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THE WHITE HOUSE
WASHINGTON
September 19, 1991

MEMORANDUM FOR PARTICIPANTS IN THE FALL ISSUES REVIEW

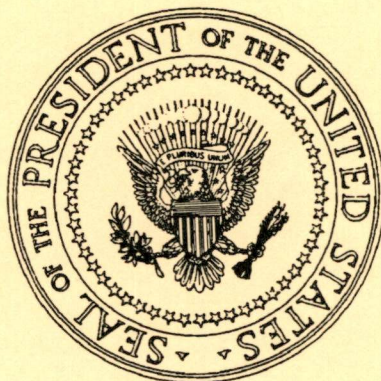
FROM: EDE HOLIDAY *EH*
SUBJECT: Fall Issues Review

Attached is a complete set of department and agency reports for the 1991 Fall Issues Review. Our meetings to discuss these reports and other issues with department and agency staff begin on September 24. An updated calendar of meetings can be found at TAB A, and a list of participants can be found at TAB B. Unless otherwise noted, all meetings will take place in the Roosevelt Room.

Once again let me express my gratitude to you for the generous amounts of time you are willing to devote to these meetings. I am confident that these meetings will be helpful to the White House staff and the President's Cabinet, as they have been in the past.

Attachments

FALL ISSUES REVIEW



Department and Agency Reports

for the period
October 1991 - December 1991

The White House
Office of Cabinet Affairs
September 1991

TABLE OF CONTENTS

SCHEDULE OF MEETINGS.....	TAB A
PARTICIPANTS LIST.....	TAB B
DEPARTMENT OF AGRICULTURE.....	TAB C
DEPARTMENT OF COMMERCE.....	TAB D
DEPARTMENT OF EDUCATION.....	TAB E
DEPARTMENT OF ENERGY.....	TAB F
DEPARTMENT OF HEALTH AND HUMAN SERVICES.....	TAB G
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.....	TAB H
DEPARTMENT OF INTERIOR.....	TAB I
DEPARTMENT OF JUSTICE.....	TAB J
DEPARTMENT OF LABOR.....	TAB K
DEPARTMENT OF TRANSPORTATION.....	TAB L
DEPARTMENT OF TREASURY.....	TAB M
U. S. TRADE REPRESENTATIVE.....	TAB N
DEPARTMENT OF VETERANS AFFAIRS.....	TAB O
AGENCY FOR INTERNATIONAL DEVELOPMENT.....	TAB P
ENVIRONMENTAL PROTECTION AGENCY.....	TAB Q
FEDERAL EMERGENCY MANAGEMENT AGENCY.....	TAB R
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION.....	TAB S
OFFICE OF NATIONAL DRUG CONTROL POLICY.....	TAB T
OFFICE OF PERSONNEL MANAGEMENT.....	TAB U
PEACE CORPS.....	TAB V
SMALL BUSINESS ADMINISTRATION.....	TAB W
U.S. INFORMATION AGENCY.....	TAB XYZ

September-October 1991

September 23	MONDAY	September 30 10:00am Department of Agriculture 11:00am Department of Energy
September 24 10:00am Department of Labor 11:00am United State Trade Representative	TUESDAY	October 1 10:00am Department of Justice 11:00am Office of National Drug Control Policy
September 25 4:00pm Department of Interior 5:00pm Department of Health and Human Services	WEDNESDAY	October 2 10:00am Department of Treasury 11:00am Department of Veterans Affairs
September 26 3:00pm Department of Education	THURSDAY	October 3 10:00am Department of Housing and Urban Development 11:00am Environmental Protection Administration
September 27	FRIDAY	October 4 10:00am Department of Commerce 11:00am Department of Transportation

SCHEDULE OF DEPARTMENTAL MEETINGS
1991 FALL ISSUES REVIEW

Tuesday, September 24

10:00-11:00 a.m. Labor (Roosevelt Room)
11:00-12:00 p.m. USTR (Roosevelt Room)

Wednesday, September 25

4:00-5:00 p.m. Interior (Roosevelt Room)
5:00-6:00 p.m. Health and Human Services (Roosevelt Room)

Thursday, September 26

3:00-4:00 p.m. Education (Roosevelt Room)

Monday, September 30

10:00-11:00 a.m. Agriculture (Roosevelt Room)
11:00-12:00 p.m. Energy (Roosevelt Room)

Tuesday, October 1

10:00-11:00 a.m. Justice (Roosevelt Room)
11:00-12:00 p.m. Office National Drug Control Policy (Roosevelt Room)

Wednesday, October 2

10:00-11:00 a.m. Treasury (Roosevelt Room)
11:00-12:00 p.m. Veterans Affairs (Roosevelt Room)

Thursday, October 3

10:00-11:00 a.m. Housing and Urban Development (Roosevelt Room)
11:00-12:00 p.m. EPA (Roosevelt Room)

Friday, October 4

10:00-11:00 a.m. Commerce (Roosevelt Room)
11:00-12:00 p.m. Transportation (Roosevelt Room)

THE WHITE HOUSE

WASHINGTON

1991 FALL ISSUES REVIEW

WHITE HOUSE PARTICIPANTS:

Ede Holiday, Chair
Andy Card
Phil Brady
Dave Demarest
Dorrance Smith
Gregg Petersmeyer
Roger Porter
Charlie Kolb
Bobbie Kilberg
Jim Pinkerton
Steve Hart
Gary Blumenthal
Ron Kauffman
Deb Amend
Dave Carney
Gary Foster
Judy Smith
Leigh Ann Metzger
Tony Snow (or designated speechwriter)
Barrie Tron
Ken Yale

As appropriate to each department:

Bob Grady, Janet Hale or Tom Scully

As appropriate to each department:

Richard Porter or French Hill

As appropriate to each department:

Daniel Casse, Jim Fitzhenry, Alison Kutchins, Claire Sechler or Kathy Shanahan

AGRICULTURE

Ann Veneman (Deputy Secretary)
Cameron Bruemmer (Assistant Secretary for Public Affairs)
Bill O'Connor (Executive Assistant to the Secretary)

COMMERCE

Tom Collamore (Chief of Staff and Assistant Secretary)
Marci Robinson (Director of Public Affairs)
Dwight Holloway (Director of Policy)

EDUCATION

David Kearns (Deputy Secretary)
Stephen Danzansky (Chief of Staff)
Leslye Arsht (Director of Communication)
Michael Jackson (Director of America 2000)

ENERGY

Henson Moore (Deputy Secretary)
Polly Gault (Chief of Staff)
M.J. Jameson (Director for Public Affairs)
Linda Stuntz (Deputy Under Secretary for Policy)

HHS

Michael Calhoun (Chief of Staff)
Robin Carle (Executive Secretary)
Alixé Glen (Assistant Secretary for Public Affairs)

HUD

Al Dellibovi (Deputy Secretary)
Scott Reed (Chief of Staff)
Mary Brunette (Assistant Secretary for Public Affairs)

INTERIOR

Tom Weimer (Chief of Staff)
John Schrote (Assistant Secretary for Policy, Management and
Budget)
Steve Goldstein (Director of Public Affairs)

JUSTICE

William Barr (Acting Attorney General)
Tony Schall (Assistant to the Attorney General)

LABOR

John Schall (Chief of Staff)
Steve Hoffman (Assistant Secretary for Public Affairs)
David Fortney (Deputy Solicitor)

TRANSPORTATION

John Gaughan (Chief of Staff)
Jeff Shane (Assistant Secretary for Policy and International
Affairs)
Marion Blakey (Assistant Secretary for Public Affairs)

TREASURY

John Robson (Deputy Secretary)
Hollis McLoughlin (Assistant Secretary for Policy Management)
Blair Downing (Executive Secretariat)
Desiree Tucker-Sorini (Assistant Secretary for Public Affairs)

USTR

Jules Katz (Ambassador)
Gary Edson (Chief of Staff)
David Weiss (Executive Secretariat)
Torie Clark (Assistant U.S. Trade Representative for Public
Affairs and Private Sector Liaison)

VETERAN AFFAIRS

Tony Principi (Deputy Secretary)
Diane Landis (Chief of Staff)
Ed Timperlake (Assistant Secretary for Public Affairs)

EPA

Hank Habicht (Deputy Administrator)
Gordon Binder (Chief of Staff)

ONDCP

John Walters (Chief of Staff)
Bruce Carnes (Director of Planning, Budget and Administration)
Bill Smith (Deputy Chief of Staff)

United States Department of Agriculture



**1991
FALL
ISSUES**

September 13, 1991

MEMORANDUM FOR EDE HOLIDAY
ASSISTANT TO THE PRESIDENT
AND SECRETARY OF THE CABINET

FROM: SECRETARY EDWARD MADIGAN

EM

SUBJECT: 1991 Fall Issues Assessment

The following report summarizes key issues and activities at the Department of Agriculture for September 15 to December 31, 1991.

I. HIGHEST PRIORITIES -- SUMMARY LISTING

1. Secretarial assessment of the Soviet Union's food needs and food distribution system. Coordination and implementation of food assistance policy for the Soviet Union.
2. Successful completion of the Uruguay Round of the GATT including agricultural trade liberalization.
3. Maintaining the policy framework of the Food, Agriculture, Conservation, and Trade Act of 1990 as pressure continues from Congress to address low dairy prices and crop losses due to natural disasters.
4. Continued negotiations leading to a North American Free Trade Agreement.
5. Continued work towards a balanced solution to the conflict between protection of endangered species and use of natural resources.
6. Promotion of nutrition education as a part of the President's education initiative "America 2000".
7. Promotion of biofuels as a part of the President's energy initiative.
8. Continued work to provide a solid regulatory basis for food safety.
9. Promotion of "Easy Access for Farmers" initiative which reduces the paperwork required of farmers who participate in farm programs.
10. Continued work to develop a responsible budget and to implement policies to increase the efficiency of the Department.

II. SURVEY OF KEY ISSUES

SECRETARIAL ACTIVITIES

September 16. Secretary Madigan will hold a press conference in Washington, D.C. to announce the pilot program, "Easy Access for Farmers" a Secretarial initiative to reduce the burden of Government requirements and procedures from farmers participating in commodity price and income support programs.

September 17. Secretary Madigan will meet with European Community Agriculture Commissioner Raymond MacSharry in Washington, D.C., to discuss GATT negotiations and bilateral issues. There may be a series of such meetings through the end of the year in pursuit of bringing the GATT round to a successful conclusion.

September 24. Deputy Secretary Ann Veneman will represent the United States at meetings of the Inter-American Ministers of Agriculture (ICMA) and the Inter-American Board of Agriculture (IABA) in Madrid, Spain. The ICMA is held under the auspices of the Organization of American States and the IABA is the governing body of the Inter-American Institute for Cooperation on Agriculture (IICA). Every four or five years, the ICMA and IABA meet concurrently. The 1991 meeting is being held in Madrid to commemorate the 500th Anniversary of the Discovery of the New World.

September 27. Secretary Madigan will participate in fund-raising events in Fresno, Ontario, and Palm Springs, California. The proceeds will be used to assist Republicans in the California General Assembly.

September 28. Secretary Madigan will participate in events in California coordinated by the California Republican Party. The details of the events are still being finalized.

September 30 - October 8. (Travel dates still tentative) Secretary Madigan will lead a public/private mission on behalf of the President to the Soviet Union to assess food assistance needs and to gather information for the formulation of U.S. food assistance policy.

October 10. Secretary Madigan will participate in fund-raising activities in New Jersey for the New Jersey General Assembly and Congressman Jim Saxton.

October 14. Secretary Madigan will participate in fund-raising events for Senator Dan Coats. Details are still being finalized.

October 16. Secretary Madigan will participate in World Food Day activities and School Lunch Program activities in Washington, D. C.

October 17. Secretary Madigan will address the Minnesota Agri-growth Council's

Annual Meeting in Minneapolis, Minnesota.

October 21. Secretary Madigan will speak to the luncheon meeting of the Georgia Republican Foundation, in Buckhead, Georgia.

October 26. Secretary Madigan will be in California to participate in fund-raising events for Senator Seymour.

November 7. Secretary Madigan will meet with Ambassador Richard Moore in Dublin, Ireland in preparation for meetings with the Irish Minister of Agriculture. Secretary Madigan meet with Minister Michael O'Kennedy to discuss agricultural issues. Later in the day, Secretary Madigan will participate in consultations to plan the 1992 program of activities under the U.S - Ireland Cooperative Science and Agribusiness Program.

November 8-28. Secretary Madigan is expected to head the U.S. Delegation to the Food and Agriculture Organization (FAO) Conference in Rome, Italy. The Conference is the FAO governing body. In recent years, more than 100 Ministers of Agriculture have attended the Conference. Secretary Madigan will also meet with other Ministers of Agriculture to discuss trade issues.

November 11. Deputy Secretary Veneman will address the National Association of State Universities and Land Grant Colleges in Washington, D.C.

December 2. Secretary Madigan will present the keynote address to the 49th Annual Professional Agricultural Workers Conference at Tuskegee University in Alabama.

December 2. Deputy Secretary Veneman will address the Annual Oregon Wheat Growers Convention in Portland, Oregon.

December 3. Secretary Madigan will present the keynote address to USDA's Annual Outlook Conference held in Washington, D.C.

INITIATIVES AND POLICIES UNDER DEVELOPMENT

SOVIET UNION

The recent events in the former Soviet Union have created the opportunity to bring democracy and free markets to 300 million people, but these same events have exacerbated the collapse of the failing Soviet economy in the short run. The greatest single threat from the resulting economic chaos is the potential for real hunger during the upcoming winter. The President, as a continuation of his previous initiative to provide food distribution technical assistance to the Soviet Union, has designated USDA as the lead agency to address the immediate problem of short term food assistance.

Under Secretary Richard Crowder will return September 17 from his food assessment mission that will have covered four separate republics, as well as talks with the central government in Moscow. Information gathered on this mission will lay the foundation for an October 1st mission led by Secretary Madigan that will take private sector and government technical experts back to the Soviet Union to advise on immediate transportation and distribution needs as well as conducting talks aimed at providing food assistance as requested and necessary.

Food assistance under consideration runs the gamut from additional commercial export credit guarantees or direct loans to outright grants of consumer ready food in the event of true famine conditions. Provision of this full range of assistance is possible under existing statutory authorities, with only minor legislative changes needed to provide contingency authorities for extreme food assistance needs. To date the United States has provided \$1.9 billion in GSM 102 export credit guarantees to the Soviets, with a further \$200 million scheduled for October 1 and another \$400 million for February 1992. Most recently in the wake of the failed coup attempt in Moscow, the President advanced \$315 million in credit guarantees requested by the Soviets. Of that amount \$100 million has been utilized as of this publication.

In addition to determining the amount and type of food assistance needed, policy decisions on the level of Soviet government (Central or Republic or both) to which assistance will be extended and methods of coordination of effort with other countries will be necessary. Also of major importance is the risk of overwhelming the internal food economy with outside assistance, possibly creating a serious long term erosion of the Soviet agricultural economy. In this country, Congress is already showing signs of a legislative stampede to "save the Russians from starvation". Some of the ideas already mentioned have implications for U.S. defense spending and overall budget ceilings that are far out of proportion to the problem that now exists. To date Soviet purchases have focused on sustaining the livestock herds through the winter as the primary problem, though spot human food shortages due to chaotic distribution systems and potential Soviet political problems can be expected.

Addressing this volatile and complex food assistance problem will be Secretary Madigan's top priority in the closing months of this year.

USDA will also be laying the groundwork for additional technical assistance efforts that will be needed throughout 1992 to modernize the inefficient Soviet food production and distribution system and to help them organize free markets for their food systems. Also since the Soviet central and republic governments are expected to continue as sizable food importers for the foreseeable future, retaining a significant share of that large agricultural export for U.S. farmers will be a major goal in 1992.

GATT

The United States remains committed to fundamental reform of world agricultural trade. Fundamental reform will only occur if all participants in the negotiations, the European Community in particular, abide by the commitment made at the London Summit to negotiate specific, binding commitments in each of the three areas of internal support, market access, and export subsidies.

The agriculture negotiations continue to progress slowly. Although European Community (EC) officials constructively engaged in technical discussions in Geneva this spring, they remained intransigent on several key issues. EC heads of state, at their late-June Summit meeting, expressed their determination to successfully conclude the Uruguay Round talks by the end of the year. The United States will try to get the EC to fulfill that commitment by moving forward at the political and technical levels when the negotiations resume in September. However, we remain committed to the goal of fundamentally reforming agricultural trade and the U.S. will not sacrifice a substantial agreement for the sake of meeting a deadline.

Secretary Madigan will devote a considerable proportion of his personal effort in a search for a breakthrough in the negotiations at the political level.

NUTRITION EDUCATION

In conjunction with the President's "America 2000" initiative the Secretary of Agriculture has focused on the need to increase nutrition education. Within the Department several agencies will continue to coordinate activities to most effectively further nutrition education. Goals focus on changing or reinforcing healthful eating habits for children and low income adults, and increasing definitive nutrition information for the general public. USDA has also been coordinating activities with the Department of Health and Human Services to assure a consistent message is conveyed to the public.

USDA's proposed 1993 budget submitted to OMB redirects some agency funding to provide funds for increasing data collection that reflects what Americans eat. This data is critical for an evaluation of (1) the nutritional needs of high risk categories of people; (2) food assistance programs; (3) pesticide residue risk assessment; (4) and, the nutritional content of the average diet.

Significant events that will precipitate both meetings and media interest in the Fall will be the promotion of National School Lunch Week, October 13-19 including a Congressional School Lunch. National School Lunch will be celebrated throughout FNS's Regional Offices with special visits made to schools by the Department's senior managers. Several Regions will be offering commodity taste testing demonstrations. The Agency will be issuing special press packages.

In November, Secretary Madigan will head the U.S. delegation to the Food and Agriculture Organization (FAO) conference in Rome, Italy. FAO was established to

raise levels of nutrition and standards of living, to secure improvements in the efficiency of production and distribution of all food and agricultural products.

BIOFUELS

The passage of the Clean Air Act Amendments of 1990 and the President's National Energy Strategy proposal have created a new market opportunity for agriculturally derived fuels such as ethanol. The Department is currently preparing a biofuels initiative which will involve increased research and development activity, information and education efforts and economic and environmental analysis.

On October 1st, Assistant Secretary Bruce Gardner will be speaking to a Washington D.C. conference about ethanol and the Clean Air Act. In late October, the Secretary may participate in a local event announcing Crown Central Petroleum Corporation's switch to ethanol blended fuels in all of its East Coast's gasoline stations. Sometime during the fall the Secretary will publicly announce the Department's biofuels initiative.

"EASY ACCESS FOR FARMERS"

With each passage of regulatory requirements for farms and farm programs comes a new series of forms and documentation to be completed by program participants. When Secretary Madigan was appointed, he indicated that one of the objectives of his administration would be to "let farmers be farmers". Farmers have been burdened with tedious, frustrating, voluminous amounts of paperwork that takes them from the farming operation and into federal offices.

Last June a USDA task force met to compile ideas to increase USDA services to producers and reduce paperwork for producers. On September 16, Secretary Madigan will hold a press conference in Washington, D.C. to announce eight pilot projects to test new ideas for paperwork reduction. These projects will be conducted in five areas of the United States and will seek the advice and input of farmers. This is the first step toward responding to the needs and concerns of producers to reduce government red tape. USDA will continue to design, test, and implement new ideas for a more efficient, user friendly system.

SIGNIFICANT PROBLEM AREAS

ORGANIZATION OF THE DEPARTMENT

There have been several General Accounting Office reports recently published analyzing the organization and management structure in various agencies throughout the Department. During the next months these critical reports will be reviewed and appropriate steps will be taken to improve the efficiency of the Department. The 1993 USDA budget submitted to OMB is the first step toward correcting errors within the Department. Implementation of the Chief Executive Officer's Act will also improve detection and correction of errors within the Department.

TIMBER SALE SHORTFALLS

The FY 1991 timber sale program to be offered by the Forest Service for competitive bidding is directed by Congress in the FY 1991 Appropriations Bill at 9.546 Billion Board Feet (BBF). We expect the total timber offer actually accomplished in FY 1991 will be closer to 6.0 to 6.5 BBF. The shortfall is because the program continues to be legally and administratively challenged around the country due to controversies surrounding habitat protection for threatened and endangered species, entries into areas without roads, and clearcutting. USDA will continue to seek mechanisms that will resolve the competing demands of the Nation's timber needs and the desire on the part of some environmentalists to stop logging in the Nation's Forests.

INCREASE IN FOOD STAMP PARTICIPATION

Rise in Food Stamp participation levels and weak state budgets are having a serious impact on our State Food Stamp agencies. There are currently more than a dozen States involved in litigation for failure to meet application process standards. Studies conducted by USDA are not conclusive as to why participation is increasing. Reports indicate that Food Stamp participation increases may be linked to increase public awareness of the benefits available. Many persons who were unaware of the program or eligibility have received information regarding the program and are now participating. USDA will continue to analyze economic and social data to explain the increases.

LEGISLATIVE ACTIVITIES

EXPORT ENHANCEMENT PROGRAM

Congressman Dan Glickman (D-KS) is expected to introduce the "Food Trade Modernization Act of 1991". The bill would call for a marketing loan program for wheat and feed grains, removal of restrictions on the Export Enhancement Program, and broaden the scope of export financing programs. This would be a liberalization of export authorities previously tightened in the Food, Agriculture, Conservation, and Trade Act of 1990. Such legislation would have significant implications in the GATT.

Congressman Pat Roberts (R-KS) plans to introduce legislation which would "strengthen the hand of U.S. negotiators in GATT talks." Current law provides that if there is no progress on the GATT talks by June 30, 1992, the Secretary of Agriculture must implement marketing loans for wheat and feed grains and increase export program funding. Roberts' legislation would move that deadline to the end of this year and would implement marketing loans at that time. His legislation also would restructure current export programs to provide for across-the-board subsidized sales.

USDA expects additional legislative vehicles of this nature to be introduced.

TECHNICAL CORRECTIONS TO THE '90 FARM BILL

The House has passed a number of "technical corrections" to the 1990 Farm Bill. Some of the proposed changes would affect many areas of the farm commodity program titles,

including the interchange of corn and grain sorghum bases, the calculation of wheat deficiency payments, the planting of industrial and other crops on conserving use acre's under the 0-50/92 programs, and other changes involving minor oilseeds. Similar legislation is expected from the Senate.

DAIRY

Low milk prices earlier this spring and summer have led to House Agriculture Committee action that would change the dairy price support structure and impose mandatory "two-tier" supply control. The Administration has expressed the concern that increases in milk price support levels would reduce consumption, offer the incentive to raise production and through the production cycle, would create the need to prevent a large build-up of dairy product surpluses. These proposals would not only raise retail milk prices but would also increase the cost of providing food assistance benefits to our country's most vulnerable citizens. Though it had early broad support, the two-tier plan appears to be losing steam, due in large part to Administration criticism of the scheme. It is likely that possible dairy legislation may shift directions in the Fall session. Continually strengthening milk market prices cast doubt on whether changes in the dairy statute will occur this Fall. It is clear the Administration's position has improved over the summer.

DISASTER

The Administration said it would veto disaster legislation (H.R. 2893) which passed in the House before the summer recess. This legislation would be extremely costly, and some of the terminology used would greatly expand the universe of potential claims beyond past disaster legislation. Further, these disaster assistance efforts undermine the present crop insurance program, which the Congress has directed the Administration to fix. House Appropriations Committees are also working on disaster assistance legislation. OMB and USDA are developing an Administration response to disaster funding requests seeking an acceptable funding level for such legislation.

MOST-FAVORED-NATION (MFN) STATUS FOR CHINA

During the recent market access talks, Chinese officials implied that U.S. failure to renew MFN status for China could adversely affect our share of the Chinese import market for wheat, cotton and other agricultural products. Although both Houses of Congress passed bills attaching conditions to continued MFN before the summer recess, the vote margin was not large enough to override a Presidential veto of such a bill.

AGRICULTURE APPROPRIATIONS

Fiscal 1992 spending measure (HR 2698) has been passed by both Houses and is awaiting conference action. There are several items of concern for the Department and which the Department will seek modification during the Conference.

Export credit guarantee programs. Given the current international situation, including the GATT negotiations, it is important to preserve our flexibility to adjust export credit

guarantee programs to any circumstances. The operating level for credit guarantee programs is established as a floor in both the Farm Bill and in the Appropriations Bill. The Administration requested language for "such sums as are necessary". The Senate accepted the Administration's proposal. The House bill provided a specific amount for the subsidies connected with this program. This could frustrate the intended flexibility to adjust the program level for guarantees in response to fast-changing international market conditions and sales opportunities. The credit guarantee programs are exempt from the requirement for an appropriation of budget authority under Section 504(c) of the Federal Credit Reform Act of 1990. USDA will work to maintain flexibility in these programs.

Food stamp program. Participation in the Food Stamp Program continues at record high levels. Neither the House nor the Senate bills provides the "such sums as may be necessary" language requested by the Administration to assure that funding will be available. The Senate bill does provide a \$3 billion contingency fund to be available upon receipt of an official budget request from the President. The House provided a contingency fund of \$1.5 billion. USDA has asked the Conferees to adopt the Senate provision at a minimum.

Pesticide data program. The Pesticide Data Program was developed in response to consumer and producer concerns over pesticide residues in food. The program is a joint effort involving four USDA agencies and EPA, FDA, and participating states. The budget proposed to increase USDA funding for this program from \$16.5 million in FY 1991 to \$32 million in FY 1992 in order to finance the orderly expansion of this program. The House bill funds this effort at \$18.2 million, a level which is sufficient to protect the progress made in FY 1991 but would not permit further expansion of the program. The Senate bill provides no funding for the program. The Senate action would result in discontinuation of program activities, and would eliminate the development of information which is important to improving EPA's risk assessment program. USDA is urging the Conferees to provide funding for the program and to provide funding for the expansion.

Wetlands Reserve program. The President recently announced a comprehensive plan for improving the protection of the nation's wetlands. The plan includes a commitment to work with the Congress to fully fund the Wetlands Reserve Program which was authorized in the 1990 Farm Bill to purchase easements on up to 1 million acres of wetlands by 1995. The President's budget requested \$124.4 million to begin the implementation of this program in FY 1992. The House bill provides no funding, while the Senate bill provides \$91 million and limits the FY 1992 acreage to no more than 98,000 acres. USDA is asking the Conferees to provide funding at the budget level with no acreage limit.

Other items. The Senate bill excluded funding for a renewed program of energy research to develop biofuels from agricultural products. Additional research is need to

improve the position of agriculture-based alternative fuels in meeting demand for cleaner fuels required by the Clean Air Act and the President's National Energy Strategy. The Senate bill also excluded research funding for food safety, minor use pesticides and environmental issues. USDA considers these priority items and will continue to encourage the Conferees to fund appropriate amounts.

INTERIOR APPROPRIATIONS

Final action on the Appropriation Bill for the Interior and Related Agencies is pending in the Senate. The House approved language would raise grazing fees on Bureau of Land Management lands. USDA is concerned that the Senate or the Conference may seek to apply the language to Forest Service lands. Other issues may also be debated including timber sales, roads budgets, and patenting of mineral lands, and mineral receipts. USDA will continue to monitor the progress of this legislation.

OLD-GROWTH BILLS

Six bills have been introduced in the House and two in the Senate dealing with old-growth, spotted owls, and timber harvest levels on National Forest System lands in the Pacific Northwest. House bills include H.R. 842 (Jontz D-IN), H.R. 1590 (Vento D-MN), H.R. 1309 (Smith R-OR), H.R. 2463 (Huckaby D-LA), H.R. 3263 (Morrison R-WA), and H.R. 2807 (AuCoin D-OR). In the Senate S. 1156 (Packwood R-OR) and S. 1536 (Adams D-WA) have been introduced. The Administration has testified on the Jontz, Vento, Smith, and Huckaby bills in the House and the Packwood bill in the Senate. During the Fall, additional hearings are anticipated and additional bills may also be introduced.

CLEAN WATER ACT AMENDMENTS

Senators Baucus (D-MT) and Chafee (R-RI) have released a potential reauthorization of the Clean Water Act (S. 1081). Future revision of the Baucus-Chafee bill is anticipated, and USDA has prepared comments on the bill. The House has not released any encompassing version of the Clean Water Act, and discussions with staff indicate that no release is likely until November, 1991. It is anticipated that serious debate on the reauthorization of the Clean Water Act will not occur until 1992. Any reauthorization is anticipated to have an impact on agriculture.

CIRCLE OF POISON

The Senate Agriculture Committee will continue hearings on September 20, and will focus on the impact on consumers on the safety of exported pesticides. USDA, FDA, EPA, and eight chemical companies have been invited to testify at this time. Senator Leahy (D-VT) has introduced S. 898, the Circle of Poison Prevention Act. The Administration is opposed to S. 898, but has indicated that the issue of exported pesticides should be addressed in comprehensive pesticide safety legislation.

Congressman Synar (D-OK) has introduced companion legislation in the House, H.R. 2083, and Congressman Rose (D-NC) is expected to introduce legislation in September.

It is uncertain whether the legislation will be added to comprehensive food safety legislation or whether it will be considered separately.

PESTICIDE SAFETY

Senate Labor and Human Resources Committee staffers for Senators Kennedy (D-MA) and Hatch (R-UT) plan to meet to discuss bipartisan legislation which would amend the Federal Food, Drug, and Cosmetic Act to regulate pesticide chemical residues in food. Senator Kennedy has introduced S. 1074, the Safety of Pesticides in Food Act, which is opposed by the Administration.

In the House Energy and Commerce Committee, Congressmen Bruce (D-IL) and Bliley (R-VA) have introduced H.R. 3216, the Food Quality Protection Act, which would amend both the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) and the Federal Food, Drug, and Cosmetic Act (FFDCA) to provide safety in the use of pesticides. Congressman Waxman (D-CA) has introduced H.R. 2342 (companion bill to S. 1074) on which hearings were held this summer. There is a question of whether this committee will try to develop compromise legislation until a court decision has been reached on the case against EPA in regard to the Delaney amendment and EPA's decision to allow trace amounts of four chemicals which may be possible carcinogens in processed food.

In regard to pesticide safety issue in the House Agriculture Committee, Congressman Rose (D-NC) is working on draft legislation which would amend both FIFRA and FFDCA and will be introduced in September. The Bruce-Bliley Bill H.R. 3216 will be referred to this Committee also, and hearings are expected this fall on amendments to FIFRA.

The Administration continues to indicate a willingness to work with the Congress to come up with acceptable legislation which would address the seven food safety initiatives regarding pesticide chemicals included in the President's Food Safety Plan of 1989.

CREDIT

There is a possibility that Congressman English (D-OK) will hold hearings on the role of the Farmers Home Administration (FmHA) in providing credit to producers. This would signal a willingness on the part of the House Ag Committee to analyze methods to target limited dollars to producers. This would also raise the issue of how long a borrower should remain in the program before he should graduate into the private lending sector.

PERISHABLE AGRICULTURAL COMMODITIES ACT (PACA)

The House Agriculture Subcommittee on Domestic Marketing, Consumer Relations, and Nutrition will hold a hearing in late September on the recommendations included in the report of the PACA Industry Advisory Committee. Some of these recommendations will likely be controversial. In particular, recommendations to require restaurants, canner/processors and growers who pack their own product to be licensed and one to

exempt from licensing those frozen food brokers who only arrange sales without the authority to negotiate prices or purchase produce.

DOMESTIC FOOD ASSISTANCE PROGRAMS

Mickey Leland Childhood Hunger Relief Act (H.R. 1202). The legislation has been marked-up and reported by the Subcommittee on Domestic Marketing, Consumer Relations and Nutrition of the House Committee on Agriculture. The full House Committee is scheduled to mark-up the bill during the week of September 16, 1991. The \$5.3 billion cost exceeds available funds, and we oppose enactment. A companion bill has not been introduced in the Senate.

Reauthorization of the Older Americans Act, including the Nutrition Program for the Elderly (H.R. 2967; S.243). The Senate Committee on Labor and Human Resources and the House Committee on Education and Labor reported different versions. Floor action is tentatively scheduled in each respective House the week of September 9, 1991, and a conference will be required. We oppose the NPE provisions as currently written. H.R. 2967 is especially troublesome because it increases and indexes per meal reimbursement rates.

WIC Legislation. Several bills are pending in the Congress that would affect the WIC program. The WIC Infant Feeding Initiative Act, pending in the House Committee on Education and Labor and the Senate Committee on Agriculture, Nutrition and Forestry (H.R. 1441, S.657), would revise the infant formula funding procedure. An amendment to the Child Nutrition Act of 1966, pending in the Senate Committee on Agriculture, Nutrition, and Forestry (S. 1540), would provide full funding for WIC by FY 1997. The WIC Protection Act of 1991, pending in the Senate Committee on Agriculture, Nutrition, and Forestry (S. 1556), addresses WIC vendor issues. USDA objects to all these bills for cost reasons and objects to the vendor bills and regional rebate proposal because they are unnecessary.

FOREIGN AID AUTHORIZATION

Both the House and Senate have passed H.R. 2508, the Foreign Aid Authorization Act which would broaden the application of cargo preference provisions to include any shipment of U.S. grain purchased with government economic support funds provided by U.S. AID. The Department is concerned with this expansion of cargo preference because it could increase transportation costs. The Department will continue to monitor the authorization as it moves to Conference.

REGULATIONS

MEAT IMPORT LAW

On October 1, USDA is required to announce its final estimate of 1991 meat imports that fall under the Meat Import Act of 1979. In its announcement for the third quarter on July 19, USDA estimated that imports should total 1,280 million pounds--about 38.5

million pounds below the 1991 trigger level of 1,318.5 million pounds. The Act requires the President to consider restrictions on imports of certain meat items--primarily beef and veal--if a USDA quarterly estimate of meat imports equals or exceeds the trigger level which is determined by formula in the act.

Based on current information, it appears that excessive volumes of meat may be entering the country for the remainder of the year. The anticipated volume requires that action be taken to limit imports. Imports may be limited through Voluntary Restraint Agreements (VRA's). If VRA's are not in place by October 1, the law requires the imposition of a quota limit. The President, under certain conditions and after a 30-day public comment period, may suspend or modify the quota limit.

Negotiations to implement VRA with Australia and New Zealand, which comprise 90% of the meat imports into the U.S., are underway to avoid any implementation of restrictions.

SUGAR MARKETING ALLOTMENTS

ASCS is preparing to implement the new provision in the 1990 Farm Bill which, in addition to continuing a price support loan program for beet and cane sugar, requires a domestic marketing allotment program if sugar imports are projected to fall below 1.25 million tons. This will require marketing allotments for sugarcane-producing States, which then must be divided equitably among processors and producers. Allotments for beet sugar are allocated only to processors. ASCS expects to publish an interim rule for reporting requirements in late-September, followed shortly thereafter with a proposed rule for the marketing allotment program. ASCS is starting to receive fees on sugar marketed from the 1991-95 crops, as called for in the Omnibus Budget Reconciliation Act.

BELOW-COST TIMBER SALE POLICY

The final policy on below-cost timber sales, a policy to provide guidelines for costs and revenues of commercial timber sale programs on individual National Forests, will be published before January 1992 and implemented during 1992. The public comment period on an Advance Notice of Proposed Rulemaking ended June 17.

ADMINISTRATIVE APPEAL REGULATION CHANGES

The Forest Service is expected to propose a change to its administrative appeal regulations. These are the regulations which currently allow any person to challenge the Agency's resource management decisions. Appeals have been used with great effectiveness in recent years by environmental groups, and increasingly by timber industry, to halt or delay Agency decisions. Proposals are being considered which would reduce the disruptive impacts of appeals while still providing citizen opportunity to comment on Agency decisions.

NATIONAL FOREST MANAGEMENT ACT (NFMA) REGULATIONS

The Forest Service has completed a detailed review of public comment of its Advance Notice of Proposed Rulemaking. The comment period ended on May 16. A draft rule to streamline and simplify the regulations is expected to be released for public review this Fall.

USER FEES REGULATIONS

The 1990 Farm Bill, as amended by the Budget Reconciliation Act, authorizes collection of user fees for a variety of APHIS services. The final rule on user fees (Part I) for international airline passengers; commercial vessels, aircraft, and trucks; and loaded railroad cars was published in the Federal Register on April 12, 1991, and became effective on May 13, 1991. Given congressional opposition, it is uncertain whether the user fees for airline passengers traveling from Hawaii, Puerto Rico, and the U.S. Virgin Islands to other U.S. destinations will be implemented. Currently, users fees (Part II) for phytosanitary export certifications; international passenger and cargo aircraft and commercial vessels moving from Hawaii and Puerto Rico to the U.S. mainland; and veterinary diagnostic services are scheduled to be implemented on December 4, 1991. Failure to implement user fees will have significant budget impacts.

OFFSETTING TAX REFUNDS TO COLLECT FOOD STAMP CLAIMS

Pursuant to a notice published in the Federal Register on August 20, 1991, the Food and Nutrition Service (FNS) is implementing a pilot tax refund offset program to collect delinquent food stamp debts. Under the program, which will initially operate in two states, the Internal Revenue Service (IRS) will offset tax refunds due to individuals, who have previously received over-issuances of food stamps and have not repaid them by the amount of the outstanding obligation. Beginning this fall, FNS and IRS will exchange the data and information necessary for IRS to conduct the offsets in early 1992.

RULEMAKING ON NUTRITION LABELING FOR MEAT AND POULTRY PRODUCTS

The Food Safety and Inspection Service (FSIS) is preparing an extensive rulemaking docket that will propose regulations providing for nutrition labeling for meat and poultry products under the Federal Meat Inspection Act and the Poultry Products Inspection Act. FSIS intends to harmonize these regulations, to the extent possible, with the regulations that the Food and Drug Administration will be proposing under the Nutrition Labeling and Education Act of 1990. FSIS anticipates publishing its proposal this year. Some media attention is expected.

PRE-EMPTION OF STATE JURISDICTION OVER ELECTRIC RATES

The Rural Electrification Administration recently published regulations providing that state jurisdiction to set the rates charged by an REA borrower would be preempted by REA if (1) a bankruptcy petition is filed by or against the borrower, or (2) the borrower supplies electricity at wholesale to other borrowers and the Administrator determines that the rates the state authorizes the borrowers to charge are not adequate to enable it

to repay its loans from REA. These regulations are being challenged in pending federal court cases involving three bankrupt borrowers, one providing electric service at retail in New Hampshire and the other two supplying electricity at wholesale in Indiana and Colorado.

NORTHERN SPOTTED OWL DRAFT EIS

The draft environmental impact statement issued by the Forest Service is due to be released to other Federal agencies and the public on September 25. The statement analyzes alternatives to manage for viable populations of northern spotted owls.

Briefings with the Secretary's Office, Capitol Hill, other agencies, and interest groups will be held on September 23 and 24. Public hearings are scheduled during October in the Pacific Northwest. Public comment will be accepted until January 4, 1992. The Secretary will be responsible for the final decision, which will not be appealable. A final decision is due to Judge Dwyer's Seattle District Court on March 5, 1992.

WETLAND AND WATER QUALITY PROGRAMS

Two new programs addressing wetland preservation and water quality needs were authorized in the Food, Agriculture, Conservation, and Trade Act of 1990, but not funded. These programs require much cooperative interagency effort and are of particular interest to environmental and wildlife groups, as well as farmers and rural landowners. USDA anticipates that funding will be provided in the 1992 budget process.

Pending appropriations, ASCS will conduct a sign-up and enroll acreage in the Agricultural Water Quality Incentive Program. This program provides incentives and cost-share assistance to carry out on-farm water quality protection practices, aiming to reduce the release of agricultural pollutants into the environment. The agency intends to have program contracts signed by November 28, which complies with the requirements of the 1990 Farm Bill.

Again, pending appropriations, ASCS expects to issue final rules and plan for a sign-up for the Wetlands Reserve Program, which would restore wetlands through the purchase of long-term easements.

TOBACCO EXPORT REPORTING

Between now and the end of the calendar year, the Department will issue a "notice of proposed rule making" or "proposed regulations" for tobacco export reporting as required by the 1990 Farm Bill. Either is expected to be controversial within the U.S. tobacco industry.

REPORTS AND STUDIES

CROP INSURANCE

The GAO is expected to release a report at the end of October or by early November on the history of risk sharing between the Federal Government and the private carriers of

the Federal Crop Insurance program.

FIFRA STUDY

In June 1991, the Supreme Court ruled in *Wisconsin v. Mortier* that the 1972 Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) does not preclude cities and towns from demanding stricter limitations within their boundaries. The decision opens the door for local communities to limit how and when pesticides may be used. APHIS plans to analyze the scope and effect of this Supreme Court ruling on APHIS' eradication and quarantine programs.

WIC STUDY

October 1991 release of Volume 2 of the WIC Study of the effect of Medicaid costs will show higher cost savings to the Medicaid program when the analysis uses hospital costs extended to the first 12 months of life. Volume 1 evaluated costs in the first 60 days of life. This will be very positive news.

FALL CROP REPORTS

The monthly USDA Crop Production and World Agricultural Supply and Demand Estimates reports will be closely watched during the fall harvest period. Of greatest concern are implications for disaster assistance, farm income and trade with the Soviet Union. These reports will be released on September 12, October 10, November 12, and December 11.

INTERNATIONAL COMPARISONS OF COSTS OF PRODUCTION: COMPETITIVENESS OF WHEAT PRODUCTION IN THE EC AND UNITED STATES

Judging from inquiries on this subject, this report is likely to generate interest. The results are from a joint study by USDA's Economic Research Service and the Institute National de la Recherche Agronomique (INRA) in France. The study covers the 1984-86 period. Results indicate that productivity in France, the U.K. and the U.S. are nearly identical, even though the input mix is very different. Production costs in the U.S. were found to be much less due to lower prices of land, fertilizer and fuel. The income of wheat producers in the U.S. and U.K. was higher than in France. The results suggest production efficiency is much less important than input prices, exchange rates and the efficiency of the transportation and marketing sectors in determining competitiveness.

A NORTH AMERICAN FREE TRADE AREA FOR AGRICULTURE: THE ROLE OF CANADA AND THE U.S.-CANADA AGREEMENT

This report examines Canada's current agricultural trade with Mexico and the U.S., the agricultural provisions of the present U.S.-Canada agreement, and implication of incorporating the present agreement into a North American free trade agreement.

MEETINGS OR EVENTS

USDA OUTLOOK CONFERENCE

Secretary Madigan will open "Agriculture Outlook '92," the 68th annual outlook conference to be held December 3-5. Sessions will be televised nationwide over satellite. Issues will include the burdens and benefits of clean air and environmental legislation, the Uruguay Round and North American Free Trade negotiations, events in the Soviet Union, how the FACT Act is working, food labeling reform, and food assistance programs.

NEGOTIATIONS

OILSEEDS PANEL IMPLEMENTATION

In 1989, a dispute resolution panel under the auspices of the General Agreement on Tariffs and Trade (GATT) ruled that the European Community's regime for oilseed production and processing violated rights accruing to the United States under the GATT. Specifically, the panel ruled (1) that the EC Common Agricultural Policy (CAP) program of paying subsidies through oilseeds processors violated the non-discrimination requirements of Article III, and (2) that the CAP program of oilseed subsidies had impaired the tariff concession granted to the United States during the Dillon Round negotiations. The panel recommended that the EC adjust its program to come into compliance with its GATT obligations.

Current proposals prepared by the EC to reform its CAP program for oilseeds indicate that proposed EC subsidy programs will continue to impair the subject concessions. The United States will continue to press for implementation of the panel report in the GATT Council.

CORN GLUTEN FEED DISPUTE

Corn gluten feed (CGF), a by-product of the corn milling process, has been a highly successful U.S. export to the European Community over the past thirty years. Annual exports to the EC are valued at approximately \$650 million. The United States benefits from a zero bound duty granted by the EC as a tariff concession in 1962 as part of the Dillon Round negotiations of the GATT.

Recently, customs agents in major EC importing countries, the Netherlands and France, have begun to interfere with shipments claiming that U.S. CGF contains an impermissible level of corn germ meal, and thus must be classified as a "mixed feed" subject to a high variable levy. The United States takes the position that the CGF being exported to the EC is the same product that has been shipped for the past thirty years and upon which no duty has been levied. The United States contends that the actions of the EC customs agents violates the EC's obligations under the GATT, and has been in discussions with the EC on this issue. If an acceptable solution cannot be reached, the U.S. has reserved its GATT rights on the issue.

OILSEED CASE

In 1989, a General Agreement on Tariffs and Trade (GATT) Panel found that the European Community (EC) oilseed subsidies protected EC producers completely from price movements of imports and thereby impaired the zero-duty tariff bindings for oilseeds. On July 31, 1991, the EC Commission presented to the EC Council a proposal on reform of its oilseed regime to comply with the 1989 GATT Panel findings. However, USDA analysis indicates the proposal is seriously deficient in addressing the panel findings, especially with regard to nullification and impairment. The EC Council has until October 31, 1991 to act upon the Commission's proposal. We are informing the EC that unless the proposal is amended to satisfactorily address the Panel report, the U.S. will have no recourse but to exercise its GATT rights. These rights include seeking compensation for U.S. trade losses due to the EC's oilseed regime.

NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) NEGOTIATIONS

The North American Free Trade Agreement (NAFTA) negotiations between the U.S., Canada, and Mexico have been progressing slowly, although no major obstacles have surfaced. Negotiations in the agriculture sub-group also have been proceeding slowly. Tariff offers and tariff request lists are to be exchanged on September 17.

U.S.-EC ENLARGEMENT AGREEMENT

The U.S. is seeking a final understanding by September 30, 1991 on trade compensation due to the accession of Spain and Portugal to the EC. The initial Agreement of January 30, 1987 provided for minimum annual imports of corn and sorghum into Spain through reduced-levy quotas from 1987 to 1990. After the EC refused to re-negotiate or extend the current agreement, which was to end December 31, 1990, the U.S. notified the GATT on November 30, 1990 of its intention to withdraw equivalent tariff bindings as compensation for U.S. trade losses due to the accession. On December 21, 1990, the EC agreed to roll over the Enlargement Agreement for one year, extending all provisions until December 31, 1991.

THE EC THIRD COUNTRY DIRECTIVE

Following EC delisting of all remaining U.S. slaughter plants as eligible to ship meat to the EC, USTR initiated a Section 301 investigation of the TCD. In May, 1991 the USG and the EC agreed to an exchange of letters that lays out a two-step process involving re-inspection and relisting of U.S. plants, and an agreement on a framework for determining whether U.S. and EC inspection requirements are equivalent. The first step is expected to be complete in September.

JAPAN-GATT II AGREEMENT

In 1988, the U.S. successfully challenged in the GATT Japan's import quotas on nine of eleven processed products. The agreement called for expanded import quotas, followed by elimination in April 1991, for certain dairy products and starch quotas. Despite five U.S.-Japan meetings on this issue since April, the GOJ refuses to offer a concrete plan to liberalize these quotas.

CHINA MARKET ACCESS TALKS

Little, if any, progress was made at the third round of market access talks with China August 20-23. The U.S. side gave China until September 30 to make significant market openings, otherwise face the prospect of USG-initiated 301 investigations against China. If the Chinese aren't prompted by such investigations to begin opening markets but instead retaliate, U.S. agricultural exports (primarily wheat and cotton) to China could be adversely affected.

U.S.-CANADA OPEN BORDER PROPOSAL FOR MEAT AND POULTRY

In 1990 the Food Safety and Inspection Service (FSIS) proposed to end reinspection of Canadian meat and poultry products as they entered the United States. The proposal to end reinspection was the result of Canadian pressure and implementation of the U.S.-Canadian Free Trade Agreement. The proposed rule encountered substantial negative reactions from consumers, the Congress, and the small number of businesses which have a commercial stake in this activity. This opposition delayed the implementation of the proposed rule.

The difficulty and delay in implementing the proposed rule were viewed by some Canadians as a sign of bad faith on the part of the United States. Canadian frustration with the slow progress in the United States has led Canada to propose institution of its own border reinspection system for U.S. meat starting sometime during the week of September 16.

Prime Minister Mulroney has raised this issue in previous discussions with President Bush. President Bush has indicated that he wants to work with Prime Minister Mulroney to resolve this issue.

As a result of a recent meeting between Secretary Madigan and Canadian Agricultural Minister McKnight, the U.S. is beginning to engage in a process to reach a mutually acceptable solution to this problem. The U.S. is hopeful that the matter will be resolved sometime this fall.

TRADE ISSUES WITH MEXICO

Mexico has taken steps to upgrade its animal and plant health system, including its import inspection programs. Mexico has taken these steps to make its animal and plant health regulations equivalent to the Canadian and United States standards. As a result of adopting new pest risk analysis procedures, Mexico has implemented new entry requirements for a number of products. APHIS is actively involved at a technical level with its Mexican counterparts to assure that only technically and biologically sound entry requirements are developed by Mexico. APHIS anticipates that, as Mexico upgrades its sanitary and phytosanitary programs, U.S. commodities exported to Mexico will be affected.

COURT DECISIONS/LITIGATION

ENDANGERED AND THREATENED SPECIES

An appeal of the federal district court injunction against the Forest Service prohibiting timber harvest in spotted owl habit in Oregon, Washington and California is pending in the Ninth Circuit. Actual and threatened litigation involving statutory protection of wildlife, *i.e.* red-cockaded woodpecker, grizzly bear, goshawk and salmon, will have an impact on numerous agency activities around the country.

DCP FARMS, ET AL v. SECRETARY CLAYTON YEUTTER

This case involves the adoption of a scheme or device by a large Mississippi farming operation to avoid statutory payment limitation provisions. A United States District Court in Mississippi has enjoined the Secretary of Agriculture from taking any administrative actions against the plaintiffs in this litigation, and has reversed a determination by the Secretary that the plaintiffs are ineligible to receive payments under the Commodity Credit Corporation price support and production adjustment farm programs in 1989 and 1990. The issue involved alleged interference by Congress into administrative actions pending before the Secretary. Plaintiffs have alleged that Congressman Huckaby directed the Secretary to apply the Department's regulations to plaintiffs' farm operations to achieve a specific result, thereby improperly influencing the Secretary's actions. The Court held that Congressman Huckaby's communication with the Department, and the Department's response, demonstrated that Congress impermissibly influenced the Secretary's actions. The United States has appealed to the Fifth Circuit Court of Appeals.

It is likely that this case will be discussed on a fall episode of 60 minutes during a segment featuring Secretary Madigan.

APHIS USER FEES AND HAWAII LAWSUIT

Hawaii sued the Secretaries of Agriculture and Treasury, the Attorney General and others over the legality and constitutionality of the Animal and Plant Health Inspection Service (APHIS) user fees which were scheduled to take effect on August 1, 1991. The \$2 fee would be assessed on airline passengers traveling from Hawaii and Puerto Rico to the continental United States to cover the cost of APHIS inspections for plant pests and diseases. APHIS postponed the effective date of the rule until October 1, 1991, to give Congress time to take legislative action. The FY 1992 House and Senate appropriations bills contain language prohibiting the use of appropriated funds to develop, establish or operate any user fee program to prevent the movement of exotic pests and diseases from Hawaii and Puerto Rico.

BERNARDI v. MADIGAN

This class action case involving under-representation of women in the Forest Service in California resulted in entry of a consent decree in 1981. In 1988, the court found the

Secretary not in compliance with the consent decree and extended it for three additional years, to May 8, 1991. During the extension period, the Forest Service has increased the percentage of women in its workforce in California to 44%, exceeding the overall 43% requirement but falling short in several job series and grades in which women are still under-represented. While the extended consent decree expired on May 8, the court has ordered that consent decree programs be kept in effect until a hearing scheduled for December 6. On that date, U.S. District Judge Samuel Conti in San Francisco will determine whether the Secretary has substantially complied with the decree's requirements and the case should be dismissed or whether, in the alternative, the decree should be extended or other relief afforded.

AGENCY NEWS

PERIODIC REVIEWS WITH CENTRAL AND EAST EUROPEAN COUNTRIES

(CEEC'S) In the context of the President's Trade Enhancement Initiative (TEI), USDA has developed with other agencies a consultative process that permits the U.S. to inform the CEECs: (1) how our agricultural trade policies affect their interests; (2) of our efforts to minimize the impact of the Export Enhancement Program on their exports of agricultural products; and, (3) the assistance USDA can provide to CEEC's under the TEI.

DEBT REDUCTION UNDER THE ENTERPRISE FOR THE AMERICA'S INITIATIVE (EAI) AND PUBLIC LAW 480

In fiscal year 1991, P.L. 480 debt was reduced for Chile, Bolivia, and Jamaica. Uruguay, Columbia, and Costa Rica have been targeted for debt reduction under the EAI for fiscal 1992.

DEBT FORGIVENESS UNDER PUBLIC LAW 480, SECTION 411

The Administration has reached consensus on, and will announce soon, that the following nine countries are eligible for Section 411 debt forgiveness: Ghana, Kenya, Madagascar, Malawi, Mozambique, Tanzania, Uganda, Guyana, and Honduras.

SUGAR TARIFF RATE QUOTA

The global quota level and individual country allocations for sugar imports into the U.S. under the tariff rate quota in 1991/92 will be announced in mid-September. Imports of sugar under the tariff rate quota will be lower in 1991/92 than in 1990/91 because domestic production has recovered from weather related shortfalls. Sugar exporting countries (e.g. Caribbean and South American countries, the Philippines, and Australia, among others) are expected to express concern about the lower quota level.

TREE PLANTING AND FOREST STEWARDSHIP

ASCS will be cooperating with the Forest Service in implementing the Stewardship Incentive Program. This program will be a major part of the President's American the Beautiful tree planting initiative. ASCS county offices will be a local contact for

participating landowners and will provide administrative assistance to support the program.

CONSERVATION RESERVE PROGRAM (CRP)

USDA added 1.12 million acre's to the CRP from bids in the 11th sign-up conducted this summer. The national total is now 35.6 million acres enrolled. The 11th sign-up brought increases in acreage providing significant water quality benefits. Over 150,000 acres of land accepted in the sign-up will be retired in conservation priority areas of the Chesapeake Bay, Long Island Sound and the Great Lakes; and an additional 16,000 acres are in other targeted watersheds.

PRESIDENT'S AMERICA THE BEAUTIFUL - RECREATION FEE PROPOSAL

The America the Beautiful (ATB) Passport proposal is being finalized between the Departments of Agriculture and Interior, and OMB. This proposal would authorize admission fees at Forest Service and Department of the Interior recreation sites, and provide for the sale of an annual "America the Beautiful Passport" as a means of paying recreation fees. The ATB Passport proposal substantially incorporates the Administration recreation fee proposal and challenge cost-share proposal transmitted to the Senate and House of Representatives on May 15 and July 1, respectively.

RURAL DEVELOPMENT

The 1990 Farm Bill authorized the creation of a Rural Development Administration (RDA) which would usurp some of the program jurisdiction now held by the Farmers Home Administration. The Senate Agriculture appropriations bill contains report language which prohibits the Secretary from spending any monies on the RDA. Should this language survive the conference committee then there will be pressure from RDA supporters in the House for the Secretary to ignore the report language and start the program.

SIBERIAN LOGS

Recent concerns over endangered species' habitats and the cutting of old growth timber in the Northwestern United States have led to a shortage of logs and have depressed conditions for logging interests in that area. Importers in the Pacific Northwest are engaged in contracting for large-scale shipments of logs from Siberia. There are no specific regulations governing the entry of such logs. APHIS, the Forest Service, and State Departments of Agriculture are concerned about the possible pest risk posed by such shipments. APHIS is working with affected parties to develop a biologically and economically acceptable resolution to this issue.

PRESIDENT'S INITIATIVE ON RURAL DEVELOPMENT

State Rural Development Councils have been organized and are established in eight pilot states (Washington, Oregon, South Dakota, Kansas, Mississippi, Texas, South Carolina, and Maine). Several State Councils will be initiating rural pilot projects within the coming months. Kansas State Council has initiated a project to standardize loan

application forms for individual borrowers which involves the Treasury Department, Small Business Administration, Farmers Home Administration, Economic Development Administration, HUD Community Block Grant Administration and several Kansas State agencies. Plans for expansion into additional states are nearly complete with an anticipated expansion into 10-15 additional states in January, 1992.

The President's Council on Rural America has established an ambitious hearing schedule during October and November and is meeting regularly, with the goal of completing their report to the President by July, 1992.

OTHER

REA ELECTRIC AND TELEPHONE LENDING.

CBS News' "60 Minutes" is tentatively scheduled to air a feature on REA lending programs, focusing on the Agency's electric and telephone lending to various financially healthy borrowers.

REA CONFIRMATION HEARING

Should the Senate confirm current Rural Electrification Administrator Gary Byrne to a post on the Farm Credit Administration then the Administration will nominate a new REA administrator for the Senate Ag Committee to consider.

NEW ASSISTANT SECRETARY TO BE SELECTED

The Assistant Secretary for Science and Education has submitted his resignation to President Bush, to be effective September 30. A successor will be selected and the nomination submitted to the Senate by the President. An acting Assistant Secretary will implement the duties and responsibilities of the office until a successor is confirmed and the oath of office taken.



UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

September 13, 1991

MEMORANDUM FOR HONORABLE EDE HOLIDAY
ASSISTANT TO THE PRESIDENT
AND SECRETARY OF THE CABINET

FROM: Thomas J. Collamore
Chief of Staff and
Assistant Secretary

Subject: Fall Assessment 1991

I. HIGHEST PRIORITIES - SUMMARY LISTING

Support the North American Free Trade Agreement negotiations as chair of the work groups for automotive, insurance, standards and antidumping/countervailing duty measures.

Continue the national export initiative, under the auspices of the interagency Trade Promotion Coordinating Committee. Twelve conferences are planned between September 13 and the end of the year.

Continue to press Japan for improved market access in the auto/auto parts sectors through the Market-Oriented Sector-Selective (MOSS) follow-up talks and through review/implementation of APAC/Quayle Committee recommendations.

Continue to provide technical assistance for Eastern Europe.

Obtain multilateral consensus on export controls with respect to nuclear, chemical, biological and missile technology items. Redirect enforcement efforts to stem the diversion of proliferation items.

Announce the winners of the 1991 Malcolm Baldrige National Quality Award. The announcement is to be made by Secretary Mosbacher in early October, and the awards are to be presented by President Bush on October 29.

II. SURVEY OF KEY ISSUES

SECRETARIAL ACTIVITIES

September 16, 1991 - Secretary Mosbacher will attend the Rose Garden Ceremony with the President for the presentation of the National Medals of Technology and the National Science Awards.

September 16, 1991 - Secretary Mosbacher is scheduled to meet with President dos Santos of Angola who is in the United States to address the United Nations General Assembly. Items for discussion include the future of commercial relations between Angola and United States.

September 16 - 17, 1991 - Secretary Mosbacher will host Japanese MITI Minister Nakao for the MITI-DOC Dialogue. A series of meeting between policy makers from MITI and DOC designed to improve US-Japanese trade relations. The Secretary will participate in the opening and closing plenary session at the Department of Commerce. He will also host a luncheon for the Minister and members of his delegation.

September 17, 1991 - William C. Harrop, Ambassador-designate to Israel, will pay a courtesy call on Secretary Mosbacher.

September 18, 1991 - Secretary Mosbacher will meet with Mr. Michael Deland, Chairman of the White House Council on Environmental Quality and Frank Popoff, Chairman, DOW Chemical Company.

September 19, 1991 - Secretary Mosbacher will meet with Ann Windham Wallace, Director of the United States Office of Consumer Affairs, to discuss National Consumers Week.

September 19, 1991 - Secretary Mosbacher will travel to Chicago, Illinois to participate in the Ribbon Cutting Ceremony for the Hispanic Chamber of Commerce.

September 20, 1991 - Secretary Mosbacher is scheduled to have lunch with Ede Holiday.

September 23, 1991 - Secretary Mosbacher will meet with the United States Ambassador to Greece, Michael Sotirhos, to discuss a possible fall business development Mission to Greece.

September 23, 1991 - Secretary Mosbacher is scheduled to meet with Minister of Commerce Chidambaram of India to discuss India's economic and trade reform programs.

September 24, 1991 - Secretary Mosbacher will participate in the full session of the President's Export Council to discuss foreign market development, U.S. trade competitiveness, export promotion, export financing and export controls.

September 25, 1991 - Secretary Mosbacher will participate in the MED Week Rose Garden Ceremony with the President and speak at the MED Week Kick Off Luncheon.

September 25 - 27, 1991 - Secretary Mosbacher will travel to Birmingham, Alabama and Miami, Florida to participate in the National Export Initiative, continuing the theme of "Exports-Generating Jobs for Americans." On the evening of September 26th, the Secretary will travel to Dallas, Texas to speak at the Dallas Hispanic Chamber of Commerce Installation Banquet.

September 30, 1991 - Secretary Mosbacher will speak at the Oceanic and Atmospheric Management Advisory Committee Inaugural Meeting.

October 2, 1991 - Secretary Mosbacher will travel to Detroit, Michigan to participate in the National Export Initiative, continuing the theme of "Exports-Generating Jobs for Americans."

October 4, 1991 - Secretary Mosbacher will attend a luncheon hosted by German Ambassador Ruhfus honoring Dr. Reisenhuber, the German Minister for Research and Technology.

October 10-11, 1991 - Secretary Mosbacher will address the Telecom '91, the quadrennial International Telecommunications Union exhibition and conference in Geneva.

October 16, 1991 - Secretary Mosbacher will attend the 43rd Annual Honor Awards Ceremony at the Department of Commerce Auditorium.

October 16, 1991 - Secretary Mosbacher will host the US&FCS Advisory Committee Luncheon.

October 17 - 22, 1991 - Secretary Mosbacher will travel to Houston, Texas and Memphis, Tennessee to participate in the National Export Initiative, continuing the theme of "Exports-Generating Jobs for Americans."

October 25, 1991 - Secretary Mosbacher will attend a meeting of the Pension Benefit Guaranty Corporation Board hosted by Secretary Martin at the Department of Labor.

October 28, 1991 - Secretary Mosbacher is scheduled to meet with Park Tae-Joon, Chairman of Pohang Iron and Steel.

October 29. Secretary Mosbacher will host President Bush in a Department of Commerce ceremony to present the awards to the winners of the Malcolm Baldrige National Quality Award.

November 5 - 6, 1991 - Secretary Mosbacher will travel to Indianapolis, Indiana to participate in the National Export Initiative, continuing the theme of "Exports-Generating Jobs for Americans."

November 7, 1991 - Secretary Mosbacher is scheduled to participate in a meeting of the Industry Policy Advisory Committee (IPAC).

November 12 - 14, 1991 - Secretary Mosbacher will travel to Philadelphia, Pennsylvania and Baltimore, Maryland to participate in the National Export Initiative, continuing the theme of "Exports-Generating Jobs for Americans."

November 20 - 22, 1991 - Secretary Mosbacher will travel to Denver, Colorado and Los Angeles, California to participate in the National Export Initiative, continuing the theme of "Exports-Generating Jobs for Americans." While in Denver, the Secretary will participate in a fundraising reception for Colorado Republicans.

SIGNIFICANT PROBLEM AREAS

NOAA and the Department of Commerce continue to work with NASA and the Office of Management and Budget on the evaluation of the options to continue satellite coverage by the series of Geostationary Operational Environmental Satellites (GOES). The contractor for the satellite scheduled for launch in October 1992 has experienced significant technical problems and options have been under intense study. The GOES satellites provide data in support of the National Weather Service and a variety of other environmental data collection missions within NOAA. The current satellite is expected to run out of fuel in early 1993, and the Department has been evaluating the contingency plan developed by the National Environmental Satellite Data and Information Service in the event of a No-GOES situation.

NOAA's Next Generation Weather Radar (NEXRAD) Program, a program designed to replace obsolete and rapidly deteriorating radar equipment with modern units, has been plagued with procurement problems. A major factor in the procurement delay has been contract problems. Recently, significant progress was made in addressing this issue. On August 14, 1991, Secretary Mosbacher authorized a comprehensive settlement of NEXRAD contractual

issues between Department of Commerce's National Oceanic and Atmospheric Administration (NOAA) and the Unisys Corporation. The settlement is in two parts. Technical agreements on changes to technical requirements, the statement of work, and schedules were implemented on August 23, 1991, through a bilateral modification to the contract. This action reestablished the contract baseline for the NEXRAD program. Contractual implementation of these agreements is currently being negotiated. Agreement to changes in contract terms and conditions will be reached by October 30, 1991, and executed no later than December 31, 1991. These negotiations are on schedule. The comprehensive settlement includes provisions for design upgrades, technology infusion, and rescheduling FAA units to Alaska, Hawaii, and the Caribbean.

Since late fall, 1990, the Bureau of Export Administration has received Congressional and press inquiries about export licensing policy toward Iraq, and other countries on proliferation concern. Recent inquiries have focused on licensing policy toward Iran and Syria. Inquiries have focused on applications for items with chemical, biological or potential nuclear uses that were considered or licensed for shipment to end users of concern. The Department continues to respond to these inquiries in a manner fully coordinated with other concerned agencies and the White House.

The operations of the Office of Antiboycott Compliance (OAC) have recently been the subject of Congressional and media scrutiny. There have been hearings on the House side, and we anticipate similar hearings by the Senate this fall. Secretary Mosbacher has publicly committed to a number of initiatives to strengthen the OAC program. BXA will be focusing on implementing these initiatives and over the next several months.

Sixteen lawsuits have been filed against the Department of Commerce and the Census Bureau related to the 1990 census (52 were filed related to the 1980 census). Most are related to the issue of adjustment and the availability of adjusted data. Other issues include the congressional apportionment formula and census residence rules. The Census Bureau will be actively working with the Department of Commerce and the Department of Justice in responding to the suits.

INITIATIVES AND POLICIES UNDER DEVELOPMENT

Commerce/Labor Cooperation. Commerce is working with the Department of Labor to devise a joint strategy as part of an overall effort to help industry accelerate its transition to advanced production methods.

Strategic Partnerships Initiative. Administration approval and issuance of the Federal Register Notice/Rule (15 CFR Parts 19, 1160, 1170) of August 20, 1991, initiates a new activity by which the Technology Administration provides a forum for the private sector to discuss interests in establishing strategic partnerships, especially for the development and exploitation of large scale enabling technologies. This should lead to requests from the private sector for workshops hosted by Commerce.

Cooperation with the Department of Defense. During the next quarter, the Office of the Assistant Secretary for Technology Policy will continue its cooperation with the Department of Defense in exploring ways in which Flexible Computer-Integrated Manufacturing (FCIM) can assist in maintaining force readiness for a national emergency.

Export Controls. Press for multilateral adoption of new U.S. controls in the nonproliferation export area; continue to press for complete COCOM harmonization and adoption of the Common Standard of export licensing and enforcement so that a COCOM license-free zone can be implemented.

Technical Assistance for Eastern Europe. The International Trade Administration will select participants in the Consortia of American Business in Eastern Europe grant program. The grant program is one of six components of the new American Business and Private Sector Development Initiative for Eastern Europe and is designed to assist the U.S. business community increase its commercial presence in that area.

The International Trade Administration is working with the Agency for International Development and the OECD to evaluate existing healthcare needs in Eastern Europe and the Soviet Union, and to develop a set of proposals for development of an effective delivery system, financing and insurance.

NTIA continues to work with the Department of State's Office of Communications and Information Policy to provide spectrum management seminars in Poland and Bulgaria this fall. We are also working with the State Department to prepare for an International Telecommunications Union regional development conference in Prague this fall.

The USPTO will submit its fiscal year 1993-1997 Long-Range Plan to the Congress with the President's fiscal year 1993 budget submission.

LEGISLATIVE ACTIVITIES

Export Administration Act renewal: Under this act, the Department exercises jurisdiction over exports from the U.S. of dual-use goods and technology. Exports of these items are controlled for national security, foreign policy and short supply reasons. The Senate has already passed its version of the bill. The House Foreign Affairs Committee is expected to take action on their version sometime early this fall.

Export Promotion Reauthorization: The Export Promotion functions of ITA (US&FCS, TD, IEP,) will need to be reauthorized for FY 1992; however, Export Promotion reauthorization is part of the EAA.

Lead Exposure Reduction (S. 391/H.R. 2404, 1750, 1066, 1989): H.R. 1989, the American Technology Preeminence Act of 1991, contains provisions calling for NIST to develop technical criteria and standards and a voluntary laboratory accreditation program to detect lead in paint films, soil and dust. DOC/NIST is opposed to the inclusion of these provisions in the TA/NIST authorization bill, and will work to have these provisions dropped from H.R. 1989 during House-Senate conference.

American Technology Preeminence Act of 1991 (S. 1034/H.R. 1989): H.R. 1989, passed the House on July 16, 1991 by a recorded vote of 296-122. The Administration opposed the bill during floor action strongly objecting to the Technology Commercialization Loan Program which would authorize NIST to administer a program of loans to selected businesses in support specific of technology commercialization projects. Secretary Mosbacher notified House Science Committee Chairman George Brown (D-CA) of his opposition to the Loan Program, and stated that he would recommend to the President that he veto the legislation if the Loan Program remained in the final version.

NOAA Reauthorization: Legislation is pending in both the House and the Senate which would authorize appropriations for many of NOAA's programs. The Department is carefully reviewing portions of these bills which contain language placing additional restrictions on the Department's efforts to modernize NWS operations.

Clean Water Act Reauthorization: The Department is working with other agencies to develop comprehensive legislation to reauthorize the Clean Water Act. The Department is particularly interested in portions to strengthen research and monitoring activities that are needed to improve water quality.

USTTA Reauthorization: This would reauthorize USTTA which has not been authorized since 1981. A bill to reauthorize USTTA has passed the Senate Commerce Committee.

Economic Development Administration (EDA) Reauthorization: Additional bills are still expected to be introduced in the House to reauthorize EDA for Fiscal Years 1992, 1993, and 1994. The Administration opposes these bills.

U.S. Soviet Trade: Under fast-track rules both the House and the Senate will vote on a resolution of approval for the Agreement and a proclamation on MFN.

Steel VRAs: The Steel VRA program expires in March 1992. Currently, there are efforts underway within the industry and on the Hill to extend the VRA with legislation beyond the expiration date.

Defense Production Act: In August 1991, the President signed a short-term extension of the DPA lasting until September 30, 1991. The Banking Committee has ordered H.R. 3039 to be reported and will file a committee report next week. The legislation is expected to move to the floor in "short order" and to head into conference with the Senate shortly thereafter.

Spectrum Legislation: The Administration has proposed legislation that would reallocate 200 mhz of radio spectrum from Federal Government use to private commercial use and require the use of competitive bidding procedures for many commercial spectrum licenses. House and Senate hearings on the issue expected in late September/early October. We anticipate the Secretary soon will be invited to testify on Spectrum before the Telecommunications Subcommittee of the House Energy and Commerce Committee (Markey).

Modified Final Judgement (MFJ): The Administration supports legislation allowing the Regional Bell Operating Companies into manufacturing. The Administration will oppose the Senate-passed legislation because it includes domestic-content provisions. We expect the House to hold hearings on various versions of MFJ legislation in September-October.

Liability Risk Retention Act Amendments: The Secretary transmitted a proposed bill to the Congress in February that would provide an alternative insurance mechanism for commercial liability insurance coverage for businesses unable to find adequate insurance in the conventional market. The Department expects bipartisan introduction of this legislation in both the House and Senate in September.

USPTO Authorization: This would reauthorize the Patent and Trademark Office and modify the patent fee schedule. We expect Senate and House Judiciary Committee mark-ups in September-October.

Antitrust Relief for Joint Production Ventures: Senate Judiciary has approved legislation which would waive antitrust provisions for joint production ventures in order to make U.S. ventures more competitive. We expect this legislation to come to the Senate floor in September-October, and the Administration has transmitted a letter of opposition to the Hill, signed by five members of the Cabinet, because this legislation includes foreign participation restrictions.

Malcolm Baldrige National Quality Award Amendment: NIST's pending reauthorization legislation contains an amendment to the Malcolm Baldrige National Quality Improvements Act of 1987 (P.L. 100-107) to permit DOC expenditures on award-related activities.

Nominations: We anticipate that positions needing Senate confirmation during the remainder of the 102nd Congress will include: Under Secretary for Export Administration (Banking), Assistant Secretary for Export Enforcement (Banking), and Assistant Secretary for Import Administration (Finance), Assistant Secretary for Trade Development (Banking) and Chief Economist (Commerce). The latter, Chief Economist, will only require Senate confirmation if Congress passes Administration sponsored legislation elevating the position to the PAS level.

Product Liability: Commerce will continue to support reform of product liability insurance regulations, particularly for sector specific acts such as the General Aviation Accident Liability Standards Act introduced in the Senate last year.

REPORTS OR STUDIES

Industry Access to Japanese Science and Technology. The Technology Administration's Japan Technology Program continues its activities to increase U.S. industry access to Japanese science and technology. For example, it will release reports on Japanese developments in construction technology and opto-computing during the remainder of 1991. The new Directory of Japanese Technical Resources in the United States is planned for release at the end of the year.

International Technology Cooperation. The OECD's Technology Economy Program, a multi disciplinary project designed to develop an integrated and comprehensive approach to technology issues in the global economy, came to a successful conclusion with the adoption of its findings by the June OECD Ministerial meeting.

Action on these issues will be centered, in part, on the Science and Technology Policy Committee where TA expects to play a major role.

EC Communique Study Group. Secretary Mosbacher and EC Vice President Martin Bangemann have agreed to a series of trade studies concerning standards, testing, and certification to strengthen their two-year old ongoing dialogue on these matters.

A U.S. study group will examine, in concert with EC counterparts, issues related to international standards and to dissemination of standards information.

Technology Transfer Report. The Department of Commerce/Office of the Assistant Secretary for Technology Policy will produce for the President and Congress a report on Federal agency technology transfer activities.

Telecommunications Infrastructure Study. DOC/NTIA has completed a draft report on the state of the domestic telecommunications infrastructure and forwarded it to OMB for review and interagency approval. OMB and several outside agencies have responded with comments and suggested edits on the draft report. NTIA and OMB are in the process of meeting with the commenting agencies. We hope to have the report complete in a very few weeks.

Housing Study. By the end of September, we expect to complete the release of the "Summary Population and Housing Characteristics" reports on a state-by-state basis. These reports provide total population and housing unit counts as well as summary statistics on age, sex, race, Hispanic origin, household relationship, units in structure, value and rent, number of rooms, tenure, and vacancy characteristics for local governments, including American Indian and Alaska Native areas.

Population Study. In October, the Census Bureau will begin processing the "General Population Characteristics" (1990 CP-1) series on a state-by-state basis. This report, which provides detailed statistics on age, sex, race Hispanic origin, marital status, and household relationship characteristics, will be presented for states, counties, places of 1,000 or more inhabitants, minor civil divisions of 1,000 or more inhabitants in selected states, state parts of American Indian and Alaska Native areas, and summary geographic areas.

Report on Linkage Between Export and Jobs. By the end of November, the Economics and Statistics Administration plans to release an analytical report on U.S. employment attributable to U.S. merchandise exports. This is the fourth of these occasional reports published by the Department over the past decade. Key data from the series have been widely quoted by the Administration, Congress, the press and other.

The first annual report of the Secretary of Commerce on Foreign Direct Investment in the United States (FDIUS), required under the "Foreign Direct Investment and International Financial Data Improvements Act of 1990," was prepared by the Economics and Statistics Administration and will be submitted to the Congress in September 1991. Preparation for hearings on FDIUS are expected this Fall, and Secretarial level officials are likely to be asked to testify before the appropriate committees.

MEETINGS OR EVENTS

September 16. The National Medal of Technology awards will be presented by the President. The Secretary will assist the President. This White House ceremony will be followed by a press reception and luncheon at the Decatur House (1600 H Street). Other events scheduled include a dinner at the State Department. On September 24. The President's Export Council will meet to discuss work plans and issues relating to foreign market development, competitiveness, export promotion, export financing and export controls.

From September 24-27, National Minority Enterprise Development (MED) Week '91 Annual Conference co-sponsored by the Minority Business Development Agency, U.S. Department of Commerce, and the U.S. Small Business Administration will take place.

In October, the USPTO will co-host a program for Visiting Scholars, in association with the World Intellectual Property Organization. The program is to familiarize representatives from foreign countries with U.S. intellectual property practices.

On October 2-3, 1991, the Department will host the fourth annual exhibit on accessible computer technology (ACT IV) for people with disabilities.

October 8. Dedication of the Washington Forecast Office of the National Weather Service (with availability of demonstrations during the testing phase of the NEXRAD installation at that site), Sterling, Virginia. Mrs. Marilyn Quayle, and Mrs. Elizabeth Dole, head of the American Red Cross, are being invited to speak at that event.

October 14-18. Under Secretary of Commerce Dr. John A. Knauss heads the U. S. delegation to the United Nations Industrial Development Organization Ministerial Conference on Ecologically Sustainable Industrial Development, Copenhagen, Denmark.

From October 21-24, representatives from the USPTO will attend the 9th Annual Trilateral Conference in Tokyo, Japan, to discuss on-going activities between the European Patent Office, the Japanese Patent Office and the USPTO.

October 21. Officials from the United States Travel and Tourism Administration will attend the 1991 Travel Industry Association Conference. The outlook for 1992 is presented at this conference.

November 11-15. International Commission for the Conservation of Atlantic Tunas (ICCAT), twelfth regular meeting, in Madrid, Spain. The meeting will review the status of stocks of highly migratory fishes in the Atlantic. Driftnets and certification of bluefin tuna under CITES are expected to be issues.

December 2-3. OECD Joint Ministerial on Environment and Development, in Paris. Ministers will consider the integration of development and environment policies, with special reference to the June 1992 United Nations Conference on Environment and Development.

NEGOTIATIONS

North America Free Trade Agreement (NAFTA). The United States, having already entered into a Free Trade Agreement with Canada, is now participating in trilateral negotiations with Canada and Mexico towards establishing a North America Free Trade Agreement. The U.S. negotiating team is led by the Office of the U.S. Trade Representative (USTR). However, at the request of USTR, John Donaldson of NIST's Office of Standards Services has been asked to lead the team that is exploring standards-related issues. To date, several meetings of the full negotiating team have been held. The U.S. standards team is in the process of developing an issue paper that will be the basis for further negotiations. Progress reports may be issued from time to time subject to decisions of the USTR.

Lumber: Canada announced its intent to withdraw from the Memorandum of Understanding effective October 4. The USG is now formulating a response to what has become a major source of bilateral trade friction.

New Information Processing Technologies (NIPT). Japan agreed to negotiate possible international R&D collaboration in advanced computing under the auspices of the U.S.-Japan Science and Technology Agreement. A formal U.S. response is scheduled to be sent to MITI in October after Technology Administration hosts a workshop on September 25 with U.S. industry.

Science and Technology Agreements. Following on recent successes with the PRC, Indonesia, New Zealand, Venezuela, Mongolia and Czechoslovakia, negotiations are underway with Portugal, Brazil, Chile, Australia, the Philippines and Uruguay on Umbrella S&T Agreements. Negotiations will begin shortly with India and Turkey. Major outstanding issues include obtaining agreement to ensure proper protection of U.S. intellectual property rights.

Intelligent Manufacturing Systems (IMS). The Technology Administration is leading a U.S. effort under the U.S.-Japan S&T Agreement to negotiate international R&D collaboration in advanced manufacturing. Terms of Reference to begin a two-year feasibility study should be agreed to by the six participating regions by October. We are beginning the review of possible U.S. private sector delegates to the international Committees that will administer the feasibility study.

Machine Tool Voluntary Restraint Agreement (VRA): VRAs with Japan and Taiwan are due to expire on December 31, 1991. Industry is supporting extension of the VRA; the Administration has not yet formulated its position.

Airbus: There are two pending GATT actions on EC subsidies to Airbus: (1) a Subsidies Code Panel on the status of the German Exchange Rate Scheme (GERS), and (2) a GATT case on the general issue of government subsidies to Airbus. The Subsidies Code Panel has issued its preliminary facts report on the GERS and a final report is anticipated in mid-October. With regard to general government subsidies, a special meeting of the GATT Subsidies Code Committee has been scheduled for late September to discuss the U.S. request for conciliation.

Shipbuilding: Commerce is assisting in the USG's effort to conclude an agreement to limit subsidies and unfair pricing of ships before the end of the year. Meetings are scheduled for September and October 1991. An early and effective agreement will be necessary to forestall legislation submitted to Congress seeking unilateral U.S. action.

Multilateral Steel Agreement. The next set of negotiations are scheduled for September 30. Recently, progress toward an agreement has slowed due to the overlap of issues in steel and the Uruguay Round. Any effective agreement must be comprehensive and fully reflect the President's objectives under the Steel Liberalization Program.

Driftnet Fishing. On August 13, Secretary Mosbacher certified Taiwan and Korea under the Pelly Amendment of the Fishermen's Protective Act for violations of bilateral driftnet agreements. Within 60 days of certification, the Secretary will provide to the President a recommendation regarding embargoes on imports of fish products from Taiwan and Korea.

National Weather Service Modernization and Restructuring. Legislative interest in office closures remains high and amendments to the NOAA Authorization Act of 1991 have been offered that would limit the Secretary's and the Weather Services' ability to certify that offices can be closed.

The NOAA Reauthorization Legislation. A Senate bill (S. 1405) has been reported out of the Commerce Committee. Two counterpart bills have been introduced, H.R. 2130 in the House Merchant Marine and Fisheries Committee and H.R. 2011 in the Science and Technology Committee.

From November 11 to 18, USPTO representatives will participate in a meeting of the Working Group on the Application of the Madrid Protocol of 1989 (Fourth Session) in Geneva, Switzerland. The Protocol is concerned with the international registration of trademarks and service marks.

1992 World Administrative Radio Conference (WARC 92) . The FCC and DOC/NTIA are continuing to work to resolve their differences concerning the spectrum allocation for the satellite sound broadcasting and the complementary terrestrial service. The question may ultimately have to be resolved by the White House. The U.S. proposals for WARC '92 have been forwarded to the International Telecommunications Union (ITU) minus the DAB issue.

REGULATIONS

This fall, the Department of Commerce intends to revise regulations governing the take of sea turtles by shrimp trawlers. The revisions will enhance the conservation of threatened sea turtles by requiring the use of a Turtle Excluder Device (TED) on shrimp trawlers at all times and in all places.

By October 4, Commerce will publish final rules constituting a comprehensive revision of the regulations of the Foreign-Trade Zones Board. The new regulations will provide definitive criteria for reviewing proposed zone activity and improved procedures for decision making. They also include a more structured monitoring program.

The North Pacific Fishery Management Council (NPFMC) reapproved the position it had taken in June in allocating groundfish between onshore and offshore fishermen and will make a final recommendation for Secretary Mosbacher to review during September or early October. The Secretary will have 95 days from the date of submission to approve, amend, or reject the amendments.

Duty of Disclosure of Prior Art to the USPTO: On August 6, 1991, the USPTO published a notice of proposed rulemaking to modify the practice relating to the duty of disclosure. A public hearing has been set for October 8, 1991.

Publish final regulations implementing the President's Enhanced Proliferation Control Initiative (November-December).



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE SECRETARY

September 13, 1991

MEMORANDUM FOR EDE HOLIDAY
ASSISTANT TO THE PRESIDENT
AND SECRETARY OF THE CABINET

FROM: Stephen I. Danzansky
Chief of Staff

SUBJECT: 1991 Fall Issues Assessment

The following report summarizes key issues and activities at the Department of Education for September 15 to December 31, 1991.

I. HIGHEST PRIORITIES -- SUMMARY LISTING

1. Activities to implement the President's AMERICA 2000 education strategy and to create and sustain the national crusade.
2. House and Senate passage of AMERICA 2000 legislation. In the Senate, the Administration and the Senate Committee on Labor and Human Resources are continuing negotiations over the President's proposal and various counter proposals, including S.2, offered by the committee's majority leadership. In the House, the Administration is working with the Elementary, Secondary & Vocational Subcommittee on a separate proposal they have developed.
3. Reauthorization of the Higher Education Act. Both House and Senate are scheduled to mark-up and pass bills this fall.
4. Implementation of legislation enacted by Congress last year to exclude schools with high default rates (over 35%) from participation in the Guaranteed Student Loan program.
5. Reauthorization of the Office for Educational Research and Improvement; the bill is likely to be marked up on the same schedule as the HEA reauthorization.

II. SURVEY OF KEY ISSUES

SECRETARIAL ACTIVITIES

September 16.

The Secretary will address the Fortune Education Summit in the morning and attend the Republican National Hispanic Assembly Luncheon. The Secretary will meet with Colorado Governor Roy Romer to discuss AMERICA 2000.

The Secretary will announce a \$500,000 Department of Education grant to the National Academy of Sciences; the Academy's National Research Council will take the lead in developing new standards and assessments in math and science.

The Deputy Secretary will attend the Fortune Education Summit. He will also address a meeting of the Reserve City Bankers on business involvement in AMERICA 2000.

September 17.

The Secretary will meet with House Republican members of Postsecondary Education Subcommittee to discuss HEA authorization and subcommittee reauthorization. The Secretary will also attend a White House briefing for the Republican National Hispanic Assembly.

The Deputy Secretary will attend a Federal Coordinating Committee on Science, Education and Technology Breakfast. He will also appear in the PBS broadcast of the New American Schools Development Corporation Design Conference; the broadcast is a live, interactive teleconference to over 30 sites in the nation and uses parts of the September 13 Los Angeles conference.

September 19.

The Secretary will travel to Wilmington and Dover, Delaware, for the kickoff of DELAWARE 2000; while in Delaware he will attend a Delaware GOP fundraising breakfast.

The Deputy Secretary will address members of the SES at the Department of Labor Academy.

September 20.

The Secretary will travel to Burlington and Hindsburg, Vermont for the kickoff of VERMONT 2000. While in Vermont, he will address the Caledonia Republican Dinner in Concord.

September 21.

The Secretary will travel to Mackinac, Michigan, to address the Mackinac Republican Leadership Conference.

September 23.

The Secretary will travel to Orlando, Florida to address the Orlando Chamber of Commerce and attend a meeting of the school choice group, Floridians for Choice; Jeb Bush will also attend.

The Deputy Secretary will attend a meeting of the National Council on Education Standards and Testing.

September 24.

The Secretary will attend the Blue Ribbon Schools White House Ceremony.

The Secretary (T) and the Deputy Secretary will testify at a Joint Hearing on Science, Mathematics and Engineering Education.

September 25.

The Secretary will attend a Time Editorial Board Luncheon.

September 26.

The Deputy Secretary will address the Sunbelt Caucus on AMERICA 2000.

September 27.

The Secretary will travel to Raleigh, North Carolina for the NORTH CAROLINA 2000 kickoff; while in Raleigh, he will address the Governor's Business & Education Luncheon on AMERICA 2000.

The Secretary will address the Concerned Women for America on AMERICA 2000.

September 30.

Release of the first National Education Goals Panel report card. The Secretary will attend a meeting of the National Education Goals Panel. The Deputy Secretary will attend the third New American Schools Development Corporation Design Conference in Arlington, Virginia.

October 1.

The Deputy Secretary will speak to the American Business Conference on AMERICA 2000.

October 2.

The Secretary will travel to Chicago for the kickoff of CHICAGO 2000 (T).

October 3.

The Secretary will travel to Indianapolis, Indiana for the kickoff of INDIANA 2000; Mrs. Bush may accompany the Secretary (T).

The Deputy Secretary will speak to the Business Week CEO Symposium on AMERICA 2000.

October 4.

The Secretary and the Deputy Secretary will attend a meeting of the New American Schools Development Corporation at Camp David.

October 6-8.

The Secretary will attend the U.S./Mexico Border Conference in El Paso and Juarez, Mexico.

October 9.

The Secretary will travel to Vail, Colorado for the 75th Anniversary of the National Park Service and to Seattle, Washington for the Partners in Public Education dinner.

October 17.

Interior Secretary Manuel Lujan will travel to Alaska for the kickoff of ALASKA 2000.

October 18.

The Secretary will travel to Atlanta, Georgia for the kickoff of GEORGIA 2000; while in Atlanta he will address the Governor's Education Conference on AMERICA 2000.

The Deputy Secretary will attend a meeting of the White House Domestic Policy Council.

October 21.

The Secretary will travel to Pennsylvania for an education event with Dick Thornburgh (T).

October 22.

The Secretary will travel to Richmond, Virginia for the RICHMOND 2000 kickoff.

October 23.

The Secretary will meet with the Scholastic Editorial Board to discuss AMERICA 2000.

October 24.

The Secretary will travel to Massachusetts for the kickoff of MASSACHUSETTS 2000.

October 27.

The Secretary will travel to Des Moines, Iowa for the IOWA 2000 kickoff.

The Secretary will attend the October 27-28 Iowa Conference; the National Governors Association and Department of Education will sponsor this meeting that will review progress toward reaching the National Education Goals (with a special emphasis on AMERICA 2000).

October 28.

The Deputy Secretary will attend a meeting of the National Council on Education Standards and Testing.

October 30.

The Secretary will travel to San Antonio for the kickoff of SAN ANTONIO 2000 (T).

October 31.

The Secretary will travel to Alabama for the ALABAMA 2000 kickoff.

November 12.

The Deputy Secretary will speak at Florida A&M on AMERICA 2000.

December 16.

The Deputy Secretary will attend a meeting of the National Council on Education Standards and Testing.

INITIATIVES AND POLICIES UNDER DEVELOPMENT

Application for Federal Student Aid. The Department's office of Postsecondary Education is developing a simplified application for Federal student aid.

Fund For Innovation Grants. By September 30, the Office of Educational Research and Improvement, through the Fund for Innovation in Education, will award approximately \$7.5 million to 18 pilot projects to establish and operate Academies for School Teachers and School Leaders at the elementary and secondary levels, with emphasis placed on the core subject areas. This is an AMERICA 2000 initiative.

National Institute for Literacy. The Institute, established by Section 102 of the National Institute for Literacy Act of 1991 (P.L. 102-73), is authorized to enhance the national effort to eliminate the problem of illiteracy by the year 2000 by improving research, development, and information dissemination. The Department's Office of Educational Research and Improvement will support the Institute under the terms of an interagency agreement entered into by the Secretaries of Education, Labor, and Health and Human Services.

National Education Commission on Time and Learning. This Commission, established by Section 102 of the Education Council Act of 1991, will examine the quality and adequacy of the study and learning time of elementary and secondary students in the U.S. Issues to be examined include the length of the school day and year, the extent and role of homework, how time is being used for academic subjects, year-round professional opportunities for teachers and the use of school facilities for extended learning programs.

The U.S./Mexico Border Conference on Education. Hosted by Secretaries of Education Alexander and Manuel Bartlett, the meeting is being convened to improve education on both sides of the border. The conference will focus on teacher exchanges in the teaching of Spanish and English, teacher training, science and mathematics education, migrant education, literacy, dropout prevention, technical education, faculty and student exchange, continuing education and educational technology. Approximately 300 education officials and corporate representatives will attend.

Secretaries Alexander and Bartlett will sign an annex to the U.S./Mexico Memorandum of Understanding on Education. New areas of cooperation will include certification for students migrating back and forth across the border, cooperation on the prevention of dropouts and cooperation in the field of environmental education.

SIGNIFICANT PROBLEM AREAS

Single Race and/or Single Sex Schools or Classes. The Office for Civil Rights has received two letters of complaint on this issue. In light of the widely publicized recent court decision on the case of the Detroit School District, and the apparent proliferation of these schools and classes, there is likely to be continued public attention to this issue.

Student Financial Aid Programs in Which Race, Color, or National Origin is a Factor. This issue generated extensive interest from Congress, media and advocacy groups. We anticipate continued interest in this issue, especially after the proposed policy guidelines are released (see Washington Legal Foundation v. Alexander).

Asian American Reviews and Affirmative Action. Several of the pending compliance reviews addressing whether Asian Americans are being discriminated against are implicating affirmative action programs favoring other minority groups. The Office for Civil Rights will complete a compliance review of Boalt Hall School of Law and the School of Optometry of UC Berkeley, as well as resolving the violation finding in the UCLA Mathematics Department (graduate program).

Middle States Association Review. Department will determine whether the Middle States Association should be recognized in light of its application of self-styled "diversity" standards. The Advisory Committee will meet in mid to late November.

LEGISLATIVE ACTIVITIES

AMERICA 2000. The President's bill was transmitted to Congress on April 23, 1991. Thus far, most of the early action on the Administration's new bill containing AMERICA 2000 proposals has been in the Senate. There, the bill was introduced by the bipartisan leadership of the Senate Labor and Human Resources Committee and was the subject of one hearing, at which the Secretary testified. The Democrats, led by Chairman Kennedy, have attempted to combine AMERICA 2000 with S.2, a bill introduced as an attempt to come up with a Democratic alternative to the President's proposals, as well as with a number of other Democratic proposals sponsored by Senators Kennedy and Pell.

Some of the major Democratic proposals added to the bill include: two additional national goals, a public school choice demonstration program, the creation of a new education goals panel, a school restructuring program first put forth by the Chief State School Officers, a comprehensive services program, national teacher academies, a new national teacher corps, and many smaller programs.

The Department and OMB have participated in a number of negotiation sessions with key bipartisan Committee staff, and consensus has been reached on many provisions in the bill. However, the Administration has informed the Committee that there are four major provisions remaining in the bill that are completely unacceptable and would likely result in a veto. They are: the National Education Goals Panel, the lack of private school participation in the choice and New American Schools programs, the failure to provide FY92 funding for the New American Schools, and the inclusion of a comprehensive services program that may allow abortion counseling on school premises. As a result of these disagreements, mark-up of the bill has been postponed a number of times to allow both sides more time to negotiate.

In the House, our AMERICA 2000 bill was introduced by House Republican Leader Bob Michel (R-IL) and House Education and Labor Committee Ranking Republican Bill Goodling (R-PA), along with a total of 64 cosponsors, all of whom are Republicans. The House Elementary, Secondary, and Vocational Education Subcommittee (Kildee) has held 3 hearings, at one of which the Secretary testified. On September 12, Congressmen Kildee, Ford, and Goodling introduced legislation titled "The Better Education for All Students Act." This legislation has been developed in response to AMERICA 2000 legislation, and will likely be the subject of a hearing early next week. The Committee will try to be on a fast track with this bill, and will attempt to mark it up within the next 6 weeks or so. In general, their proposal has generated some positive interest at the Department, though we have some serious concerns that must be addressed in order to obtain Administration support. In summary, both the House and Senate may pass AMERICA 2000 legislation before Congress adjourns for the year sometime around Thanksgiving.

Reauthorization of the Higher Education Act. The Administration's bill was transmitted to the Hill on June 5, 1991. Since that time, the House Postsecondary Subcommittee has held over 30 hearings, 10 of which had a Department witness testifying. The Senate held 19 hearings, one of which had a Department witness. During the August congressional recess, bipartisan Committee staff in both the House and Senate began to draft legislation that is scheduled to be considered on the Subcommittee level in both Houses in late September or early October. Full Committee action is expected shortly thereafter, with the goals of both Houses to pass a bill before Congress adjourns for the year. Conference action is expected in early 1992.

While the expressed goal of the Committee leadership in the House and Senate is to pass a bill that receives bipartisan support, there are likely to be some key areas of disagreement between Congress and the Administration. Some of the most contentious issues will be: whether or not to have a direct loan program; expansion of student aid eligibility to middle class students

versus targeting aid to the lowest income students; whether to make the Pell grant program an entitlement; increasing grant awards and loan borrowing limits; changes to the Department's accreditation system; and setting minimum academic standards for federal student aid eligibility.

In addition, in late September or early October, decisions will likely be made by the Secretary on both the Middle States Accrediting Agency and Minority Scholarship issues. Depending on the Secretary's decision, both of these issues could become problem areas during the reauthorization. Finally, there are a number of higher education legislative proposals that the Department is currently discussing with OMB that may impact the final HEA bill produced by Congress.

Reauthorization of the Rehabilitation Act of 1973. The Department's proposed draft for reauthorization was forwarded to OMB for review on August 15.

OERI Reauthorization. The Department's OERI reauthorization was transmitted to Congress on August 19, 1991. Both the House and Senate held two hearings each, one each of which featured a Department witness. The OERI reauthorization is likely to be marked up on the same schedule as the HEA reauthorization, and both bills are likely to be combined for floor consideration before Congress adjourns for the year.

Some of the major issues to be considered include: establishing research priorities and a long-range research agenda; creation of an independent board to determine a research agenda; creation of independent institutes to do research and development activities; the role and structure of the National Assessment of Educational Progress (NAEP); and improving dissemination of products of researchers in a usable form to the consumers of the research including education, parents and students.

REGULATIONS

Family Educational Rights and Privacy Act (FERPA). In August, the Senate passed H.R. 2312, which contains an amendment to FERPA to permit campus law enforcement units to publicly release records that have been created by a law enforcement unit for a law enforcement purpose. Another version, H.R. 2313, makes certain technical and conforming amendments to the Follow Through Act and Head Start Transition Project Act. The House version, which passed in June, did not contain language amending FERPA and the Senate has requested a conference to work out the differences in H.R. 2312. Should an agreement be reached concerning the two bills, the Family Policy Compliance Staff expects to begin work this fall on amending the FERPA to reflect the changes made to FERPA as a result of this legislation.

REPORTS OR STUDIES

October

AMERICA 2000: Creating New American Schools. The Department is preparing a directory of research and practice across a wide range of topics including early childhood education, five core subject areas, assessment, magnet schools, and dropout prevention. The purpose of the directory is to provide information to educators, parents, and community leaders on the latest thinking in a particular subject, examples of promising projects that are being tried, and where to go for assistance.

The directory is a starting point for AMERICA 2000 communities and others interested in improving education to look for new ideas and find out who is doing what.

Indian Nations At Risk. The report of the Indian Nations at Risk task force which calls for comprehensive strategies to improve the education of Native Americans, is now in final draft. In consultation with the White House and the Secretary of the Interior, a decision must be made soon about the release of the report. Former Education Secretary Ted Bell and former Alaska Commissioner of Education William Demmert are Co-chairs.

Trends in Academic Progress. OERI will release this NAEP report providing trend data in science (1969-1990), mathematics (1973-1990), reading (1971-1990), and writing (1984-1990).

December

NAEP. In December 1991, OERI will release 1990 NAEP assessments in mathematics on the use of calculators and computers in American classrooms.

MEETINGS or EVENTS

Fall Meeting of the National Advisory Council for Accreditation and Agency Evaluation in mid to late November.

The President's Board of Advisors for Historically Black Colleges and Universities will hold its last meeting of 1991 in early December.

COURT DECISIONS/LITIGATION

Tipton v. Secretary of Education. A Federal District Court decision allowed students to invoke a West Virginia consumer protection law as a defense to their Guaranteed Student Loans. Banks are concerned that this decision will threaten their

protection under their government guarantees, because of trade school inadequacies. Resolution of issues raised by this case -- specifically lender liability where there is misconduct by an educational institution is being handled by the Office of the General Counsel.

Washington Legal Foundation v. Alexander. The case involves the issue of the legality of race-specific scholarships and is presently pending before the U.S. District Court for the District of Columbia. Oral argument on OCR's motion to dismiss was heard on August 22, 1991. The Department will continue working on this case if it is not dismissed.

Garrett v. School District of the City of Detroit. On August 16, 1991 the U.S. District Court for the Eastern District of Michigan granted a preliminary injunction holding that the exclusion and/or discouragement of girls from applying and attending the public school Male Academies (an all male African American school) violates the Equal Protection Clause of the Fourteenth Amendment to the U.S. Constitution, Title IX of the Education Amendments of 1972, the Equal Educational Opportunities Act and the Michigan state constitution and statutes.

United States v. Mabus. Mississippi's brief in this higher education desegregation case was due September 6, and the government's reply brief is due October 7. Oral argument before the Supreme Court will probably occur in November.

Freeman v. Alexander. The General Counsel's office is awaiting a decision by the Eleventh Circuit on a challenge by the DeKalb County, Georgia School District to the Department's termination of all financial assistance to the district based on its noncompliance with Section 504 of the Rehabilitation Act. The Department expects this issue to be decided by the Supreme Court.

Church-State litigation. The General Counsel will be assisting the Department of Justice in several cases involving the constitutionality of Chapter 1 and Chapter 2 services to private school children. The Sixth Circuit is expected to issue a decision soon in Barnes v. Cavazos (constitutionality of Chapter 1 services to private school children), and the Supreme Court will be hearing argument next term in Lee v. Weisman (constitutionality of invocation and benediction given at public middle school graduation ceremony).

OTHER

See attachment: AMERICA 2000 Field Report.

CLOSE HOLD

AMERICA 2000 FIELD REPORT
September 12, 1991

I. STATE 2000 KICKOFF COMPLETED

<u>State</u>	<u>Governor</u>	<u>Kickoff Date</u>
COLORADO	Roy Romer (D)	June 17, 1991
WYOMING	Mike Sullivan (D)	June 21, 1991
OREGON	Barbara Roberts (D)	August 22, 1991
AMERICAN SAMOA	Peter Coleman (R)	August 30, 1991
MAINE	John McKernan (R)	September 3, 1991
MARYLAND	William Schaefer (D)	September 5, 1991
NEBRASKA	Ben Nelson (D)	September 5, 1991
MINNESOTA	Arne Carlson (R)	September 12, 1991

II. STATE 2000 KICKOFF SCHEDULED

<u>State</u>	<u>Governor</u>	<u>Kickoff Date</u>
DELAWARE	Michael Castle (R)	September 19, 1991
VERMONT	Howard Dean (D)	September 20, 1991
NORTH CAROLINA	James Martin (R)	September 27, 1991
INDIANA	Evan Bayh (D)	October 3, 1991
ALASKA	Walter Hickel (I)	October 17, 1991
GEORGIA	Zell Miller (D)	October 18, 1991
MASSACHUSETTS	William Weld (R)	October 24, 1991
IOWA	Terry Branstad (R)	October 27, 1991
ALABAMA	Guy Hunt (R)	October 31, 1991

In addition to these 17 states or territories, the governors of 27 other states or territories are at work planning State 2000 efforts. It is expected that many of these may be ready for a public kickoff during the Fall. Hundreds of AMERICA 2000 Community organizations are being formed -- from San Antonio to Cincinnati and from Memphis to Tucson -- including efforts in virtually every state.



Department of Energy

Washington, DC 20585

September 18, 1991

MEMORANDUM FOR THE HONORABLE EDE HOLIDAY
ASSISTANT TO THE PRESIDENT
AND SECRETARY TO THE CABINET

FROM: POLLY L. GAULT
CHIEF OF STAFF

RB for Polly Gault

SUBJECT: 1991 FALL-WINTER ISSUES ASSESSMENT

The following report summarizes key issues and activities at the Department of Energy for September to December 31, 1991.

I. HIGHEST PRIORITIES -- SUMMARY LISTING

Energy

- Implementation of the National Energy Strategy, including pursuit of NES legislation¹. (PE)
- Alternative Motor Fuels Act of 1988 implementation, including implementation of the President's Executive Order to expand Federal purchases of alternative fuel vehicles, in coordination with the Interagency Commission on Alternative Motor Fuels and with the support of the U.S. Alternative Fuels Council. (PE)
- Work with the National Petroleum Council (NPC) to complete a long-term refinery study, with emphasis on issues related to Title II Clean Air Act Amendments implementation. (PE)
- Negotiate the energy section of the North American Free Trade Agreement. (IE)
- Develop the energy provisions for the European Energy Charter. (IE)
- Prepare Asia Pacific Economic Cooperation (APEC) energy issues for November APEC Ministerial. (IE)
- Pursue uranium enrichment restructuring legislation. (NE)
- Initiate survey of U.S. industry "lessons learned" from last year's Gulf Crisis and International Energy Agency issues. (IE)
- Implementation of the Clean Air Act Amendments of 1990, especially acid rain regulations. (PE)

¹ The most recent memorandum to Ede Holiday on upcoming scheduled and proposed NES events, and other NES matters, is attached for reference.

- Develop an international energy position paper for the U.S. delegation to the preparatory committee for the UN Commission on Environment and Development. (IE)

Defense

- Savannah River - Restart of K-Reactor. (DP)
- Rocky Flats - Resumption of plutonium operations in Building 559. (DP)
- Implement the Threshold Test Ban Treaty (TTBT). (DP)
- Complete the review of projected inventory levels and uses for excess highly enriched uranium. (DP)
- Prepare the PEIS for Reconfiguration of the weapons complex. (DP)
- Establish a schedule for completion of the site-wide EIS for the Rocky Flats Plant and follow through to completion. (DP)
- Issuance of Final Environmental Impact Statement for Siting, Construction, and Operation of New Production Reactors (NPR) Capacity. (NP)
- Issuance of Record of Decision for NPR. The Secretary will choose a technology (heavy water reactor, light water reactor, or modular high-temperature gas-cooled reactor) and a site (Hanford, Idaho National Engineering Laboratory or Savannah River). (NP)

Environment

- Commencement of Test Phase with transuranic waste at the Waste Isolation Pilot Plant (WIPP), located near Carlsbad, New Mexico, preferably aided by the enactment of legislation which would permanently withdraw the land on which the facility is located from the public domain. (EM)
- Pursue legislation included in the National Energy Strategy (NES) to conduct unobstructed site characterization of the Yucca Mountain, Nevada, candidate site for a high-level radioactive waste repository, and to de-link the schedules for the construction of a Monitored Retrievable Storage facility and the repository. (RW)
- Continue to work with DOE Program and field offices, the EPA and other regulatory agencies to resolve Federal facilities environmental compliance issues. (EH)
- Reauthorization of the Resource Conservation & Recovery Act (RCRA), including both federal facilities and general energy industry issues.
- Complete the DOE response to the Occupational Safety and Health Administration Evaluation of the DOE's Occupational Safety and Health Program for its Government-Owned Contractor-Operated (GOCO) Facilities. (EH)

- Activities to prepare for the 1992 UN Conference on Environment and Development (UNCED). (PE)
- Evaluation and resolution of safety issues associated with the storage of high-level radioactive waste (HLW) in underground tanks at Hanford and other DOE sites. (EM)
- Development of a strategy to support a DOE position on the disposal of hazardous wastes potentially contaminated with radioactive materials at commercial treatment, storage, and disposal facilities. (EM)
- Initiate cooperation with the EC and others through the International Atomic Energy Agency (IAEA) on nuclear safety assistance to Bulgaria. (IE)
- Implement program for U.S. participation in international programs to improve the safety of Soviet-designed VVER 440/230 nuclear reactors. (NE)

Science and Technology

- Activities associated with the Third and Fourth Negotiation Sessions on Climate Change Framework Convention. (PE)
- Implementation of DOE's Enhanced Technology Transfer Program. (PE)
- Implementation of Secretary of Energy Notice (SEN) 33-91 on the Science and Technology Advisor's organization and science and technology responsibilities within DOE. (PE)
- Continue working with the DOE National Laboratories on Infrastructure Revitalization. (ER)
- Continue Superconducting Super Collider (SSC) R&D and construction activities and, particularly, pursuit of international collaboration for the SSC. (ER)(IE)
- Expand the Human Genome Program and continue to work with the National Institutes of Health to establish a large public database of human chromosomes, to exchange information, and to pursue international collaborations. (ER)
- Continue emphasis on Math, Science and Engineering Education activities. (ER)
- Continue negotiations on the Engineering Design Activities phase of the International Thermonuclear Experimental Reactor. (ER)
- Develop an overall policy and negotiate an agreement with respect to energy, R&D and trade relations with the U.S.S.R. and its major individual republics. (IE)
- Continue negotiations of a Framework Agreement on Global Climate Change through International Negotiating Commission. (IE)

- The EPA will issue regulations implementing the Acid Rain title of the Clean Air Act Amendments of 1990. FE is working with PE to ensure that these regulations take into account our concerns. (FE)

II. SURVEY OF KEY ISSUES

A. SECRETARIAL ACTIVITIES

- September The Secretary will announce the appointment of a new BPA Administrator. (CE)
- September The Deputy Secretary of Energy is planning to lead a delegation to Canada to begin formal talks with the Government of Canada regarding possible Canadian participation in the Superconducting Super Collider. (ER)
- Sept 16-18 The Secretary will lead the U.S. Delegation to the 35th General Conference of the International Atomic Energy Agency (IAEA) in Vienna, Austria. (IE)
- Sept 30 The Secretary will meet with the Chairman of the French Atomic Energy Commission, Phillipe Rouvillois, in Washington, D.C. (IE)
- Early Oct The Secretary will meet with German Minister of Research and Technology Heinz Riesenhuber in Washington, D.C. (IE)
- October The Secretary may participate in an October joint press conference with the President of the National Association of Manufacturers (NAM) to announce an energy efficiency brochure jointly produced by DOE and NAM which will be sent to CEO's of NAM's 13,000 plus member companies. (CE)
- October The Secretary will announce which sites will be considered for further evaluation as candidates for the relocation of the functions of the Rocky Flats Plant. This is part of the Programmatic Environmental Impact Statement (PEIS) for the Reconfiguration of the Nuclear Weapons Complex. The candidate sites will also be evaluated for potential consolidation of nuclear weapons activities currently being conducted at the Oak Ridge Y-12 Plant and the Pantex Plant. (DP)
- Oct 25 The Federal Energy Efficiency Awards will be presented by the Secretary to Federal personnel around the world at a ceremony at the Russell Senate Office Building in Washington, D.C. (CE)
- Oct 27-30 The Secretary may participate in the American Gas Association's annual meeting to encourage the use of natural gas as an economical, environmentally sound alternative transportation fuel, and to commend the AGA's Education 2000 initiative (tentative). (PE)
- Oct 30 The Secretary is expected to present the Sadi Carnot and John Ericsson awards for outstanding contributions in energy efficiency and renewable energy. Each award consists of a gold medal and check for \$10,000. (CE)

- November/
December The Secretary will sign the Agreement for the International Thermonuclear Experimental Reactor engineering design activity (EDA) with senior officials from the European Communities, Japan and the U.S.S.R. (IE)
- Dec 3-5 The Secretary may participate in the NASA 2001 Conference (tentative). (PE)
- Mid-Dec The Secretary will issue the draft Program Opportunity Notice for Round 5 of the Clean Coal Technology Program. (FE)

B. INITIATIVES AND POLICIES UNDER DEVELOPMENT

NIPER Recompensation. Efforts to develop the RFP for the NIPER recompensation are on schedule; solicitation for M&O contract utilizing NIPER facilities on track for release mid to late Fall 1991. (FE)

Class 2 Oil Reservoir Workshops. Regional workshops on NES-Advanced Oil Recovery Program Class 2 reservoirs to be held in November and December to provide information on research, development and demonstration projects aimed at increasing producibility in shelf carbonate reservoirs, and to receive public input and comments on the program. (FE)

Clean Coal Technology for Poland. Initiation of the Krakow Clean Coal and Energy Efficiency Project is planned for September 1991. Pilot-scale tests in Krakow will follow soon thereafter. (FE)

NPOSR/CUW M&O Contractor Recompensation. Decision was made to recompile the contract which was scheduled to expire on September 30, 1991, rather than extend the contract for another 5 years. Because of delays in publishing the RFP caused by the desire to incorporate the new DOE rulemaking provisions, the contract is being extended 6 months with the option for another six month extension. The Source Evaluation Board will review the proposed RFP in September. It is anticipated that the recompensation process will be completed in July 1992 with the new contract being effective October 1, 1992. (FE)

NPOSR Revolving Fund. Responding to guidance from The Secretary to implement more responsive and business-like management of the Naval Petroleum and Oil Shale Reserves, program staff will prepare and coordinate Departmental review of an initiative to expand the use of a revolving fund mechanism. This would utilize the substantial revenues generated by the program to fund future operations (similar to a revolving fund currently being used to fund the Naval Oil Shale Reserves Gas Protection Program) and would include operations at the Elk Hills and Teapot Dome oil fields. (FE)

Financial and Project Management Improvement Program. The Secretary established this program to improve the Department's business management practices through increased DOE involvement in the contract administration and oversight of our management and operating contractors and to establish greater fiscal accountability with the Department. A comprehensive plan

has been developed to fix the cost control and financial management problems which have been identified in our major construction programs. Implementation of these business management initiatives has already begun and will continue throughout the Fall. (PR)

Revision of DOE Contractor Occupational Health Program Order. Develop revised order to establish clear, unambiguous, requirements for DOE contractors that are equivalent to Occupational Safety and Health Administration (OSHA) regulations. (EH)

New Production Reactor EIS. Issue the NPR EIS in the Fall of 1991 and the Record of Decision (ROD) in December 1991. (EH)

Improve Energy Efficiency in Public Housing. Under the DOE-HUD Initiative, begun in 1990 and supported in the NES, we will be selecting pilot projects to apply DOE's energy-saving technologies to HUD-supported public housing in Boston, Kansas City, and Spokane. We expect to be able to announce one or more of these projects during this period. (CE)

DOE CRADA for Ethanol Production. DOE will sign a CRADA with a major oil company for innovative ethanol production development using technology developed at SERI. (CE)

EPA Certification for Ethanol Diesel Engine. Detroit Diesel Corporation (DDC) will receive EPA certification for the first heavy diesel engine using ethanol as fuel. The technology to develop this engine was funded, in part, by DOE. DDC recently received EPA certification for its heavy duty methanol engine at a ceremony involving DOT Secretary Skinner and DOE Deputy Secretary Moore. (CE)

Limits for below/above regulatory control of DOE radioactive waste. Development of a strategy to support a DOE position on the disposal of hazardous wastes potentially contaminated with radioactive materials at commercial treatment, storage, and disposal facilities. (EM)

Development of "model" compliance and clean-up agreement provisions. Continue process with the Environmental Protection Agency (EPA) to develop standardized provisions for inclusion in negotiated cleanup and compliance agreements to assure consistency/conformity with Administration policies. (EM)

Implementation of Quality Assurance Program. Development of the Office of Environmental Restoration and Waste Management Quality Assurance Program will be completed by December 15, 1991. An effective QA Program, which complies with applicable regulations and industry standards, is vital to build public confidence in the DOE's ability to manage environmental restoration and waste management activities. (EM)

Science and Technology Advisor (STA). This new function for the Director of Energy Research will provide a high-level focus for the Department's scientific missions, including the overall vitality of the DOE laboratories. The STA will provide the Secretary with impartial technical

advice on R&D activities and coordinate cross-cutting science and technology issues, e.g., technology transfer and education. The STA will develop overall policies and uniform processes for institutional planning by the laboratories with emphasis on clear mission assignments and the development of core competencies, work by the laboratories for non-DOE sponsors, laboratory appraisals and self-assessments, and laboratory directed R&D. (ER)

Advanced Materials and Processing Initiative. The Federal Coordinating Council for Science, Engineering and Technology (FCCSET) Committee on Materials has completed the review of the agency submissions under the Advanced Materials and Processing Crosscut. DOE has a total of 27 projects valued at \$0.6 billion: 5 from Defense Programs, 3 from Conservation and Renewable Energy, 1 from Fossil Energy, 2 from Nuclear Energy, 1 from Environmental Restoration and Waste Management, and 15 from Energy Research. FCCSET will be briefed on the Advanced Materials and Processing Crosscut and it will be submitted to the Office of Management and Budget (OMB) in September. (ER)

Whistleblower Protection. A Notice of Proposed Rulemaking that would establish a program to provide protection against employment reprisals for DOE contractor and subcontractor employees who provide information regarding violations of law or regulation, or evidencing waste, fraud, and abuse, was published on March 13, 1990. Following a 60-day comment period, the Department drafted a final rule that considered all comments and incorporated appropriate changes. A task force was subsequently established to reevaluate the draft final rule. The Department of Labor provided comments regarding the proposed whistleblower rule, pursuant to a request from the Secretary to review the Department's health and safety activities. A final rule is expected to be issued by December, 1991. (GC)

Personnel Security Assurance Program. The final rule, which includes drug testing, medical, and security components for certain individuals in sensitive positions involving access to special nuclear material, was issued on March 8, 1991. However, the drug testing component could not be implemented until technical protocols and guidance were also issued. To that end, on March 8, 1991, a notice of proposed rulemaking to amend the rule was also published. Four comments to the proposed rule were received and reviewed, and appropriate revisions made. A draft final rule has been prepared, and is being reviewed within the Department. A final rule is expected to be published this fall. (GC)

Personnel Assurance Program. A notice of proposed rulemaking (NOPR) is being prepared to formalize the Personnel Assurance Program, a long-standing health and safety program that establishes the requirements and responsibilities for screening, selecting, and evaluating employees assigned to nuclear explosive duties. The NOPR includes within its components drug testing, medical evaluation, and security evaluation. It is expected that the NOPR will be issued before the end of 1991. (GC)

Financial Management Training Program. The first steps have been completed and a formal steering committee has been established. All Field offices are being surveyed to obtain information on current training budgets, training needs not being satisfied, training courses which have proven beneficial, and other successful developmental activities. In addition, other agencies and organizations will be surveyed to identify successful training and developmental programs. (CR)

FERC Mega NOPR. On July 31, 1991, FERC issued a Notice of Proposed Rulemaking on Pipeline Comparability and Rate Design (the Mega-NOPR). Comments are due September 30. DOE will likely file comments on general policy issues raised by the Mega-NOPR and its consistency with the NES. (GC)

Energy Assistance to Eastern Europe. The Agency for International Development (AID) has received Congressional approval to transfer \$2.9 million to DOE for FY 1991. Implementation of projects by DOE's Office of Fossil Energy, Office of Nuclear Energy, and Office of Conservation and Renewable Resources will be initiated, involving a dozen projects in five countries. Using the DOE approval strategy for Eastern Europe assistance, a new group of assistance projects is being prepared for FY 1992 funding. (IE)

Space Exploration Initiative. Joint DOE, National Aeronautics & Space Administration (NASA) and Department of Defense planning activities are underway in nuclear propulsion research and development to support the President's Space Exploration Initiative. Negotiations are also taking place among the three agencies on a Memorandum of Understanding for nuclear propulsion activities. (NE)

DOE Industrial Hygiene Standard for Beryllium. Develop and issue an Industrial Hygiene Standard for Beryllium to honor the Secretary's public commitment to control DOE worker's exposure to this toxic substance. (EH)

Environmental Restoration and Waste Management Programmatic Environmental Impact Statement (EIS). Prepare an Implementation Plan for the programmatic EIS, based on input received during the public scoping period. (EH)

Weapons Complex Reconfiguration Programmatic EIS. Prepare an Implementation Plan for the programmatic EIS, based on input received during the public scoping period. (EH)

Mexico-U.S. Renewable Energy Cooperation. Under the umbrella of the Committee on Renewable Energy Commerce and Trade (CORECT), DOE is initiating this Fall a relationship with other Federal and international agencies to support the development of a sustainable rural electrification program incorporating decentralized and grid-connected renewable energy systems in Mexico. (CE)

Western Energy Planning and Management Program. Western Area Power Administration (Western) has proposed a two-part Energy Planning and Management Program that more directly ties allocation of hydroelectric resources to long-term planning and efficient use of electric energy by customers. More than 2,200 public comments were received on the program. Implementation is scheduled for 1993. (CE)

Endangered Species Act Activities. The Northwest Power Planning Council (NWPPC) has initiated a three-phase process to amend its Columbia River Basin Fish and Wildlife Program. This action came in response to Senator Hatfield's charge that the Council develop a long-term salmon management plan that could be used by all relevant parties to develop a comprehensive long-term strategy addressing the salmon situation. By November, the NWPPC hopes to achieve consensus on long-term actions to rebuild critical Northwest stocks. (CE)

Sharing technology. Develop a departmental initiative to share technology and expertise in environmental remediation and safety matters with East European and former Soviet States. (DP)

Human Genome Initiative. DOE, together with the National Institutes of Health (NIH), supports this nation's research and development in the rapidly growing international effort to analyze the human genome at the molecular level. The major product of this project will be data describing the structure of the human chromosome. Vast amounts of such new data contributed by investigators around the world will be stored in large public databases for use by the scientific community. To this end, DOE and NIH have recently committed \$5.3 million to the Genome Data Base located at the Johns Hopkins University. This data base will have access nodes in Great Britain, Germany, Japan and possibly Sweden. (ER)

Gulf Crisis "Lessons Learned." DOE's Office of Energy Emergencies (OEE) is initiating a study of industry views on the "lessons learned" arising from last year's Iraq/Kuwait crisis. Over the next three months, DOE staff will be visiting a range of oil companies to meet with supply, refining, transportation and marketing personnel. This study is part of a larger ongoing DOE effort to review, and where appropriate, improve U.S. and International Energy Agency emergency mechanisms and procedures. (IE)

Actinide Burning. The Department will initiate a National Academy of Sciences study of actinide burning in support of the Advanced Liquid Metal Reactor Program component of the National Energy Strategy. This report will provide an independent evaluation of the possible contribution of successful waste separation and transmutation technologies to the long-term radioactive waste management system. (NE)

Oct 1 Savannah River. The Savannah River Office (SRO) will implement an internal authorization, responsibility, and accountability system which supports line responsibility for program accomplishment (defines responsibility for providing direction to the contractor and for interfacing with headquarters). (DP)

november

Self-Assessment Task Force. Establish a Self-Assessment Task Force to develop additional guidance for implementing self-assessment programs within DOE. (EH)

C. SIGNIFICANT PROBLEM AREAS

Support for the NES. We continue to experience difficulties in getting other agencies to be sensitive about opportunities to use their activities to support the NES. High-level attention is required if we are to coordinate NES events successfully and build a solid record of accomplishment in implementing the NES. (PE)

Timely implementation of the Enhanced Oil Recovery Program. Successful implementation of the this important NES program is predicated on initiating work in a timely fashion to preserve access to, and to allow continued economic production from, fields that would otherwise be lost. Resource and staff limitations have put this program behind schedule. (FE)

Negotiation of enforceable compliance and clean-up agreements. The DOE continues its negotiations with the Environmental Protection Agency (EPA) and the States to develop achievable timetables and enforceable compliance agreements for the clean-up of contaminated defense and energy-related facilities and installations. The DOE anticipates potentially significant differences with the EPA and States pertaining to funding commitments, clean-up levels, scheduling of deliverables (e.g., documents required under present environmental laws), and future land use. (EM)

Budgetary and infrastructure constraints. Budget limitations for fiscal years 1992 and 1993 are resulting in slower-than-desired rates of progress in the clean-up of contaminated DOE sites. FY 1993 funding of waste management operations at DOE facilities fail to ensure compliance with Executive Order 12088 and regulatory requirements or agreements. Insufficient funds are available at OMB target level for FY 1993 to comply with environmental requirements. (EM)

Yucca Mountain. As the State of Nevada has indicated it will continue to make every effort to thwart DOE and its Congressionally-mandated site characterization of Yucca Mountain. (RW)

Safeguards and Security Reinspection of Rocky Flats Plant. The Department will be conducting a reinspection of the Rocky Flats plant during this timeframe. Considering the posture that the plant was in during the May 1991 inspection, it is anticipated that there will remain significant safeguards and security issues not resolved prior to plant operation resumption. (EH)

Safeguards and Security Comprehensive Inspection of Savannah River Plant. The Department will be conducting a comprehensive safeguards and security inspection of the Savannah River plant. This will be the first comprehensive inspection of the Savannah River plant by the Office of Security Evaluations and there is considerable concern as to the potential outcome of the inspection. (EH)

Foreign manufactured supercomputers at Departmental laboratories. The Naval Reactors Development Program is in the process of initiating a FY 1992 competitive acquisition for a large scale supercomputing system to be placed at the Knolls Atomic Power Laboratory in support of programmatic scientific computing requirements. Indications are that proposals which include foreign manufactured supercomputers, specifically Japanese, may be submitted in response to the request for proposals. If a foreign manufactured system should be selected, it will produce the first Departmental facility, and quite possibly the first Federal Government installation, to acquire other than U.S. technology supercomputer. (AD)

Resumption of K-Reactor operations. The scheduled resumption of K-Reactor operations may be impeded by a legal issue concerning a Consent Order between the State of South Carolina and DOE (see court decisions - NRDC v. Watkins). (DP)

Building 559. Building 559, at the Rocky Flats Plant (RFP), in Colorado, should be ready to resume plutonium operations this Fall. There will be considerable opposition to the resumption of plutonium operations from anti-nuclear groups. There is also a high probability that lawsuits will be filed to stop the resumption of operations. (DP)

Potential to miss milestone with State regulator. The Rocky Flats Plant in Colorado will not meet a milestone contained in a 1989 Agreement-in-Principle to clean up five solar evaporation ponds by October 1991. The five evaporation ponds are contaminated with low-level radioactive process waste containing nitrates and treated acidic wastes. The ponds are to be cleaned up by solidifying pond sludge after the ponds are dewatered. The waste that is generated from this process will be shipped to the Nevada Test Site for disposal. Completion is constrained by funding limitations and actions by the State of Nevada to prevent wastes that are generated outside Nevada from being disposed at the DOE-owned Nevada Test Site. (EM)

Hanford high-level waste (HLW) tank safety issues. The DOE continues its efforts to investigate and resolve safety issues affecting the storage of 65 million gallons of liquid HLW in tanks at the Hanford Site. The highest priority issues are the presence of potentially explosive mixtures of ferrocyanide and oxidizers in some tanks and the generation and periodic release of flammable gases in others. Sampling and other studies of the tanks will continue for the foreseeable future. The DOE anticipates continued interest from Congress and from the Defense Nuclear Facilities Safety Board (DNFSB). (EM)

Development of high-level radioactive waste pretreatment strategy. This DOE effort was initiated as a result of emerging technical uncertainties regarding use of the 45-year-old B-Plant facility to treat liquid high-level radioactive wastes. Any revised strategy will likely have political repercussions due to its expected impact on the Hanford Federal Facility Agreement and Consent Order (the so-called Hanford Tri-Party Agreement negotiated with Region 10 of the Environmental Protection Agency and the Washington Department of Ecology). The strategy will be finalized and

presented to the State of Washington in December 1991. The General Accounting Office (GAO), at the request of Congressman Mike Synar (D-OK, 2nd), who chairs the House Government Operations Subcommittee on Environment, Energy and Natural Resources, recently issued a report ("NUCLEAR WASTE: Pretreatment Modifications at DOE Hanford's B Plant Should be Stopped," (GAO/RCED-91-165)) that was critical of DOE plans and cost controls regarding future use of B Plant. (EM)

Restart of the Hanford Plutonium Finishing Plant (PFP). The PFP, which extracts plutonium dissolved in chemical solutions, must be restarted to stabilize scrap materials and residues accumulated from previous plant operations. Regulatory concerns regarding the acceptability of effluent discharges have arisen since the PFP last operated in 1987. Resolution is near on effluent discharges, but any restart decision will have political and environmental implications in the Pacific Northwest. (EM)

LLNL Unreconciled Documents. The GAO Report, dated February 1991, identified the significant issue of unreconciled documents at LLNL. Based on GAO testimony delivered before Congress on July 31, 1991, the GAO may follow up and visit selected DOE sites that have identified missing documents. It is expected that GAO will verify all corrective actions taken to rectify unreconciled documents identified in the 100% inventory and any subsequent damage assessment. (SAN)

D. LEGISLATIVE ACTIVITIES

1. LEGISLATIVE INITIATIVES AND ISSUES OF IMPORTANCE

National Energy Strategy. The National Energy Strategy is the Department's primary legislative priority for the 102nd Congress. The Senate Energy Committee has approved comprehensive energy legislation (S. 1220) that largely reflects the NES. Floor action is expected in late September or early October. The House Energy and Commerce Committee's Subcommittee on Energy and Power will continue mark-up of its bill in September. We expect full Energy and Commerce Committee action in October or November. (PE)

SPR Budget/Fill. Both the Senate and House Appropriations Committees have passed bills appropriating the FY 1992 budget request of \$186 million for facilities and management. The House and Senate bills provide \$276.5 million and \$316.5 million respectively for oil acquisition, and both bills cap outlays from appropriations at \$139 million in FY 1992. (FE)

SPR "Lease" Contracts. Public Law 101-512 requires affirmative Congressional action for any "lease" contract funded with appropriated money. The provision would unacceptably limit SPR negotiation authority. The Senate Committee-passed Interior Appropriations bill for FY92 waives the restriction, the House bill does not. We will support the Senate provision in Conference. (FE)

NOSR Leasing. There have been bills introduced in the House of Representatives to lease the natural gas resources at the Naval Oil Shale Reserves in Colorado for full development. Proposed legislation has been

prepared by DOE which would broaden the options for development to assure that the Government received maximum value. This proposed legislation is currently under management review. (FE)

Amend the Nuclear Waste Policy Act, as amended. Proposed legislation has been introduced as part of the NES to allow DOE to conduct site characterization of Yucca Mountain without State processing of permits, while providing for DOE adherence to environmental requirements. Proposed legislation has also been introduced to de-link the Monitored Retrievable Storage facility construction from the geologic repository construction schedule. (RW)

Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Reauthorization has been postponed until 1994; Superfund will continue to be funded through existing tax structures. Several amendments may be added during the 102nd Congress dealing with liability issues for lenders, Federal entities, and municipalities; and provisions for state capacity assurance plans. (PE)

Reauthorization of the Resource Conservation and Recovery Act (RCRA). Congress is laying the groundwork for possible RCRA reauthorization in the 102nd Congress. Key Senate Environment and Public Works Committee members introduced S. 976. Key House Energy and Commerce Committee members will introduce a bill this Fall. Elements of most interest to DOE facilities and the energy industry include: mixed wastes, oil gas wastes, recycling, waste minimization, pollution prevention, and interstate transport. Congress is under considerable pressure to designate oil and gas exploration wastes as hazardous materials in the reauthorization of RCRA. DOE continues to develop documentation for the position that such wastes should not be deemed "hazardous" and that if they are, there will be serious detrimental effect on domestic oil and gas production. (FE)(PE)

Reauthorization of the Clean Water Act. Congressional action on Clean Water Act reauthorization appears to be proceeding more rapidly than action on RCRA. Numerous hearings were held throughout the Spring and Summer. Key Senate Environment and Public Works Committee members introduced S. 1081, which would make many changes but did not cover wetlands. A new subcommittee print is expected out in October. Key House members are expected to introduce in the Fall a bill which includes wetlands. HR 2029 covers mainly coastal issues. Several other bills deal specifically with wetlands. Elements of most interest to DOE include: water quality standards, pollution prevention, nonpoint source pollution, combined sewer overflows, wetlands protection, economic incentives and use of market forces, and coastal pollution. (PE)

Technology Transfer/Laboratory R&D. A number of bills have been introduced relating to technology transfer and DOE R&D in certain critical technologies. DOE supports S. 1351 (the "DOE Labs Bill") and prefers this legislation to other proposals, such as S. 979, because S. 1351, if passed, this law will mandate the broadening of laboratory missions and would support a strategic vision for DOE which would highlight the development of partnerships between DOE Laboratories and educational institutions,

industry, and other Federal laboratories in support of critical national objectives in energy, national security, the environment, and scientific and technological competitiveness. The other proposals are overly prescriptive. (PE)(ER)

Defense Authorization Act of 1991. DOE is preparing comments to be used in the House/Senate conference. Elements of S. 979 relating to critical technologies and technology transfer, and other bills which DOE opposes, have been incorporated into the Senate version. If passed, certain provisions would add administrative burdens and would be potentially in conflict with existing DOE planning processes. (PE)

Support for the Marshall Islands People. DOE is negotiating a resettlement/habitability work plan with the Republic of the Marshall Islands (RMI) and the Rongelap Local Government Council. Both DOE and Rongelap are establishing expert groups to provide independent oversight of the resettlement activities. The National Academy of Sciences will provide oversight of DOE activities. H.R.2686, which the Senate will consider in September 1991, would provide \$2M ex gratia for the relocation and resettlement of the people of Rongelap on Rongelap Atoll. To assist in determining the habitability of Rongelap, DOE will conduct a 4 week radiological sampling mission in November 1991. The mission will be conducted jointly with RMI Nationwide Radiological Survey representatives. (EH)

Enforcement of OSHA Standards at DOE Facilities. Congressman Gaydos has introduced legislation to transfer the responsibility from DOE to the Department of Labor for promulgating and enforcing occupational health and safety standards at DOE nuclear facilities. If passed, this legislation would compromise DOE's current aggressive efforts to implement the worker protection provisions of the Atomic Energy Act and the Congress' previous intent to maintain the independence of DOE as expressed in section 4(b)(1) of the Occupational Safety and Health Act of 1970. (EH)

Indoor Air Quality. Legislation (H.R. 1066 and S. 455) has advanced in the House and Senate and may be enacted this Fall. The legislation is unnecessary and undesirable. It contains heavy regulatory and report requirements in areas where additional research is needed. It would disrupt existing programs by reassigning responsibilities among the Federal agencies currently doing indoor air quality work. DOE has consistently opposed this bill. (CE)

Federal Facility Compliance Act. The Federal Facility Compliance Act of 1991, S. 596, already passed by the House as H.R. 2194, is pending on the Senate calendar. The DOE continues its efforts to work with the Congress to assure that any legislation would ensure that sovereign immunity for the assessment of fines and stipulated penalties under the Resource Conservation and Recovery Act (RCRA), as amended, is waived only in instances where DOE compliance with the provisions of RCRA is technically feasible. (EM)(DP)

WIPP. The House Government Operations Subcommittee on Environment, Energy and Natural Resources (Synar) will conduct hearings on the Waste Isolation Pilot Plant (WIPP) Project. Senators Domenici/Bingaman may also hold hearings. No dates have been set. Legislative land withdrawal of WIPP land in New Mexico is the major issue, as well as DOE's readiness to begin the Test Phase. (EM)

Uranium Mill Tailings Remediation Act. Legislation is being prepared to extend the congressional authorization period under the Uranium Mill Tailings Remediation Act for an additional 4 years (through September 30, 1998). This should permit completion of the project at the anticipated funding levels. (EM)

Nuclear Licensing Reform Legislation. The major provisions of the Administration's proposed legislation to reform the process of licensing nuclear powerplants have been incorporated in the Senate Energy Committee markup of S. 1220. These provisions will codify provisions of the Nuclear Regulatory Commission's (NRC) licensing reform rule, address emergency planning issues before construction, and avoid procedural delays after completion of construction for safe plants. Floor action on S. 1220 could occur as early as September. (NE)

Uranium Enrichment Restructuring Legislation. The Department is continuing efforts to promote legislation to restructure its uranium enrichment program into a Government-owned corporation, the first step toward privatization. The Administration bill is currently under OMB review. (NE)

Alternative Motor Fuels Act of 1988. The Department is supporting legislation underway to modify the Alternative Motor Fuels Act of 1988. Changes include the addition of demonstrations of alternative-fuel, medium duty trucks such as those operated by UPS and Federal Express. (CE)

2. CONGRESSIONAL HEARINGS AND MARKUPS

- Sep 26 The House Committee on Science, Space and Technology, Subcommittee on Oversight and Investigation, is expected to hold a hearing on its investigation of the development of the National Energy Strategy. (PE)
- Late September The Senate Energy and Natural Resources Committee may hold a hearing on the FERC MEGA-NOPR. Deputy Under Secretary Linda Stuntz is the requested witness. (PE)
- Late Sep/
Early Oct House Committee on Energy and Commerce, Subcommittee on Oversight and Investigations plans to hold a hearing on EPA's regulatory efforts under the Clean Air Act Amendments of 1990, focussing on toxic pollutants and the June GAO report on this EPA program. Chairman Dingell may ask DOE to testify. (PE)
- October The House Committee on Energy and Commerce, Subcommittee on Energy and Power, will continue its mark-up of comprehensive energy legislation. (PE)

E. REGULATIONS

International Natural Gas Trade. A proposed rule will be issued providing alternative, expedited administrative procedures regarding applications to import or export natural gas on a short-term basis. The rule will reduce the regulatory burden on parties wishing to import or export gas on a short-term basis, thus facilitating the operation of the market. (FE)

International Electricity Trade. Draft regulations will be issued to assist utilities applying for authorization to transmit electric energy from the U.S. to foreign countries and for permits to construct the requisite transmission facilities. Current regulations implementing the programs are somewhat outdated and lack administrative procedures. (FE)

- September DOE intends to publish its final rule to change the computational basis of the one mill per kilowatt hour fee that utilities pay into the Nuclear Waste Fund from "net generation" to "electricity generated and sold" in accordance with a March 17, 1989, decision by the U.S. Court of Appeals for the District of Columbia. (RW)
- September The first meeting of a "revamped" EPA Acid Rain Advisory Committee is anticipated. The Advisory Committee earlier this year provided input to the development of various proposed regulations, not yet published, for the acid rain program; these draft proposed regulations will be the focus of the meeting. The group will now break down into four subcommittees: allowances and conservation, permitting and monitoring, industrial opt-ins, and nitrogen oxides. (PE)
- Sept 18 The deadline for public comment on EPA's proposed WEPCo rule has been extended for an additional 30 days (until September 18) at the request of both environmental groups and the electric utility industry. In addition, the transcript from a July 22 hearing before Chairman Waxman's Subcommittee on the proposed WEPCo rule will be placed in the rulemaking docket. (Deputy Under Secretary Linda Stuntz testified for DOE.) EPA plans to reopen the comment period again solely for the purpose of receiving comments on the transcript. This diminishes the chance that EPA will issue a final WEPCo rule by the end of this year. (PE)
- Sept 30 FERC issued on July 31 a notice of proposed rulemaking, the "MEGA NOPR," on natural gas regulatory reform issues related to NES recommendations. DOE will submit comments to FERC on this proposal by September 30. (PE)
- Oct 16 Judicial deadline for EPA final rule addressing visibility impairment in the Grand Canyon National Park; rule will result in additional emissions controls on the Navajo Generating Station of the Salt River Project. There appears to be an agreement among the parties to the court action on what additional controls will be required. DOE's concern is that nothing in this rule establish a precedent that could be applied to regulate powerplants elsewhere. DOE has grave reservations about the methodology utilized in this matter and would object to any broader use of it. (PE)

Nov 15

EPA has provided to DOE an initial draft of a proposed rule establishing air pollution control requirements for OCS sources, as required by the CAAA of 1990. The proposed rule will be formally issued for comment on November 15. (PE)

TBD Investment Offset. Based upon guidance resulting from an Executive Committee meeting, DOE expects to issue a public notice related to proposed rulemaking to obtain investment offset provisions in future procurements. This rulemaking is related to the Enhanced Technology Transfer Program and the National Energy Strategy. (PE)

TBD Technology Transfer Clause. Based upon direction from the Deputy Secretary, the Department of Energy Acquisition Regulations will be modified to add in a standard Technology Transfer clause for use in Management and Operating Contracts. Variations of this clause have been used in a number of contract modifications and it is now possible, based upon experience, to incorporate language into the regulations. (PE)

TBD Data Rights. The Office of Federal Procurement Policy (OFPP) is scheduled to issue a revised regulation, before the end of the year, on government rights in data associated with procurements. DOE has been assisting in the drafting of the necessary regulatory language and in the analysis of the issues. The Government's data rights associated with research and development will be broader than those associated with the acquisition, for example, of spare parts for military systems. (PE)

Radiological Protection Rulemaking. The Office of Environment, Safety and Health developed draft Rules 10 CFR 834 and 10 CFR 835 from DOE Orders 5400.5 and 5480.11. The DOE General Counsel and the Office of Management and Budget are reviewing these draft rules prior to approval by the Under Secretary for publication in the Federal Register for comment. This rulemaking effort responds to Amendments and recent interpretations of the Price-Anderson Act. These regulations would hold DOE contractors liable for criminal and civil penalties for violations. The Office of Health is already developing guidance documents to support implementation of the draft Rule 10 CFR 835. (EH)

National Environmental Policy Act (NEPA). During Fall/Winter of 1991, DOE expects to complete its internal review of NEPA implementing procedures and submit them for required CEQ consultation and OMB clearance for publication as final regulations. The regulations, which were proposed for public comment on November 2, 1990, implement the Secretary's initiatives to improve DOE NEPA policies and procedures. They also facilitate public participation, including that of affected States and Tribes, in DOE's NEPA compliance activities. (EH)

Residential Building Standards. Proposed Energy Conservation Standards for New Residential Buildings will be issued this quarter for public comment. Public Law 94-385, as amended, requires the development and promulgation of standards for the design of new buildings. They are mandatory for Federal agencies and voluntary for all others. These standards will act as models which can be adopted by State and local building codes. (CE)

Weatherization Rulemaking. A new Weatherization Assistance Program (WAP) rule will be issued in November which will establish provisions for an incentive fund and other opportunities for increasing financial options. In December, the National Weatherization Assistance Conference will bring together approximately 400 State and local program managers to discuss the new rule as well other residential energy efficiency issues. (CE)

State Energy Conservation Program (SECP) Rulemaking. The SECP regulation which implements P.L. 101-440, will be published in October. Among other things, it will require State energy emergency planning, and, like P.L. 101-440, it sets a goal of 10% reduction in State energy consumption by year 2000. (CE)

Nuclear Safety at DOE Facilities. The Department expects to publish 11 proposed rules that will form the basic requirements for assuring nuclear safety at DOE facilities. These requirements stem from the Department's ongoing effort to strengthen the protection of health, safety, and the environment from possible nuclear, radiological and chemical hazards posed by these facilities. (NE)

F. REPORTS OR STUDIES

Tiger Team Assessments will begin at:

- Los Alamos National Laboratory 8/23/91
- Stanford Linear Accelerator 10/07/91
- Naval Petroleum Reserves 11/12/91
- Oak Ridge - K-25 11/12/91

Tiger Team Assessment Draft Reports will be issued for:

- Pittsburgh Energy Technology Center 10/91
- Stanford Linear Accelerator Center 11/91
- Los Alamos National Laboratory 12/91
- Naval Petroleum Reserves 1 & 2 12/91

Tiger Team Assessment Final Reports will be issued for:

- Energy Technology Engineering Center 9/91
- Pittsburgh Energy Technology Center 10/91
- Los Alamos National Laboratory 12/91
- Stanford Linear Accelerator Center 12/91

Tiger Team Final Action Plans expected to be to the Secretary on or about:

- Hanford 9/91
- Oak Ridge National Laboratory 9/91
- Lawrence Berkeley Laboratory 9/91
- Princeton Plasma Physics Laboratory 9/91
- Sandia Albuquerque 10/91
- Energy Technology Engineering Center 10/91

- September Second-Generation Pressurized Fluidized-Bed Combustion Integrated Testing Scale-up Considerations and Site Selection. The comprehensive report to Congress on the Pressurized Fluidized-Bed Combustion Program in response to Conference Report 101-971 will be submitted. (FE)
- Sep/May Alaska North Slope (ANS) Study (NES Initiative #40). This study was recently initiated with an organizational meeting and the procurement of contractor support. The study, which will specifically target five discovered but undeveloped fields on the ANS, will also include an assessment of the highest and best use of ANS natural gas. The gas review will be completed in September 1991. The five-field study will be ready for review by May 1992. (FE)
- Late September DOE is a participating agency in an ad hoc Task Group established under the Federal Coordination Council on Science, Engineering and Technology (FCCSET) Committee on Earth and Environmental Sciences to develop recommendations for establishing a Global Change Research Information Office (GCRIO) mandated by the Global Change Research Act of 1990 (PL. 101-606). The ad hoc Task Group report, which will include specific recommendations for a GCRIO, will be finalized by the end of September for agency approval and submission to the Chairman of FCCSET. (ER)
- Late September DOE intends to issued the first annual Acceptance Priority Ranking report as required by the Standard Contract for Disposal of Spent Nuclear Fuel and/or High-level Radioactive Waste. This report will detail the order in which the Department will allocate spent fuel acceptance. (RW)
- Late September Annual Report to Congress on the U.S. Continental Scientific Drilling Program. Through a collaborative effort among the National Science Foundation (NSF), the Department of Interior, and the Department of Energy, an Annual Report on the U.S. Continental Scientific Drilling Program is expected to be submitted to Congress by the end of September 1991. NSF has the lead in preparing this year's report. (ER)
- Sept 26 Issuance of the NPR Management and Budget Plan to the Senate Armed Services Committee. (NP)
- Sept 30 Second Interim Report of the Interagency Commission on Alternative Motor Fuels. The report, due to Congress, includes a review of Federal alternative fuels policies, a status report on the implementation of the Alternative Motor Fuels Act, an analysis of a possible scenario for the introduction of alternative fuels, assessments of potential impacts of alternative fuel use on economic and environmental objectives, and an identification of research needs. (PE)
- Sept 30 The Department expects to issue a report on the cost estimate for remedial actions and the decontamination and decommissioning of the uranium enrichment gaseous diffusion plants located near Oak Ridge, Tennessee, Paducah, Kentucky, and Portsmouth, Ohio. The cost estimate report includes relative liabilities for cleanup between uranium enrichment and defense programs. The General Accounting Office (GAO) has been reviewing the development of the cost estimate and a separate GAO report to Congress is

expected. The Chairman of the House Committee on Interior and Insular Affairs has expressed interest in this report, which will impact legislation before the Congress to privatize the uranium enrichment enterprise. (EM)

- Sept 30 The Department expects to submit its annual report to Congress on the progress being made by the States and regional compacts in meeting the milestones contained in Public Law 99-240, the Low-Level Radioactive Waste Policy Amendments Act of 1985. (EM)
- Sept 30 Public Law 96-294 requires a report, due on September 30, 1990, evaluating the overall impact made by the Office of Alcohol Fuels and describing the status of each biomass energy project which received financial assistance under the Act. The statute further provides that the report shall contain a plan for termination of the work of the Office of Alcohol Fuels. A report has been prepared stating that the impact of the Office has been slight and that its functions will be integrated with those of the Office of Conservation and Renewable Energy, where R&D is carried out on these topics. A Secretary of Energy Notice has been prepared terminating the Office. The report and the notice will be issued following Senate action on S. 1220. (CE)
- Sept/Oct The Carbon Dioxide Inventory and Policy Options Study (required by 1989 Energy and Water Appropriations bill) will be completed and forwarded to Congress. (PE)
- Oct 1 On September 23, 1991, Administrator Reilly will distribute for approval by agency heads the 60-day progress report on the environmental effects of the Gulf conflict requested under Public Law 102-27. EPA's Persian Gulf Task Force is coordinating the preparation of the report and DOE's Office of Health and Environmental Research is providing input on its activities and expenditures. Administrator Reilly will forward the report to the President on October 1. (ER)
- October Joint Ventures Advisory Board Report. P.L. 101-218 required the establishment of a Joint Ventures Advisory Board to recommend to the Secretary and Congress the means to facilitate the adoption of certain efficiency and renewable energy technologies. (CE)
- October Final report of the National Research Council Committee on the National Energy Modeling System (pre-publication copy). (PE)
- Oct 18 Boron Neutron Capture Therapy. The Senate Appropriations Committee action on the FY 1992 Energy and Water Appropriations Bill directed the Department to review the funding requirements to carry out the research program of Boron Neutron Capture Therapy and its Power Burst Facility reactor modification for the period fiscal years 1992-1995. The report has been prepared, reviewed by the Department's Health and Environmental Research Advisory Committee, and is scheduled to be sent to the Senate by October 18, 1991, after Office of Management and Budget clearance. (ER)

- Late Oct Clean Coal Technology Program Comprehensive Report to Congress. Covering proposals received in response to the Clean Coal Technology IV Program Opportunity Notice, this report will be sent to Congress and the public. Clean Coal Technology Program Update 1991. The Clean Coal Technology Program will publish its annual update on the program's activities and accomplishments, Program Update 1991, in late February 1992. (FE)
- Late October PEIS for Reconfiguration. The Implementation Plan for the Programmatic Environmental Impact Statement for the Reconfiguration of the Nuclear Weapons Complex will be finalized. Copies will be placed in the 14 public reading rooms that are associated with the Reconfiguration Program. The Implementation Plan will be a "living document" and subject to periodic revisions. (DP)
- Fall The Department is conducting a study of the use of open source (unclassified) information with the Office of Intelligence and the National Laboratory Intelligence elements. This study will assess how open source information is currently being obtained and used, identify open source data bases required the DOE intelligence elements to perform their missions, and develop prioritized recommendations for improving open source exploitation to support the Department's intelligence activities. (IN)
- Fall National Research Council (NRC) to Review the Advanced Extraction and Process Technology (AEPT) Program. The NRC will review the present research and the current state-of-the-art in the AEPT program area and recommend changes required to bring the program into line with current needs. The last study of the program was performed by the NRC in 1986. (FE)
- Fall Increase Production and Export of California Heavy Oil (NES Initiative #37). The Department is conducting analysis to quantify the effect of additional natural gas pipeline capacity into the state on shut-in heavy oil production and new EOR projects in California. (FE)
- November Mid-Continent Heavy Oil Assessment. Report and database on Heavy Oil Assessment of the Mid-Continent to be published. Report and data will provide valuable information on area heavy oil resources for independent oil operators. (FE)
- November Report to Congress on Federal Residential Standards Demonstration Project. Public Law 94-385, as amended, requires promulgation of standards and a demonstration with report to Congress on Interim Energy Conservation Standards for New Residential Buildings. DOE issued Interim Standards for Federal Residential Buildings (predominately military housing) in August 1988 and commenced a demonstration project. A report to Congress is required within six months after the end of the demonstration. The demonstration is complete and the report will be submitted to Congress in November. (CE)
- December Indirect Fired Cycle Report to Congress. A Report to Congress will be submitted on the feasibility of constructing an integrated test facility for indirect fired gas turbine cycles. (FE)

- Mid-Dec DOE intends to issue the 1991 Annual Capacity Report as required by the Standard Contract for Disposal of Spent Nuclear Fuel and/or High-level Radioactive Waste. This report projects, for planning purposes, the receiving capacity for the acceptance of waste for 10 years following projected commencement of facility operations. (RW)
- Dec/Jan Interim Report to DOT by National Academy of Sciences on automobile fuel economy. (PE)
- Ongoing The Department expects to publish several Technical Annexes documenting the detailed analysis supporting the National Energy Strategy. (PE)

G. MEETINGS OR EVENTS

NES Interagency Task Forces. NES Interagency Task Forces will be meeting to consider implementation of NES initiatives related to: (1) Alaska North Slope; (2) Energy and Environmental Regulation; (3) Radionuclide Regulation; (4) Energy Efficient Housing; and (5) Energy Facility Siting. (PE)

- Early September The Strategic Petroleum Reserve achieved 750 million barrels of total storage capacity. (FE)
- September The Strategic Petroleum Reserve will receive bids for its Sulphur Mines site. Sulphur Mines is scheduled for decommissioning in early 1992; however, there is Congressional opposition to this. (FE)
- September EPA/DOE/NRC Interagency Programs Meeting. Participate in EPA/DOE/NRC interagency programs meetings on the development of standards for residual radioactive material and support development of EPA/DOE MOU on cleanup standards for radionuclides including plutonium. (EH)
- September Implementation of the Threshold Test Ban Treaty (TTBT). The first nuclear test to be monitored under the TTBT is due to take place at the Nevada Test Site (NTS) in September. The Soviets, who were on site in early summer to monitor preparations, will be present for the test. The Soviets also plan to monitor a second U.S. test, scheduled for December. The United States plans to monitor two Soviet tests scheduled to take place at Semipalatinsk (Kazakhstan) in December. The Bilateral Consultative Commission (BCC), meeting in Geneva, is currently addressing issues related to implementing the TTBT, including costs and devices to protect nuclear weapons related data from inadvertent disclosure. (Recent events in the Soviet Union may cause these plans to change.) (DP)
- September Public meetings will be held to discuss the Interagency Agreement (IAG) Action Plan for clean-up of the Idaho National Engineering Laboratory (INEL). Following conclusion of the public comment period, a final IAG will be prepared and submitted to Region 10 of the Environmental Protection Agency and the Idaho Department of Health and Welfare. (The DOE expects to sign the IAG with EPA and the State by December 9, 1991.) (EM)

- Mid September The Weapons Complex Reconfiguration Office Briefing. The Weapons Complex Reconfiguration Office will present a briefing at a meeting of the Southern States Energy Board and the Governors of member states in mid-September in Lexington, KY. The briefing will provide them with the status of the Reconfiguration Program. The Weapons Complex Reconfiguration Office will also provide a briefing to Congress in mid-September. (DP)
- Sept 9-20 The Intergovernmental Negotiating Committee for a Global Climate Framework Convention (INC) Third Negotiation Session will be held in Nairobi. (PE)
- Sept 13-24 DOE representatives will visit the Middle East on an export promotion trip requested by U.S. Ambassadors in the Gulf. This will continue support for the Kuwait Reconstruction Effort and support NES objectives regarding security of petroleum supply. (IE)
- Sept 15-17 DOE's Office of Energy Emergencies will participate in the 1991 NATO Joint Operational Staff-West Annual Meeting in the Denver area. DOE attendees will present several briefings. (IE)
- Sept 16 Meeting of the Advisory Board of the Heavy Oil and Tar Sands Information Center. Discuss its future and whether it is in the best interest of the United States to continue its participation. The Center is managed by the United Nations Institute for Training and Research. It was founded in 1980 jointly by the U.S., Canada, and Venezuela. (FE)
- Sept 19-20 Meeting of the U.S. Alternative Fuels Council in Kansas City, Missouri. DOE will provide a facilitator to aid in the Council discussions of alternative fuel policies. The Council has been asked by the Co-chairs Robert Hahn and Charles Imbrecht to consider the President's proposed alternative fuel policies and determine whether alternatives or additional policies should be recommended. (PE)
- Sept 24 A presentation of DOE's research and education programs will be made at the 2nd Pan American Congress on Energy for the Americas in San Juan, Puerto Rico. (ER)
- Sept 24-25 EPA Advisory Committee on Underground Injection Control. DOE will participate in a meeting of EPA's Advisory Committee on Underground Injection Control for oil and gas wells in Alexandria, VA. The Committee is debating requirements for well construction and testing and expects to complete its work by the end of the year. (FE)
- Sept 25 Energy and Environmental Research (EER), CCT-III, Media Event. This event is planned to dedicate the "Gas Reburning-Low NOx Burner: demonstration project in Denver, CO, at Public Service Company of Colorado's Cherokee Station, Unit No. 3, a 172 MWe, wall-fired utility boiler. (FE)
- Sept 25 Deputy Under Secretary Stuntz will participate as a panelist at The Emerging National Energy Strategy teleconference sponsored by the Jefferson Energy Foundation. (PE)

- Sept 25-26 Office of International Affairs and Energy Emergencies staff will head the U.S. delegation to the Asia Pacific Economic Cooperation (APEC) Energy officials' meeting to be held in Australia. (IE)
- Sept 30 Quarterly meeting with members of the State and Tribal Government Working Group (STGWG) is scheduled to take place in Denver, Colorado. STGWG membership comes from 9 States and 3 Tribal Nations to assist the DOE to develop annual updates to its Environmental Restoration and Waste Management Five-Year Plan. (EM)
- Sept 30 The semi-annual meeting of the Committee On Renewable Energy Commerce and Trade (CORECT) will be held in Los Angeles. It will be followed October 1-4 by a technical conference and trade fair for Pacific Rim nations covering renewable energy technologies. (IE)
- Sept 30-
Oct 1 The U.S.-USSR Joint Fusion Power Coordinating Committee plans to hold its annual meeting in Moscow to review and approve its program of work for 1992. (ER)
- Sept 30-
Oct 2 NARUC Conference. DOE will sponsor a NARUC Conference, "Collaborative Jurisdiction in the Regulation of Electric Utilities," Washington, DC (co-funded by PE and CE) in support of NES initiatives to expand transmission access and promote wholesale pricing reform. (PE)
- Oct 30-
Oct 2 PE staff will participate in the National Association of Regulatory Utility Commissioners' (NARUC) National Conference on Regionalism in Electric Utility Regulation in Washington, DC. (PE)
- Sept/Dec Negotiating meetings for the European Energy Charter will be held in Brussels. (IE)
- Sept-Dec Negotiating meetings will be held on the North American Free Trade Agreement in Washington, D.C., Mexico, or Ottawa. (IE)
- Early
October DOE will initiate negotiations with the New York State Energy Research and Development Administration for a contract for the disposal of West Valley high-level radioactive waste. (RW)
- October A Contractor Business System Review is scheduled for October 1991 at SF and LLNL. SF/LLNL will perform a self-assessment and corrective action plan. (SAN)
- October The Director of Energy Research is planning to lead a delegation of Nobel Laureates to Japan to continue discussions regarding Japan's participation in the Superconducting Super Collider. (ER)
- October The first meeting of the U.S./Soviet Joint Working Group on the Superconducting Super Collider (SSC) is scheduled to take place at the SSC Laboratory to begin discussions regarding Soviet contributions to the SSC. (ER)

- October Science Education Center Dedication. Dedication and opening of Brookhaven National Laboratory's Science Education Center is tentatively scheduled for October, 1991. (CHICAGO)
- Mid Oct The President will sign a Cooperative Agreement designating Federal participation in the United States Advanced Battery Consortium for development of advanced batteries for electric vehicles. DOE expects to contribute \$27M to this multi-year, 50% cost-shared effort with industry in FY-92. (CE)
- Mid October PNL to hold Workshop on Role of Man-Made Emissions in Visibility Impairment. The Pacific Northwest Laboratories will hold a workshop in Boulder, CO to review options for assessing the relationship between man-made emissions of SO₂, NO_x and volatile organic compounds (which are key energy-related emissions) and visibility impairment. Expert visibility scientists from Federal, State, academic and private sector programs will participate. (FE)
- Oct 1 Class I Oil Reservoir Program Opportunity Notices. Near- and mid-term Program Opportunity Notices for NES-Advanced Oil Recovery Program Class I Reservoirs will be released on or about October 1, 1991. We seek technology transfer through research, development and demonstration projects aimed at increasing producibility in fluvial-dominated deltaic reservoirs. (FE)
- Oct 1 PE staff will participate in a meeting of the Coordinating Subcommittee for Phase II of the NPC refining study. The meeting will be in Philadelphia, PA. (PE)
- Oct 1 PE staff will participate as a national policy panelist in the Oxygenated Fuels/Reformulated Gasoline Conference in Washington, DC. (PE)
- Oct 6-10 1991 International Joint Power Generation Conference & Exposition. This Conference and Exposition will be held in San Diego, CA. It will include several Clean Coal Technology sessions. (FE)
- Oct 7-8 Quarterly meeting of Board of Trustees of North American Electric Reliability Council, Houston, TX. Departmental representatives will attend. (PE)
- Oct 9-10 Second Triple E Seminar. A two-day seminar will be held on Energy, Environment, and Economics, aimed at enriching the curriculums of kindergarten through sixth-grade teachers by enhancing their understanding of energy, its relationship to the environment, and its role in attaining economic growth. Meeting will be held at the U.S. Department of Energy's Pittsburgh Energy Technology Center. Over 100 teachers are expected to participate. (FE)
- Oct 13-17 A Superconducting Super Collider (SSC) meeting for all potential users of the SSC will be held in Corpus Christi, Texas. (ER)

- Oct 14-16 PE staff will participate in joint meetings of the NPC Coordinating Subcommittee and task groups for the NPC natural gas study in Beaver Creek, CO. The progress of the task groups will be reviewed and outstanding issues will be addressed. (PE)
- Oct 14-18 Coordinating Committee on Multilateral Export Controls (COCOM). DOE will participate in the U.S. delegation to a meeting of the COCOM. The purpose of the meeting is to review and revise the COCOM International Atomic Energy List in the light of developments in Eastern Europe and the Soviet Union. (DP)
- Oct 15 The 1991 Winter Fuel Seasonal Assessment Conference will be held in New Orleans. The purpose of this conference is to exchange information with Federal, State, and industry representatives on the 1991 winter fuel supply outlook for heating oil, propane, and electricity to promote effective energy emergency planning and response coordination. (IE)
- Oct 14-16 National Petroleum Council (NPC) Natural Gas Study Meeting. A meeting of all the Task Groups and the Coordinating Subcommittee of the NPC Gas Study will be held in Beaver Creek, CO. DOE/FE co-chairs the study. The objective of the meeting is to review progress to date and make plans for completion of the study. (FE)
- Oct 15-18 Symposium on the Transfer & Utilization of Particulate Control Technology. DOE is participating in the organization of this technical symposium Williamsburg, VA. This meeting will be hosted by the Electric Power Research Institute with the Air and Waste Management Association, Edison Electric Institute, American Society of Mechanical Engineers, EPA and the International Society for Electrostatic Precipitation are also participating. (FE)
- Oct 21-23 The Human Genome III International Conference on the Human Genome will be held in San Diego, California. (ER)
- Oct 21-24 Eighth AIST-ANRE-NEDO/DOE-PETC Joint Technical Meeting on Coal Liquefaction. This meeting will be held in Tokyo, Japan. Extensive exchanges of technical information are held in coal liquefaction technology such as: recent advances in direct liquefaction, novel liquefaction techniques, coprocessing, and instruments and components. These meetings have been the cornerstone for establishing cooperation with Japan in other coal energy R&D areas, as well as extending cooperation in coal liquefaction. (FE)
- Oct 21-25 International Symposium on Environmentally Sound Energy Technologies and their Transfer to Developing Countries and European Countries in Transition will be held in Milan, Italy. (PE)
- Oct 22-24 DOE will co-sponsor with DOC, a power generation, transmission, and distribution seminar and trade mission in Berlin for East German utility officials to promote U.S. equipment and services. (IE)

- Oct 24 A meeting of the EPA Clean Air Act Advisory Committee is scheduled, focusing on transportation and energy impacts under State Implementation Plans. (PE)
- Oct 26 DOE Workshops for 700 teachers on FUTURES (featuring Jaime Escalante) in Chicago. (SP)(ER)
- Oct 27-
Nov 1 A DOE representative will attend the Latin American Energy Organization (OLADE) Ministerial meeting in Caracas. (IE)
- Oct 28 National Energy Strategy Action Plan to Unify Export Assistance Efforts. The DOE Export Assistance Coordinating Committee will hold its first meeting. The first project of the Committee will be to implement recommendations to more effectively support U.S. firms' marketing efforts in Eastern Europe through coordination and integration of current resources. Government-wide recommendations on Eastern European export assistance programs will be made to the interagency Trade Policy Coordinating Committee (TPCC). (IE)
- Oct 28-
Nov 1 As part of the ongoing U.S./Soviet initiative on operational safety, meetings of the three Expert Working Groups on operating instructions, training, and management and operational control are scheduled to be held at three U.S. nuclear powerplant sites. (NE)
- Oct 28/
Nov 1 Eighth Korea-U.S. Joint Workshop on Coal Utilization Technology. This meeting will be held in Seoul, Korea. Since 1984 the Pittsburgh Energy Technology Center and the Korea Institute of Energy and Resources have conducted an annual joint workshop on coal utilization technology. These annual workshops have consistently provided each country's coal community with the unique opportunity to better familiarize themselves with each others coal production, utilization, and research infrastructure. They have also proven to be important catalysts for possible business transactions. (FE)
- Oct 29-30 DOE will participate in a Federal Readiness Exercise, RESPONSE-91B, which will concentrate on a major earthquake impacting the Puget Sound area. (IE)
- Oct 29-31 The IPCC Plenary Meeting will be held in Geneva, followed by a meeting of its Working Group III on November 1-2. (PE)(IE)
- Oct 30/
Nov 2 Two meetings are scheduled to receive the public's views and recommendations regarding the preparation of the Clean Coal Technology Round 5 Program Opportunity Notice. The meetings will be held on October 30, 1991, in Cheyenne, WY and on November 12, 1991, in Louisville, KY. (FE)
- Late
October OCRWM will hold a Mission Plan Amendment Workshop to review comments from participants relating to the Mission Plan Amendment. (RW)
- Nov-Dec AMERICA 2000 events, as scheduled by the Secretary of Education. (SP)

- Oct 30-31 A meeting with the Peoples Republic of China (PRC) is planned to review the program of work under the U.S./PRC High Energy Physics Implementing Accord. The goal is to add Superconducting Super Collider participation to the agenda. (ER)
- Oct 31-
Nov 11 Princeton Plasma Physics Laboratory (PPPL) 40th Anniversary. A celebration of PPPL's 40th Anniversary focusing on fusion and plasma physics--past, present, and future, Lyman Spitzer, first Director and founder of PPPL, formerly Project Matterhorn will be honored. Noted Astronomer, Carl Sagan, will be the featured speaker. (CHICAGO)
- November A meeting of the Joint Coordinating Committee of the Peaceful Uses of Atomic Energy is planned to be held in Leningrad. (ER)
- November A meeting of the U.S./Soviet Joint Working Group is planned to discuss Soviet development of various components of the Superconducting Super Collider (SSC) accelerator. The Working Group will develop a Memorandum of Cooperation to involve Soviet interests in joining the U.S. in an SSC partnership. (ER)
- November The U.S.-Mexico energy bilaterals are tentatively scheduled for Washington, D.C. (IE)
- November The U.S.-U.A.E. bilaterals are tentatively scheduled in Washington, D.C. (IE)
- November An IEA Implementing Agreement dealing with studies of control and possible use of CO₂ from energy production will be ready for signature. (IE)
- November The fourth and last round of negotiations for the engineering design of the International Thermonuclear Experimental Reactor (ITER) is scheduled in the U.S.S.R. (IE)
- Nov 4-6 International Conference on Managing Hazardous Air Pollutants: State-of-the-Art. This meeting will be held in Washington, D.C. to discuss issues concerning air toxics emissions from electric utility and other combustion sources. (FE)
- Nov 6-8 IEA Conference on Technological Responses to Environmental Issues will be held in Kyoto, Japan. (PE)
- Nov 6-8 A High Level Seminar on Long Term Energy Technology Action Programs for Global Environmental Challenges under the auspices of the International Energy Agency, Japan's Ministry of International Trade and Industry (MITI) and the Research Institute of Innovative Technology for the Earth to be held in Kyoto, Japan. (IE)
- Nov 9-13 Representatives from PE and other DOE offices will attend the annual meeting of the National Association of Regulatory Utility Commissioners (NARUC) in San Antonio. (PE)

- Nov 15-16 Argonne National Laboratory will host workshops for 350 educators and administrators on "What Works in Education". (SP)(ER)
- Nov 19-20 The fourth and last Regional Energy Emergency Preparedness Seminar will be held in Seattle. The seminar will be conducted by DOE and the Federal Emergency Management Agency, and hosted by the State of Washington. (IE)
- Nov 19-22 Meeting of the Executive Body for the Long Range Transboundary Air Pollution (LRTAP) Convention and the potential signing of a VOC Protocol. (PE)
- Nov 19-29 The Intergovernmental Panel of Experts on Radioactive Waste Disposal at Sea and the parties to the London Convention on Ocean Dumping will meet to deal with issues relating to the disposal of radioactive wastes in the ocean, and other matters. (IE)
- Nov 19-21 EXPO '91. DOE will sponsor a Special Technologies Symposium focusing on workshops dealing with counter terrorism, counter narcotics, and other relevant issues germane to the intelligence community. DOE Laboratories and various Government agencies will participate in dialogue concerning specific needs and requirements in the research and development field. In addition, exhibits will be featured during the 3-day conference at Sandia National Laboratories in Albuquerque, New Mexico. (IN)
- Nov 19-21 The Department will sponsor its Thirteenth Annual Low-Level Waste Management Conference in Atlanta, Georgia. The 3-day event will begin with an opening plenary session featuring a keynote address. Following the plenary session, three concurrent technical sessions will provide presentations and dialogue focused on topics and issues of interest to States and compacts, DOE contractors, and others participating in national low-level radioactive waste management. (EM)
- Nov 21 The EIA will conduct a symposium on short-term energy forecasting in Alexandria, Virginia. Industry representatives will provide views on the forecasting process and other issues. (EI)
- Nov 21-22 NEPA Conference. The Department will sponsor a department-wide conference entitled "Fulfilling the Commitment: Implementing the Letter and Spirit of NEPA." The meeting will be structured around the themes of SEN-15-90, NATIONAL ENVIRONMENTAL POLICY ACT, of February 5, 1990, and will review the progress made in implementing its directives. (EH)
- Nov-Dec An agreement between DOE and the French-German-U.K. Liquid Metal Reactor Consortium will be negotiated. (IE)
- December The Fourth Negotiating Session of the Intergovernmental Negotiating Committee (INC) for a framework convention on global climate change will be held in Geneva. (IE)
- December Cross-Well Seismic Forum Fall Meeting. The Cross-Well Seismic Forum, a National Laboratory/Industry Oil Recovery Technology Partnership project to develop seismic instruments to map oil reservoir complexities, will hold a

meeting of the 26 industrial participants in Dallas, TX, to review progress during the past year and gather guidance for the program for the remainder of FY 1992. (FE)

Early December The U.S.-Canada Energy Consultative Mechanism and Gas Bilaterals are tentatively scheduled in Canada. (IE)

Early December The U.S.-Venezuelan energy bilaterals are tentatively scheduled in Washington, D.C. (IE)

Mid Dec The Secretary of Energy will issue the draft Program Opportunity Notice for Round 5 of the Clean Coal Technology Program. (FE)

Dec 8-11 Interstate Oil and Gas Compact Commission (IOGCC) Annual Meeting. DOE Representatives may address the IOGCC Annual Meeting December 8-11, in New Orleans, LA on progress of the Advanced Oil Recovery Program and other NES issues. (FE)

Dec 9-11 DOE Education Directors winter meeting in Washington, D.C. (SP)(ER)

Dec 16-17 Ministerial level meeting for the European Energy Charter in the Hague, Netherlands. (IE)

Dec 24 Chernobyl Conference. A conference entitled, "Towards a Unified Response to the Chernobyl Accident" is scheduled. Participants include DOE, Nuclear Regulatory Commission, State Department, Commission of the European Communities, and the World Health Organization. (EH)

H. NEGOTIATIONS

Negotiation of CCT-4 Cooperative Agreements. Following the announcement of selections on September 12, 1991, negotiations will be initiated with the successful proposers. The Secretary has directed that these negotiations be completed within 12 months. (FE)

Fall On May 15, 1991, the Secretary directed the Richland Field Office (RL) to apply for and comply with Washington State Waste Discharge Permits for liquid effluents being discharged into a soil column. The Washington State Waste Discharge Permitting Program is a State-only regulatory requirement. RL is currently in the process of negotiating a Compliance Agreement with the Washington Department of Ecology to establish milestone schedules for the permitting of liquid effluents being disposed of in cribs, ponds, ditches, and french drains. (EM)

Mid September The DOE is expected to sign the renegotiated Amended Consent Agreement with Region 5 of the Environmental Protection Agency (EPA) for the completion of the ongoing Remedial Investigation/Feasibility Study (RI/FS) and the clean-up of the Fernald Environmental Management Project (FEMP) in Ohio. A Settlement Agreement, signed by DOE and EPA Region V on May 13, 1991, requires that a renegotiated Consent Agreement be completed by mid-September. The Amended Agreement, which is being reviewed currently by the Office of Management and Budget, contains revised work schedules with

enforceable milestones, revised language outlining the risk assessment approach at the FEMP, and includes language from the May 13, 1991, Settlement Agreement. DOE and EPA Region V have been joined by the Ohio Environmental Protection Agency (Ohio EPA) in these negotiations. Following signature of the Amended Consent Agreement by DOE and EPA Region 5, a public meeting will be hosted by EPA to discuss the Agreement, followed by a 30-day public comment period. Intermittent press coverage of FEMP clean-up is expected throughout this period. (EM)

- Sept 30 Cooperative Agreement. Office of Civilian Radioactive Waste Management is currently negotiating an agreement with Atomic Energy of Canada, Ltd., for the conduct of cooperative activities related to the disposal of spent nuclear fuel and high-level radioactive waste. This cooperative agreement may be signed by the OCRWM Director prior to September 30, 1991. (RW)
- Sept. 30 DOE should complete negotiations on the Federal Facilities Agreement (FFA) for Control and Abatement of Radon-222 Emissions from the Fernald Environmental Management Project (FEMP) in Ohio. The FFA successfully resolves an outstanding issue between the DOE and Region 5 of the Environmental Protection Agency (EPA) concerning the demonstration of compliance with the National Emissions Standards for Hazardous Air Pollutants and ensures all actions will be consistent with the Amended Consent Agreement. In addition, the original Finding of Violation issued in 1989 will be closed with a letter of certification. (EM)
- pt-Oct The Department expects to complete negotiation of a draft Interagency Agreement with Region 9 of the Environmental Protection Agency, the California Environmental Protection Agency, and the California Regional Water Quality Control Board for clean-up at Lawrence Livermore National Laboratory Site 300. (EM)
- Sept-Dec As a follow-up to the administrative hearing that took place on September 6 before the Nevada State Environmental Commission, negotiations leading to an acceptable resolution of this issue are expected to take place through the period. The Nevada Division of Environmental Protection alleges that the DOE has violated State regulations and has directed the DOE Field Office, Nevada to remove all transuranic-mixed waste from storage at the Nevada Test Site to an authorized waste storage facility. The State's action could unacceptably foreclose currently available storage options for TRU waste and thereby constrain the Department's strategy for safe TRU waste storage. (EM)
- Oct 7-10 Nuclear Suppliers Group. DOE, along with the Department of State and technical experts from the national laboratories, will sponsor a meeting of the Nuclear Suppliers Group to negotiate multilateral nuclear nonproliferation controls to be placed on commodities and technologies which have both significant commercial and nuclear weapon applications. (DP)
- Dec 9 The Department expects to complete negotiation of an Interagency Agreement with Region 10 of the Environmental Protection Agency and the Idaho Department of Health and Welfare for clean-up of the Idaho National

Engineering Laboratory. The Interagency Agreement is expected to be submitted to DOE Headquarters for review and approval in mid-October and should be ready for signature of all parties by December 9, 1991. (EM)

Dec 31 KMS Contract Negotiations. A contract to begin close-out of the Inertial Confinement Fusion program at KMS Fusion is funded through December 31, 1991. SF will negotiate a modification to KMS's contract to establish estimated costs for final close-out of all activity beyond December 1991. It is anticipated that KMS will be incurring residual clean-up costs associated with decontamination and disposal of a tritium facility into early 1992 and with idle facilities into 1993. (SAN)

Ongoing The Department will continue negotiations with regional offices of the Environmental Protection Agency (EPA) and with State environmental regulators on the clean-up of contaminated facilities and sites. While some DOE installations have signed agreements with the EPA which establish schedules for clean-up actions, documentation reviews, and work scopes, negotiations will continue at other installations and this ongoing dialogue will receive local media attention. Current negotiations are focusing on agreements for the Brookhaven National Laboratory in New York, the Oak Ridge Reservation in Tennessee, Savannah River Site in South Carolina, and the Weldon Spring Site in Missouri. (EM)

Indalo Project with Spain. Continue the DOE initiative to negotiate with the Spanish Government a new course of action to define the Department's role and U.S. Government role concerning continued support for radiological monitoring as part of the Indalo Project in Palomares, Spain. (EH)

Memorandum of Understanding Between EPA and DOE. Complete MOU between EPA and DOE for implementation of 40 CFR 61 (radionuclide air emission standards) at DOE facilities and other related efforts. (EH)

H. COURT DECISIONS/LITIGATIONS

Fort St. Vrain Litigation. This litigation involves attempts by Idaho Governor Cecil Andrus and the State of Idaho to block the shipment of spent nuclear fuel from a decommissioned nuclear reactor in Colorado to the Idaho National Engineering Laboratory (INEL) in southeastern Idaho. Initially there were two cases, one filed in United States District Court for the District of Idaho, and the other in the Ninth Circuit Court of Appeals. Receipt of the spent nuclear fuel was agreed to in a 1965 contract between the Atomic Energy Commission and Public Service Company of Colorado. The District Court case has been resolved by the District Judge granting DOE's Motion for Summary Judgment; that decision paved the way for the spent nuclear fuel to be shipped into Idaho. However, the State of Idaho filed an emergency application for an order from the Ninth Circuit Court staying the DOE's decision to receive the spent nuclear fuel at the INEL. Idaho invoked the Ninth Circuit Court's jurisdiction pursuant to the Nuclear Waste Policy Act and sought the stay order on the basis that unless the DOE order to receive the fuel is stayed, Idaho and its citizens will suffer irreparable harm by the shipment of the spent nuclear fuel into Idaho. On May 14, 1991, the Circuit Court granted Idaho's petition for a stay, and

therefore, the shipments are enjoined pending a decision on the merits. A hearing was held on September 10, 1991. This case is significant because of the potential liability on the part of DOE for its failure to comply with the terms of the 1965 contract, and because of the far-reaching ramifications relating to the ability of a state to successfully block, or otherwise interfere with, the shipment of nuclear material from one state to another. (IDAHO)

Water Appropriation Permit. The District Court in Nevada ordered the State of Nevada to provide a status report on November 20, 1991, on the water appropriation permit, the third environmental permit required by the Department to continue site characterization activities at Yucca Mountain, Nevada. A hearing on this permit application before the State Engineer is scheduled for September 24, 1991. The air quality permit and the underground injection control permit have been issued by the State. (RW)

NRDC v. Watkins (D.S.C.). The schedule for K-Reactor calls for operations to resume in the fourth quarter of 1991. There is a legal issue which may impede DOE's plans for K-Reactor restart. It concerns the Consent Order between the State of South Carolina and DOE. This Consent Order allows the continued discharge of thermal effluents from the K-Reactor until December 31, 1992, when operation of a cooling tower is required. The Natural Resources Defense Council, Inc., and the Energy Research Foundation filed a lawsuit challenging the Consent Order. On August 15, 1991, the court ruled against the plaintiffs, denying their request for a preliminary injunction to prevent DOE from operating K-Reactor until the cooling tower is completed. On August 22, 1991, the plaintiffs filed, in the District Court in Aiken, South Carolina, a notice of appeal to the Fourth Circuit Court in Richmond, Virginia, and a motion for injunction pending the appeal. If the appeal is successful, K-Reactor would not begin operation until it is connected to the cooling tower, which is expected to occur no earlier than Fall 1992. (DP)

U.S. v. State of New Mexico (D.N.M.), is an action in which DOE is challenging provisions in a hazardous waste permit for the Los Alamos National Laboratory that attempts to regulate the radioactive component of waste burned in an onsite incinerator. DOE has filed a motion for summary judgment and is waiting for the court to set a date for hearing argument. It is hoped that a decision will come in the fourth quarter of 1991. (DP)

Colorado v. DOE (D. Colo.), is a case in which the State seeks a court order requiring DOE to comply with an administrative compliance order addressing the treatment, storage and disposal of mixed residues at Rocky Flats. DOE's answer to the State's complaint was filed on August 30, 1991. DOE is currently negotiating a consent decree to resolve this matter by mutual agreement, that should be concluded by November 1991. (DP)

Wisconsin Project on Nuclear Arms Control v. U.S. DOE (D.D.C.), is a FOIA action to compel production of agency records concerning nuclear export controls. A status conference has been held. A further status conference is set for October 2, 1991. (DP)

Rockwell International Corp. v. U.S. (Cl. Ct.), is a case in which Rockwell seeks increased award fee payments for its work at Rocky Flats. DOE first challenged the technical adequacy of the certification of the claim. Rockwell voluntarily dismissed the claim and then corrected the certification and refiled the complaint. DOE now must respond to the refiled complaint, after which this case is likely to go into a long period of discovery. (DP)

Day v. NLO, NLI. A jury trial will begin on September 16, 1991, in U.S. District Court in Cincinnati, Ohio, in a workers' class action against the former operators of a recently-closed uranium processing facility located near Fernald, Ohio. The trial will cover the issue of whether the workers' claims for alleged injuries due to radiation exposures are barred by a statute of limitations (i.e., the employees knew of their alleged injuries but did not file suit before the statute of limitations expired). The court is expected to hear evidence on allegations that the National Lead Company of Ohio, the former operator, fraudulently concealed information on workplace dangers. The Fernald Environmental Management Project (formerly the Feed Materials Production Center) ceased uranium metals production in July 1989. The facility mission is now focused entirely on environmental restoration and remediation activities. DOE is not party to this case, but is contractually bound to reimburse the contractor for any liability. (EM)

Colorado Public Utilities Commission v. DOE (10th Cir.), a case in which the district court held that the State of Colorado's statutes and regulations governing the transportation of radioactive and hazardous materials can be applied to DOE, oral argument on our appeal is scheduled for September 19, 1991. (GC)

In Hanford Nuclear Reservation Litigation (E.D. Wash.), consolidated class action suits against past and present Hanford M&O contractors seeking damages and medical monitoring for emissions of radioactive and hazardous materials from the plant, the following schedule has been established by the court: (1) the defendants' reply in support of their motion to dismiss is due September 19, 1991; (2) oral argument on the motion to dismiss will be heard on October 3, 1991; (3) the plaintiffs shall file motions for class certification by October 15, 1991; and (4) the defendants' response to the motion for class certification shall be filed by November 15, 1991; and the plaintiffs reply thereto will be due on December 12, 1991. (GC)

Foundation on Economic Trends v. Watkins (D.D.C.), an action alleging that the Secretaries of Energy, Agriculture and the Interior have violated NEPA by failing to consider the impact that a wide range of their respective activities' programs may have on the "green-house effect," the plaintiffs' opposition to the government's motion for summary judgment shall be filed on or before September 16, 1991; our reply shall be filed on or before October 11, 1991; and further discovery is stayed pending the court's decision on our motion for summary judgment. (GC)

Prescott v. U.S. (9th Cir.), a radiation injury case brought by former NTS employees, the case is scheduled for oral argument on October 9, 1991, regarding whether the court should reverse the district court's denial of our motion for summary judgment. Rocky Flats Model Shop Suit. UC filed a lawsuit to recover \$595,000 that was withheld by DOE from contract management fees. The money was withheld to reimburse the Government for the production of unauthorized items at the Rocky Flats Model Shop. We have filed a motion to dismiss UC's complaint on jurisdictional grounds. (SAN)

September/
December The DOE expects environmental interest group(s) and, perhaps the elected state attorney general to file suit in U.S. District Court to prohibit the Department from beginning waste shipments to the Waste Isolation Pilot Plant (WIPP), a research facility located near Carlsbad, New Mexico. Following shipment, the waste will be emplaced underground as part of DOE's Test Phase to demonstrate the technical feasibility of disposing transuranic defense wastes in a stable geologic formation. Congress first authorized this Project in 1977 and the Federal Government has invested over \$1 billion thus far in preparing the WIPP facility to begin the Test Phase with waste. This litigation is expected after DOE notifies New Mexico of its intention to ship waste for the Test Phase. (EM)

September/
December The current operating contractor for the Hanford Site and one former operating contractor are defendants in two lawsuits by former workers who allege harassment and retaliation for identifying potential safety concerns to supervisors. "Whistleblower" issues will periodically generate significant congressional, media, and public interest. In parallel with any court action(s), Senator John Glenn (D-OH), who chairs the Senate Committee on Governmental Affairs, should be expected to continue his ongoing assessment of Hanford "whistleblower" claims and their impact of public health and worker safety. (EM)

On June 28, 1991, the United States Department of Energy, San Francisco Operations Office (DOE/SAN) filed a Complaint with the California Public Utilities Commission (CPUC) to prohibit the Pacific Gas and Electric Company (PG&E) from taking any action that would interfere with the continuation of electricity service to Lawrence Livermore Laboratory over PG&E Tesla No. 1 transmission line. PG&E had threatened to disconnect Tesla No. 1 if DOE/SAN does not agree to certain additional charges.

At the same time, PG&E filed with the CPUC a request to be allowed to impose a standby charge and special facilities charge on DOE/SAN for use of the Tesla No. 1 transmission line. The CPUC rejected PG&E's request to impose these charge and consolidated this matter with DOE/SAN's Complaint. The CPUC has scheduled a prehearing conference for September 30, 1991 to address this entire matter. (SAN)

I. OTHER

Late September Flow Dynamics of Artificial Hearts. Another series of tests are planned on the Novacor Left Ventricular Assist Device (LVAD) as part of the PETC/Presbyterian-University Hospital CRADA. As a result of these tests, Novacor plans to select a valve design and ask FDA permission to begin tests in living subjects. (FE)

Combustion 2000 Awards. DOE has initiated Combustion 2000, a new, two-part program that aims to significantly increase the efficiency and dramatically improve the environmental performance of future coal-fired power plants. Awards to industry teams for the development of the High Performance Power System will be made in October 1991. Selection of firms for the Low Emission Boiler System is planned for late November 1991. (FE)

Oct 1 The Nuclear Weapons Council is due to provide the Department with classified criteria for determining the size of the future nuclear weapons complex. The criteria will be in terms of stockpile size, new weapon production requirements, modifications to existing weapons, and requirements to receive and disassemble retiring weapons. (DP)

The EIA is assisting the Environmental Protection Agency (EPA) in the development of the National Allowance Database (NAD), Version 2.0 and in calculating the SO₂ emission allowances as called for in the Clean Air Act Amendments of 1990 (CAA). The EIA is responsible for all operational and capacity data at the unit level in the NAD and will assist EPA in responding to questions or comments concerning the NAD. (EI)

DOE's Office of Energy Emergencies (OEE) has developed a plan for tracking and monitoring potential hurricanes throughout the 1991 hurricane season. The plan will permit OEE to ascertain the level of damage done to the energy infrastructure and allow DOE to initiate and coordinate any appropriate response actions. This plan was used during Hurricane Bob and has been further tested and approved for use in future hurricanes in the U.S. (IE)

Kuwait Oil Fires. Pacific Northwest Laboratory's (PNL) Gulfstream research aircraft and scientists from PNL and Brookhaven National Laboratory successfully completed 15 flights through the smoke plume in the Gulf region. The data gathered are now being processed and analyzed. About three fires per day are being extinguished in Kuwait, and at this rate all of the remaining 370 fires could be extinguished by early 1992. DOE and other agency scientists are evaluating the probability of occurrence of stagnant air conditions and hazardous health effects that can be expected in Kuwait over the next few months. In addition, the EPA Gulf Task Force is preparing an analysis of what may be a significant risk of hazardous health effects in Kuwait over the next few months. DOE provides input to the assessment of that risk and to the formulation of response strategies for consideration by the Administration. A meeting of the Interagency Policy Coordinating Committee will be held in early October to discuss the risk and to identify appropriate responses by the Administration. (ER)