that the schools they represent had sharply limited extracurricular activities for students, improved playground and gym equipment, increased supervision of playground activities, and tightened the restrictions for use of school facilities by student and non-student groups in order to "anticipate" legal problems.

Of the 290 respondents, 26 commentors suggested that a large number of the problems related to the liability crisis and tort reform were caused by insurance companies. They also urged that there is a need for insurance reform.

### In-School Programs Affected

In-school programs were much more likely to be modified rather than discontinued completely in response to liability costs or concerns. Eighteen percent of the responding school attorneys indicated that physical education classes were modified. Lawsuits were mentioned by nearly half (47%) of those who noted changes in these programs. High premiums and lack of available insurance were each mentioned as the catalyst for change by about one-fourth of those specifying modifications in physical education classes. Specifically, respondents often mentioned that the use of a trampoline in gym classes had been terminated because their insurance carrier requested it.

Travel by students was the second most common of in-school program to be modified according to respondents (13 percent). Lawsuits again topped the list of reasons for modifying class trips and field trips. Nearly 1-in-2 (46%) cited these actions; 28% named high premiums; and 15% said insurance wasn't available. Stricter guidelines — the use of certified bus drivers, eliminating the use of personal automobiles, and better screening of volunteers for driving — were some of the mentioned consequences. Out-of-state trips required special consideration: one respondent mentioned that on trips to another state, school buses are used only to the border and then chartered buses are used. The additional expense has made fewer such trips possible.

Close behind class/field trips in frequency of being affected, 12 percent of the respondents noted playground or recess procedures were modified. Over two-thirds named lawsuits, while one-third named high insurance premiums as cause for terminating or modifying these activities.

### Extra-Curricular Activities Affected

The hardest hit extra-curricular activity impacted by liability concerns according to the survey was volunteerism. Overall, 13 percent of the school attorneys said the use of volunteers had been stopped or restricted. Lack of available insurance was mentioned as the basis for these changes by 34 percent — more than for any other activity. "Volunteers are afraid of being sued" according to one respondent. In response to the lack of insurance, one school district has joined with the county government to become self-insured. Better screening of volunteers was also mentioned as a strategy for minimizing insurance woes. In certain activities, supervision previously provided by volunteers is now provided by certified or trained staff.

Fundraising events and gymnastics also have been affected according to nine percent and eight percent of the school attorneys, respectively. Certain fundraising activities have been eliminated in particular districts, e.g., off-campus haunted houses. One district carefully examines the proposed fundraising activities and limits participation to one event per year for each school. In response to liability concerns, gymnastics is less likely to include the use of trampolines. Rather than the major cause for modification being lack of insurance as is true for fundraising events, lawsuits were most often specified for gymnastics.

### Education Level Represented

Respondents were asked to indicate all the education levels their organization represented. Seventy-one percent represented high schools; 70 percent junior high schools; 70 percent kindergarten through grade six; and 41 percent pre-kindergarten. Nine percent of the respondents designated colleges.

TABLE 1

## NOTICED DIFFERENCE IN SCHOOL-RELATED PROGRAMS OFFERED

Yes	103(36%)
No	180(62%)
No Response	7( 2%)

TABLE 2

## LAWSUITS OR OUT-OF-COURT SETTLEMENTS IN LAST 2 YEARS

Yes	50(17%)
No	236(81%)
No Response	4( 1%)

TABLE 3

## IN-SCHOOL PROGRAMS TERMINATED OR MODIFIED

	AFFECTED		REASON FOR TERMINATION OR MODIFICATION		
	TERMI- NATED N(%)	MODI- FIED N(%)	LAW- SUITS N(%)	HIGH PREMIUMS N(%)	NO INSURANCE AVAILABLE N(%)
P.E./GYM	2(1)	51(18)	25(47)	15(28)	14(26)
CLASS/FIELD TRIP	2(1)	37(13)	18(46)	11(28)	6(15)
RECESS/PLAYGROUND	1(*)	36(12)	25(68)	12(32)	2( 5)
VOCATIONAL CLASSES	1(*)	21( 7)	14(64)	7(32)	2( 9)
DRIVER'S EDUCATION	3(1)	10( 3)	4(31)	7(54)	—
NURSES STATION	—	13( 5)	6(46)	2(15)	2(15)
SCIENCE LABS	—	13( 5)	5(38)	4(31)	—

\* Less than 0.5 percent

TABLE 4  
EXTRA-CURRICULAR ACTIVITIES TERMINATED OR MODIFIED

REASON FOR TERMINATION OR MODIFICATION	TERMI- NATED N(%)	MODI- FIED N(%)	LAW- SUITS N(%)	HIGH PREMIUMS N(%)	NO INSURANCE AVAILABLE N(%)
AFFECTED	3(1)	35(12)	13(34)	10(26)	13(34)
VOLUNTEERISM	4(1)	23(8)	4(15)	5(19)	7(26)
FUNDRAISING EVENTS	8(3)	14(5)	9(41)	4(18)	6(27)
GYMNASTICS	—	20(7)	10(50)	5(25)	1(5)
CHEERLEADERS/POM-POMS	—	17(6)	3(18)	7(41)	1(6)
FOOTBALL	—	12(4)	4(33)	2(17)	2(17)
DANCES/PROMS	2(1)	6(2)	1(13)	2(25)	1(13)
BASKETBALL	—	7(2)	3(43)	2(29)	1(14)
TRACK AND FIELD	—	7(2)	3(43)	2(29)	2(29)
BASEBALL	—	6(2)	3(50)	2(33)	1(17)
VOLLEYBALL	—	6(2)	2(33)	3(50)	1(17)
SCOUTING	—	5(2)	—	1(20)	—
BAND/MAJORITIES	—	5(2)	2(40)	—	—
SOCCER	—	5(2)	1(20)	2(40)	1(20)
TENNIS	—	4(1)	1(25)	1(25)	1(25)
SWIMMING	—	4(1)	2(50)	—	—
WRESTLING	—	4(1)	1(25)	2(50)	—
GOLF	1(*)	2(1)	—	1(33)	—
LACROSSE	—	3(1)	—	—	1(33)
RUGBY	—	2(1)	—	—	—
DRUMS/BUGLE CORPS	—	1(*)	—	—	—
OTHER	—	5(2)	1(20)	1(20)	1(20)

\* Less than 0.5 percent

TABLE 5

EDUCATION LEVEL ORGANIZATION REPRESENTS

41%	PRE-KINDERGARTEN
70	KINDERGARTEN - 6
70	JUNIOR HIGH SCHOOL
71	HIGH SCHOOL
9	COLLEGE
27	NO RESPONSE

# NFIB Wisconsin

National Federation of  
Independent Business

January 30, 1990

The Honorable Tommy G. Thompson  
Governor, State of Wisconsin  
State Capitol - Room 115 East  
Madison, WI 53702

Dear Governor Thompson:

Nearly two weeks ago the Assembly Committee on Financial Institutions and Insurance held a public hearing on several proposals relating to tort reform. It is highly doubtful the chair of that committee will allow executive action be taken on any of those bills.

Tort reform is a very high priority issue for not only small business, but also for big business as well as school districts, municipal government and the taxpayers of our state.

In case you may have missed them, I have enclosed news clippings that describe how the very threat of a lawsuit is impacting on our way of life in Wisconsin. The decision by the Riddell Corporation that it can no longer assume any responsibility for football helmets that are more than ten years old will have a direct impact on public school budgets -- and taxpayers.

The Waukesha County Freeman reports lawsuit fears have forced certain school-related activities you and I both enjoyed while we were in school to be discontinued, due to the risk of liability.

The Wall Street Journal editorializes the deep-pocket-picking liability system has placed the overall quality of our public school system in jeopardy.

Finally, I share with you the comments of a University Professor and former Director of the Wisconsin Research Seed Fund:

"...When we identified that start-up company that needed his expertise, we were told that his financial and legal advisor warned him that he

State Office  
Suite 516  
119 M.L. King Jr. Blvd.  
Madison, WI 53703  
(608) 255-6083



The Guardian of  
Small Business

Hon. Governor Thompson

-2-

January 30, 1990

would be recognized as a deep pocket and would sustain all kinds of additional liability and should not take the position. ...Correcting joint and several liability will substantially improve the environment for highly-skilled, experienced entrepreneurs to reinvest their time and money in new projects."

Wisconsin can no longer afford this kind of entrepreneurial paralysis.

On behalf of NFIB's 12,000 member firms, I respectfully request that you issue a call for a special legislative session on tort reform.

Thank you for your consideration.

Sincerely,

BILL G. SMITH  
State Director  
NFIB/Wisconsin

BGS:sh

Enclosures

# Schools in helmet bind

## Manufacturer issues 10-year liability limit

By Roy Hinz

Sports reporter

It came as a shock and the repercussions could be far-reaching.

Riddell Corp., a Chicago sporting goods manufacturer, sent out a shockwave when it announced last month that it would not take responsibility for any Riddell football helmet that is more than 10 years old.

The company stated that it was not feasible to recondition varsity helmets dated 1980 or earlier due to long-term effects of weathering to the helmet shell.

The announcement caught the Wisconsin Interscholastic Athletic Association and local school administrators and coaches by surprise. Almost all school district budgets will be affected as thousands of helmets will have to be replaced.

"I can't remember anything that will have the financial im-

pact that this will," WIAA Assistant Director Don Herrmann said. "It's going to cause some fantastic projected costs in a lot of school districts. It's a big unexpected expense."

Bill Rice, the McFarland coach and president of the Wisconsin High School Football Coaches Association, estimated about 60 percent of the schools in the state use Riddell helmets, which cost about \$90 each.

The WIAA sent a letter to all coaches stating that schools should adhere to Riddell's new policy. Rice also sent out letters to coaches to alert them of the situation.

"This is a nationwide problem," Rice said. "It's a pretty serious problem, which is why I initiated a meeting for this weekend in Stevens Point with the vice president of sales and marketing for Riddell. We need some answers. This has surprised us all."

That was definitely the case with Madison East Coach Wayne Kelliher and Madison West Coach Burt Hable.

"We're doing an inventory right now and we probably have 30 helmets that are OK out of about 150," Kelliher said. "We have helmets that were used only two or three times but that doesn't matter. We could have a brand new 1979 helmet and we wouldn't be able to use it."

The situation isn't any better at West, where, of the school's 201 helmets, about 175 will have to be replaced.

John Olson, Madison School District athletic director, has developed a four-year phase-in program that would cost about \$26,000 just to replace helmets.

The larger schools will probably find ways to overcome the problem, but what about the

*Please turn to 6C, Col. 1*

# Schools in bind with helmets

*Continued from 1C*

smaller schools? Where will they come up with the money? Can they come up with the money?

"Our biggest concern is the smaller schools with programs that have had trouble financially," Rice said. "Your small schools are going to have the most difficulty coming up with replacement dollars. I've heard that some coaches are very concerned about their programs."

Herrmann agrees.

"Our concern, in addition to the problems of budgets, is the possibil-

ity it could be the end of football in some communities," he said. "The schools that are having problems with numbers, that are barely hanging on, are the most vulnerable."

The thing that has most people upset is the lack of notice and the fact that no one has seen any documentation to support Riddell's claim that the helmets are unsafe.

Herrmann said Riddell told him it began letting people know about its plans several years ago, but Herrmann and many others in the profession were unaware the new

policy was coming.

In fact, the WIAA had to ask Riddell to send it a letter stating its new policy. Riddell also sent Rice a letter dated Dec. 14. He received it Jan. 12.

It seems the helmet reconditioning companies were the first to know. The coaches then became aware of the problem when the companies told them that they would not recondition 10-year-old helmets.

Riddell officials would not return phone calls Wednesday.

## REVIEW & OUTLOOK

### Seat Belts for School Desks?

Not everyone will be coming back to school this fall. The latest victims of the tort crisis are thousands of Americans who once volunteered to help out in the nation's public schools. Our absurd tort laws with their unlimited potential liability have snuffed out a once-bright point of light.

According to surveys by the American Tort Reform Association, nearly 60% of school principals say they have dropped or cut back on school-related programs because of the threat of lawsuits and high insurance premiums. Nearly 20% of school lawyers report lawsuits or settlements in the past two years alone that caused their schools to drop or restrict activities.

Hardest hit, say the school lawyers, was volunteerism, with more than one-tenth of schools either stopping or restricting volunteer work, such as driving or chaperoning, because of liability fears.

Not surprisingly, gym, cheerleading and diving are highly suspect activities in many schools these days. But so too are playground activities, field trips, vocational education, driver education, nurses stations and even recess. One school actually modified its drum and bugle corps program because of fear of litigation.

The Association of Trial Lawyers of America has an answer for all this. The plaintiff lawyers say the culprits are insurance companies "reaping incredible profits" from premiums and trying to "pressure the public into thinking there is a crisis in tort law." The good news is that this game of contingency-fee lawyers attacking the messenger for bearing bad tort tidings may be just about over.

Lawyers for these schools have had to go to court to defend against all kinds of absurd charges, from teachers giving low grades to a school allowing a thief to fall through its sky

light at night. These legal costs are passed on to taxpayers, so you'd think that public officials would do all they could to put an end to this destructive litigation. Instead, the state attorneys general attacked the insurers with a frivolous lawsuit.

The National Association of Attorneys General—known increasingly as the National Association of Aspiring Governors—filed a massive antitrust claim accusing insurers of somehow concocting the tort crisis. A federal judge has announced that he plans to dismiss the lawsuit before trial. California Attorney General (and aspiring governor) John Van de Kamp, who plotted the lawsuit, must now take some responsibility for the higher insurance premiums sure to be passed on to consumers because of the monstrous legal bills insurers incurred over the past year defending themselves from the state AGs.

Society has become used to watching goods and services fall victim to the U.S.'s deep-pocket-picking liability system, but burdening the public schools with these liability suits is a special outrage. We need more parent volunteers to help teach and coach. We need more businessmen willing to offer school-related work to underclass youth. The last place we need to spend education money is on lawyers chasing the chimera of a risk-free environment.

Education, like almost every human pursuit, entails some measure of risk. Some kids inevitably will be hurt learning carpentry or playing basketball. But they'll be hurt more if plaintiffs' lawyers keep shutting down aspects of education. Judges and legislators should redouble their efforts to reform tort law before our schools become sterile hallways of risk aversion and boredom.

THE NATION'S NEWSPAPER



# USA TODAY

NO. 1 IN THE USA...6.3 MILLION READERS EVERY DAY

WEDNESDAY, AUGUST 30, 1989 • USA TODAY

## Lawsuits cut school activities

By Pat Ordovensky  
USA TODAY

School activities, from football to field trips and proms to pompons, are being cut back by the specter of lawsuits and the high cost of insurance, say two surveys out Tuesday.

More than half (58 percent) of the 191 high school principals polled by the National Association of Secondary School Principals say activities have been restricted for legal or insurance reasons. Most often cited: gym classes, field trips, vocational shops, science labs.

A third of 290 school lawyers polled by the National School Boards Association say they've seen programs changed for liability reasons; 17 percent say they've been involved in suits or out-of-court settlements. Most often affected: physical education classes, student travel, playground procedures, the use of volunteers.

Both surveys were commissioned by the American Tort Reform Association.

# The Waukesha County Freeman Weekend Edition

Waukesha County's Best Local News Source

Vol. 131, No. 439

Saturday, September 9, 1989

50

## Lawsuit fears curtail some school activities

By Mary Ng  
Freeman Staff

**WAUKESHA** — A school district's fear of personal injury lawsuits seldom shows itself in any spectacular way.

It doesn't cause area school boards to ban field trips, favor flag over tackle football, or bar children from swings and monkey bars.

But the fear is out there, on the minds of superintendents, principals, coaches and teachers.

"To some extent, every time you open the doors and let people in, there's a risk of liability," said Oconomowoc Superintendent James Rickabaugh.

In a recent survey of 190 secondary school principals by the National Association of Secondary School Principals, the National School Boards Association and the American Tort Reform Association, 58 percent said they had noticed a difference in the kinds of school-related activities offered because of liability concerns. They reported that:

■16 in-school activities, including industrial arts classes, field trips and recess activities, had been terminated, with nearly 250 more modified.

■51 extracurricular activities, such as gymnastics and diving or scuba

programs, were curtailed. Also, 301 extracurricular programs saw some changes.

Some local school administrators said recently that, while they refuse to let liability concerns subvert efforts to give students a well-rounded education, they do work with insurers to weigh the risks of existing and proposed programs.

That process has resulted in some changes:

■Try to watch the homecoming parade in downtown Mukwonago the year.

See LIABILITY, Page 3A

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—James Rickabaugh.



## Liability concerns prompt local school districts to cut some activities

From Page 1A

You'll be lonely and bored. The parade was discontinued three years ago.

Prior to that, faculty and staff had usually hosted float-building sessions at their homes and used their autos to pull floats in the parade, Superintendent Paul Strobel said.

But it became clear that if there were an accident, the owner of the house or auto would be responsible. Faculty and staff weren't willing to take the risk, and the tradition ended. It's since been replaced with a week of "split" activities, Strobel said.

■Search for the curling, twisting slide at a Mukwonago playground. It was just removed.

School District Business Man-

ager Bill Cantwell said that playground equipment is "a very closely watched area." Another example is swings, which aren't on asphalt unless there is soft material beneath them.

■Try signing up for mountain climbing in a Waukesha School District physical education class. They'll tell you to take off your hiking boots.

A few years ago, someone suggested offering such a class, but officials decided it was too risky, said Anthony Goedheer, executive director of business affairs for the district.

■Try to locate a large trampoline in any of the school districts mentioned.

You won't. That's because insurance carriers refuse to provide coverage for them.

■Try to acquire an old football hel-

met when a school buys new ones.

They won't let you have or buy one.

"You can't resell it, because the liability goes with it," Goedheer said. If the factory can't refurbish helmets, they are disposed of, said Oconomowoc's Rickabaugh.

■And finally, try to send your child on a bicycle trek with his class in Oconomowoc.

You will find few, if any, trips to take.

"Bike trips used to be very common in elementary schools," Rickabaugh said. "We've become more conservative."

But Oconomowoc and other county school districts haven't phased out all field trips and equipment that present risks.

"It's an evolving process," Rickabaugh said. "We might do something if we see equipment or a

procedure that might present undue risk. ... But I couldn't say it's been a drastic retreat."

For example, senior high science students in Oconomowoc continue to go canoeing each spring.

"We try to do everything we can to teach them safe practices," Rickabaugh said. "We think it's a worthwhile experience, where they learn practical applications of what they have learned."

Last year, Mukwonago established a procedure for checking into insurance coverage and bonding of those who provide transportation, particularly for out-of-state trips. This year, a group of students will venture to the Soviet Union.

In Waukesha, about the only things being scrutinized are the ropes used in physical education classes to build upper body strength. Goedheer said officials

learned that, when outside groups rented space at Banting Elementary School, "kids were playing Tarzan, swinging from basketball rim to basketball rim on these ropes."

Ropes have been removed from some of the schools, and may be removed from the rest. Besides considering the implications of the Banting situation, officials need to ask, "Is it OK to have kids going up them, 60 or 70 feet off the ground, in class? Or, is there another way?" Goedheer said.

Overall, liability concerns haven't restricted the Waukesha district, Goedheer said. He described the district's philosophy this way: "If you have to live in fear of someone suing ... If you end up withholding services from students ... You might as well close the doors."



Goedheer

# Hikes in liability insurance peril EAA event, chief says

By Lee Aschoff

Skyrocketing liability insurance costs are threatening the existence of the annual Experimental Aircraft Association Convention and fly-in, as well as the aircraft industry as a whole, EAA president and founder Paul H. Poberezny said Thursday on the eve of the fly-in's opening in Oshkosh.

Poberezny said the cost of liability insurance for this year's fly-in increased 375% over last year for \$5 million less coverage.

As a result, Poberezny will skip the cheery state-of-the-association speech Sunday to EAA members. Instead, he will outline a

grass-roots program in an attempt to start a "groundswell" effort to change product liability law.

"We, as an organization, have to charge the public and our members more to give to the insurance companies," Poberezny said. "If it continues to go up at this rate, we couldn't get enough people to come to pay the insurance, let alone the basic expenses.

"We're very concerned. . . . This is not only with the EAA but with all sorts of activities and industries throughout the country.

"The spotlight focuses on aviation and injuries and finding fault with the designers

and parts manufacturers," Poberezny said. "It's been a weak industry for years and people have begun to wonder how long the aviation business would even last.

"Letters to me have begun to come in with increasing frequency from people in the aviation industry, saying that 30% of the cost of an airplane is insurance premiums and they can't find enough people to pick up the tab, particularly small aviation businesses."

Poberezny said he met with two representatives of the Lloyd's of London insurance company in his office Thursday.

"They said they do not like dealing with American industry because of the legal system here," Poberezny said. "Lawsuits are being won by individuals for things that are not too realistic. In England, you don't have ambulance chasers.

"The person suing better be pretty serious or he'll end up paying all the fees."

Other areas also are feeling the bite of rapidly rising insurance costs. Poberezny noted recent stories about the possibility some Milwaukee ethnic festivals might not occur because of higher insurance costs.

Poberezny said Sen. Robert W. Kasten Jr.

(R-Wis.) would be at the fly-in Sunday to discuss the product liability situation.

Kasten has sought reforms in laws governing product liability cases, saying a uniform federal system should replace a hodgepodge of state laws.

Kasten has said the law is needed to eliminate a haphazard system under which some injured consumers collect nothing and others are awarded damages many times larger than their losses. The new law should also help stabilize rising liability insurance premiums paid by manufacturing firms.

## Aide says Maier backs Garvey in primary

Mayor Maier is backing Edward R. Garvey, deputy state attorney general, in the 1986 Democratic primary for US Senate, Maier's office confirmed Thursday.

Maier introduced Garvey Wednesday night to about 300 people at an organizing rally for Polish Fest by saying he supported Garvey in the primary, according to mayoral staffer Elliott Maraniss, who attended the rally.

"The mayor thinks Garvey is a

good, progressive candidate," Maraniss said.

Garvey and Matthew J. Flynn, former state Democratic chairman, are seeking the Democratic Senate nomination. Other candidates also may enter the race. In the 1980 mayoral race, Flynn supported Maier's opponent, Dennis Costa.

Maier's endorsement of Garvey was mentioned to a reporter Thursday by William Christofferson, Garvey's campaign manager, who said it was unexpected and welcome.

Christofferson said Garvey had encountered Maier while at City Hall on other business Wednesday. The mayor invited Garvey to accompany him to the Polish Fest rally at Three Seasons Bowl, in Oak Creek, and to a reception honoring the Fire and Police Commission at the Park East Hotel Downtown.

Maraniss said Maier's support for Garvey had "nothing to do" with Maier's praise earlier this year for Sen. Robert W. Kasten Jr. (R-Wis.),

whose seat Garvey is seeking.

Maier, a Democrat, was host at an April 15 civic luncheon thanking Kasten for his help in obtaining federal money for Milwaukee during his first Senate term.

"The mayor never said he was supporting Kasten for re-election," Maraniss said.

But with respect to Garvey, Maier is "not going beyond the primary," at least for now, Maraniss said, adding, "Draw your own conclusions."

3-MS-7-26-85

## Schools hit by liability costs ...

By SHEILA STORM

Increased costs of certain products affect all consumers, according to Maurice Bishea, executive director of the Wisconsin Coalition for Civil Justice, which is proposing changes in liability laws. (See related stories.)

For example, 25 percent of the cost of a football helmet can be attributed to liability exposure, he said.

In Beaver Dam, the cost of a helmet worn by a Beaver Dam High School football player is approximately \$100-\$120 says Dick Strand, high school athletic director.

STRAND, who has been purchasing helmets for about 10 years, said the price of helmets has doubled in the last six years and keeps going up.

"But the bottom line is the safety of the kids, and I think we have accomplished that," he said.

Strand said liability laws have also created an increased financial burden to schools.

For example, football helmets, with a life span of six to eight years, have to be re-certified at the end of each season and schools with weight rooms may have hired additional people for closer supervision of those using the facilities, he said.

Strand said potential problems could result from athletes who wear non-certified helmets.

"Court settlements (involving football helmets) have been in the millions," the athletic director said.

He said some helmet companies have gone out of business, because of lawsuits or because they saw what was coming and did not want to take any risks.

But, Strand said he is in favor of the liability laws to the extent that injuries

have been reduced.

"The rules make the coaches and administrators more aware of all the safety features of the game," he said.

BISHEA, also said some gymnastics programs are being cut back because of liability reasons.

Strand said he is not aware of any gymnastics programs that have been discontinued, but he and Bob Hanson, junior high principal, said trampolines were removed from the schools several years ago for safety reasons.

"There are some things we do differently because of liability," Hanson said. For example, he said students do not help with pulling out bleachers, setting up equipment as much as in the past.

"(The laws) are a constant reminder that we not only have to be concerned about safety, but also worry

about possible litigation," Hanson said.

The Beaver Dam Unified School District governing board recently approved the purchase of new playground equipment for Jefferson School to replace "old, deteriorating" equipment, according to Martin Richardson, district administrator. "The old equipment will be replaced with a more modern, safe variety," he said.

Don Duerst, district business manager, said the two modular units of playground equipment cost a total of \$13,968 and will be an addition to equipment already at the school, with the exception of two the older units that will be removed.

The board has long-range plans to "enhance and update" all the elementary playground equipment during the next three years, Duerst said.



PORTAGE, WI  
REGISTER  
D. 7,116

FEB 4 1989

# Scouts haven't ended paper drives — yet

By SARA J. KUHL  
Register Assistant Editor

PORTAGE — Portage's Girl Scouts haven't abandoned the newspaper drive ship yet. That's the word from troop leader Judy Kruger.

Kruger said currently two city troops take care of collecting the newspapers and will continue to do so until a ruling on the situation comes from the Blackhawk Girl Scout Council in Madison.

While the newspaper drive is a

big money maker for the troops and provides a necessary community service, increases in liability insurance may put a stop to the bi-monthly project.

Kruger said in the past, local troops have side-stepped rulings which prohibit scouts from entering private dwellings during the course of their activities. While selling cookies, Kruger said the girls are instructed not to go into private homes due to liability insurance problems.

During the paper drives Girl

Scouts go into people's basements and garages to remove newspapers and magazines. After a recent policy and procedure update from the national Girl Scout office, that practice is now a big no-no, Krueger said.

City residents have been instructed to place their newspapers on the curb for paper drive pick-up, but some people can't or don't want to carry the stacks to the street.

City alderman and solid waste committee chairman Franklin

Maas, who coordinates the paper drives, leaves special pick-up instructions for the scouts regarding these people.

Kruger said about 80 percent of the residents requesting special pick-ups are not elderly or handicapped. "These people have a lot of paper and don't want to haul it out so they call Mr. Maas and he assigns a special pick-up."

The Girl Scouts have been given instructions by Maas to clear out massive amounts of newspapers and magazines from homes and

businesses.

Kruger said during the August drive, which was held in 100 degree-plus temperatures, nine people worked for six hours to remove 35 years worth of magazines from the basement of a business.

The paper drives tend to be labor intensive with about 30 adults and scouts working from 9 a.m. until 4 p.m. Kruger said the group doesn't

SCOUTS turn to page 2

## Decision on drives pending

SCOUTS from page one  
stop for breaks. Even though it takes a lot of work for the scouts and adults, Kruger said they enjoy the drives.

It's efforts such as the paper drives that proves the scouts still provide community services, Kruger said. But the ultimate concern of the troop leaders and the Blackhawk Council is the safety of those youngsters involved.

The council's attorney plans to observe the next paper drive to see what can be done to continue the effort without putting the scouting troop in trouble with liability insurance. (Today's paper drive has been postponed until next week due to frigid temperatures.)

In order for the specific Portage troops to take out liability insurance, Kruger said it would cost between \$6-10,000 per year.

Although the troops make good money off the paper drive, the insurance costs would sink the local groups.

The thought of giving up the paper drives has Kruger upset. But the troop leader added she tried to work out a solution with Maas but her requests fell upon deaf ears.

According to Kruger, Maas said he would not continue coordinating the paper drive if special pick-ups were eliminated from the routes. And the Girl Scout troops need Blackhawk Council approval before taking on the administrative end of such a project.

The scouts and their parents will continue with the February paper drive and a decision about upcoming pick-ups will be made shortly thereafter, Kruger said.

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See LIABILITY, Page 3A

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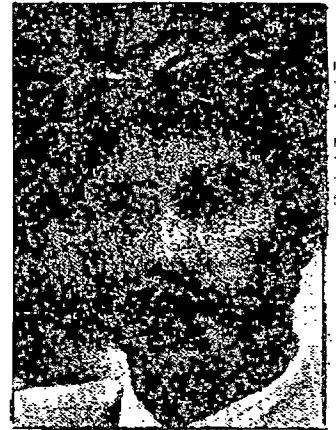
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414-432-8697  
WI 800-242-5626  
MI 800-992-3273

July 17, 1989

Governor Tommy Thompson  
State Capital  
Madison, WI 53702

RE: Tort reform

Good morning Governor Thompson.

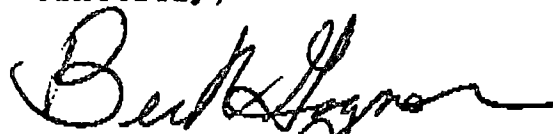
In talking to Bill Smith of the NFIB I understand you are being told that the product liability problem no longer exists. Tommy, please listen to Bill as my representative, what the lawyers are telling you just is not true. Here is the situation my business is trapped in...

The sale and rental of scaffolding to general contractors is 5% of our revenue. Because we deal in scaffolding rental we were dropped by Tower Insurance of Pewaukee about 5 years ago. Since that time I have been searching but have not found ONE domestic insurance carrier willing to even BID on my coverage. I was able to join the Scaffold Industry Association and carry insurance thru their captive, offshore insurance program. Out of ever \$100.00 in rent I collect 9.8% goes straight to the insurance company. My total insurance cost last year on \$2.3 million in sales was over \$45,000.00. Don't you think that could be better used if I could share it with our 15 employees thru increasing the Profit Sharing?

Please remember that this coverage is with an "Offshore", which is not licensed, or governed by the state so if I ever have a real claim, either do to a scaffold related injury or any other product we sell, I have no guarantee they will be able to stand behind it.

I urge you to do all you can to expedite tort reform thru ending "deep pocket" liability and limiting awards for pain and suffering or any other suggestions Mr. Smith and the NFIB may make.

Sincerely,



Bert C. Gagnon  
Chief Executive Officer

BCG/le

CC: Bill Smith, NFIB, Madison

Morey

AIRPLANE COMPANY, INC. • MIDDLETON, WISCONSIN 53562  
MOREY AIRPORT • P.O. BOX 8  
608/836-1711



Senator Lynn Adelman & Committee Members  
Senate Judiciary and Consumer Affairs Committee  
Room 421 South  
State Capitol  
Madison, WI

Dear Senators:

My name is Field Morey. I am the owner and manager of Morey Airport in Middleton.

Morey Airport is a public use airport designated as a reliever airport to Dane County Regional airport in Madison. It serves as a landing area for private and business owned aircraft flying to Madison and Western Dane County. It ranks 17th in traffic operations out of 108 airports in the Wisconsin Airport System. It is unique in one respect. It is privately owned and has operated for the last 45 years without one penny of federal, state or local tax subsidy.

Since our airport is open to the public without any fee for landing as are all airports in the state, we must generate our revenues in the air charter and flight training business. For the past 45 years we have safely trained thousands of pilots and flown for all those years with a perfect safety record in the air charter business.

We are operating today in an legal environment that could snuff out all those years of hard work and dedication to aviation safety. All it would take would be one accident involving an aircraft that was either poorly maintained or piloted in a negligent manner. The fact that we maintain high limits of liability together with the present "deep pocket" attitude could put an end to this airport which handles 43,000 takeoffs and landings a year all without charge to the public and all without tax costs to the public.

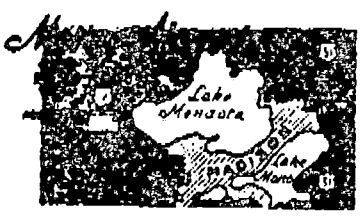
In addition to 18 people losing their jobs it would be a devastating slap in the face to private enterprise and a great loss to the transportation system of Wisconsin.

I thank you for the attention and urge your support for SB330.

Yours truly,

Morey Airport

*Field Morey*  
Field Morey  
Mgr.



# Donald K. Stitt



State Senator                      20th District  
Capitol: 608-266-7513              Home Office: 414-284-4455

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FAX # 2

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Jeanie Burton

FAX NUMBER OF ADDRESSEE: 202-456-6218

FROM: John m. murray

Message:                              JEANIE --

Here's the info you need to validate the Yatkus quote (we faxed a cc earlier). If further info is needed, please don't hesitate to contact MICHAEL VAUGHN (608/257-7181), who represents the Wisconsin Institute of CPAs.

08/04/92 14:00

608 257 2508

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002

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*Testimony presented 1/28/92 at hearing of the  
Wisconsin Assembly Committee on Judiciary  
on ASSEMBLY BILL 612*

**NAME:**

Richard Sprain

*Wisconsin Institute  
of CPAs*

**REPRESENTING:**

WICPA as its President and myself as a practicing CPA

**PURPOSE OF BILL:**

To reinstate a "date of discovery" rule for accounting services.

**REASON FOR BILL:**

Dramatic increase in number of law suits filed against CPA's. In 1989, a major insurer of CPA's in Wisconsin found that 1 out of every 5 firms had a suit filed against them. Wisconsin CPA's have suits filed from 27 to 88% more often than CPA's in other states.

Wisconsin is not a state that has poor educational standing based on recent information. Statistics for the period 1986-89 show Wisconsin candidates for the uniform CPA exam were among the top 5 states in all measured areas. More recent information from the AICPA shows Wisconsin candidates were in the top 10% overall in passing the CPA exam nationwide.

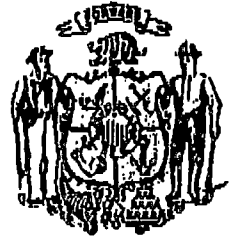
A 1991 survey of practicing CPA's in Wisconsin showed that 37% had no insurance. Other estimates run as high as 40% of firms practicing without insurance. 24% of those firms surveyed had complaints, claims or suits against them.

The major reason for no insurance is cost. Wisconsin firms are paying 2-1/2% of gross fees for insurance. premium cost for a typical law firm in general practice is up to 1/2% of gross fees. Medical insurance costs have been dramatically reduced because of legislation passed in previous years.

The result of all this leads to the conclusion that a lack of a "date of discovery" rule is the major problem.

This bill is presented to rectify this situation.

# Donald K. Stitt



State Senator            20th District  
Capitol: 608-266-7513    Home Office: 414-284-4455

FACSIMILE COVER SHEET  
FAX #608/266-7038

Number of Pages Attached, including cover page 2

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PLEASE DELIVER TO:

Jeanie Bunton

FAX NUMBER OF ADDRESSEE: 202-456-6218

FROM: John m. Murray

Message: Call if you need anything further.

# CPA urging liability law reform

By Mike Yaktus

As a wave of lawsuits floods through the CPA profession, accountants and auditors are becoming more selective in taking on clients.

Hundreds of millions of dollars have already been paid in auditor liability lawsuits, and an estimated 4,000 suits are pending nationwide with as much as \$15 billion in damage awards at stake.



Yaktus

Accounting firms are placing

## VIEWPOINT

Viewpoint is a weekly column that highlights issues facing the area's key employers.

more emphasis on evaluating the risk of certain clients and are thus becoming more choosy in regard to their client base. This would be similar to doctors only agreeing to treat healthy patients.

How bad has it been? Last year alone, the six largest accounting firms spent \$477 million in litigation and related costs. Combine this with the continued pressure of future potential lawsuits and already one of the larger accounting firms in the nation has folded.

In May, for example, a Texas jury imposed a \$338 million judgment against a CPA firm, and last year another CPA firm was

smacked with a \$300 million jury award. The profession cannot afford to pay out such sums and expect to remain viable.

In Wisconsin, the situation may be even worse than it is nationally. It is estimated that as many as 40 percent of Wisconsin's practicing accountants are "going bare" (i.e., not purchasing professional liability insurance) because of the limited availability and high cost of such coverage, according to testimony at a 1992 Wisconsin legislative hearing.

The hearing was on a bill to reinstate a time-period limitation on lawsuits involving professional accounting services. These kinds of limitations once existed, (and the statutes creating the limitation have not been changed), but courts around the country and in Wisconsin have changed their interpretation of these statutes.

Now, actions that once had to be brought within three or six years of the occurrence of the act may be brought within three or six years of the "date of discovery" of the problem. That creates an environment where one "discovers" the problem at whatever time it's handy to commence a lawsuit!

Wisconsin may be the best example of the puzzling nature of the current litigation boom. Over the years, Wisconsin test-takers of the uniform national exam for CPA candidates have scored, on an average, at or near the top of the state averages for each exam and its various sub-parts. Yet, Wisconsin CPAs are, again on the average, among the most frequently sued in the nation.

The statistics, admittedly anecdotal in nature, are staggering: a leading insurer of Wisconsin CPAs had claims filed against one in five

of its insured accountants in 1989. That was the highest year, but the five-year average from 1987 through 1991 still shows a claim frequency average in excess of 11 percent. The Wisconsin experience has ranged in recent years from almost three times the average to "only" 167 percent of the national average in 1991.

The net result from all of this is that every user of CPA services is paying more to cover the share of overhead represented by increased insurance premiums or the self-insurance reserve. It may mean that some potential users of CPA services will not get the benefit of any assistance, as accountants become defensively selective about who their clients will be.

It also means that the ultimate payer of this expense will be the loser as these expenses are passed down the line.

While I have only touched on the surface of this issue, it is quite clear that federal and state lawmakers should reform partnership liability law to prevent accounting firms from being smothered by litigation. U.S. business and capital markets face serious consequences unless these problems are quickly corrected.

Yaktus is a vice president with Madison Investment Advisors. He also is a certified public accountant and is currently president of the southern chapter of the Wisconsin Institute of Certified Public Accountants.

Business Thursday welcomes comments on the industry Viewpoint column. To be considered for publication, letters must be signed. Address correspondence to Business News, Wisconsin State Journal, Box 8058, Madison, Wis. 53708.

# Corn, record

By Diane Duston  
Associated Press

WASHINGTON — Rice yields are predicted for soybean crops this year, production up 17 percent from beans up 5 percent from Agriculture Department Wednesday.

Wheat and sorghum are expected to be large year.

Although it was cool in the Corn Belt this year, temperatures were high that, when combined with abundant rainfall, corn will be 79 percent good or better Aug. 2.

Average yield per acre crop is now forecast to 121.3 bushels, up 12.7 percent last year's yield.

As livestock feed, largest and most important farm crop and is essential production of meat, dairy products.

USDA says soybean crop and spring wheat enjoyed ample July's out excessive heat, forecasters to predict.

Soybeans will contribute billion bushels for a record

## BU

Business women - The Professional Women's Club of Mary Bean of the League speak at its dinner meeting Tuesday in the Howard Hotel, 525 W. Johnson St.; 233-0231 or 836-5534 for tickets welcome.

Financial strategies - The club will present a free seminar on the most of your financial

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Boston, Norfolk, Richmond	\$180
Dallas	\$190
New Orleans, Charleston, Jacksonville, Houston, Denver	\$200
Portland (ME), Billings, Tampa, Orlando, Sarasota, Ft. Myers	\$210
Burlington, Miami, Albuquerque, Austin, Ft. Lauderdale, San Lake, Missouri	\$220
San Antonio, Bismarck & Phoenix	\$240
Tucson, Las Vegas	\$250
Eugene, Seattle, Reno, El Paso, Portland OR, Spokane	\$270
Los Angeles, San Diego, Ontario	\$280
San Francisco	\$280
San Jose, Oakland	\$300
From Milwaukee, R/T	
San Francisco	\$190

Daycare -

- amt. baby insurance

[ Church daycare ]

10 yrs. 5 yrs. today

# Org's in group

- size of building matters

Bryan Duke 9/3/92

Softball League

didn't come b/c

of base spax

not liability

insurance

liability ins. is

blanket coverage

- SUSAN DROYFIS<sup>2</sup>

OLD - TIMES<sup>Y</sup>

CONFIRMED IS

TRUMAN STOP - TRAIN

[ 2 REMEMBER (W) ]

KENNEDY VISITED - ALSO

"THE SPINNS (MERE PUB)

▲ HOME OF ALFRED LUN<sup>^</sup>~~IT~~  
AND LYNN (J) FONTAINE  
THEATRE ENTERTAINED @  
TEN CHIMNEYS

---

FAMOUS FOR WATER

PAPER CHICAGO TO WANKESHA FOR  
COLONIAN COUNTRY

---

ONLY 1/2 OF ENGLAND WOULD

THE WHITE HOUSE  
WASHINGTON

- SLAVERY / ABOLITION  
KEEP KEY STATION FOR  
UNDERGROUND R-R

- TRAIN AND WHISTLE STOP

[STILL LIVE IN HOUSE BORN IN]

PRONUNCIATION

[WOK - a show]

Slogan - "IMAGINE"

truly describes the co-

<sup>THINGS</sup>  
FIX BEFORE BREAK -

(LET US HELP YOU HELP YOURSELF)  
(DON'T WANT TO DO IT FOR YOU)

703  
(241-1392)

5 SEPT. 1992

THE WHITE HOUSE  
WASHINGTON

SUSAN DREYFUS -

LEE

- IMPORTANT FORMER GOV. DREYFUS  
EMCEE ON MONDAY  
POTUS FRIEND
- NORTH OF WAK (HERE (RIPON) [PLP UN])  
REP. PARTY BOEN  
RIGHT SIDE OF HUMAN RIGHTS ISSUE THEN
- 1855 BEAT DEMS IN WISK - A DEM GOV.  
FROM WAK - FIRST-EVER REP CAND -  
BEAT THE DEM.  
ALL REP. SMITHOUSE
- HARD-PRESSED TO FIND A DEMOCRAT  
KNOWN FOR FAMOUS "SPRING WATER"  
BETHESDA SPRINGS - ONE OF MORE FARMERS'  
HEALING POWERS -  
KNOWN THROUGHOUT WISK - LITTLE EVID OF  
ENVIRO ACTION  
ANTICIPATORY - THE CENTER IS
- LONG-TIME FRIEND NOW DECEASED  
CONG. GLEN DAVIS - HIS SON IS A JUDGE  
IN WAK CO.

THE WHITE HOUSE  
WASHINGTON

\* GE. MEDICAL SYSTEMS - STATE AER  
TECH HOME BORN IN WISCONSIN

• HURRICANE ANDREW (DEVASTATION)  
POWER OF NATURE

HUS TAKES RIVERS  
GLACIER GO EITHER WAY -  
GOVT CAN GO EITHER WAY  
(KATEL MURRAIN) SP.

• REF. TO CRIME - MURDER IN  
ELM GROVE - FREAKED EVERYONE  
OUT 84 YR-OLD WOMAN & SON KILLED  
IN HOME - LOCAL CO. SHERIFF  
DEPT. SOLVED CRIME IN LESS  
THAN A MONTH - COUGHT IN  
CONSENTANT

ARNOLD MONCADA (REP.)  
RAN 4 ELECTIONS IN TEX.

THE WHITE HOUSE  
WASHINGTON



LOCAL PEOPLE TRAINING AS JOBS CENTER  
DOING WHAT POTUS IS CALLING FOR

OPEN IN 94 (OPERATIONAL)

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LINK EMPLOYERS TO EES - MATCHING  
DEMANDS -

BRING IN ED

TRAINING / JOB PLACEMENT / UP-GRADING  
SKILLS

LOOKS @ GRADUATES

MEET

WORKFORCE DEVELOPMENT

THAT PROBLEMS NOT GONNA

THAT NEED OR WILL NEED THE JOBS  
IN THE FUTURE

<sup>Wisc.</sup>  
lowest cap. gains tax of  
any state in the  
nation — —

" We're the exact opposite  
of Arkansas — "

One of top S&T scores  
in country —



cut taxes / cut cap gains  
has like item veto

economic  
to education  
diversity / commitment



cross-sector

factory workers  
dairy farmers  
Sukhman War

[Brian Dake]

Susan Drayfus (31) (Kathleen)

CoS - County Exec.

O - 414-548-7902

Judge Lee

H - 414-544-1104

IV

Truman stop in Waukesha  
on whistle stop campaign?

[Brian  
heard @]

FOUND SWANN -

LOT OF LAUES / LAUE  
ASTNUM

~~ASTNUM~~  
HARDNIC POP. W/IN WOK.

DAVEY FARMITE / BORN

CARROLL COLLEGE

OLDEST COLL. IN STATE

FOUNDED 1846

WIREPAK ARTS

"THE PIONEERS"

AMERICAN NAT'L

↑ tech background

WPK FEEL COMEZE

COMM. KEYS SNAPE'S SUCCESS

THE WHITE HOUSE

WASHINGTON

ED-51

A large, stylized blue signature or scribble consisting of several overlapping, curved lines that form a shape reminiscent of a cursive letter 'S' or a similar flourish.

John Swan (?)

MOST Rep. county

fastest growing in state (?)

All-American county

booming -

GE Med. systems

\* (used to be a health spa)

Spring water

(Co. historical soc.)

West Wing

→ DOJ COMMAND  
CTR -

GENE SCALIA

MAIN #

514-5000

Fax - 202-514-4699

# NFIB Wisconsin

National Federation of  
Independent Business

## FAX COVER SHEET

DATE: Sept. 4, 1992

NUMBER OF PAGES: 2  
(Including this page)

TO: Jeanie Burton

COMPANY: Office of Research / White House

TELEFAX NUMBER: 202-456-76218

FROM: BILL G. SMITH  
STATE DIRECTOR

TELEFAX NUMBER: 608/255-4909

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MESSAGE:

As promised - hope  
it is helpful -  
Bill

State Office  
Suite 516  
119 M.L. King Jr. Blvd.  
Madison, WI 53703  
(608) 255-6083



2F

# Legal system not to blame for CPA woes

By Sherman Stock and Nancy Rottier

It is astonishing that an article could be written in 1992 by a CPA complaining about the legal difficulties facing his industry without once mentioning the role CPAs played in the still-to-be-fully-unrav-elled savings and loan scandal.

When Mike Yaktus addressed the problem of a "a wave of lawsuits (that) floods through the CPA profession," in his Aug. 13 Viewpoint column titled, "CPA urging liability law reform," he aimed his criticism 180 degrees in the wrong direction. His approach — blaming the legal system — is comparable to revellers of the night before complaining about the performance of the work crew and its cleaning equipment that was summoned to haul away the debris the party goers left behind.

Of course, as Yaktus grows, there are currently record numbers of lawsuits against accounting firms across the country. Of course there are hundreds of millions and even billions of dollars in judgments and legal expenses involved. Of course some accounting firms have gone under and others are teetering on the brink. But the accounting industry was not placed in that position by the liability laws of our country or state. The accounting industry was an integral part of the S&L buildup and enormously profitable binge of the 1980s; and, nationally, they must share some responsibility of its collapse.

Is that too harsh an assessment? We don't think so. When the scandal first broke, leaders in the accounting industry appeared before the House Banking Committee to plead the industry's case. Committee chairman, Texas Congressman Henry Gonzalez, gave them a cool reception, charging that auditors of S&Ls were "derehct in their responsibility to sound early alarms about impending disasters."

Since that time it has become clear that there was more to it than that. One expert in the field declared, "Some auditors may have been too close to their clients and allowed them to do things that they shouldn't have done." Those situations contributed greatly to the flood of liability cases the industry faced and still faces.

It is understandable that accountants should be concerned about their industry in today's troubled economic times. It, like so many industries, is suffering from the current business downturn. Furthermore, it suffers from the rapid advance of technology. The increase in computerized company records have cut deeply into their business opportunities. The litiga-



Stock Rottier

## VIEWPOINT

Viewpoint is a weekly column that highlights issues facing the area's key employers.

tion problem it faces obviously adds to the problems and intensifies the need for some kind of change or restructuring to survive. But will an assault on our system of civil justice accomplish anything for them? Of course not.

It is currently very popular to lay blame for every business ill at the doorstep of our legal system. The high cost of medical care delivery is driven by the cost of mal practice insurance, we are told. The fact is it amounts to less than 1 percent of that cost. Our liability laws have created a sue-crazy society that is plaguing product manufacturers, we are told. The fact is, only one in 61 victims of defective products seeks redress in the courts. The list goes on and on.

We are not aware that there are a great number of problems in Wisconsin left in the wake of the S&L scandal. We question Mr. Vatkus' "statistics, admittedly anecdotal in nature," that put claims against Wisconsin CPAs at one in five and "among the most frequently sued in the nation."

However, whatever the figures may be, he has not made the case of weakening the liability laws that keep a check on the activities of his profession. The situation the accounting industry is experiencing today is not the norm. When after-shocks of the S&L scandal finally end, the number of lawsuits against accounting firms will return to a much lower number. Judgments taken against them will be few. And threats of bankruptcy in the industry will be rare occurrences.

Weakening the liability laws that apply to accountants at this point would obviously have no effect on what happened in the past or on that natural progression to a return to normal. The more likely result of a change in the liability laws would be that some of the deterrent effect of our current laws would be weakened or lost.

Business Thursday welcomes comments on the industry Viewpoint column. To be considered for publication, letters must be signed. Address correspondence to Business News, Wisconsin State Journal, Box



Cindy Meyers, Rockdale's senior decorator, selects handmade pots for decorating

# Potter is renovating

Continued from Page 1F

been rerouted and the mill operated on electric power until it closed in 1989.

Jackson said renovating the old building was attractive because of the mill's vital role in the early growth of commerce in Cambridge.

The building's historic flavor, he said, is also a perfect match for Rockdale's specialty of making and selling reproductions of 19th century salt-glazed pottery — the familiar gray stoneware with a blue pattern.

Bob Sieger of Sieger Architects of Madison designed the renovation and Rockdale's production manager, Eric Johnson, is coordinating the project.

Jackson, an Oklahoma native, has been making pottery since 1971. In 1980 he graduated from Knox College in Galesburg, Ill., where he studied studio arts and then served a production apprenticeship under master potter Wayne Branum in Milaca, Minn.

He said he came to Cambridge in 1982 to work at Rowe Pottery, but left after a falling out in 1984.

"That's when I became an entrepreneur," he said. "When I had to."

And while he says he now enjoys turning a profit as much as turning a pot, he still has his own studio at his home in Rockdale a few miles south of Cambridge.

# Town home to se

Cambridge has become something of a pottery center. In addition to Rowe Pottery Works and Rockdale Union Stoneware, Mark Skudlarek, a former potter for Rockdale, has opened his own studio and store just west of Cambridge on Highway 12, called Cambridge Woodfired Pottery.

And recently, another retail shop, Bear Pottery, has opened on Main Street. Ken LaBarre, who has his factory in Highland and a store in Lake Geneva, opened the Cambridge store last June.

Jackson's leadership has been rapid. He left Rowe in April of 1984 and within a few months he had lined up investors, rented space in an "old chicken coop" east of Cambridge, installed a kiln and was able to show pottery at the Chicago Gift Show late in July.

*Rhyth*

# Milk

Continued from Page 1f

known."

For Wisconsin, the issue is important because it produces about one-fifth of the nation's milk. Any problem that scares consumers from dairy products hurts Wisconsin's \$3 billion milk-producing industry and its \$10 billion cheese-manufacturing industry.

In 1989, studies of milk from grocery stores on the East Coast by

However, later studies by the FDA have found little, if any residues of unregulated drugs in milk, said Dr. Steve Gustavson, a representative of the FDA's Center for Veterinary Medicine.

Wisconsin Agriculture Department inspectors, who regularly test for four drugs but perform spot checks at dairies for dozens more, found three traces of other drugs in 50 truckloads of milk tested. The traces were well within safety thresholds determined by the FDA, said Mike Barnett, a technical specialist for the state Agriculture Department's Food Division. Statewide, he said, in

Steve Gunderson, R-Wis., said the FDA is doing its best to meet with the industry in light of criticism from both the GAO and New York Rep. Ted Weiss, who argues the milk supply isn't safe.

The FDA may want to give farmers more detailed guidelines for drug use to prevent Congress from passing more laws that would restrict the industry without improving milk safety, he said.

■ Offshore rigs damaged: HOUSTON (AP) — Hurricane Andrew severely damaged more than offshore oil and natural gas

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# Mortgage bankers fight House bill requiring escrow interest

By GEOFF COOPER

Local independent mortgage bankers are fearful a bill gaining ground on Capitol Hill could soak up their profits, turn them into mortgage brokers or, worse yet, force them to close their doors for good.

The bill, which would require home mortgage servicers to pay a minimum of 5.25 percent interest annually on all escrow accounts, is being touted as consumer legislation. But while its supporters say it could save the average homeowner about \$125 a year, its detractors say it could force some smaller mortgage banking firms out of business.

"If I've got to pay interest on escrow accounts, then I've got to close my doors. It would bankrupt me within a year," said Gordon Johnston, president of The Johnston Mortgage Corp., Milwaukee, a small originator that serviced about \$19 million in mortgage loans in 1990. "In Wisconsin, this bill would kill independent mortgage bankers because we don't earn interest on escrow payments."

The bill, introduced in the U.S. House of Representatives last month by Rep. Henry Gonzalez, a Texas Democrat, is co-sponsored by Rep. Gerald Kleczka, a Wisconsin Democrat. Mortgage bankers say the bill, now in a House subcommittee, stands a good chance of passing in an election year.

What mortgage bankers find most distressing is that the bill requires them to pay interest on all current escrow accounts, instead of phasing in the requirement on new accounts only.

"It's really a stupid bill because it is retroactive," said Stephen LaDue, president at Affiliated Mortgage & Financial Corp., Wauwatosa. "It's a good political bill because it's supposed to help the consumer and (anger) a few savings and loan executives."

*"If I've got to pay interest on escrow accounts, then I've got to close my doors. It would bankrupt me within a year. In Wisconsin, this bill would kill independent mortgage bankers because we don't earn interest on escrow payments."*

— Gordon Johnston

The bill strikes at a disparity that earlier this year prompted a federal Office of Thrift Supervision ruling in a case involving homeowners and two Wisconsin thrifts. When First Financial Corp., Stevens Point, and North Shore Savings Bank F.S.B., Brookfield, switched from state to federal charters, the two mortgage lenders stopped paying interest on escrow accounts.

Wisconsin law requires state-chartered thrifts and mortgage bankers to pay a minimum of 5.25 percent interest on escrow only if they earn interest on money held in escrow. Federally chartered institutions are not required to pay interest. Because of the disparity, state thrift executives are supportive of the bill, saying it would "level the playing field" and force federally chartered competitors to factor interest on escrow into mortgage rates.

But the law would hit mortgage bankers hardest because they can't invest escrow payments in-house, but must seek a third-party account custodian, industry observers said.

The flap involving customers of First Financial and North Shore led the OTS and a

federal judge in Madison earlier this year to rule the thrifts didn't have the right to

stop interest payments. But the OTS ruled in July the customers would have to sue the institutions to force them to resume interest payments.

That issue, and lawsuits involving Fleet Mortgage Corp., Milwaukee, and other mortgage bankers, have prompted some lawmakers to support the Gonzalez bill, known as the Escrow Account Reform Act of 1991. A national class action suit filed in federal court in Chicago claims Fleet is overcharging homeowners for escrow payments.

"Some lawmakers are saying, 'OK, if you guys are going to collect all this in escrow, then we'll make you pay interest on it,'" said Richard Oates, president at Com-Cor Mortgage Corp., Waukesha. "They're hoping this law will stop that practice" of overcharging for escrow.

## Firststar affiliates with Minnesota mortgage broker

By GEOFF COOPER

Firststar Corp.'s mortgage banking subsidiary will enter the Minneapolis market with the assumption of Chancellor Mortgage Corp., a Brooklyn Center, Minn., mortgage brokerage that will originate close to \$50 million in home loans this year.

Tom Ennis, president of Firststar Real Estate Services Inc., Milwaukee, said last week the mortgage banking subsidiary has entered a "business agreement" to acquire the assets of Chancellor. Eighteen people, including eight loan officers, will become employees of Firststar as a result of the deal, which retains the management team of Chancellor.

Ennis said Firststar Real Estate Services will hire more loan officers to staff its expansion into the Twin Cities.

Ennis stopped short of calling the Chan-

cellor deal an acquisition, saying instead the two sides reached a "business agreement" that limits what Firststar can do with Chancellor's assets.

Mortgage loans originated in Minneapolis ultimately will be sold to First Wisconsin National Bank of Milwaukee, which has \$4 billion in assets. Given the low-interest rate environment, the bank likely will sell most of the mortgages on the secondary market, said Ennis.

In 1990, Firststar Real Estate Services originated about \$100 million in loans and the Milwaukee bank bought loans originated by some other Milwaukee-area mortgage brokerages.

The deal, which is subject to the approval of federal regulators, should be completed sometime in January, Firststar officials said.

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**WALLET!**

# Independent contracting crackdown raises questions, but few answers

By Robert Mullins

**J**ANICE WATSON WAS just minding her own business, a pet-sitting service run out of her Thionville home, when "the government" came in and made her life miserable.

"My business is in jeopardy," said Watson, owner of Pet Vacations Ltd., which links people needing sitters for their dogs or cats with people willing to do the sitting.

She's looking at a \$7,000 bill from the state Department of Revenue for overdue sales taxes for a business that has grossed barely \$20,000 over the entire seven years she's run it.

But Watson is worried about another bite, one from the state Department of Industry, Labor and Human Relations. According to DILHR, Pet Vacations' sitters are employees, making Watson responsible for withholding payroll taxes, paying into unemployment and workers' compensation funds.

For her part, Watson considers the sitters independent contractors. All she does is call them on the phone and link them with clients.

DILHR officials respectfully disagreed, and billed Watson for \$1,133 in unemployment fund contributions from 1989 and 1990.

What happened to Pet Vacations is happening to hundreds of other companies in Wisconsin, as taxing and regulatory authorities crack down on the use of independent contractors. Firms from general contractors to modeling agencies have to scrutinize their contractor relationships to make sure they're following the law.

"I can't even believe it's even happening," said Betty Anholine, president of Milwaukee Model Management, a modeling agency affiliated with John Robert Powers Modeling Finishing School & Agency.

Although not challenged by DILHR or the Internal Revenue Service, Anholine said she knows other modeling agencies have been forced to answer whether their models are employees or independent contractors.

"I mean we're in a recession, we're just starting to come out of it, and now we're getting zapped for it," Anholine said.

"The IRS is definitely cracking down," said David Winkler, a tax attorney for Milwaukee law firm Michael, Best & Fiedrich. "They've devoted more people to enforcement, because there's more pressure to raise money without raising tax rates."

Regulators are paying more attention to independent contractors because they are playing a greater role in the workplace. As companies try to reduce overhead to be more competitive, they frequently try to get the job done without adding to their overhead.

Hiring independent contractors allows a company to benefit from additional expertise without additional overhead. But that can evolve into an employer-employee relationship, said Marshall Berkoff, legal practice area coordinator for Michael, Best.

"If I'm a general contractor and I'm building a house and I use a cabinetry firm to build all the shelves and cabinets . . . and they do it for a contract price, and if I use the same firm again and again, you get closer and closer to an employee relationship," he said.

Many client-independent contractor relationships evolve into employer-employee relationships because the terms of employment are subject to interpretation, he said.

The IRS uses 20 common-law standards for evaluating independent contractor relationships, according to Robert Grice, employment tax specialist with the agency's Milwaukee office.

Among the standards that separate an in-



ARE PET SITTERS independent contractors or employees? If they're employees, "my business is in jeopardy," said Janice Watson (shown with Sherman, a springer spaniel), owner of Pet Vacations Ltd., Thionville.



"WE TRY TO draw out the (employer-contractor) relationship . . . not based on just one factor," said Robert Grice, employment tax specialist with the Internal Revenue Service in Milwaukee.

dependent contractor from being designated an employee:

- Whether the hiring company trains a contractor
  - If the work is performed on the client's premises;
  - If the contractor does one job after another for a specific client;
  - If the contractor is free to do work for other companies;
  - And whether the contractor is paid by the job or by the hour.
- Even then, the standards are not a scoreboard, Grice said.
- "It's not like if there is 11 in favor of you and nine against you, then it's all right," he said. "We try to draw out the relationship . . . not based on just one factor."

And it's who's in charge of that relationship that has employers and regulators guessing.

"Employers are not trying to get away with anything," Berkoff said. "But they just exercise more and more control over the worker."

That control also is getting more scrutiny from DILHR, which administers the state's Jobless benefits program.

"The (independent contractor) issue is as old as the law that created the unemployment compensation program in 1934," said Glenn Kelley, director of the bureau of legal affairs in DILHR's unemployment compensation division. "The social policy choice

is classifying more of the people who provide the services for them as independent contractors rather than employees," said Mary Anderson, section chief of field audit in DILHR's unemployment compensation division.

To deal with the issues that will come up as more companies rely on independent contracting, DILHR has set up an Independent Contractors Study Committee. Created seven months ago, the panel consists of 14 people from state agencies and from the private sector.

"It's largely a response on our part to the fact that established ways of doing business are changing," Kelley said. "There are an awful lot of service industry jobs now that didn't exist a few years ago."

Today, companies that need service industry specialists turn to temporary help firms, but is the person the temp firm sends an employee or an independent contractor?

It depends. "Using an independent contractor becomes extremely dangerous for the company that uses them," said Karl

Williams, executive vice president of Northern Technical Services Inc., a Milwaukee-based contract technical services firm. "This is a really bad idea."

Even though they're handling work for contracting firms, all of Northern Technical Services' 250 experts-for-hire are employees of Northern Technical Services, Williams said.

"We make it very clear whose employee the person is — ours," he said.

When a client turns to Northern Technical Services for help, the client pays a negotiated fee and Northern Technical Services uses that money to pay the expert's salary, insurance, 401(k) contribution, workers' and unemployment compensation, payroll taxes, and other overhead costs.

It's important to have those liabilities all spelled out in advance, Williams said.

Employers concerned about those liabilities are scrambling for alternatives, such as employee leasing, in which a firm leases skilled workers to clients.

But with such new alternatives come new questions.

"Employee leasing is such a new situation that a lot of new laws are being written as we speak," said Kathleen Oberbrockling, office manager for Gemini Employee Leasing Inc., Hubertus.

However, owners of other (technical service firms think Williams and others worry too much about what lawyers tell them.

"Most lawyers are so conservative and are sometimes overprotective," said Chip Holmes, president of Contract Services Inc., Menomonee Falls.

According to the IRS, Holmes said, legitimate independent contractors must be "skilled professional workers," proficient in a particular technical area. They also must charge at least 6 1/2 times the minimum wage for their services.

To verify their independent status, contractors are asked to produce a brochure, stationery, or even a business card proving they're formally in business for themselves. Most importantly, they're asked to show they carry liability insurance.

That, Holmes said, makes it easier to comply with IRS regulations while still using independent contractors.

"(By using independent contractors), I can provide consultant expertise to my clients that I otherwise wouldn't be able to . . . and that makes me look good," he said. □

AREA  
LAKE COUNTY OHIO

Meek Angels outslug Indians Page 19

# The News-Herald

IT'S ALL YOU REALLY NEED

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Vol. 114, No. 136 35 cents

## Voinovich worries about Bush

Associated Press

**COLUMBUS** — Gov. George V. Voinovich says President Bush must stress jobs if he wants to carry Ohio in his bid for a second term.

Voinovich commented yesterday when asked about a new national poll showing the president trailing Democrat Bill Clinton by 19 percentage points among those surveyed.

An ABC News-Washington Post poll showed Clinton was favored by 55 percent of the respondents while Bush was chosen by 36 percent.

The survey released Monday was taken by telephone Aug. 26-30 among 768 registered voters. The margin of error was plus or minus 4.5 percentage points.

Bush and Clinton had been

about even in polls that followed the Republican National Convention in Houston last month.

"Yes, I'm concerned. We are going to have to work hard," Voinovich said.

Asked what advice he would give the Bush campaign, he said: "Jobs, jobs, jobs." The president has been fo-

See POLLS, Page 10

### Bush might visit Lake County

By Phil Trexler  
News-Herald Staff Writer

Break out the bratwurst and hide the broccoli, President Bush is coming to Lake County's Oktoberfest this weekend. Well, make that maybe.

County Republicans who met yesterday to open officially their headquarters on Lake Shore

Boulevard were greeted with the surprise announcement from party Chairman Elden Spencer, who maintained optimistic caution in guaranteeing the county's first presidential visit in more than 100 years.

"As of (yesterday), it looks like we've got a 94-percent as-

See BUSH, Page 10

P.02

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TO

PAINESVILLE STAFF OFC

FROM

15:14

SEP-03-1992

learn from it and usually Her mother said

## POLLS

From Page 1  
cusing more on the economy and jobs in recent campaign speeches, in contrast to the theme of "family values" that was prevalent at the Houston convention.

Voinovich said he does not believe family values are dead as a campaign issue because his definition of families includes neighborhoods, communities and other larger groups that share common

concerns and must work together.

He said he also would advise Bush to stress the "taxing and spending" backgrounds and records of Clinton and running mate Al Gore.

The governor said Gore's past actions and statements concerning the environment are radical, and that a Clinton-Gore administration would result in more federal regulations that would cost Ohio thousands of jobs.

Asked how he thinks Bush has handled the economy over the past four years, Voinovich responded: "As well as anyone could have with the responsibility he has as leader of the world. He could have given more attention to the domestic scene, but there are only 24 hours in a day."

Voinovich did say that the president may have made a mistake "in one area. I think he got some bad advice from

his economic advisers, who were telling him that things weren't so bad."

But he said Congress must share the blame.

"I think the Democratic Congress played politics with him. They didn't give him a break," Voinovich said. He was referring to Congress' refusal to pass a capital gains tax cut and some of Bush's other economic proposals.

## BUSH

From Page 1

surance that President Bush will be in Lake County this Saturday," Spencer said. "We'll know more maybe tonight or tomorrow. But we know for a fact that he's coming to the (Cleveland) Air Show and we expect him to speak Saturday at the Oktober-

fest."

The announcement brought cheers from about 30 people gathered for the opening of the Lake County Republican headquarters. The offices are in the Shoregate Plaza in Willowick.

Gary Rosenthal, Lake County's Bush-Quayle campaign manager, said Bush is sched-

uled to attend the air show Saturday morning. A slot in the president's agenda has been opened for him to travel to the Lake County Fairgrounds in Painesville Township and to make a major policy address at noon to the Oktoberfest crowd.

"I'm still hoping to get final

confirmation," Rosenthal said. "There's a lot of things we need to line up. So we'll have to know for sure (today) at the latest."

Spencer said President James A. Garfield, who was assassinated in 1881, was the last president to visit Lake County.

THE PLAIN DEALER

AREA: GREATER CLEVELAND, OHIO

NEWS/3-C  
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# STATE & REGION

C

WEDNESDAY, SEPTEMBER 2, 1992

# Whom do you blame for economy?

## Voinovich faults Bush's advisers

By MARY BETH LANE  
PLAIN DEALER BUREAU

COLUMBUS

Republican Gov. George V. Voinovich reluctantly acknowledged yesterday that the economy had been poor under George Bush's presidency, but he blamed the problems on Bush's economic advisers.

Even so, Voinovich warned that the economy for Ohio and the rest of the industrial Midwest would be worse if Southerners Bill Clinton and Al Gore were elected and pursued an economic strategy that catered to the South. Voinovich said the Arkansas governor and the Tennessee senator would relive the years of Jimmy Carter's administration, when business and industry headed to the South at the expense of the North and Mid-

"You've got to have people in the White House who understand the industrial Midwest," Voinovich said. "From a regional perspective, we're better off with what we've got in the White House."

Voinovich pointed to Vice President Dan Quayle, the Hoosier who leads the President's Council on Competitiveness, as one who understands the industrial Midwest and the need to break the stranglehold that government regulations have on industry.

Voinovich discussed the presidential campaign at a news conference he called to preview his trade

mission to Southeast Asia from Friday through Sept. 24.

While lavishly praising Bush for helping end the Cold War and encouraging the emergence of fledgling democracies in Eastern Europe, Voinovich had to grope for words when asked to assess Bush's economic record at home.

"I think he has handled the economy, uh, as well as anyone could handle the economy with the responsibilities he has as president of the United States and leader of the world," he said. "He could have given more attention to the domestic scene, but there's only 24 hours in a day."

Voinovich blamed a stagnant Democratic Congress and Bush's own economic advisers for the administration's economic failures.

"He got some bad advice from his economic advisers (who told him): 'Things are going to get better; things are going to get better. Don't panic,'" Voinovich said.

Voinovich said his advice to Bush would be "jobs, jobs, jobs, jobs."

He admitted he was worried that, as the polls stand now, Bush could well lose Ohio in November. "Yeah, I'm concerned," he said. "We'll have to work very hard to make sure we carry Ohio for the president."

In assessing the Bush administration, Voinovich took a rare public swipe at a Bush Cabinet member, U.S. Environmental Protection Agency Director William K. Reilly, calling him "a wild-eyed reactionary" who has gone overboard on the environment at the expense of industrial growth.

Voinovich cited Ohio's battle with the EPA over constructing a blast furnace at the USS/Kobe steel plant in Lorain as an instance where Reilly's pro-environment policies threatened the state's economy.

As wild on the environment as Reilly is, the environmental regulations that would be promoted under Clinton and Gore could only be more burdensome to states, Voinovich warned.

# Bush to try flapjacks at Lake's Oktoberfest

By KEVIN HARTER  
and STEVE LUTTNER  
PLAIN DEALER REPORTERS

## PAINESVILLE TOWNSHIP

President Bush made historic breakfast reservations with Lake County yesterday. Saturday, he will sit down with supporters for a plate of pancakes at the Oktoberfest.

The visit will be the first to Lake County by a sitting president.

Campaigners who eventually would win, such as John F. Kennedy, have stopped in Lake County. Abraham Lincoln passed through once as president-elect.

James A. Garfield, who lived in the county and conducted his famous front-porch campaign from his Mentor farmhouse, never returned in triumph. The 20th president came home in a coffin, the victim of an assassin four months into his term.

As glad as Lake County Republicans will be to see Bush, the president may be just as glad to see Lake County.

Voters here supported Bush by a 57%-43% ratio in his 1988 victory over Democrat Michael Dukakis. But national polls indicate this election

will be much more difficult for Bush, who is trailing Democratic nominee Bill Clinton in the polls.

Campaign sources said yesterday Republican Gov. George V. Voinovich, who enjoys a close relationship with Bush, recommended the president visit the Oktoberfest in part because of the opportunity to mix with representatives of ethnic groups.

Many ethnic voters have strong ties to Eastern Europe and backed Ronald Reagan because of his tough anti-Communist rhetoric in the 1980s. Even without the Soviet threat, Bush wants badly to continue to appeal to ethnic voters, many of whom reside in the pivotal industrial Midwest.

Bush has made Ohio a frequent campaign stop this year. With Clinton expected to do well in other big states such as California and New York, Ohio is deemed vital for Bush. No Republican has ever been elected president without carrying Ohio.

**SEE BUSH/15-A**

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Sept. 3, 1992

## Bush

FROM/1-A

Bush's visit also will include a brief fund-raiser for the Ohio Republican Party, campaign sources said yesterday.

It took a week of talks for the on-again, off-again visit to be cemented yesterday, said Elden A. Spencer, Lake County Republican chairman.

Lake County Republicans had heard Bush might come to Cleveland for the Cleveland National Air Show at Burke Lakefront Airport. So Spencer said county Republicans be-

gan to wonder aloud whether Bush might be interested in attending the 30th annual Oktoberfest.

By yesterday afternoon, the air show was out of the picture and the Oktoberfest was definitely in.

Lawyer Gary Rosenthal, as a campaign worker in 1988, had tried to get Bush to drop by the festival then. "He had wanted to come, but it just didn't happen," said Rosenthal.

Rosenthal, heading Bush's campaign in Lake County, said that after a glimmer of interest from the national campaign, he, Spencer and Dale Fellows began working to make it happen.

Spencer said Bush is expected to arrive about 8:30 a.m. and sit down in

a large tent with 2,000 to 3,000 people for breakfast and maybe a speech, or at least over-coffee conversation.

Oktoberfest is famous for beer, bratwurst and Bavarian brass bands. The four-day festival, which opens at the Lake County Fairgrounds Friday night, draws large, diverse crowds.

"There are a lot of blue-collar workers and ethnic groups," Spencer said. "And it draws more than 25,000 people a day. It's an ideal place for the president to visit."

The president also is expected to meet with Republicans privately in one of the fairgrounds buildings before departing by 11:30 a.m., Spencer said.

"It's been an incredible process,

and unlike anything I've ever been through," Rosenthal said.

The breakfast, to begin before Oktoberfest gate opens at 11:30 a.m., will be open to the public, Rosenthal said.

But details of how and where tickets will be sold were still being worked on late last night, he said. Also unclear was how and where the president would fly in.

But Rosenthal believes Lake County's most famous guest is truly on his way.

"We've had a labor secretary, senators and vice presidents, but no seated president," he said. "It took a lot of work to get him here and I'm just glad he's coming."

SEP-03-1992 15:16 FROM PAINESVILLE STAFF OFC TO 12024565218 P.05

SEP-03-1992 15:17 FROM PAINESVILLE STAFF OFC TO PAINESVILLE STAFF OFC P.06 12024566218

Tribe loses to Angels in 15th inning Page 25

# The News-Herald

IT'S ALL YOU REALLY NEED

Sept. 3, 1992 96 pages \*\* Vol. 114, No.

## Bush plans campaign visit to Lake County

By Jim Johnson  
News-Herald Staff Writer

George Bush will become the first president in decades to set foot on Lake County soil when he makes a visit on Saturday as he continues his re-election bid.

Elden Spencer, chairman of the county's Republican Party, confirmed last night that Bush will be coming to the

area.

However, he referred questions to the president's advance staff that has set up shop locally to prepare for the stop this weekend.

When contacted last night, members of that group would not release, for publication any information about the president's visit. Details of the visit are expected to be released today.

Spencer told local Republicans on Tuesday about the possibility of Bush's visit and indicated at that time the president could make a visit to Oktoberfest celebrations on Saturday in Painesville Township.

Oktoberfest activities are scheduled to take place at the Lake County Fairgrounds.

Spencer's announcement earlier this

week took place at the opening of party's new local headquarters on Lakeshore Boulevard.

The news brought a round of cheers from the 30 or so party members who were in attendance.

The local party chairman said earlier this week the last president to visit Lake County was James A. Garfield in the 1800s.

## ant waste storage probed

product which is both hazardous and radioactive — for longer than the 90-day period allowed by the EPA.

"I am urging them to look into the matter because, if Perry officials are in violation of EPA policy, that raises a question in my mind whether they will follow other rules," he said.

Ginnis cited as an example the laws that would apply to storing low-level radioactive waste in the \$1.7 million temporary storage land pro-

jectility has met stiff opposition from local environmentalists.

A team of investigators from the EPA visited the plant Tuesday to determine if any violations have occurred.

"We found six drums of mixed waste stored at the site," Karen Nesbit, EPA environmental specialist for the division of hazardous waste management, said. "But it appears that the plant was operating under

ion drums were properly labeled, sealed, and managed. The question of time, however, is why the investigation is being pursued.

Some of the drums, which were stored in a segregated area, had been around for more than 90 days.

However, Nesbit said, interpreting the policy is a complicated matter.

"There are some gray areas when interpreting federal policies at a state level,"

## Mentor officer innocent of theft at bingo game

By Jennifer Aylsworth  
News-Herald Staff Writer

Mentor Patrolman Richard L. Kaliszewski says he will never again work as a bingo banker. But he may have to work to get his job back.

A Lake County Common

iszewski's job.

"I really don't know what going to happen," Lynch said. "It may be that I'm not privy but I'd expect a conference with the city law department and personnel department."

Kaliszewski said he is not bitter.

**MEDWeek****MINORITY ENTERPRISE DEVELOPMENT WEEK****AUG 27 1992**

Mr. Richard A. Platt  
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Dear Mr. Platt:

President Bush has designated September 27 through October 3, 1992, as Minority Enterprise Development (MED) Week to acknowledge the many outstanding achievements of minority firms throughout our Nation.

On behalf of Patricia Saiki, Administrator, U.S. Small Business Administration (SBA) and the Office of Minority Small Business and Capital Ownership Development, it is my pleasure to inform you that you have been selected as SBA's National 8(a) Graduate of the Year. Congratulations!

While many activities will be held nationwide commemorating MED Week, the culminating event will be the presentation of the National 8(a) Award by the President of the United States at the White House at 11:00 a.m. on Wednesday, September 30, 1992 in the Rose Garden.

However, the conference will be held from September 27-30, 1992, at the Sheraton Washington Hotel, 2660 Woodley Road N.W., Washington, D.C. We cordially invite you to attend the MED Week activities and receive your award.

Rooms have been reserved at the Sheraton Washington Hotel on a first-come, first-served basis. You may reserve a room at the Sheraton Washington by calling (202) 328-2000 or (800) 325-3535. Be sure to mention that you are registering for MED Week 92 to receive the special rate of \$142 plus tax for single or double occupancy.

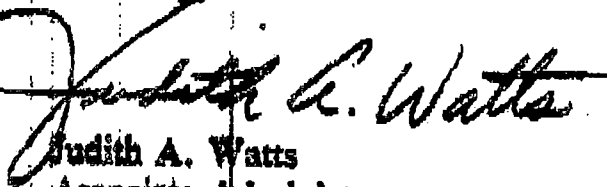
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Enclosed is a MED Week brochure outlining all the events that will be taking place during this year's MED Week. If you have not registered, please complete the enclosed registration brochure and return it as soon as possible to Ferguise Mayronne, U.S. Small Business Administration, Division of Minority Small Business Outreach, MED WEEK, 409-3rd Street, S.W., Room 8000, Washington, D.C. 20416. You also need to submit to Mr. Mayronne a 5x7 black and white photograph for the 1992 MED Week Program Booklet.

Please confirm your travel plans to Washington, D.C. with Mr. Mayronne at (202) 205-7365.

Again, congratulations, and we look forward to seeing you in Washington, D.C.

Sincerely,



Judith A. Watts  
Associate Administrator  
Minority Small Business and  
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## MEDICAL LIABILITY -- ITS IMPACT ON WOMEN'S HEALTH CARE

The frequency of suits filed against physicians, the high cost of liability insurance, the lengthy process for resolving medical malpractice claims, coupled with physicians' fear of being sued, have had a direct and negative impact on access to health care, particularly maternity care.

- As of 1990, 12.2% of obstetrician-gynecologists nationally had given up obstetrics due to liability pressures and 24.2% had decreased the level of high-risk obstetric care that they provided.
- In some states, the problem is worse than the national figures show. In Idaho, 34% of obstetrician-gynecologists had stopped practicing obstetrics by 1986. By 1985, Arizona's rural counties experienced a decrease in obstetric providers of 21%. A 1987 Oregon survey shows that the number of physicians delivering babies had declined by 25% since 1984. A 1987 Iowa survey shows that of all physicians who had provided obstetric services since 1981, 31% had discontinued obstetrics; half of them had practiced in rural areas. According to a 1990 report on western frontier areas, 39.7% of physician providers of obstetric services indicated they had plans to stop delivering babies within the next year. In addition, 50% of North Dakota physicians and 39.1% of Wyoming physicians planned to quit obstetrics within the next year.
- Large numbers of family physicians are being forced to discontinue obstetrics as a result of the high cost of obstetric liability insurance. Seven out of ten of New York's family physicians, almost 40% of Texas family physicians and approximately one-half of Nevada's rural family physicians have also stopped practicing obstetrics. Three hundred of 441 family physicians responding to an Alabama survey have stopped delivering babies. More than half of Utah's general and family physicians who were delivering babies in 1980 have stopped practicing obstetrics. Likewise, in Kansas, almost half of the family physicians surveyed reported having given up obstetrics by 1987.
- When physicians give up obstetrics, the major impact is felt by the patients. This is particularly true when there are no other physicians available. By 1988, 18 out of 56 Montana counties were without an obstetric provider and 19 additional counties were soon to be without obstetric services. In all, 66% of counties in Montana were expected to be without maternity care. Seventy-five Georgia counties, 28 Alabama counties, and 19 Colorado counties are without an obstetric provider. In 1986, 1,174 Colorado women had to travel from these counties an average of 32 miles to get obstetric care. This is particularly troublesome in view of a study by the WAMI Rural Health Research Center which concluded that women living in rural areas where a majority of their obstetric care is obtained outside their local community are more likely to experience adverse perinatal outcomes. Indigent patients are perhaps the most severely affected. 41% of obstetrician-gynecologists in West Virginia have responded to liability problems by declining to provide Medicaid services. 25% of Iowa physicians responding to a survey said they are less willing to take care of Medicaid patients because of the liability crisis.
- The liability situation is increasing the cost of health care. In 1987, 77% of Louisiana's physicians reported that they had raised their obstetric fees because of the liability crisis. 56% of Georgia obstetrician-gynecologists and family practitioners surveyed in 1989 said that health care costs to patients had increased more than 20% as a result of the malpractice climate. In a 1989 Utah survey, 63% of the residents questioned said that medical malpractice increases the cost of health care "a great deal."
- The liability problem is not one of competence. 77.6% of obstetrician-gynecologists have been sued at least once; in New York, it is 83.4%. On average, obstetrician-gynecologists have had three suits filed against them; in New York, it is almost four.
- Premiums for obstetrician-gynecologists continue to escalate. Obstetrician-gynecologists pay annual liability insurance premiums of between \$74,700 - \$149,500 in Florida, \$36,200 - \$101,200 in New York,

\$77,000 - \$133,900 in Michigan, and \$25,000 - \$75,600, in West Virginia. At these premium rates, the approximate per delivery costs are \$464 - \$929 in Florida, \$225 - \$629 in New York, \$478 - \$832 in Michigan, and \$155 - \$470 in West Virginia.

- The high cost of liability insurance might be justified if the money was going to a system that fairly compensated injured individuals. Currently, only 28% of the premium dollar actually reaches the patient in the form of compensation. To make matters worse, 35.1% of the claims reported in ACOG's survey took 5 or more years from the date of the alleged injury to resolve. That's unfair to patients and physicians.

### FEDERAL ROLE

The federal government has an essential role to play in addressing the problems faced by women seeking access to health care.

- Despite the number of states acting on the liability issue, success in addressing the problem has been limited to a handful of states. Even in Indiana, 12% of obstetrician-gynecologists have stopped practicing obstetrics as a result of the risk of malpractice.
- West Virginia provides an example of what happens when a small state attempts to deal with the problem. The insurers threatened to discontinue doing business in the state after the passage of insurance regulation reform. The state legislature was forced to repeal much of the legislation.
- The federal government has played a large role in making health care available in underserved areas of the country through such activities as the National Health Service Corps. The liability crisis threatens to eliminate the gains made in recent years. The federal government should not stand idly by as this happens.
- As the largest single purchaser of medical care, the federal government cannot afford to ignore the crisis and its effects on access to and the costs of medical care.

June 1992

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swifling innovation. The Bush administration shares the view of the business lobbyists, led by the Product Liability Coordinating Committee, and is unveiling its own tort reform program this month. The reformists are not likely to win this year, but they may in the future.

3 RGA  
Galen, Michele  
The class action against product-liability laws (business lobby)  
→ Business Week p74+ July 29 '91  
Contains: illustration(s)

SUBJECTS COVERED:  
Liability (Law)  
Lobbyists and lobbying

ABSTRACT: Business groups are gathering momentum in their struggle to overhaul U.S. liability laws. For more than ten years, business has lobbied Congress to put an end to the deluge of multimillion-dollar verdicts and punitive awards, but it has always been quashed by consumer groups and the pro-plaintiff Association of Trial Lawyers. Now, however, the fight over liability reform has been shifting toward business's cause. Evidence suggests that the system doesn't work in the way consumers claim and there is pressure from judges and the White House to halt the clog in the courts. The latest test is set for July 24. A business-backed reform bill will be introduced in the House, and a similar bill will be introduced in the Senate. Both include provisions for punitive-damage curbs and limits on pain-and-suffering awards. Although a federal liability law is not likely to occur in the near future, the business lobby is confident and is stepping up its assault.

4 RGA  
Kasten, Robert W.  
Absurd product liability laws hurt business and consumers  
USA Today (Periodical) v120 p49-50 July '91  
Contains: illustration(s)

SUBJECTS COVERED:  
Liability (Law)

ABSTRACT: Product liability laws are forcing U.S. manufacturers to raise the prices of their products, even when they are safe. In addition, many manufacturers avoid introducing improved products because lawyers can use the existence of a new, safer product to prove that an old one was unsafe. This situation, which greatly harms U.S. economic competitiveness, mainly

benefits litigation attorneys. A bill to reform this system may be passed by the end of 1991. The bill would provide greater uniformity in certain areas of product liability law. It would establish streamlined national procedures to expedite the settlement of cases, encourage states to use alternative dispute resolution procedures, and establish a national standard for the imposition of punitive damages.

7 RGA

Methvin, Eugene H.

Texas on trial

National Review v42 p32-5 December 31 '90

SUBJECTS COVERED:

Liability (Law)

Courts/Texas

Judicial ethics

ABSTRACT: Since 1988, the Texas Supreme Court has teetered between activist and conservative judges. The activists hope to reshape the law in favor of limitless medical malpractice awards, whereas the conservatives defer to precedent and legislative prerogative, which limits malpractice awards. In 1980, six wealthy plaintiff lawyers plotted a political campaign to take over the Texas Supreme Court, and they succeeded; by 1984, plaintiff-lawyer partisans controlled the court. Texas lawyers began investigating and prosecuting virtually all accidents that resulted in injury or death. A Texas Civil Justice League poll conservatively estimated that the liability-law system caused a reduction of \$8.15 billion in investment, costing Texans 79,000 jobs. In the 1988 election, with six seats open, Texans were given a chance to straighten out the court. Voters elected five of the six reform candidates on the ballot. This November, three more conservative judges won.

9 RGA

Wrongheaded 'reform' (Product Liability Reform Act)

Consumer Reports v55 p627 September '90

SUBJECTS COVERED:

Liability (Law)

ABSTRACT: The Product Liability Reform Act of 1990 is full of provisions unfavorable to consumers. The bill, which supporters say would end the current product-liability system's "stifling" of innovative products, would let a manufacturer avoid paying punitive damages, limit damages for pain and suffering in some cases, and eliminate a manufacturer's liability for damages caused by defective capital goods 25 years after they were purchased.

10 RGA

Nielsen, Susan

When you can be sued for injuries

Good Housekeeping v211 p291 September '90

Contains: illustration(s)

SUBJECTS COVERED:

Liability (Law)

Insurance, Homeowners'

ABSTRACT: Three situations in which homeowners can be sued are examined.

12 RGA

Merline, John W.

Liability reform

Consumers' Research Magazine v73 p38 June '90

SUBJECTS COVERED:

Liability (Law)

ABSTRACT: According to the American Tort Reform Association, eight states are considering reforms of their liability laws as a result of increasing evidence that the current legal system is not adequately improving consumer safety. Recent trends seem to indicate an increase in the number of times damages are awarded and in the amount of those damages. Many consumer groups believe that current liability laws offer vital protection to the public. Critics of the laws argue that the costs of present liability laws outweigh the benefits.

14 RGA

Szabo, Joan C.

The maze of product liability

Nation's Business v78 p62+ June '90

Contains: illustration(s)

SUBJECTS COVERED:

Liability (Law)

ABSTRACT: A variety of state product-liability laws have led to costly and sometimes frivolous lawsuits against companies and have caused many firms to stop producing certain products. The legal costs associated with product-liability laws have hurt innovation and competitiveness, caused some firms to cut back on research and capital expenditures, and led to higher consumer prices. These laws are especially troubling to small companies, which often lack the resources to pay for long court battles. The Product Liability Alliance is seeking to address this issue by pushing for the passage of the reform legislation introduced to Congress by Republican senator Robert Kasten of Wisconsin. Kasten says that his bill, which has won the bipartisan support of over 25 cosponsors, would replace confusing state laws with a uniform national system. Key provisions of Kasten's bill are briefly discussed.

18 RGA

Smart, Tim

The liability battle: business becomes a road warrior (companies fighting at state levels)

Business Week p25 April 9 '90

Contains: illustration(s)

SUBJECTS COVERED:

Liability (Law)

State legislatures

ABSTRACT: U.S. corporations are turning to the states in their efforts to reform product liability laws. At issue are the multimillion-dollar jury verdicts and punitive awards that business leaders say cripple companies, halt new-product marketing, and threaten American competitiveness. State

legislatures appear receptive to industry's pleas. Since 1985, more than 24 states have scrapped or limited liability laws that allow victorious plaintiffs to collect from more than one defendant. Many states have also limited damage awards. The latest test of industry's momentum is taking place in Pennsylvania, where a coalition of giant manufacturers is pushing for a sweeping revision of liability laws. Manufacturers currently have the upper hand but are facing a powerful alliance that includes trial lawyers, environmentalists, consumer advocates, and union representatives.

11 RGA

England, Robert

Congress, Nader, and the ambulance chasers (trial lawyers; cover story)

The American Spectator v23 p18-23 September '90

SUBJECTS COVERED:

Law and politics

Lawyers/Salaries, fees, etc.

Liability (Law)

Torts

Nader, Ralph

ABSTRACT: America's trial lawyers are earning billions of dollars a year on personal injury awards while using their disproportionate influence in Congress to strangle attempts at product-liability and no-fault tort reform. The trial bar has successfully posed as a defender of consumer rights, a charade that has been aided by leading trial lawyers' close alliance with Ralph Nader. The trial lawyers' heyday could soon be over, however. Divisions are emerging within the bar, and consumer groups that are too closely allied with trial lawyers are losing credibility. In addition, a revolt against Democratic opposition to reform is building in both houses of Congress. The time could be right for tort reformers to strike a blow by pushing for regulation of trial lawyers' contingency fees and for the adoption of the no-fault choice system, which allows consumers to choose between no-fault and the tort system.

5 RGA

Gest, Ted

Why the injured lose suits

U.S. News & World Report v110 p52+ April 8 '91

Contains: illustration(s)

SUBJECTS COVERED:

Liability (Law)

Actions and defenses

ABSTRACT: Manufacturers are spawning a quiet legal revolution as they become more aggressive in fighting excesses in liability law. In the past firms were usually eager to settle liability damage cases out of court, but now, more companies are choosing to fight in court and are winning.

According to a recent study of federal cases by Cornell law professors James Henderson and Theodore Eisenberg, this new trend has helped cut the number of federal liability cases over products other than asbestos by almost 40 percent in the past five years. Big corporations have formed a Product Liability Advisory Council that weighs in on 24 key cases each year and that wins two out of three times. A conservative turn in the judiciary and successful lobbying of legislatures have also made winning easier for business. New reforms cannot stop the occasional staggering

verdict, but manufacturers are likely to have a less trying decade in the courtrooms of the 1990s.

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"Nation's Business" don't go back far enough.

"Nation's Business" - not found  
USA Today Periodical

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 4, 1992

REMARKS BY THE PRESIDENT  
IN ADDRESS TO THE FREDERICKSBURG COMMUNITY

Goolrick's Pharmacy  
Fredericksburg, Virginia

11:00 A.M. EDT

THE PRESIDENT: Thank you, Dori, very much. Thank you, Dori. And thank all of you for this great welcome to this marvelous town. (Applause.) And may I salute two members of Congress with me -- Congressman George Allen, a good man -- and to Herb Bateman, another great Congressman. (Applause.) Two state delegates that you all know well -- Bill Howell and Bobby Orrrock -- they're with us today -- (applause) -- and I want to thank your Mayor of 16 years, Lawrence Davies who greeted us at the airport. (Applause.)

You've got a lot to be proud of here. And I know that there are six Olympians from this area. (Applause.) And I salute all of them.

I told Barbara I was coming down to a hardware store this morning. (Laughter.) She told me I'd better come back with the tools to fix Millie's doghouse -- or else I'd be in one myself.

But here we are in Fredericksburg to talk about small business. And I'm going to ask you to bear with me, because some of these points are serious points about the future of this country, and we want to drive home the fact that businesses, like the one I just visited, Fredericksburg Hardware and Goolrick's here do more than sell doorknobs and drywall, hairnets and lipsticks. Small business generates the hope and the pride and the jobs that hold America together. (Applause.)

America's economy is working its way through a period of profound change. Many of the larger companies have retrenched and restructured -- and I know those changes have been difficult for many working Americans. But American small businesses -- they've shown the staying power -- creating new products by the thousands, and new jobs by the hundreds of thousands. And we are grateful to every small businessman and woman in this country. (Applause.) It is critical that we concentrate on the importance of small business to our economy. Because today, the defining challenge of the '90s is to reinvigorate our national economy, so that we can win -- we can win the competition in this whole new global economy.

In this election, you're going to hear two very different versions of how to do this. My opponent's answer is to turn inward -- to pretend that we can protect what we have. And ours is to look forward -- to open new markets, to prepare our people to compete, to restore the social fabric of this country, and to save and invest -- so that we can win. (Applause.)

And that's why we've placed small business at the heart of our agenda for America's economic future. Small businesses employ over half our workforce, create two-thirds of new American jobs. And they're the hothouse for innovation, risk-taking, and new ideas -- the powerful locomotive that will take our economy right down the tracks -- full steam ahead into the 21st Century. I am optimistic about this country. (Applause.)

MORE

rates. And almost half of all new businesses literally begin at home, when enterprisers convert their own nest eggs into capital. And it is time to reward this initiative. It is time to make us competitive with businesses around the world. It is time to cut that tax on capital gains so these small businesses can thrive. (Applause.) And that's my agenda for small businesses -- three obstacles, three concrete steps to clear those obstacles out of the way.

Now, let me just get into the politics here. Where does Governor Clinton stand on small business? It's a strange coincidence, but his plan has three parts, too: tax, tax, and tax.

AUDIENCE: Boooo!

And I see small business as the backbone of the American economy, and he sees it as a golden egg-laying goose, that ought to pay more in taxes.

AUDIENCE: Boooo!

THE PRESIDENT: And he starts with a big idea. Here it is -- you heard the proposal right from him: Mr. Clinton says that he wants \$220 billion in new government spending.

AUDIENCE: Boo.

THE PRESIDENT: We don't need \$220 billion in new government spending. (Applause.)

You're right. And how will he pay for it? Nobody knows for sure, but he's already advocating at least another \$150 billion in new taxes. And now he says he wants to soak the rich, raise taxes on the top two percent. What he won't tell you is this: two out of every three businesspeople hit by that tax increase are small businesses or family farmers. And these folks aren't millionaires, they are mom and pop operators. And we don't need to tax them any more. (Applause.)

The Governor offers -- you know that program -- he offers the small business a reverse version of "The Lifestyles of the Rich and Famous." You may not live like a millionaire, but you can be taxed like one if you listen to Clinton and Gore. (Applause.) It is strange.

Health care. He's also backing a health care plan called play or pay. I was just in here in the hardware store, talking to the people there about the escalating costs of health care. His plan will leave small businesses with two options. One, cut workers' wages to pay for mandated health care; or, two, fire some workers and use the savings to cover the rest.

And according to an independent Urban Institute study, the plan will lead to a seven percent payroll tax for those businesses who don't play the government's game. And another estimate says the tax will cost this country 700,000 jobs. And we cannot afford to lose these jobs.

So that's his plan. It's out there in black and white, \$150 billion in new taxes, a new government health care plan leading to a new payroll tax of seven percent, not to mention a new training tax. And then you throw in an irresponsible slashing of our defense budget and it all adds up to 2.6 million, 2.6 million jobs lost. And we cannot have that. (Applause.)

The differences between the Governor and me are based on two very different philosophies. Look again at the health care issue -- and this is of critical importance to small business. Over the past two years 83 percent of small business owners have seen their health care costs increase. And at the same time, too many Americans are without coverage, or they're worried about losing the coverage they have.

When it comes to renewing the American economy, my loyalty lies with small business. I've actually held a job in the private sector -- something my opponent has not done. (Applause.) Half my life in the private sector and half in public life. And I started a small business, built it from the ground up, know what it is to go out and work with partners and employees. And I know what it's like to sweat out a tough deal, to shop for credit, to try your darndest to meet the next payroll -- and even if I got ulcers to prove it.

I believe that meeting a payroll is a good qualification for President of the United States of America. (Applause.) Now, let me tell you what must be done to help small businesses here and across the country. We've got to give business the relief from excessive government regulation. (Applause.) We need to increase access to credit and investment, and while Governor Clinton wants to raise taxes and has already proposed it, I want to cut the taxes on small business -- and I need a change in Congress to get that done. (Applause.)

I was out in Western Michigan the other day, talking to a group of people and small business leaders. I met a guy who runs an asphalt paving company. And he said, "Mr. President, when regulation doesn't make sense, it's the worker who pays -- with his job." And we are tackling this problem head-on. In January, I ordered a freeze on federal regulations. The businessmen and women have enough to worry about without Washington double-checking their every move. (Applause.)

Regulation -- less of it. But without the burden of overregulation, businesses can't grow without capital. And the credit crunch has hit our small businesses hard. And that's why we've been working with bankers and regulators to ease that crunch. We have the SBA, the Small Business Administration, working double-time to help these credit-starved businesses. And this year, we have increased by more than 30 percent the general business loan guarantees offered through the Small Business Administration more than \$6 billion going to men and women with good ideas, who want to turn those ideas into jobs. That's the kind of help government should be giving these businesses. (Applause.)

And I've also been trying to work with that gridlocked Congress to provide even more credit relief. (Applause.) That's a good idea. And this morning, you're going to see the result. We've come here to Fredericksburg to sign a new piece of legislation -- typical of us -- the Washington has got -- named the Small Business Credit and Business Opportunity Enhancement Act. But it's going to loosen up credit even more for deserving small businesses.

And not only does it increase the levels of SBA loans, it creates new ways of bringing investment to small business owners. And it reaches out to women and minority entrepreneurs who want to get started. And I've always believed that the most, the best economic program is a job. And this bill gives more Americans the tools to create a job. (Applause.)

Now, we're talking about regulation and credit. All that is good. But it won't do it if we cannot help take the monkey, that tax monkey, off the backs of small business. I am for lower taxes. He is for higher taxes. (Applause.)

And already we've taken a number of steps to streamline the ways small businesses pay their taxes. One example: Right now, small businesses have to file payroll taxes twice a week. And that's a waste. And I've proposed we change it to once a month, so businessmen and women can get back to the business of running their businesses. (Applause.)

Now, the Clinton-Gore tax-and-spend ticket doesn't understand that cutting the taxing capital investment is bad. None of our industrial competitors taxes capital gains at our punitive

And so let's go right down the line. My health care reform will give tax breaks and credits to make health care more affordable, so that 30 million people who can't get health care insurance will be safe and will have health care in the private sector. (Applause.)

He prefers taxes -- he says let's raise taxes and compel people to participate. And I say let's give tax incentives and encourage people to do what's right. (Applause.)

And I want to use the force of competition -- the force that's in action all along Main Street here -- the force of competition to keep these medical costs down. And he wants to put the government in the business of setting health care prices. That will not work. I want to go after the root causes of the health care. And he won't because the special interests won't let him.

Now, let me tell you one that's important here. I'll give you an example. Last year alone, legal costs inflated our doctors' bills by \$20 billion dollars. And so we've targeted these - - malpractice insurance for reform, as one way to keep costs down. And I don't think you should have to hire a lawyer when you want to see a doctor. (Applause.)

But Governor Clinton stands against malpractice reform. And there is a simple reason. The trial lawyers of America, the same fat cats who are getting rich off those malpractice lawsuits, are his staunchest supporters. And here's what one Arkansas trial lawyer wrote about him trying to raise money for the Clinton campaign: "I can never remember an occasion where he failed to do what was right where we trial lawyers are concerned."

Small businesses are drowning in litigation, and Governor Clinton wants to throw them a firehose. Well, help me get Congress to put an end to frivolous lawsuits. We'd be a lot better off if we sued each other less and cared for each other more in this country. (Applause.)

I have had proposals up before this gridlocked Congress for three years in a row. And now you've got a man who wants to run for president that says he doesn't want to do anything about malpractice. Let's change that Congress. Help me get this malpractice under control. (Applause.)

From taxes, to regulators, to health care, to the litigation explosion -- the election is a contest between two very different views of business and of how our economy works.

And here is the bottom line. He talks a good game, but his policies threaten to tax and spend and regulate you right out of business. Small business should not be the big government's piggy bank. (Applause.) And we are trying to do what is right for the average family, right for the man and woman that are out there holding a job working for a living. Reform welfare, help in every way we can to help the families in this country. (Applause.)

AUDIENCE: Four more years! Four more years!

THE PRESIDENT: Let me tell you something. I was in a hardware store and Mr. Jannie said something to me. He said, you see my grandchildren here, he said I am very happy that they're going to grow up thanks to you and your administration in a world that has less fear of nuclear weapons. (Applause.) An administration that bit the bullet and did what was right in Desert Storm.

Now, give us your support and let's do what's right for the small businessman and woman in this country. (Applause.)

May God bless you. May God bless all of you and thank you very, very much. Thank you very much. (Applause.)  
Thank you all.

AUDIENCE: Four more years! Four more years!

THE PRESIDENT: Now if you've never seen legislation signed, watch this one because I'm now going to sign the Small Business Credit and Business Opportunity Enhancement Act of 1992, an example of what we can do to put small business first.

(The bill is signed.)

Thank you all for coming. (Applause.)

END

11:18 A.M. EDT

LEVEL 1 - 136 STORIES

1. Los Angeles Times, August 28, 1992, Friday, Home Edition, Part A; Page 20; Column 5; National Desk, 527 words, RECORD SHOWS TRIAL LAWYERS 'OWN BILL CLINTON,' QUAYLE SAYS, By PAUL RICHTER, TIMES STAFF WRITER, WASHINGTON
2. The Washington Times, August 28, 1992, Friday, Final Edition, Part A; NATION; Pg. A4, 732 words, Vice president says Clinton is 'in pocket of trial lawyers', Major Garrett; THE WASHINGTON TIMES
3. Business Wire, August 27, 1992, Thursday, 713 words, Justice Blackmun speaks at Federal Bar Meeting in Cleveland, CLEVELAND
4. SUMMARY AND ANALYSIS. FIFRA Pre-empts State Tort Claims Based On Inadequate Pesticide Labels., August 25, 1992, 61 U.S.L.W. 1027, 387 words, United States Law Week, Copyright (c) 1992 The Bureau of National Affairs, Inc.
5. NEWS IN BRIEF: Product Safety and Liability. Mobile Homes., August 25, 1992, 61 U.S.L.W. 2112, 124 words, United States Law Week, Copyright (c) 1992 The Bureau of National Affairs, Inc.
6. Canada NewsWire, August 24, 1992, Monday, Financial News, 158 words, HALTON REINSURANCE COMPANY LIMITED, BURLINGTON, Ont., Aug. 24, BC-halton-reins-earnings

LEVEL 1 - 136 STORIES

7. Fortune, August 24, 1992, Domestic Edition, POLITICS & POLICY; Pg. 88, 2831 words, HOW GEORGE BUSH CAN COME BACK, by Ann Reilly Dowd, REPORTER ASSOCIATE Suneel Ratan
8. The National Law Journal, August 24, 1992, WORTH READING; Products Liability; Pg. 18, 35 words, This legal bibliography, a weekly feature of The National Law Journal, is prepared by Gerome Leone of the New York University law library.
9. The National Law Journal, August 24, 1992, COURT DECISIONS; U.S. Circuit Courts of Appeals; Products Liability; Pg. 46, 63 words, 3D CIRCUIT, U.S. Circuit Courts of Appeals summaries are prepared by Circuit Courts Editor Stan Soocher and National Law Journal researchers.
10. Property & Casualty/Risk & Benefits Management Edition, August 24, 1992, PRODUCT NEWS/MARKETING; Market Mix; Pg. 43, 56 words, John J. Kinsella Named Executive Vice President Of Admiral Insurance Company
11. New York Law Journal, August 24, 1992, Monday, Pg. 1, 751 words, Court Study Examines Tort Verdicts In Suing Corporations, Government, DANIEL WISE

## LEVEL 1 - 136 STORIES

12. The Recorder, August 24, 1992, Monday, COMMENTARY; Law and Economics; Pg. 6, 1588 words, Profits Of the Profession; Claims that lawyers needlessly cost the United States millions of dollars overlook indicators that lawyers tend to boost, not burden, a nation's economy, FRANK B. CROSS; Frank B. Cross is an associate professor of business regulation at the University of Texas at Austin.
13. Texas Lawyer, August 24, 1992, WEEKLY CASE SUMMARIES; Texas Appeals Court Civil Cases; Pre-Trial Procedure; Pg. 8, 1880 words, MEDIATION SANCTIONS/ STATUTORY REQUIREMENTS/ PRODUCTS LIABILITY/ ASBESTOS/ CAUSATION/ FREQUENCY, REGULARITY AND PROXIMITY/ CHOICE OF LAW/ NO EVIDENCE/ EXPERT WITNESSES/ IMPEACHMENT EVIDENCE/ APPELLATE PROCEDURE/ OBJECTING TO PREJUDGMENT INTEREST
14. The Washington Times, August 24, 1992, Monday, Final Edition, Part A; TOP OF THE NEWS; NATION; Pg. A2, 171 words, Settlement reached in tampering deaths, FROM WIRE DISPATCHES AND STAFF REPORTS, SEATTLE
15. The Seattle Times, August 22, 1992, Saturday, Final Edition, NORTHWEST; Pg. A9, 503 words, SETTLEMENT REACHED IN 2 SUDAFED-TAMPERING DEATHS, BY JACK BROOM
16. Pharmaceutical Business News, August 21, 1992, FINANCE/BUSINESS, 895 words US courts become target for foreign claimants

## LEVEL 1 - 136 STORIES

17. The Recorder, August 21, 1992, Friday, COMMENTARY; Point; Pg. 6, 1496 words, ON THE LIMITS OF DISCOVERY; In Defense of Protective Orders; The mere filing of a suit proves nothing, and should not open unfettered access to information which is valueless to the plaintiff, but priceless to the manufacturer, JOE C. FREEMAN JR. and CHARLES R. BEANS; Joe C. Freeman Jr., a partner in Atlanta's Freeman & Hawkins, is national product liability counsel to Coca-Cola Co. and national coordinating litigation counsel to Eli Lilly and Co. Charles R. Beans, an associate at Freeman & Hawkins, specializes in general civil litigation and product liability litigation.
18. The Recorder, August 21, 1992, Friday, COMMENTARY; Counterpoint; Pg. 7, 1472 words, ON THE LIMITS OF DISCOVERY; How the Defense Abuses Protective Orders; Efforts to prevent discovery abuse have increased harassment of opposing parties and isolated plaintiffs counsel from the other lawyers with similar cases, C. NEAL POPE and R. TIMOTHY MORRISON; C. Neal Pope is a partner with Atlanta's Pope, McGlamry, Kilpatrick & Morrison, litigating medical malpractice, product liability, defective medical devices, class actions and cases involving defectively designed and manufactured motor vehicles. R. Timothy Morrison, also of Pope, McGlamry, was a member of the executive committee of the Alabama Trial Lawyers Association from 1988-1991.

## LEVEL 1 - 136 STORIES

19. Newsday, August 20, 1992, Thursday, ALL EDITIONS, BUSINESS; Pg. 47, 611 words, Pact on Faulty Heart-Valve OKd; Pfizer to provide \$ 500 million to 55,000 users of Shiley device, By Michael Unger. STAFF WRITER, HEART; SURGERY; DEFECTIVE PRODUCT; LAWSUIT; PFIZER
20. New York Law Journal, August 20, 1992, Thursday, COURT DECISIONS; Pg. 21, 1380 words, Services Cannot Be Basis For Strict Liability Claim; Love v. Nutri/System Delaware Inc., Supreme Court, IA Part 9M, Justice Silver.
21. The New York Times, August 20, 1992, Thursday, Late Edition - Final, Section D; Page 4; Column 1; Financial Desk, 167 words, COMPANY NEWS; A GABELLI GROUP LIFTS ELJER STAKE TO 13.08% FROM 9.9%, Bloomberg Business News
22. The Recorder, August 20, 1992, Thursday, COMMENTARY; Pg. 6, 1839 words, Unpacking 'Cipollone' For Courtroom Use; The Supreme Court's treatment of tobacco liability provides framework for preemption claims applicable to a variety of product cases, THOMAS A. EATON; Thomas A. Eaton has been teaching torts, health law, product liability and workers' compensation since he became a professor at the University of Georgia School of Law in 1979.
23. The Recorder, August 20, 1992, Thursday, PATTERNS & PRACTICES; Pg. 8, 1349 words, Stopping Junk Science From Junking Up the Courtroom; Legitimacy of

## LEVEL 1 - 136 STORIES

- expert witnesses should not be compromised by 'shake and bake' charlatans, MARVIN A. DEVLIN; Marvin A. Devlin is a partner at Long, Weinberg, Ansley & Wheeler in Atlanta. Devlin, a graduate of Harvard Law School, is a litigator specializing in medical and professional liability defense and drug and medical device product liability defense.
24. New York Law Journal, August 19, 1992, Wednesday, IN BRIEF DECISIONS OF INTEREST; Pg. 1, 236 words
25. New York Law Journal, August 19, 1992, Wednesday, COURT DECISIONS; Pg. 21, 1009 words, Maker Cannot Be Held Liable For Modified Machine; Gonzalez v. Verson AllsteelPress Co., Supreme Court, IA Part 24, Justice G. Aronin.
26. The New York Times, August 19, 1992, Wednesday, Late Edition - Final, Section D; Page 20; Column 1; National Desk, 923 words, Fullback Sues School Over Her Injury, By FELICITY BARRINGER, Special to The New York Times, WASHINGTON, Aug. 18
27. Daily Report For Executives, August 18, 1992, Tuesday, 1992 DER 160 d90, TAXATION, BUDGET AND ACCOUNTING TEXT, 31156 words, 1992 REPUBLICAN PLATFORM, "THE VISION SHARED: UNITING OUR FAMILY, OUR COUNTRY, OUR WORLD," APPROVED BY REPUBLICAN NATIONAL CONVENTION AUG. 17, 1992 (TEXT)

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28. Los Angeles Times, August 18, 1992, Tuesday, Home Edition, Business; Part D; Page 4; Column 1; Financial Desk, 899 words, DOW SLIPS 4.05 AS INVESTORS WAIT FOR SIGNS; MARKET OVERVIEW
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35. CASES DOCKETED: Subject Matter Summary Of Cases Recently Filed. Courts and Procedure., August 18, 1992, 61 U.S.L.W. 3117, 4417 words, United States Law Week, Copyright (c) 1992 The Bureau of National Affairs, Inc.
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37. Aviation Week and Space Technology, August 17, 1992, EAA ANNUAL CONVENTION; Vol. 137, No. 7; Pg. 58, 1395 words, Latest Kit-Built Aircraft, New FAA Certification Rules Highlight EAA Show, EDWARD H. PHILLIPS, OSHKOSH, WI.
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- 49. The Connecticut Law Tribune, August 17, 1992, Pg. 10, 2581 words, Suit Foreshadows Flood of Actions Over Computer Keyboards, JARET SEIBERG
- 50. The Connecticut Law Tribune, August 17, 1992, Pg. 15, 577 words, State of Connecticut Judicial Branch Cast Type Codes -- June 1992
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- 52. Industry Week, August 17, 1992, FEATURES; Industrial Relations; Pg. 22, 2522 words, THE COSTS OF WORKERS' COMP; The workers' compensation system isn't working. Employers, labor, and insurers alike grope for ways to stem out-of-control costs, BY WILLIAM H. MILLER

*TORT REFORM / DATE AFT July '92*

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- 3. Chicago Tribune, August 28, 1992, Friday, FINAL, NEWS; Pg. 4; ZONE: M; Election '92, 366 words, Quayle says Clinton in trial lawyers' 'pocket', Associated Press, WASHINGTON
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- 5. Los Angeles Times, August 28, 1992, Friday, Home Edition, Part A; Page 20; Column 5; National Desk, 527 words, RECORD SHOWS TRIAL LAWYERS 'OWN BILL CLINTON,' QUAYLE SAYS, By PAUL RICHTER, TIMES STAFF WRITER, WASHINGTON
- 6. The New York Times, August 28, 1992, Friday, Late Edition - Final, Section A; Page 16; Column 1; National Desk, 667 words, THE 1992 CAMPAIGN: The Vice

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