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United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

*Put in your
keep personal
copy files.*

PETER L. SCHER, STAFF DIRECTOR
STEVEN J. SHIMBERG, MINORITY STAFF DIRECTOR AND CHIEF COUNSEL

March 11, 1993

TRANSMITTED BY FACSIMILE

Ms. Katie McGinty
Director
White House Office of Environmental Policy
Room 358
Old Executive Office Building
Washington, D.C. 20501

Dear Katie:

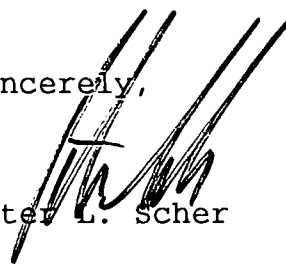
It was good to speak with you last night. I appreciate you taking so much time to go over some of the issues we're working on in the Committee. As we discussed, I am forwarding to you some information regarding Senator Baucus' proposal on the North American Commission on the Environment (NACE). I have attached a statement of his from yesterday, as well as a chart outlining how the NACE process would work and further explanation as well.

I think we both agree that in order for the environmental issues to be satisfactorily addressed in the side agreement to the NAFTA there must be some viable enforcement mechanism to ensure that Mexican laws are enforced. We are not talking about changing any laws or impeding on the sovereignty of Mexico. However, we believe that we are faced with an historic opportunity to raise the standard of environmental protection in North America and set a precedent for future international trade agreements. As the recent GAO study demonstrated, there is an overwhelming lack of compliance with Mexican environmental laws. If we don't have an enforceable mechanism in place to guarantee compliance, we are inviting U.S. companies to move to Mexico to gain that competitive advantage.

I hope you'll give this proposal your consideration. If there is any other information that you need that you think would be helpful, please don't hesitate to let me know. I'm looking forward to working closely with you on these and other issues.

Best regards,

Sincerely,


Peter L. Scher

Attachments

United States Senate

WASHINGTON, DC 20510-2602

STATEMENT OF SENATOR MAX BAUCUS NAFTA AND THE ENVIRONMENT: ACCOMPLISHMENTS AND GOALS March 10, 1993

Mr President, In 1961, Mexican Nobel laureate Octavio Paz wrote that "New facts, radically contrary to the predictions of theory, demand a new set of instruments, or at least a sharpening of those we already possess."

In our rapidly changing world, these words still apply. And they apply with particular force to the global environment. Every day, we learn more about the environmental costs that economic development can bring. And as we sharpen our tools for international trade, we must keep this new environmental fact in mind. That is why it is so important that the groundbreaking North American Free Trade Agreement, the so-called NAFTA, contain strong provisions to protect the environment.

Mr. President, NAFTA truly is revolutionary. If agreed to, NAFTA will create the largest trading bloc in the world. It will link the economies of two of the world's most advanced nations with the struggling economy of a developing country.

It also will be the first Free Trade Agreement completed in the post-Rio era. The Earth Summit exposed the fact that economic growth has environmental costs. Costs to local populations, who must breathe the air and drink the water near the factories. And global costs, because the flow of water and air carries pollutants beyond their source.

Trade rules are the only global controls on economic development. NAFTA gives us a chance to move toward a new era in international relations; an era in which trade relations reflect ecological realities. We can use NAFTA to protect and encourage sound environmental practices.

Let me begin by stating that I believe NAFTA is a good idea. In general, I support the text as it stands.

I also must point out that NAFTA cannot solve all of North America's environmental problems. But it can help solve some of them, and help us begin to solve many more.

Some environmental protections are included in the existing text: protection for health standards; a ban on reducing standards to attract investment; dispute resolution safeguards.

[more]

In the side negotiations, a North American Commission on the Environment, or NACE, was agreed on. It was seen as an environmental watchdog, but its duties were undefined. Since then, a number of proposals have suggested duties and responsibilities for NACE. I want to review and discuss those proposals briefly here.

The previous Administration saw NACE as a consulting body. The Commission would meet at regular intervals. It would issue reports on environmental progress in North America. NACE could shed light on environmental concerns. It would create public pressure for solutions.

I do not underestimate the power of the "sunshine" of public opinion. In many cases, publicity can drive real changes. In others, it can stimulate public debate on difficult choices. I certainly support this formal, report-writing side of the Commission.

Likewise, I agree that NACE should serve as a forum for consultation among the three governments. NACE can head off environmental disputes and coordinate programs for sustainable development.

But we have to go further. We face concrete environmental problems that call for concrete solutions. Under NAFTA, American businesses will have direct competition from firms that have not borne the same environmental regulatory costs. Mexico's environmental regulators are playing catch-up, and they are already over-burdened. Some companies may gamble that non-compliance will pay off.

We have to change the stakes. How? By using NACE to assure that environmental laws are enforced. Clearly this is difficult. It involves complex issues of sovereignty and procedure. But assuring enforcement is necessary. Otherwise, the American people will not have confidence that NAFTA will not undermine environmental protection.

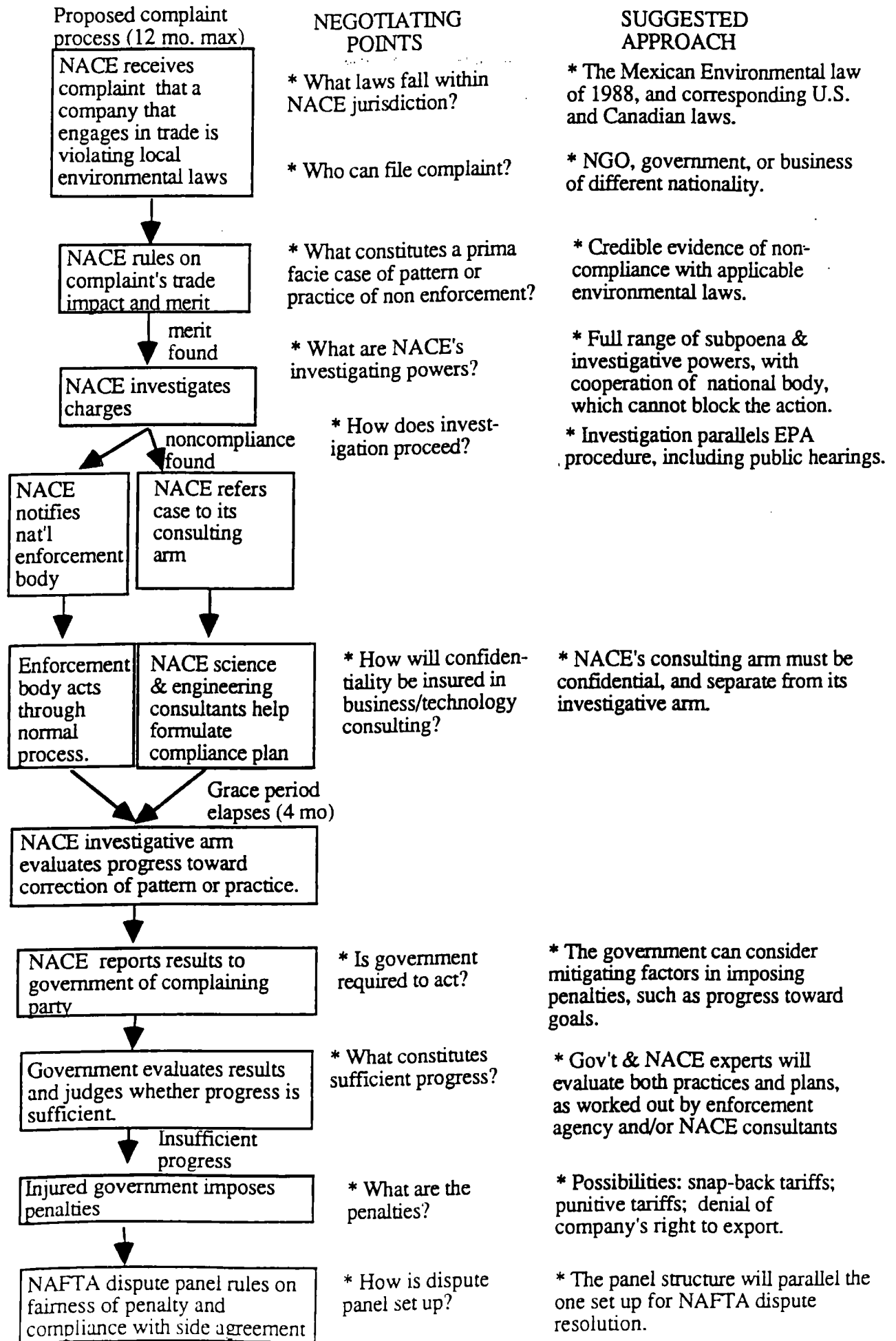
Mr. President, I have proposed a structure for NACE, designed to respect sovereignty and maintain flexibility--but also to ensure enforcement.

In a nutshell, NACE will receive and investigate complaints of violations of environmental laws. It will offer technical and financial consulting to help violators cut pollution. And it will gauge progress on compliance, so that the complaining nation can decide whether to impose penalties.

This complaint process offers both carrot and stick. The threat of penalties provides impetus to the stubborn polluter. But the offer of assistance is the offer of partnership, an alliance between our governments, our businesses, and our citizens to respond to the new reality we face.

Mr. President, I ask my colleagues to work with me and with the Administration, to assure that NAFTA becomes an agreement that we, and the American people, can support.

SENATOR BAUCUS' NACE PROPOSAL



PROPOSED NACE COMPLAINT PROCESS

Mexico has made substantial progress in its handling of environmental problems. NAFTA and the economic development it promises will likely lead to further progress in the long term. However, Mexico cannot expand its technical community fast enough even to meet its present environmental needs, and industrial development encouraged by NAFTA will only worsen the situation. Industries may take advantage of this situation, and NAFTA might inadvertently lead to increased environmental degradation in Mexico, as well as providing a subsidy to industries that operate without the cost of environmental compliance. The plan proposed here will offer oversight and remedies for parties that might be injured by this non-compliance, as well as providing technical assistance to help firms meet environmental standards.

Initiation of Complaint

The complaint process should take no more than 12 months. It begins when a complaint is lodged with NACE, providing evidence that a firm that produces goods traded under NAFTA is violating federal environmental regulations, or that a pattern of non-enforcement is underway. Standing to file a complaint and the laws that fall within NACE's jurisdiction are negotiable. We suggest that NGOs, business, or government of a different nationality from the offending business be eligible to file, and that the Mexican Environmental Act of 1988 and corresponding U.S. and Canadian laws be within the NACE jurisdiction.

NACE Investigation

The NACE tri-national panel of experts rules on the complaint's trade impact (i.e., is the firm engaging in trade under NAFTA?) and merit (i.e., does the evidence

filed with the complaint warrant further investigation?). If not, the complaint dies there. Otherwise, NACE begins its investigation. If searches and subpoenas are necessary, then NACE will act through the national enforcement body (EPA or SEDESOL). Though the national body will obtain necessary court orders and carry out searches, with a NACE observer, it may not block NACE requests. The investigation process will parallel EPA procedures, including public hearings.

Enforcement and/or Consulting

If a pattern of non-compliance or non-enforcement is found, then NACE notifies both the national enforcement body and the NACE consulting arm of its findings. The enforcement body then acts on the findings, using its normal procedures. On a parallel track, the NACE consultants work with the industry to identify technologies and processes that would bring its production process into compliance with environmental regulations. In order to assure that the industries are open with the consultants, they must be confident that their disclosures are confidential. The investigative and consulting arms of NACE must, therefore, be entirely separate.

Dispute Resolution Process

After a grace period of 4 months, the investigative arm of NACE conducts another inquiry to establish what progress has been made. The results are reported to the government of the complaining party, which evaluates the results. If there has been insufficient change in procedures or plans, then the government may decide to enact a penalty. Penalties might include snap-back or punitive tariffs, or denial of a company's

right to export. However, if the government becomes convinced that progress has been made toward correcting the problem, the government may decide not to act. If penalties are imposed, a NAFTA dispute panel may rule on their fairness and compliance with the terms of the side agreement.

United States Senate

WASHINGTON, DC 20510-2602

April 6, 1993

*Vote
Baucus file*

The Honorable Albert Gore, Jr.
Vice President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. Vice-President:

Pam McElwee of your staff contacted my office today and inquired as to the status of the Montana wilderness issue. I appreciate your interest in this issue which is of such great importance to Montana.

Ms. McElwee was specifically interested in my position on the "Northern Rockies Ecosystem Protection Act," a bill that was introduced by former Representative Pete Kostemeyer last Congress. To my knowledge, this bill does not currently have a sponsor in either the House or the Senate.

The Northern Rockies Ecosystem Protection Act (NREPA) is a proposal to redesignate some 20 million acres of federal land in five western states -- Montana, Idaho, Washington, Oregon and Wyoming. In Montana, NREPA proposes designating over 6 million acres as wilderness. While I believe the idea behind NREPA is laudable -- to take an ecosystem approach to federal land policy -- I am very much in opposition to this specific piece of legislation. This bill proposes a winner-take-all approach; not a balanced solution that is sensitive to both the environment and those who make their living off the land.

As you and the President accurately indicated during this week's Timber Conference in Portland, successful solutions to public land controversies necessarily require a balanced consideration of all competing interests. Just as maintaining the integrity of the old growth forest is an imperative, so too is recognizing the human and economic dimensions of the issue. The same rationale applies to Montana's wilderness debate.

In Montana, Representative Pat Williams and I continue to seek balanced solutions to the wilderness issue. As in the past, we will continue to work together this Congress to resolve the wilderness issue. Toward this end, we look forward to working with you, President Clinton, and other members of your Administration.

Sincerely,



MSB/jcr

Heather Marabetti

Mike Feldman

224 - 8391

Pres. of
Senate-
Gore

~~Heather~~ DNC

Heather Booth

863-8096

enviro outreach

August 4, 1993

MEMORANDUM TO KATIE MCGINTY

FROM: Lisa McNeilly

SUBJECT: Health and Environment Subcommittee Hearing on Climate Change

In attendance: Waxman, Synar, Kreidler, Bliley, McMillan, Moorhead, Bilirakis, Pallone, Greenwood

Witnesses: Robert Sussman and Susan Tierney

Most of the major aspects of the Administration process to reduce GHG emissions were discussed at some point in this hearing. Members praised the virtues of sinks, joint implementation (except **Waxman**) and voluntarism. The two main sticking points were:

- o Timing of the release of the plan -- Members pressed Tierney and Sussman very hard for a firm answer to whether the plan would be out in August. The response was that the release date has not been finalized and that there is on-going necessary work. Besides concerns about preparedness for the INC meeting, Members were worried that there would not be a sufficient public comment period, that two weeks was not enough time to make the pending decisions and even whether there would be a plan at all.

- o Draft compact to electric utilities (Green Companies) -- **Waxman** entered a copy of the draft compact into the record. He expressed serious concerns that the compact would commit the Administration and Congress to certain decisions (on pooling, banking, joint implementation, sinks, etc.) that have not yet been made. He urged DOE to completely reconsider this option and requested a status report when discussions are finished. Tierney responded that negotiations on the plausibility are underway and that DOE is fully aware of the limitations of such a compact. **Waxman** pointed out that EPA has more authority and experience on these types of endeavors and then asked if EPA had signed off on DOE as the sole contact for this option. Sussman said no.

Other issues discussed:

- o There was much discussion of the pros and cons of joint implementation. All members who expressed an opinion, except **Waxman**, were in favor of including this option in the action plan being developed.

- **Waxman** questioned whether new proposals in the action plan will be in harmony with existing air pollution legislation and requested a statement from EPA on the concrete steps taken to ensure this harmony upon release of the plan.
- **Waxman** also wanted verification that the greater global warming potential of CFC substitutes (HFCs) was being considered and requested a statement for the record on how HFCs were included in the action plan and the baseline.
- **Waxman** questioned whether there will be monitoring of progress between now and 2000 and also whether DOE and EPA are working together to compile complete inventories of GHG emissions. He was pleased to hear both questions answered positively.
- **Bliley** asked whether there would be continued emissions reductions after 2000. Sussman responded that broad options with benefits after 2000 are being considered. Tierney agreed, citing the President's line of "continued downward trend", with the caveat that other countries' actions should also be considered.
- **Bliley** also questioned the role of increased CAFE standards in the EPA approach to the action plan. Sussman responded that all agencies recognized the role of mobile sources in emissions and that several options to reduce transportation emissions (besides CAFE) were being considered: conformity rule, I/M regulations of CAA, and Federal Fleet conversion (as examples).
- **McMillan** wanted to know if all opportunities to reduce the uncertainties in the science had been exhausted.
- **Waxman** also suggested a reorganization of EPA to ensure that all of its activities on global climate change were well coordinated.

July 29, 1993

MEMORANDUM TO KATIE MCGINTY

FROM: Lisa McNeilly

SUBJECT: Energy and Power Subcommittee Hearing on Tree Planting

In attendance: Sharp, Bilirakis, Synar, Crapo, Hastert, Moorhead

Witnesses:

Gregg Marland, Environmental Science Division, Oak Ridge National Laboratory
Gary Moll, Vice President for Urban Forestry, American Forest
Stanley Bull, Technical Director for Transportation Programs, NREL
Jim Bower, Professor and Head of Dept. of Forest Products, U of Minn.
James Birk, Biomass Power Systems, EPRI

The hearing was billed as an opportunity to gather information on tree planting as a response to global climate change and to provide renewable energy. The political reason was, in the words of Bilirakis (R-Florida), to send a message to the Administration that sinks and joint implementation should be included in the August plan.

Sharp named two significant issues in his opening statement:

- No climate change policy without sinks options "would have credibility, either intellectually or politically".
- Joint implementation should not be ignored; anything to encourage technology transfer abroad or to reduce emissions overseas will be useful.

Bilirakis took a more strong stand on joint implementation in his remarks, saying this concept should be included in the update of the National Action Plan. His reasons were that JI is the most effective strategy and will create U.S. jobs.

Synar, Crapo and Hastert all reiterated the same basic sentiments.

In the question session after the testimonies, **Sharp** and **Bilirakis** sought and received consensus from the witnesses that tree planting was an effective strategy for reducing net carbon emissions that should be vigorously pursued.

The statements by the witnesses were interesting and informative. However, since little new material was presented, I will not summarize it here. I have copies of the testimonies on file.

cc: Pam
Vate:
file
August 4, 1993

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MEMORANDUM

Date: June 25, 1993
To: OEP Staff
From: Vate/ Pam
Re: Congressional Tracking System

In an effort to stay on top of hearings and legislation on the hill, we have devised this system. It is very simple, and allows us all to know what is going on, while keeping each policy area particularly aware.

Each week, we will go through the Congressional Daily, EESC Weekly Bulletin, etc. and identify hearings that are relevant to the office. We will put these into an OEP Capitol Hill Schedule. Each hearing will be prioritized and those which require attendance ("A"s) and those for which attendance is preferred ("B"s) will be assigned to the intern in a given area (others will just have testimony requested).

For each assigned hearing, we will give the intern an assignment sheet (and carbon their supervisor), with the date, time, location etc. on it. If the supervisor does not feel that attendance is necessary, please let us know and we will request testimony for the hearing. If the supervisor would like attendance, but their intern is unable to attend, then *the intern should attempt to find a replacement*. If there is still a problem, we will try to get the hearing covered.

After the intern attends the hearing the should complete a 1/2 to 1 page summary of what went on and return it to Vate by C.O.B. Thursday or as soon as possible on Friday for Friday hearings.

Each week we will distribute a report of what went on in the hearings and elsewhere on the hill and a current copy of the schedule. If anyone meets with any Members or Congressional staffers, you should also let Vate know so it can go in the report.

We hope this will make things run much more smoothly. Thanks.

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MEMORANDUM

TO: VATE

FROM: COURTENAY

RE: HEARING ON BELOW-COST TIMBER SALES POLICY

On June 24 the Senate subcommittee on agricultural research, conservation, forestry and general legislation held a hearing on "below cost" timber sales (BCTS) by the U.S. Forest Service. Early this year the Administration expressed its intention to phase out these money-losing sales to save \$46 million in fiscal 1994. The phase-out of BCTS was not included in the Administration's budget bill but the matter may be pursued regulatorily.

Remarks were made by Senators Daschle, Craig, Gregg, Leahy and Baucus. Senator Craig stressed that the effects of withdrawing the BCTS subsidization might eliminate forests which, in turn, would cause the loss of jobs and tax dollars. He also explained that BCTSs are necessary as a tool for achieving ecosystem management. Importation of timber from Brazil, Chile and Russia would increase with the loss of BCTSs as well, he argued. The Senator noted that these countries are not as environmentally sensitive as the United States. Thus, American job losses as well as destruction of the environment would occur with the end of BCTSs.

Senator Gregg explained that the BCTS system in New Hampshire works and allows "the federal government to be a winner." Even if a timber sale loses money, the Senator argued, it actually generates local economic activity and increases tax revenues. He also examined why it costs more to produce federal timber and concluded that the cause was extra accounting costs. These accounting costs could be trimmed. For example, the Senator stated that if the "Earth First Appeal Process" (litigation costs) as well as "activities that would be undertaken anyway" could be eliminated, then the cost of producing federal timber would be equal to fair market price.

Senator Leahy explained that some BCTSs should be prevented but he also stated that he understood the need for some BCTSs in order to promote forest management. His remarks were brief.

Senator Baucus stressed that the Forest Service must shift to ecosystem management. Reductions of \$46 million in the agency would prevent such a move. BCTSs, he explained, are not the problem but merely the symptom of the problem of not focusing on this type of management. Senator Baucus offered other suggestions about how the agency could save money which included

streamlining, downsizing and building temporary roads instead of permanent ones.

Jim Lyons gave a brief overview of the Administration's proposed policy. He explained that a task force will be convened to review BCTSs.

Michael Francis of The Wilderness Society argued that the BCTS system should be eliminated "to stop the drain on the Treasury" and prevent environmental damage.

James Riley of the Intermountain Forest Industries Association supported the BCTS system. He stated the Forest Service should not be punished for not making a profit since they were never given a mandate to do so. He described two reasons for below cost forests: 1) the extra law enforcement needed to deal with Earth First and 2) the court-ordered injunctions which prevent any trees from being cut.

Date: June 23, 1993
To: Courtney
From: Vate
Re: Hearing Assignment

I have you assigned to the following hearing:

Date: 6/24
Committee: Agriculture
Subcommittee: Agricultural Research, Conservation, Forestry and
General Legislation
Place: 332 RSOB
Time: 2:30
Topic: below-cost timber sales policy
Witnesses:
Priority: A

Please attend and write a 1/2 to 1 page summary and return to me with this form (if you want to be real environmentally sound, you can print it on the back side). In your summary, focus on major issues, specific committee members reactions and the general likelihood that legislation will be written/ go to the floor/ pass. Also, please provide me with copies of any important testimony.

If you are unable to attend, please find someone to cover for you. If you can't, let me know at least a day in advance and I will try to arrange for someone to attend. Thank you.

Delaware + Constit

health, and the roles of the government and private sectors in pursuing economic development.

A variety of factors hinder sustainable economic growth, several of them related to the deterioration of natural resources. The basic problem is that while long-term economic health requires sustainable use of natural resources, the rapid population growth and severe poverty experienced in developing countries often leads to a depletion of natural resources for food and short-term economic gains.

Issues: Africa's population is increasing by about 3 percent a year and is expected to reach 1.6 billion by the year 2025, more than double what it was three years ago, according to a March 25 Congressional Research Service report. This is the highest population growth rate of any major region on Earth.

As Africa's population increases, so does competition for land, water and other natural resources. More and more people are driven to clear land to grow food crops and harvest trees for firewood, Africa's primary energy source among the rural poor. This in turn leads to soil erosion, declining soil fertility and desertification, further reducing food production and depleting the natural resources on which long-term economic growth depends.

In addition to population pressures, government policies also contribute to soil erosion and other forms of environmental degradation. A July 1990 CRS report points out that scarce financial resources and high foreign debt lead many African nations to view environmental protection as a luxury rather than a necessity. As a result, some governments encourage farmers to use their best land to grow cash crops in order to increase foreign exchange, pushing subsistence farmers onto marginal lands where food crops cannot be sustained.

In addition, lack of land tenure for farmers discourages them from making long-term investments in their lands, such as soil conservation and reforestation.

Another major environmental problem linked to population pressures and development needs is deforestation.

Africa is home to 19 percent of the world's remaining moist tropical forests,

with 10 percent found in Zaire alone, according to CRS. Brazil, in comparison, contains 33 percent of all remaining moist tropical forests.

From 1950 to 1983, the total forested area on the African continent was reduced by 23 percent, CRS reports. Much of this decline is explained by the clearing of land for agricultural use. In addition, logging companies cut timber for export at unsustainable rates and savannah forests are lost due to the need for firewood.

Deforestation also contributes to loss of biological diversity, on which Africa depends for the daily nutritional requirements of its rural inhabitants, for attracting tourism and for providing many of the raw materials used in commercial goods. Many scientists also believe that deforestation contributes to the threat of global warming, because trees absorb carbon dioxide, the principal heat-trapping "greenhouse gas" associated with global climate change.

To address these and other concerns, Congress in recent years has included provisions in foreign aid appropriation bills providing direct environment and development assistance to African nations. In addition, the United States contributes to several multilateral development institutions, such as the World Bank, which provide assistance to African countries. However, environmentalists often criticize the World Bank and other international lending agencies for supporting projects in developing countries that exacerbate, rather than reduce, environmental degradation.

Witnesses: All of the witnesses appearing before the subcommittee teach at universities in their home countries and have served as consultants or advisers to their governments and to various international organizations, including the U.S. Agency for International Development and the World Bank.

Scheduled to testify are Charles Jebuni, senior lecturer with the University of Ghana's economics department; Benno J. Ndulu, professor of economics at the University of Dar-es-Salaam, Tanzania; Ademola Oyejide, professor of economics and director of trade policy research and training at the University of Ibadan, Nigeria; Germina Ssemogerere,

associate professor and head of the economics department at Makerere University, Uganda; and Manana Tuoane, senior lecturer with the University of Lesotho.

When: The subcommittee hearing is set for 2 p.m. Monday, June 21, in 2128 Rayburn.

House Banking contacts: Jeff Morelli, majority, x67515; Nelle Temple, minority, x50004. — *Dan Riedinger*

Forests

Panel examines timber issues

Senate Agriculture's newly constituted subcommittee on agricultural research, conservation, forestry and general legislation holds its first hearing on forestry matters Thursday, when the panel is scheduled to examine "below-cost" timber sales by the U.S. Forest Service.

A timber sale is generally considered below cost when the expense of preparing and administering the sale exceeds the amount of revenue taken in by the government. Environmentalists have long sought to end such sales and the Clinton administration early this year expressed its intention to phase out money-losing sales.

Under pressure from Western senators, the administration decided not to include the phase-out in the omnibus budget bill currently working its way through Congress (HR 2264). Still, the administration is expected to pursue the matter, possibly through regulatory action.

The subcommittee, chaired by Sen. Thomas A. Daschle (D-S.D.), also will be looking at several related forest management issues, including the agency's timber sales accounting system, congressionally mandated logging targets, and the concept of ecosystem management, according to a Daschle aide.

Below-cost timber sales: Before selling the right to cut federal timber to a private logging company, the Forest Service must survey the sale area, mark its boundaries, catalogue rare species that might be harmed by logging, take various administrative actions, and sometimes build roads. At times, the cost of these

activities exceeds the fee paid by the logging company. The Forest Service is not required to make a profit on its timber sales.

Conservationists argue that these below-cost timber sales amount to virtual "giveaways" of valuable forest resources without regard for environmental damage or a fair return to the U.S. Treasury.

The Forest Service and the timber industry have maintained that preparation efforts are often valuable for more than the single sale. For instance, a newly built logging road may be used later for recreation or by other loggers.

The agency adds that even a timber sale that loses money on the Forest Service balance sheet generates local economic activity (such as loggers' wages and the goods and services purchased by them) and increases federal and state tax revenues. In addition, state and local governments receive a percentage of gross timber receipts to pay for construction of public schools and roads.

Agency actions: As part of the agency's budget proposal in April, Forest Service Chief F. Dale Robertson released details of how the agency could save \$46 million in fiscal 1994 by phasing out below-cost sales of commercial timber in the 15 forests with the largest losses. Sales of timber for personal use, or for forest management purposes such as wildlife habitat improvement, would not be affected.

Overall, below-cost sales in 62 national forests from New Hampshire to California would be phased out over four years.

This plan, affecting more than one-third of the nation's national forest system, is just one option in an array of possibilities for making timber sales profitable, according to an agency official.

No firm decision has been made, and the administration is still looking at the environmental implications and community impacts of the various alternatives, the official said.

Daschle's panel is expected to focus on the status of the Forest Service's below-cost policy, according to a subcommittee aide. Members will want to know if the administration really intends to phase out below-cost sales on 15 forests in the

coming fiscal year, the aide said. Subcommittee members would like to sit down with the agency and "come up with a long-term policy that perhaps is a little less Draconian than this one," the aide added.

Members also are likely to ask whether some below-cost sales should be allowed to go forward because they provide other services, the aide said.

A 1990 Forest Service proposal to phase out below-cost sales in 12 forests was squelched by the 101st Congress.

Other issues: In addition, the subcommittee is expected to question its witnesses about the Forest Service's cost accounting system, called the Timber Sale Program Information Reporting System, or TSPIRS. Based on TSPIRS, the timber sales program nationwide brings a "net return" to the Treasury.

But critics charge that the system masks losses in as many as half of the national forests, and that accounting "gimmicks" make it difficult for Congress and the public to determine whether the federal timber program is cost-effective. (For more on TSPIRS, see March 30, 1991, *Weekly Bulletin*, p. B5.)

Witnesses also will be asked to discuss the role of congressionally mandated logging targets in the management of national forests, the subcommittee aide said. Congress has frequently directed the Forest Service to sell a certain number of board feet of timber in each region of the national forest system, generally as part of the annual funding bill for the Interior Department and related agencies. Critics have said that this mandate can lead to environmental damage through overcutting, and to neglect of other forest resources.

Another topic likely to come up is the concept of ecosystems management. Numerous administration officials, most notably Interior Secretary Bruce Babbitt, have said repeatedly that federal land management practices should become more attuned to ecosystem considerations. But ecosystems management has not been clearly defined. The subcommittee will likely ask witnesses to discuss what this approach to resource conservation will mean in practical terms, the aide said.

Witnesses: The first witness at the

hearing will be Jim Lyons, assistant agriculture secretary for natural resources. The Forest Service is an agency of the Agriculture Department.

Also scheduled to testify are James S. Riley of the Intermountain Forest Industry Association and Mike Francis of The Wilderness Society.

When: The hearing will begin at 2:30 p.m. Thursday, June 24, in 332 Russell.

Senate Agriculture contacts: Eric Washburn, majority, x42321; Norm Arseneault, minority, x42752. — *Leslie Ann Duncan*

Appropriations

NOAA bill heading to full committee

The House Appropriations Committee is likely this week to mark up a fiscal 1994 spending bill that includes funding for the Commerce Department's National Oceanic and Atmospheric Administration.

The bill was approved June 16 by Rep. Neal Smith's (D-Iowa) subcommittee on commerce, justice, state and judiciary. Details of the subcommittee-approved bill were not available, and staffers were instructed not to reveal the bill's contents until the full committee markup.

At press time, it appeared the full committee would act on the bill Thursday, but that schedule was tentative, a subcommittee aide said.

President Clinton's fiscal 1994 budget would give NOAA a spending boost of 12 percent, but the increase generally would not benefit NOAA agencies responsible for ocean research and management programs.

Much of the \$1.92 billion in budget authority requested for NOAA would go for big-ticket items, such as modernization of the nation's weather system and the construction of new satellites.

For ocean programs — administered by NOAA's National Ocean Service, Office of Oceanic and Atmospheric Research, and National Marine Fisheries Service — the Clinton budget request is somewhat similar to recent Bush adminis-

SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY
SUBCOMMITTEE ON AGRICULTURAL RESEARCH, CONSERVATION,
FORESTRY, AND GENERAL LEGISLATION

HEARING ON
THE ADMINISTRATION'S BELOW-COST TIMBER SALE POLICY

Thursday, June 24, 1993
SR-332, 2:30 p.m.

WITNESS LIST

The Honorable Judd Gregg
U.S. Senator from New Hampshire

Mr. James Lyons
Assistant Secretary for Natural Resources
United States Department of Agriculture
Washington, DC

Mr. Michael Francis
Director
National Forests Program
The Wilderness Society
Washington, DC

Mr. James Riley
Executive Vice-President
Intermountain Forest Industries Association
Coeur d'Alene, ID

THE WHITE HOUSE
WASHINGTON

April 30, 1993

MEMORANDUM FOR OEP STAFF

FROM: PAM McELWEE

SUBJECT: Congressional Update

Herewith lies the latest on Hill happenings since the Easter recess. If you have specific questions on hearings -- see me. If you would like the testimony for any of the other hearings -- see Kurt.

A calendar of events will be on your desk Monday morning and will include upcoming hearings and markups (as well as providing you with a timeline of what has happened in the past.) If you would like someone to attend an upcoming hearing for you, please let me know.

I am beginning to make files on every Senator, House member and Committee so that our office can be fully prepared when Katie or others on our staff have to meet, write or take phone calls from the Hill. Please either let me know verbally (or preferably in a memo that I can keep on file) at the end of each week what contacts you have had with Congressional people. This is very important so that our office is speaking with one voice -- and it makes my life easier when last minute congressional briefings/actions come up. If you are contacted by a Congressional person and would like background, that's what I'm here for.

One final point. As many of you know, OMB sends out legislative referrals. LR's offer our office the chance to comment on any bill, testimony or questions submitted by any executive branch office or agency. They are very important to keep our administration speaking with one voice. **Most of these LR's -- with limited exceptions -- should continue to come to me first.** I log them into my calendar by date of comment needed, and then either farm them out to staff or deal with the LR myself. If you don't have comments for me, simply give the LR back and mark no comment. If you do comment, keep a record of what you what changed and then fax if to OMB. Then make me a copy of the testimony for my files and keep one for yourself. I have begun to keep all these LR files in the far upper left cabinet above my desk. They are labelled by "agency -- subject". They are very handy as quick reference to what the Administration policy is on any given subject. Please remember to meet the deadlines on these in your area if I give them to you..

CONGRESSIONAL ACTION:

o Appointments.

Here are the folks who had confirmation hearings last week: Bob Sussman, Deputy Administrator EPA, Jim Baca, BLM director, Bob Armstrong, Ass't Sec for Land and Minerals at Interior, Bonnie Cohen, Ass't Sec for Policy and Budget, Interior, and Jim Lyons, Ass't Sec for natural Resources, Ag.

o Appropriations.

Hearings have been going on all week. Interior, Ag, Commerce and Energy all appeared before the House to talk about their budgets.

o California Desert.

The bill to designate 8 million acres of protected wilderness in the California desert has been on the table for over 10 years. But hostile Republican administrations and a lack of consensus within the California delegation have doomed this bill every year. Last year Senator Gore was an original cosponsor.

This year, however, with two democratic Senators, and our administration, this bill is expected to pass. Babbitt testified in favor at the Senate Energy Subcommittee on public lands. DOD has also been brought along board in support of the wilderness designation although they originally did not want to. (NOTE that OEP concurred with Interior and Ag in statements to OMB that DOD should alter their original testimony that they wanted to submit to the Senate. This testimony contradicted what Interior was going to say and DOD indicated that they wanted substantial changes in the desert bill. We said that the changes already made in the bill concerning adequate flyways for military overflights had been made. DOD finally agreed to change its position. Interior was much appreciative of our help.)

This bill does face opposition by miners, the 30 ranchers who have land, and off road vehicle enthusiasts that currently use the BLM land.

o Clean cars.

The Senate environment subcommittee on clean air held a hearing this week focusing on government and industry initiatives to develop cleaner-running automobiles such as electric cars and vehicles powered by compressed natural gas. Although it was mentioned that the Clinton Administration may be involved in discussions with the automobile industry to promote research partnerships aimed at designing low-pollution technologically advanced automobiles, this hearing focused mainly on currently known initiatives and on implications that developing clean cars has for US industry in the world market. Other topics for discussion were the California waiver under the Clean Air Act and its implication for the auto industry and the auto parts recycling business. See me for testimony.

o Clean Water.

Browner will testify next week on the Clean Water Act. Her testimony will emphasize the need for watershed protection, pollution prevention, and increasing funding for state enforcement of water laws.

o Drinking Water.

House Energy is marked up this week a plan to create a four year, \$3.6 billion program to help state and local governments finance construction of drinking water treatment facilities. The recent incident in Milwaukee – where an outbreak of intestinal disease was caused by poor water filtration – spurred this quick action. Additionally, a recent GAO report (see me if you want) concluded that states are doing a poor job of keeping contaminants out of drinking water because they lack sufficient funds.

The bill is a joint Dingell/Waxman measure that may go to the House floor in the next few weeks. The bill embodies a proposal in our 1994 budget to provide \$599 million in federal funds next year and \$1 billion annually for the following three years to help states comply with the Safe Drinking Water Act. The money would be distributed by the EPA to the states to establish revolving funds which in turn would provide low interest loans to communities for drinking water treatment projects. The proposal is patterned after the revolving loan funds established for wastewater treatment projects under the Clean Water Act. One important aspect of the plan requires smaller water supply systems that can consolidate with a larger system to do so. Federal funds would not be available for capital improvements on smaller systems that did not consolidate. Investor owned public water systems are also eligible for the loans.

o Energy.

Fusion research at the Department of Energy was reviewed in a hearing this week. We have asked for a cut of 47% in all nuclear energy research except fusion, and the House Science Subcommittee on energy reviewed the status of current fusion research.

o EPA Cabinet Level.

This bill is struggling along through the Senate and looks like it will pass relatively unscathed. It has been the object of several hostile Republican amendments, included one to require a 'economic impact assessment' for every new regulations or executive rule, one that would require an offset in cost for every new rule and one that would establish a separate Regional EPA Administrator for Alaska. Those all failed. However, amendments to provide more technical assistance to small businesses and governments, to use cost-benefit analysis when feasible, and to establish an Assistant Secretary for Indian Affairs passed. Roth passed a amendment making the abbreviation of the Department the DEP -- which apparently Administrator Browner is upset about because she wanted USDE. More troubling was the amendment by Johnston that codified that nutty Bush executive order requiring the impact of decreased wages because of regulation on health and safety concerns to be figured into cost

benefit analysis (ie if somebody makes less money, he's less likely to live as long). On Tuesday, we face several more amendments, including the Dole takings amendment (which will not have a vote, but rather is for discussion only), and a Bond wetlands amendment to move wetlands regulatory authority from the EPA and Corps to the Soil Conservation Service (which we strongly oppose). Vote on the final passage will be Tuesday night. Enviro's have been edgy so far about all the amendments that are being attached, but I think we will get them to support the final bill.

The House began hearings in the Government Ops committee this week, which I attended. Chairman Conyers wants environmental justice to be attached to the House bill (elevate the Environmental Justice office to be under the Secretary, form a citizen's advisory board to the EPA) which Administrator Browner is now favorably disposed toward. This is not in the Senate version and would have to be resolved in committee.

- o Grazing.

The GAO issued a report this week that found that grazing on lands owned by the US Forest Service is dominated by larger operations rather than small family ranches. Among the findings of the report: one of the largest operations profiting from low grazing fees is the Sieben Ranch in Montana, partly owned by Max Baucus.

Today is the first of several hearings on grazing fees that are being conducted by Sec. Babbitt. The three other hearings will be held next week. The hearings will explore possible rate increases and how to improve land management practices on the range.

- o High Speed Rail.

Transportation Sec. Pena announced yesterday, 4-29, a five year \$1.3 billion plan to create Federal state partnerships to develop high speed train service in highly populated corridors.

- o Mining law.

After Clinton decided to pursue the change in mining royalties through administrative means, rather than through the budget, interest has been high in mining law reform. Senator Bumpers introduced his environmentalist-backed bill, S. 257, that would charge mining royalties of 8%, and set federal standards for mine reclamation. An industry backed bill with smaller royalties and no reclamation standards was introduced 4/5 by Craig, Wallop, Bennett, Burns, Hatch and Stevens. (This is the bill we succeeded in peeling Reid and Bryan away from).

This week, Sec. Babbitt testified before the House that the Administration still wants a 12.5% royalty and that it should be applied retroactively to existing mines. He retracted that statement Thursday saying it was probably not a serious suggestion.

- o Recreation fees.

As part of the budget proposal, the Administration recommended higher recreation fees for the use of public lands, such as entrance fees at national monuments. OMB says this collection of fees would generate \$346 million over the next five years. A hearing was held at the House Natural Resource Subcommittee for National Parks this week on the proposal. Environmentalists are generally supported but want the fees to be channelled back into the parks for restoration and maintenance.

o Superfund.

Environmentalists now are urging Senate Democrats to delay Superfund Reauthorization in favor of letting EPA address the program's problems administratively. In a letter to Senate EPW Chair Max Baucus, seven major environmental groups asked Congress to allow EPA the time to make administrative changes in the Superfund and Safe Drinking Water Act. Environmentalists may be afraid that a complete overhaul of Superfund may be inevitable, including laying the polluter pays principle on the table. Enviro's are pushing more for a recycling bill independent of SARA/ CERCLA or RCRA reauthorizations, then a monetary reauthorization for CERCLA in 1995 when it's slated to run out.

The House Science subcommittee on oversight held two hearings focusing on obstacles to using innovative technologies in cleaning up hazardous waste sites. The hearing was convened by Jimmy Hayes (D-La) to determine whether the Superfund law makes it too difficult to bring new technologies into use at site cleanups. GAO, OTA, and EPA, as well as contractors and Clean Sites Inc. testified. The key problem in using new technologies was identified as risk aversion -- companies don't want to pay more for untested technology.

cc: Suzanne Valdez
Chris Ulrich
Julie Cote

**OEP Capitol Hill Schedule
June 23, 1993 - 5:40am**

Date: 6/18
Committee: Nat Res
Subcommittee: Native American Affairs
Place: 1324 LHOB
Time: 9:30 a.m.
Topic: improving the use of Indian agricultural lands
Witnesses:
Priority: C
Staff: Testimony

Date: 6/16
Committee: EPW
Subcommittee: Clean Water, Fisheries and Wildlife
Place: 406 DSOB
Time: 9:30 a.m.
Topic: Federal Water Pollution Control Act
Reauthorization
Witnesses: Browner, Cooper (Toxicology Michigan State)
Priority: A
Staff: Testimony

Date: 6/16
Committee: Indian Affairs
Subcommittee: full
Place:
Time:
Topic: proposed Indian Fish and Wildlife Enhancement Act
Witnesses: lots
Priority: C
Staff: Testimony

Date: 6/16
Committee: MM&F
Subcommittee: Env. and Nat. Res.
Place:
Time:
Topic: habitat conservation plans in the ESA
Witnesses:
Priority: A
Staff: Testimony

Date: 6/23
Committee: EPW
Subcommittee: Clean Water, Fisheries and Wildlife
Place: 406 DSOB

Capitol Hill Schedule June 23, 1993 - 5:40am

Time: 9:30
Topic: Clean Water Act -state revolving fund, stormwater
& combined sewer overflow

Witnesses:
Priority: **A**
Staff: Shelley

Date: **6/23**
Committee: Energy and Commerce
Subcommittee: Transportation and Hazardous Materials
Place: 2322 RHOB
Time: 1:30
Topic: Superfund hazwaste cleanup oversight
Witnesses:
Priority: **C**
Staff: Testimony

Date: **6/24**
Committee: Agriculture
Subcommittee: Agricultural Research, Conservation, Forestry and
General Legislation
Place: 332 RSOB
Time: 2:30
Topic: below-cost timber sales policy
Witnesses:
Priority: **A** *enay*
Staff: ~~Courtney~~

Date: **6/25**
Committee: Government Operations
Subcommittee: Environment, Energy and Natural Resources
Place: 2247 RHOB
Time: 9:30
Topic: oversight-management problems at EPA labs
Witnesses:
Priority: **B**
Staff: Chris

Date: **6/29**
Committee: Energy and Natural Resources
Subcommittee: full
Place: 366 DSOB
Time: 9:30
Topic: Clinton administration's greenhouse gases
Witnesses: Browner, Rivlin
Priority: **A+**
Staff: Vate

Date: **6/29**

Capitol Hill Schedule June 23, 1993 - 5:40am

Committee: Small Business
Subcommittee: Rural Enterprises and the Environment
Place: 2359 RHOB
Time: 10
Topic: small businesses and Superfund
Witnesses:
Priority: C
Staff: Testimony

Date: 7/1
Committee: Natural Resources
Subcommittee: Energy and Mineral Resources/ E&C Energy and Power
Place: 1324 LHOB
Time: 10:00
Topic: DOE High-Level Radioactive Waste Program
Witnesses:
Priority: B
Staff: ~~Vate~~ Lisa K. ~~Chris~~ Lisa M.

Date: 7/1
Committee: EPW
Subcommittee: Clean Water Fisheries and Wildlife
Place:
Time:
Topic: CWA Reauthorization
Witnesses:
Priority: A
Staff: ~~Vate~~ Lisa K

Date: 7/14
Committee: Agriculture
Subcommittee: Department Operations Nutrition
Place: 1300 LHOB
Time: 10
Topic: public health risks and benefits of pesticides
Witnesses:
Priority: A
Staff: Lisa K

Date: 7/14
Committee: EPW
Subcommittee: Clean Water Fisheries and Wildlife
Place:
Time:
Topic: CWA Reauthorization
Witnesses:
Priority: A
Staff: Lisa K

Capitol Hill Schedule June 23, 1993 - 5:40am

Date: 7/21
Committee: EPW
Subcommittee: Clean Water Fisheries and Wildlife
Place:
Time:
Topic: CWA Reauthorization
Witnesses:
Priority: A
Staff:

Date: 7/28
Committee: EPW
Subcommittee: Clean Water Fisheries and Wildlife
Place:
Time:
Topic: CWA Reauthorization
Witnesses:
Priority: A
Staff:

Date: 8/4
Committee: EPW
Subcommittee: Clean Water Fisheries and Wildlife
Place:
Time:
Topic: CWA Reauthorization
Witnesses:
Priority: A
Staff:

Capitol Hill Schedule June 23, 1993 - 5:40am

THE WHITE HOUSE
WASHINGTON

May 10, 1993

MEMORANDUM FOR OEP STAFF

FROM: PAM McELWEE

CONGRESSIONAL ACTION FROM MAY 1 TO MAY 10

o California Desert.

A hearing was held on the bill to designate 8 million acres of protected wilderness in the California desert. Generally favorable, with the sole trouble spots being the off road enthusiasts who like to tear up the desert for their play ground.

o Clean Water.

Administrator Browner testified last week before House Public Works on the Clean Water Act. Her testimony emphasize the need for watershed protection, pollution prevention, and increasing funding for state enforcement of water laws. Favorable reactions.

o Drinking Water

The revolving loan bill is still on the house floor. No indication when it 'll move.

o Endangered Species Act.

Rep. Studds and Sen. Baucus reintroduced ESA reauthorization bills last Thursday., the 20th anniversary of the original act. The reauthorizations would "fine Tune" the ESA by 1) allowing more innovations like the gnatcatcher plan in CA by letting the government intervene earlier when it is clear a species is in decline 2) reverses a rule that allows US agencies to avoid ESA requirements when their actions affect the 500 overseas species listed under the US law. 3)create incentives for private landowners to protect species. 4) double the funding for Interior to administer the program, to \$110 million in FY 1994. See me for bill.

o Energy tax.

The tax is still being considered by the House Ways and Means Committee. The Senate Finance will consider the measure in the next week or two. This

committee will be difficult. Democrats hold a slim 11 to 9 margin on the committee - with two possible defectors in Sens. Boren and Breaux.

- o EPA Cabinet level:

The bill to elevate the EPA to cabinet level status passed the Senate on a vote of 79 to 15 on Tuesday, May 4. Although the Administration had sought a clean passage of the bill, a number of amendments were added to the original Glenn legislation. Democratic amendments to add an office of environmental justice (Wellstone) and to establish support programs for small businesses and small governments (Lieberman) to comply with regulations were passed. Additionally, a McCain amendment to add an Assistant Secretary for Indian Affairs was approved.

The bill was also the object of several hostile Republican amendments, including a Nickles amendment to require an 'economic impact assessment' for every new regulation or executive rule. The vote was 50 to 48 to table the Nickles amendment, so we almost lost on that one. Seven Democrats defected, among them Reid, usually a friend. Another amendment by Hatch would have required an offset in new costs for every new rule by mandating the dissolution of a previous regulation of equal cost. The issues of requiring compensation from the government for any regulatory 'takings' and the idea of requiring an analysis of the takings effect of any new regulation were brought up and discussed by Dole, but not voted on. None of these amendments passed.

More troubling than the traditional Republican attacks was the amendment by Johnston that codified that nutty Bush executive order requiring the impact of decreased wages -- because of regulation -- on health to be figured into cost benefit analyses of legislation (ie if somebody makes less money, he's less likely to live as long; therefore, make sure he doesn't make less money by reducing the number of regulations put on him). You all have heard by now about the Bond wetlands amendment to move wetlands regulatory authority from the EPA and Corps of Engineers to the Soil Conservation Service. We agreed to go along with a second degree amendment -- essentially a substitute compromise -- which seeks eventually to provide for one agency (to be determined, but the request has been for the soil conservation service) regulating wetlands policy. We also agreed in response to a letter by seven southern democrats to start an interagency review of wetlands issues in general -- chaired by the OEP.

Fifteen Senators, mostly arch conservative Republicans, plus Sen. Bob Kerrey D- NE, voted against final passage of the bill.

The House began hearings in the Government Operations committee last week, although legislation has not been formally introduced. Chairman Conyers -- who is taking the lead on drafting the legislation -- wants several things to be attached to the House bill. One, he is very concerned about contractor use at EPA and wants to prohibit contractors from performing "inherently governmental" functions. Secondly,

he wants a citizen advisory board to advise EPA management on how the public can better participate in regulatory rulemaking. Third, he wants environmental justice concerns to be elevated by creating an office under the Secretary to address those issues. Currently that function is carried out by a Office of Environmental Equity under the Ass't Secretary for Solid Waste.

Chairman Dingell testified at the Conyers hearing with a begrudging attitude of disliking the idea of giving more responsibility to EPA, but understanding that the Cabinet bill was inevitably going to pass. He too is gravely concerned about the contractor problems at EPA, but probably will let the bill pass without major overhauls at EPA.

Chairman Studds will hold a hearing on the 13th on the CEQ portion of the EPA legislation. I will attend that hearing and get relevant notes.

- o Grazing.

The last hearing has been held in the west on raising grazing fees. . The hearings explored possible rate increases and how to improve land management practices on the range. Babbitt expects to report back to Congress and the West by mid summer on proposals.

- o Lead Poisoning.

The former PCEQ worked on a lead campaign to inform parents through radio and TV ads about the dangerous of lead poisoning. Last Tuesday, Tipper Gore and Carol Browner unveiled the campaign and the Clinton Administration got credit for it in several major papers. Brownie points for us.

- o Mining Law.

The Senate Energy Committee marked up a mining law reform bill. While the Administration does not outright oppose the bill, Sec. Babbitt has publicly stated that it does not go far enough. We may seek amendments on the Senate floor or a very strong bill from the House to be reconciled in conference. The bill establishes a 2% net royalty on mineral proceeds from federal lands. The Administration has been supporting a 12.5% fee on gross proceeds. This marked up bill, introduced by Craig and other western senators, also does not address other environmentalist's demands. It does not allow discretion by land managers to disallow mining on public lands in favor of recreation, or other uses. Any patenting claim on minerals in law under 1872 mining law jurisdiction is considered the "best" use of the land, no matter how environmentally damaging the mining might be. However, the bill does make action on the land subject to the NEPA, which has previously not applied to mining actions. Mining reclamation plans are not required by this bill. I have breakdowns and analyses of both the Craig bill and the Bumpers bill supported by environmentalists if anybody is interested.

Johnston is going to discourage amendments in the Senate, and then hopes to be able to strong arm the conference committee into enacting a bill between 2% - 8% royalties. No word on how strong his feelings are about the environmental standards such as land reclamation.

- o National Service.

Legislation has been drafted and is being circulated. Not much mention in legislation of specific environmental initiatives, but environmental needs are identified as one of four top priorities of this program. All the concerns that I have raised from this office about the proposal were incorporated into the final bill. Additionally, Summer of Service programs were selected to provide 1500 jobs to young people this summer (although the stimulus did not pass, the money will be sought extraneously for this program). Of the sixteen programs to be funded, half are environmental !! Including one that I personally had recommended and was rooting for.

Over the course of the next month, I will be working with the National Service folks on proposals for the long term program. Specifically, I hope to evaluate the Summer of Service programs that did NOT get chosen (over 400 total, about 1/3 are environmental) and attempt to provide better guidelines and suggestions to those groups, as well as get others interested in the long range plan. After that I will be working on outreach to groups that were not involved in service up to this point at all. I have formulated a draft advisory board on environmental service which I recommended to the National Service office.

On a different track, I am also working with a woman from the Navy on possibilities for service opportunities for government employees. For example, under this plan, I would contribute one afternoon per month teaching biology to inner city youth, and that afternoon would be paid for by this office. This program would try to excite more employees about the work they do by encouraging them to share their work, and would draw more underprivileged youth into contact with rewarding careers.

- o Superfund.

A hearing was held last week before House Energy and one before Senate EPW on municipal liability under Superfund. Administrator Browner will testify this week on the 13th on general issues in Superfund reauthorization for the House Energy committee.

- o Whaling.

A joint resolution passed Congress last week calling for a continued US policy of opposition to the resumption of commercial whaling and also expressing the sense of the Congress with respect to conserving other marine mammals.

THE WHITE HOUSE

WASHINGTON

March 17, 1993

MEMORANDUM FOR OEP STAFF

FROM: PAM

SUBJECT: WEEKLY CONGRESSIONAL BRIEFING

Each week I will try to give you a Monday memo on what's coming up on the Hill, and Friday's I'll let you know what transpired. If there are hearings and briefings that you would like me to attend when you see the Monday schedule, let me know and I'll go and get testimony and notes for you. As soon as I'm able to get away more to hearings and stuff the Friday updates will be more detailed, but for now we'll make do.

RECENT CONGRESSIONAL ACTION:

o The budget package will go to the Senate and House floors possibly this week, perhaps as soon as today. The Senate Budget Committee approved a budget resolution that essentially embodies Clinton's plan plus an additional \$96 billion more in deficit reduction -- the House version calls for \$104 billion more in deficit reduction.

* The energy tax and increase in user fees on natural resources came under fire by Republican lawmakers during the committee sessions, and similar attacks in the form of amendments are expected on the floor.

- Judd Gregg (R-NH), Sens. Nickles (R-OK), Gramm (R-TX), and Domenici (R-NM) as a group, and Brown (R-CO) proposed eliminating the energy tax in three separate amendments.

- Domenici and Gorton (R-WA) offered an amendment that would have scrapped most of the proposals to increase fees on federal resource users.

- A group of 13 Western democratic senators met with the President on March 16 to discuss their concerns with these controversial parts of the stimulus budget. Baucus is among those concerned, and is the only Western committee Chair. McGinty attended this meeting.

* The House Ways and Means Committee heard from interest groups on the BTU tax last week. The National Association of Manufacturers said that 600,000 jobs are at risk from the tax. The figure was disputed by Bentsen. Atlantic Richfield and the United Mine Workers recently expressed support for the tax.

o NAFTA - Ambassador Kantor appeared before House Ways and Means on the 11th and also briefed members of the Senate Environment committee regarding supplementals to NAFTA.

o Climate change - The House Energy subcommittee on energy and power helped a hearing March 10 to examine the Bush Climate Action plan submitted as the US commitment to the Framework Convention on Climate change. One of the issues explored at the hearing was whether the proposed Clinton BTU tax would have an effect on US emissions. Bill Nitze and Dan Albritton testified in favor of a revised action plan, while Michael Baroody of the Global Climate Coalition testified in favor of the Bush plan.

o EPA contracting - Administrator Browner appeared before the House Energy oversight and investigations panel to discuss EPA contractor mismanagement on March 10. In recent years, the GAO, OMB and the EPA's inspector general have raised concerns that EPA was relying too heavily on contractors to do the agency's work, blurring the distinction between EPA employees and contractor employees, and failing to oversee contracts properly. Browner said she plans to remedy these problems through developing a contractor procurement training program and shifting more contracted functions to EPA employees. Republicans asked Browner whether EPA Cabinet legislation should include provisions regarding the way contractors are managed and the proposed new department.

UP AND COMING ISSUES:

o RCRA: Sources say that EPW would like to start on RCRA as soon as possible. However, instead of getting a comprehensive reauthorization worked up and then having it get bogged down with millions of issues, they anticipate starting small and doing separate bills on separate issues. First up is recycling. EPW is going to begin an outreach to the cities and municipalities which they see as key to the success of any recycling bill. Soon this office may be asked about possible administration initiatives along the lines of oil, tire or other specific waste recycling moves, and also may ask about the administrations stance on incineration.

o That EPA cabinet bill is still on the move. Mark up date will be available today or tomorrow.

o Clean Water - The House Public Works committee is going to start work on Clean Water Act reauthorization -- due last year but missed -- by planning six hearings from March 31 through Earth Day on a broad range of water issues including wetlands and non point source pollution. Administrator Browner will be testifying at some hearings. Clean Water Act reauthorization is a high priority of the new Public Works chair, Norm Mineta.

o CAFE. Senator Riegle's office is anxious to know our thoughts on increased CAFE, especially for light trucks. Who

wants to tackle this one???

o Environmental Justice. Several offices have expressed support for reintroducing Gore's bill from last session that attempts to address environmental racism. I will be working with Wofford, Baucus, Lewis and others on reintroduction.

THE WHITE HOUSE
WASHINGTON

COLLINS
(12)

June 11, 1993

Ms. Mary Nelson
Bethel New Life
367 N. Karlov
Chicago, IL 60624

Dear Ms. Nelson:

Recently I have received a request from Congresswoman Collins to meet with you to discuss the Bethel New Life organization and its new partnership with Argonne National Laboratory. Both of these organizations should be commended for their urban revitalization efforts underway on Chicago's west side.

While I would like to discuss these issues further, my schedule unfortunately does not allow for such a meeting in the near future. In order to obtain more information about these endeavors, I have asked Pam McElwee, a member of my staff, to meet with you. Please feel free to contact our office at (202) 456-6224 and schedule a meeting at your convenience.

I look forward to hearing more about the new Bethel New Life partnership.

Sincerely,

Kathleen A. McGinty
Director, White House Office on
Environmental Policy

KAM/cgl

McGINTY MEETING REQUESTS
ROUTING SHEET
DATE: / /

NAME OF INDIVIDUAL: Rep. Cardiss Collins

ORGANIZATION: Congress

DATE OF MEETING:

SHOULD KM ATTEND MEET WITH: Mary Nelson of Bethel New Life

ALTERNATES:

CC:

COMMENTS:

CHRIS -
Can you play
secretary? Set up
a meeting for me
w/ these folks
sometime
week after
next? Pam

urban reclamation
waste recycling
energy conservation

• duplicate
• no
• pass to Pam
- CZ 5/20

Congress of the United States
House of Representatives

CARDISS COLLINS

7TH DISTRICT, ILLINOIS

May 20, 1993

Ms. Kate McGinty
Deputy Assistant and Director
The White House Office On
Environmental Policy
Rm360 Executive Office Bldg
Washington, District of Columbia 20501

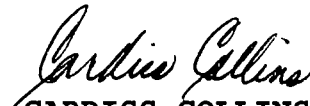
Dear Ms. McGinty:

Recently I have become aware of an exciting new effort being undertaken by Bethel New Life, a nonprofit economic development organization, and the Argonne National Laboratory. These two outstanding organizations have formed a partnership in order to help revitalize Chicago's west side and to help reclaim many of the abandoned buildings that litter the urban landscape.

I am quite impressed with this effort and would like for you to meet with Mary Nelson of Bethel New Life, who represents this new partnership. I have worked with Bethel New Life on many occasions in the past and have found their work in building economic and social infrastructure in my community to be both innovative and resourceful. I am sure that this new endeavor, if given the proper chance, will be successful and may serve as a model for other communities when addressing the dual concerns of economic development and environmental reclamation.

Mary Nelson will be following this correspondence with a telephone call, I would greatly appreciate your meeting with her about this very important endeavor.

Sincerely,


CARDISS COLLINS
Member of Congress

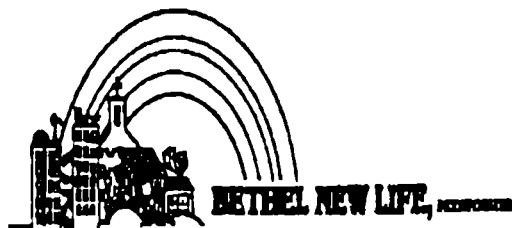
CC/jsg
enclosure

PLEASE SEND REPLY TO:

☐ 2308 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-1307
(202) 225-5006

☐ SUITE 3880
230 SOUTH DEARBORN STREET
CHICAGO, IL 60604-1665
(312) 353-5754

☐ 328 LAKE STREET
OAK PARK, IL 60302-2604
(708) 383-1400



ARGONNE NATIONAL LABORATORY BETHEL NEW LIFE PARTNERSHIP

Argonne National Laboratory and Bethel New Life recently announced a partnership to effect a technology transfer that holds promise of revitalizing Bethel's west side Chicago community. The partnership evolved out of a Argonne United Way visit to Bethel, and a follow up brainstorming session. Harvey Drucker, Associate Lab Director, calls it an "epiphany, the moment when we all thought of a number of ways to make things happen." Five major initiatives have evolved as a part of the partnership efforts:

1) Urban sites reclamation - nearby abandoned buildings formerly used for commercial purposes will be analyzed, restoration methods selected and costs identified to assure new owners of a compliant, financially feasible site. As a part of this process, and in cooperation with the Chicago City Colleges, we hope to train and certificate community residents in assessment and hazardous waste removal skills for livable wage jobs in this burgeoning profession.

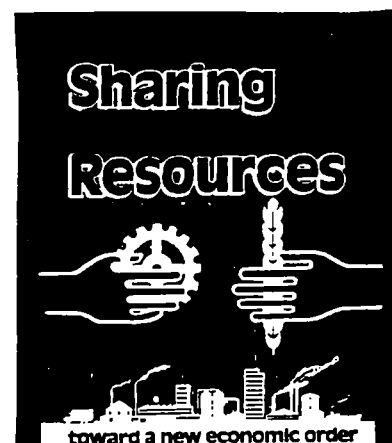
2) New Business Development - Bethel and Argonne will jointly develop a plan for business occupancy of reclaimed buildings utilizing the resources of the neighborhood such as waste steam from a regional solid waste incinerator, including training programs specifically targeted towards relevant businesses.

3) Waste Recycling: Bethel presently operates a waste recycling plan for paper, aluminum and plastics. Argonne and Bethel will jointly develop processes for adding additional value to Bethel's recycled materials. For example, processes that will allow waste plastics to be converted into new plastics suitable for molding into new products; new processes for recycle of non-metallic vehicle components.

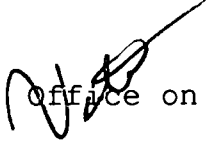
4) Energy conservation, low cost housing: Bethel, Argonne and other labs will focus on low cost high efficiency reclaimed housing, developing building components (e.g. windows, doors, lighting fixtures) that can be fabricated and demonstrated in the community and then sold to broader markets.

5) Education: Bethel and Argonne will work with area high schools and junior colleges in the development of educational and training programs relevant to the above projects that lead to livable wage jobs. In addition, in partnership with IIT and University of Illinois at Chicago Circle, a longer range "urban engineering" program is being developed.

"It will take 3-5 years to pilot all these components, but already the other pieces are moving into place," says Lawrence Grisham, Bethel Senior Vice President. The Chicago Dept. of Planning and Economic Development under Commissioner Valerie Jarrett has already pledged their cooperation. Dr. Keith McHenry, recently retired senior vice president of Amoco, is co-ordinating the Bethel-Argonne progress. Mary Nelson, Bethel President, notes that it really is a true partnership, a working together. "It is exciting to see the practical applications of the technology we already have," says Harvey Drucker of Argonne. Bethel and Argonne are shopping for funds to carry out the more ambitious components of the partnership which formed without any funds.



MEMORANDUM

Date: June 14, 1993
To: Pam McElwee
From: Vate Powell,  Office on Environmental Policy
Re: Congressional Hearing: Agriculture/Department Operations
Nutrition Subcommittee-FIFRA registration process¹

This hearing concentrated on the complex process by which pesticides must be registered and re-registered under FIFRA. It wasn't well attended by the subcommittee members, but the gallery was full.

Overall, there seemed to be a sense that there was not much hope for progress going into the meeting. The compromise process in 1988 that produced FIFRA lite was seen as an ineffective step that shouldn't be repeated.

During the hearing, some hope for advances did arise. The growers are moving away from a tight alliance with the chemical companies and they may be more open to alternative pest management strategies. The enviros are also less hard-lined about eliminating all pesticide applications. Unfortunately, there were no growers organizations present. I don't know if they will be included later or not, but this was a major missing piece to the discussion.

Enviro Panel

The first panel was of enviros from Audubon, NRDC, Nat'l Coalition Against the Misuse of Pesticides. Their general pitch was that FIFRA has failed to protect the farmers, and that farmers have become dependent on pesticides.

There was a lot of discussion on the Delaney Amendment and Maximum Tolerated Dose testing. Delaney is no carcinogens in processed (from context) foods. A CA appeals court (?) recently passed a major decision requiring enforcement. MTD is giving a mouse as much as it can stand without dying to test for carcinogens. There is some speculation (MI study) that the dose itself causes an increased cancer risk by causing increased cell mutation and division.

Selected Comments to Enviro:

Bob Smith (R-OR)

Should Delaney be revised? & if so, in what direction?
Are there **any** good pesticides?

¹General note: don't take the scientific/legal facts in this memo as gospel, because I picked up most of them from the context of the hearing testimony.

I wouldn't change FIFRA if I were you, because it looks like your side is winning
I know you favor reducing the time it takes to cancel a pesticide. Would you favor reducing the time it takes to register/re-register?
Do you think we should continue to use MTD? *NRDC-National Academy of Sciences report says it's not a great test, but it's all we've got.*²

This guy does not like environmentalists. Very pro-chemical.

Cal Dooley (-CA)

Does the system grossly overstate the incidence of cancer with MTD?

Biogenetics seems to offer promise in this area, would you expedite registration of these products as a safer alternative? *Audubon, ok but slowly. NRDC emphasis so far has been on herbicide resistant plants, not a silver bullet.* Federal regulations should not be preempted by stronger local ones. Potential to quarantine a whole state if a locality bans a pesticide (e.g. med fly in CA).

Charles Canady (FL)

What are "realistic yield goals" (referred to by Audubon)?
How do we know?

Glen English (D-OK)

We are erring on the side of caution which may be o.k., but it causes frustration among farmers when they are unable to use a product that they know could save their crops. Should we compensate them for their loss?³

Gunderson

Why should we have any hope to build a political consensus this year on a FIFRA rewrite when it hasn't happened in the

² This issue went back and forth an incredible amount. The NAS study basically said that it was neither perfect nor unalterable and was by itself insufficient (the section that Smith read into the record), but due to the alternative being more expensive it would have to do. Basically you pump the mouse so full of this stuff that it gets cancer, and then you create a Dose Response Curve that tells you the incidence at lower levels. The alternative is to test 100,000 mice to find a 1/100,000 risk.

³ This is based on a complex situation where Botran would help peanut farmers fight off blight. It is not suspected to be a problem for this use, but this is a minor market niche for Botran, and the manufacturers are unwilling to expend funds for the necessary testing to be registered for this use. So they don't sell it for peanuts, and the farmers don't have another product available.

past?⁴ NCAMP--there is more pressure on growers to split form the chemical industry. There can be a grower/enviro compromise to get better tools. Agrochemical sales will likely drop, so there will be a fight.

He requested the witnesses to write a letter to the subcommittee & identify areas for compromise.

Wayne Allerd (R-CO)

Are some chemicals classified as carcinogenic under MTD, although at lower levels they are generally benign? There is a reduction in risk with a reduction in dose and you come to a point where that risk is negligible.

(disputing the dose curve under MTD)

Manufacturers have alternative products, but they can't get them registered.

We've put ourselves in a corner and can't come up with a common sense solution.

Statement for record Not farmer's dependency on chemicals--American public's dependency on a supply of good-tasting attractive foods ⁹. We shouldn't say we don't want chemicals in food, because food is made up of natural chemicals like H₂O and fructose (and polychlorinated biphenyls).

Chairman Stenholm

Is it possible to do this and have it stick? Is zero tolerance a realistic concept?

What about natural carcinogens in foods under Delaney

How do we get it through Congress?

Each **new** process contains an unknown threat, and **that must be tested.**

Industry Panel:

There was a lot more discussion on MTD and the incredibly inefficient process at EPA. Non new antimicrobials have been approved in 7 years. One from Dow has actually been in the system that long (DTEA).

There was also a suggestion that a private management consultant be hired to evaluate the process.

[I can expand this section if you want, but there wasn't much more substance than that]

Overall comments:

There is the potential for a new alliance between growers and enviros. the enviros were less hard core.

⁴He really pushed this point. It was obvious that there was a lot of frustration surrounding past efforts.

The industry was less concerned about standards and more concerned w/ process. However, if the standards change they will have something to say.

There was great reticence on the part of the committee members to get involved in a futile exercise to reform FIFRA if progress was unlikely.

Dept Operations and Nutrition SC

FIFRA - 10:00 am 6/8/53 LHOB

Audobon - Marleen Hinkle

Resistance - removing chem faster than EPA
Exotic pests

NRDC Eric Olsen

Fiera has had some successes - DDT
but generally failed - to protect farmers
want safe & effective & reliable

NCA Misuse of Pesticides - Jay Feldman

Bob, Smith - OR

Should Delaney be revised?

& if so which direction
(no should be amended)

Are there any good pesticides

who measures the risk & who do you believe
it looks like you're winning I wouldn't change Fiera in twenty
years

would you favor reducing time it takes to re-register/
re-resister,

What about use in last 2-3 years - is use going up?

Dooler CA

Softball on reporting requirements

Delaney - dose that constitutes toxin

does the system grossly overstate incidence of cancer
with Max. Tolerated Dose testing

Cal Dooley

Chris. Canada - FL

What are realistic yield goals? How do we know?

Glen English (D-OK)

erring on side of caution

presents problem for farmers - frustration

could save his crop. He must bear loss.

Gray areas - should we compensate farmers?

Hinkle - not the case

Let me give you an example

peanut blight - Botran

not economically feasible to test it

wouldn't sell it for peanuts.

Gunderson

Gridlock on policy

Why should we hope to build pol. consensus on FIFRA renewal

you're saying you've already got registration

now accelerate cancellation

Give me some reasons why we're serious this time

Fed - more pressure on growers / split from chemical ind.

grower / enviro compromise to get better tools

agrochemical sales will drop - fight

request witnesses to write letter to SC & identify
areas for compromise.

Wayne Alexander (R-CO)

Carcinogenic chemicals under MTD that
are {generally benign} at lower levels?

Delaney clause - ~~not~~ you're not willing to make
assumption that there is a reduction in risk with
a reduction in dose?

+ you do come to a point where risk is negligible.

What alternatives would you suggest

Manufacturers have alternatives, but they can't
set them registered.

In a court can't come up w/ a common
sense solution

Best way to set a new chemical is to remove
an old one

Statement for record

Not farmers dependency on chemicals -

Am public's dependency on a supply of good-tasting
attractive foods is

Food is made up of natural chemicals H₂O, etc

Chairman Stenholm

Is it possible to do this & have it stick?

Is it possible to have zero tolerance?

What @ natural carcinogens?

How do we set it through?

each new process contains an unknown threat & must be tested

Smith

Do you think we should continue to use MTD

N- NAS says we should.

Reals from NAS

neither perfect nor unalterable ...
by itself insufficient

How are we going to make decisions on ins. data?

~~slam~~ slam slam slam

Dooley

Biogenetics - expedite registration as
a safer alternative.

Avalon - OK, but slowly

NRDC - emphasis on herbicide resistant plants
some relevance, not a silver bullet

Could it be part of our final compromise?

A - product not process - build on knowledge base

Federal preemption by local gov'ts - potential
to guarantee a whole state.

Jay Uroora Nat'l Agr. Chem Assoc.

Ralph Engel - Chem. Specialties Mfgs Ass.

Wm Collickson - Chem Producers & Dist. Ass. (Hunter Hancock)

Gerald Pulos - Soap & Det. Assoc (Dennis Griesing)

Bill Balek - Int'l Sanitary Supply Assoc.

UROORA

Engel

Registration system is not working.

Single most burdensome process - unreasonable delays

EPA Contract w/ outside personnel - 8 months

how to specifically improve system / res. process

FIFRA lite ⁽⁸⁾ no help still have backlog / delays

45 day complete 80 day approval

Antimicrobial problem - sep office & distinct guidelines

Collickson

409 - Reinstate Negligible risk

Support HR ~~1627~~ 1627

One office in OPP should handle all re-registration & label changes

One day a yr for all label changes (Oct 1)

Dooley's bill - sound

HR 962 - minor use bill
opposed to patent term provision

PF105.

Antimicrobial + disinfectant cleaning products - FIFRA
chlorine bleach, Lysol, + Comet.

~~Balek~~

Balek - Ditto.

WR1962

Stenholm

are you suggesting there has been a misuse of funds?
CSMA - no, but where was it gone? 3rd party look at
process.

SC involved in reorg. of USDA
in depth review of EPA when it cabinet

Any middle ground w/ EPA - Nope Nope Nope Nope
Admin. - a little

Dooly

MTD Registration process in U.S. vs. other countries
it use High Dose but not MTD

Problem when you extrapolate the curve, Dose Resp. curve
not necessarily flows from MTD

Allard

MTD shortens process to benefit of industry?
CSMA - costs less to do fewer tests

What about this 7 year wait for an antimicrobial?

Dow - DTEA used in cooling towers (closed system)

Jan 88 "30 days" from EPA

Any concrete suggestions

outside mst review under contract

Stenholm

excellent idea to get consultant

Delay clause - zero tolerance

elimination of all carcinogens impossible.

bring Pub. Hlth sector into debate

April 21, 1993

*Vote -
Sen Akaka*

MEMORANDUM FOR THE VICE PRESIDENT

FROM: KATIE

SUBJECT: TOMORROW'S MEETING WITH SENATOR AKAKA

You will be meeting with Senator Akaka and several people from Hawaii who want to establish a center for environmental and energy issues that promotes cooperation between Japan and the U.S. on topics such as environmental technology transfer. They are especially interested in funding their proposal as part of the technology initiatives that are currently being pursued with Japan, and the new initiatives discussed with Miyazawa on his recent visit. I have attached Leon's memo from last week which outlines the new initiatives.

I met with them today. They include Mr. Tommy Holmes, an ethnohistorian, Mr. James Gaines, Director of Materials Science Research at the University of Hawaii, and Mr. Barry Raleigh, of the University of Hawaii's School of Ocean & Earth & Science & Technology. You should just remain in listen mode for the meeting.

April 13, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FROM: LEON S. FUERTH

SUBJECT: Clinton-Miyazawa Summit: Japanese Proposals for
Technology Cooperation

In preparation for the April 16 meeting with the President, the Japanese government has proposed a list of technology and other cooperative programs. The list comprehends an ambitious range of activities, some of which are already on-going and others are subjects of current bilateral discussions. The remainder are new initiatives being presented to us for the first time.

A brief description of each initiative follows:

ENVIRONMENT AND ENERGY

o Strengthening Policy Dialogue

This new proposal would establish a bilateral forum for policy consultation on a wide range of environmental issues, including technology development, the LDCs and trade impacts of environmental protection. It would allow for exchanges of personnel involved in environment and energy issues in government, academia and industry.

o Cooperation on Specific Environment Technologies

The Japanese are proposing new cooperation on several specific technologies, including: satellite observation of global climate change phenomena, increasing the efficiency of advanced electric power distribution systems and development of hydrogen energy, photovoltaic, and carbon dioxide-fixation technologies.

o Collaboration on Assistance to Environmental Remediation in Central and Eastern Europe, the NIS and Developing Nations

We are at present in intensive negotiations with Japan to refine their proposal to collaborate on doing feasibility

studies and building environmental remediation projects in Central and Eastern Europe. Our goals include ensuring that the joint collaboration makes a solid contribution to alleviating environmental problems in the region, while at the same time advancing U.S. commercial interests.

Items in this category also include some prior Japanese proposals for a joint U.S.-Japanese energy workshop for NIS energy officials, which will occur in November, and cooperation between the Peace Corps and the Japanese equivalent.

- o "Further Financial Contributions" to the Global Environmental Fund (GEF)

No additional details were provided. We assume this means a Japanese contribution to the GEF replenishment.

TRANSPORTATION TECHNOLOGY

Japan would like the Clinton-Miyazawa summit to accelerate work already underway to finalize bilateral cooperation on a number of transportation technologies, such as magnetic levitation, development of linear induction motors, better handicapped access and environmental protection measures.

TELECOMMUNICATIONS

This proposal suggests cooperation in "introducing advanced telecommunications systems in Asia" (no further details provided) and development of a gigabit satellite transmission system linking the U.S. and Japanese advanced fiber optic networks. This proposal also envisages using electromagnetic wave-based remote sensing equipment to monitor Asia's environment (apparently a similar idea to one shown above).

LABOR

Japan is interested in focussing cooperation in the fields of labor, primary and secondary education, worker training and defense conversion.

CULTURAL AND PERSONNEL EXCHANGES

Japan is interested in expanding several already-existing exchange programs and implementing a new program under which government officials would work in the other capital. This latter program, the "Mike Mansfield Fellowship Act", is yet to be passed by Congress. Japan has also suggested cooperation to conserve and restore Japanese traditional arts on display in the U.S.

We understand that Prime Minister Miyazawa plans to present these initiatives to the President, and hopes there will be an announcement during the concluding press conference that both sides have agreed to move ahead.

Prepared by: Dana M. Marshall

THE CENTER FOR A SUSTAINABLE FUTURE (CSF)

Mission. Form teams of the best scientists, engineers, and non-scientists in the world to study the optimum uses of the renewable energy and food resources of the globe to permit a sustainable means of production and consumption in an environmentally acceptable manner. Establish a dialogue between non-scientists and scientists on vital issues of food and energy resources to promote cooperation and collaboration between the U.S., Japan, and other concerned nations at the highest levels of science, business, and politics.

Structure. Three inter-dependent institutes: a Congressionally authorized laboratory, the Spark Matsunaga Laboratory; a "think-tank", the Institute for Science and Human Values; and the Community Institute devoted to liaison with the local, national, and international community, education, and technology transfer.

Location. The CSF will be located at Keahole Point on the Island of Hawaii on 30 acres of prime ocean-front land. This setting combines natural beauty, a pristine environment and a socio/cultural setting conducive to productive meetings between Japanese and Americans. Unique facilities and large quantities of nutrient-rich deep ocean water are available at Keahole Point.

Leadership. The development of the CSF, a not-for-profit corporation, is being planned by scientists including C.B. Raleigh and J.R. Gaines of the University of Hawaii, Peter Eisenberger of Princeton, and David Baltimore of MIT along with business and community leaders including K. Brown, T. Holmes, Nainoa Thompson, and G. Ariyoshi of Honolulu, R. Schoenke and T. Downey of Washington and J.B. MacIntosh of California. When completely staffed, there will be 60 top scientists and many of the world's leading social scientists, economists, humanists, policy makers, decision makers, and philosophers in residence to provide additional leadership and perspective.

Partnership. The \$60M needed for initial construction and equipment will come from a partnership between the US government and private sources. A large endowment, essential for projects that may take ten or more years to complete, from private funds, will be used to provide a secure operating base budget. Awarded contracts and grants, consistent with the CSF's scope, will provide the rest of the annual operating budget.

Benefits. Breakthroughs in renewable energy applications and in biotechnology to optimize our use of resources. Bring Japan, the US, and other concerned countries together for collaborative efforts in solving problems of global concern and serve as a catalyst for future international collaborative efforts. Establish a working relationship between international scientists and non-scientists on food and energy resource problems of global importance. The CSF will become a unique hub of Asian-Pacific scientific activities.

The entire Asian and Pacific region, and indeed the world, must reduce its dependence on fossil fuels, while maintaining and even improving the environment. In addition, the vast resources of the ocean must be managed and utilized effectively to sustain the future of the planet. The research priorities of the Laboratory will be consistent with these needs and opportunities. A focus on those materials science problems that presently limit the usage of renewable energy sources is consistent with reduction in the dependence on fossil fuels; likewise a focus on biological and physical marine technology will build on the existing strengths in the School of Ocean and Earth Science and Technology at the University of Hawaii and also take advantage of the unique facilities at Keahole Point, where large quantities of nutrient-rich, deep ocean water are available. A Science Advisory Committee, consisting of world renowned experts in the fields of energy, materials science and marine/ocean technology was formed to establish initial laboratory priorities, consistent with the vision of attaining a sustainable future, and identify the outstanding international scientists that, attracted to the Center, will insure its success.

Five members of the Science Advisory Committee met in March 1992 on the Big Island. The full committee consisting of David Baltimore, Ralph Dawson, Peter Eisenberger, Fraser Russell, Robert Street, Kathleen Taylor, and Carl Weinberg brings vast scientific and technological experience, gained both in industry and academia, to this project. David Baltimore, formerly President of Rockefeller University is an expert in biotechnology and played a major role in founding the Whitehead Institute at M.I.T. Ralph Dawson is a Distinguished Member of the Technical Staff at Sandia National Laboratory and an expert in materials synthesis using molecular beam epitaxy techniques. Peter Eisenberger, Director of Materials Science at Princeton, was formerly Director of Exxon Research and is an expert in Materials Science and Energy Research. Fraser Russell, Director of the Institute for Energy Conversion at the University of Delaware, is an expert in photovoltaic engineering and technology. Robert Street of Xerox-Palo Alto is an expert in research on photovoltaics. Kathleen Taylor, Vice President for General Motors and past president of the Materials Research Society, is an expert in materials science. Carl Weinberg, Director of Research and Development at Pacific Gas and Electric Company, one of the world's largest utility companies, is an expert on renewable energy and renewable energy systems.

The Science Advisory Committee considered laboratory size, location, funding, and possible initial focus areas. For the laboratory to be successful in the long run, the funding levels must be sufficient for the lab's size estimates and the emphasis on quality. Based on their recommendations, the Laboratory at Keahole Point, when completely staffed, is proposed to have 60 Ph. D. scientists and engineers and a support staff of approximately 60 persons. It was the Committee's consensus that a laboratory of smaller size might not have the strength and critical mass to sustain its effort. Until such time as the full Science Council has been constituted, the laboratory research will concentrate in the areas of photovoltaic research, natural materials, hydrogen production and storage, and studies of corrosion and biofouling. These initial directions will be evaluated and modified, as necessary, by a Science Council. In the research on photovoltaics, new materials, in the form of thin films with higher conversion efficiencies, will be investigated. The research and development activities on natural materials will include naturally produced materials and membranes from the ocean. The research and development activities on corrosion will include surface science, coatings, and marine biofouling.

The Science Council will be charged with the on-going identification of the appropriate scientific directions for the new laboratory and the continuing evaluation of the progress/success of the respective programs. This Science Council will consist of several of the current Science Advisory Committee members plus eminent scientists from Japan.

The Science Council, while guiding the selection of specific research directions within the broad needs outlined above, including research on energy and food resources and products of the ocean, will also attempt to capitalize on the natural advantages of Keahole Point and propose synergistic efforts with existing research programs at the University of Hawaii at Manoa, the counterpart Japanese university, and other indicated institutions. Details of the existing program in materials science at the University of Hawaii at Manoa and two applied science research areas of importance to the State of Hawaii, namely solar energy conversion research and chemical and biological/marine corrosion, along with the advantages of a research laboratory at Keahole Point, are given below.

Existing programs. The new laboratory will benefit from existing materials science and renewable energy-related activity at the University of Hawaii at Manoa where the Materials Sciences Program is directed by James Gaines. This group presently contains 30 faculty members drawn from chemistry, physics, the Hawaii Institute of Geophysics, the Hawaii Natural Energy Institute, electrical engineering, mechanical engineering, and microbiology. Started with seed money provided by the Office of the Vice President for Research, the original goals of the Materials Science Program have been accomplished, in that high-quality interdisciplinary work is now being done in several areas, and cross-departmental and cross-college interactions and collaborations have been stimulated. An important component of future materials science work will be associated surface studies to probe surface structure, interfaces, and clusters of technological importance-semiconductor devices, solar energy devices, magnetic surfaces and clusters, chemical reactions at semiconductor and/or metal-surfaces, and supported clusters for devices.

The University of Hawaii through the auspices of the Hawaii Natural Energy Institute already has one of the four Department of Energy funded programs in hydrogen research in the U.S. Aspects of this program concerning hydrogen production and storage options will be synergistic with the mission of the new laboratory.

Research on solar energy conversion. Solar energy research is of vital importance to the world. The best technological choice for converting solar energy to electrical energy is not known now. At present, materials known as photovoltaics are the object of intensive research and development with amorphous silicon being the current choice, but there are other potentially superior photovoltaic materials. As solar energy converters, the photovoltaics such as amorphous silicon are being challenged by polycrystalline materials, and even closed cycle heat engines such as the sodium heat engine. Success with the materials problems associated with solar energy conversion could impact positively the development of novel, portable fuel cells.

Research on chemical and biological corrosion. The degree of damage and operational impairment of marine vessels, structures, and equipment subject to chemical and biological corrosion in marine environments has proven very frustrating and costly. Consequently, a great deal of research has been devoted in the 20th century to solve this problem. The chemistry and microbiology of marine corrosion are complex and likely to vary with materials and environments. In spite of the magnitude of the effort and time devoted to marine corrosion

research, we still do not have a clear understanding of the initial chemistry, at the atomic and molecular levels, of surfaces immersed in seawater. Nor do we know a great deal about the factors that affect the adhesion of microorganisms to surfaces in the first stages of biofouling and microbial corrosion. Because of our limited knowledge, we have been unable to develop effective marine corrosion counter-measures that are long lasting and do not pollute the environment. The level of complexity of the remaining important questions in the field of marine corrosion demands a new level of sophistication in our analytical approach, and a higher level of interdisciplinary cooperation.

Research on biotechnology and natural product chemistry. Location of the laboratory at Keahole Point offers special advantages for research on marine biotechnology, particularly in applications using the cold deep-sea water. Marine organisms have evolved structures, and a chemistry that enables them to survive at biologically unusual temperatures and pressures. Biological structures should provide analogs for synthetic structures for novel applications including membranes for filters and osmosis, and new composite structures. Research on the chemistry of marine organisms has already begun to provide pharmaceuticals. Natural product chemistry is already a specialty at the University of Hawaii.

Advantages of the Keahole Point location. NELH is an excellent sea-coast facility for conducting research in the fields of chemical and biological corrosion in the marine environment as well as for developing and testing novel anti-corrosion materials and thin films. The test facility developed at NELH could be used by researchers at the new laboratory for testing materials and devices for marine applications developed at UH and elsewhere. These include anticorrosion films that are long lasting and do not pollute the environment; diamond films that reduce corrosion and wear of critical components in ocean water; and batteries, fuel cells and optical sensors developed for underwater applications.

Additional benefits of the Center. Multidisciplinary teams drawn from the Center's three institutes can make valuable contributions to society and industry by studying the long range effects, technological, environmental, and even social, of commercially promising technologies, before large capital investments are made, and before industry has committed its resources and growth to those untested technologies. Such an activity could receive broad industry support, since a predominant focus on short term problems generally precludes long range studies such as these.

Government, industry, and universities share a common responsibility for protecting humans and the environment from waste and hazardous waste. The instrumentation capability of the laboratory could also be used by teams formed from members of the Laboratory of the Advanced Research Institute for Science and Technology to monitor and verify compliance with established standards for health, safety, and welfare. In addition, the instrumentation capability could serve as an attractor for local, high-technology businesses.

Establishment of this new laboratory would have educational, economic, social, political, and environmental benefits for Japan, the United States, and the rest of the world. Creation of a bridge between Japan, the U.S., and other major industrialized nations at the highest levels of business, science, and government could nurture the international cooperation needed to develop the industries of the future. These benefits would be obtained by better utilizing the resources of the ocean, by bringing renewable energy sources closer to world-wide deployment, and by reducing the dependence on fossil fuels.

Honolulu Advertiser
April 17, 1993
Page: Front

Both Waihee, Cayetano won't run for Senate

Akaka says he'll seek re-election

By Kevin Dwyer
Advertiser Capital Bureau

Gov. John Waihee and Lt. Gov. Ben Cayetano yesterday said they will not run against fellow Democrat Daniel Akaka when Akaka's U.S. Senate term is up in 1994, ending much speculation that one or the other would make a bid for the office.

Akaka, 68, announced yesterday he intends to seek re-election to the Senate seat he has held since shortly after Sen. Spark Matsunaga died of cancer in 1980.

Akaka was initially appointed to fill Matsunaga's seat, and then won a hotly contested election in 1990 against Republican Pat Sisk for the right to finish out Matsunaga's term.

Waihee has long been considered a likely candidate for the Senate after his second term as governor ends next year. By law Waihee cannot run for re-election.

Waihee said yesterday a bid for the Senate "still remains a viable option, with the caveat that as I indicated on numerous occasions... I don't intend to go into a political contest with Senator Akaka."

Waihee declined to be specific about his plans, saying, "I don't think any final decisions are made this early in the political arena."

Cayetano said he will support Akaka's re-election effort, and never intended to run against Akaka because it would be bad for the Democratic Party. Cayetano recently said he might consider a bid for the Senate, but said yesterday he only considers that as an option if the seat were vacant.

He said he was pleased with Akaka's announcement, and said Akaka has done a good job representing Hawaii.

Cayetano said he is focusing on the race for governor, adding "that's always been my main interest." He said he "may sometime later make that formal announcement" for the gubernatorial race.

Sisk is already off and running as an undeclared candidate for governor, and Republican Honolulu Mayor Frank Fasi is also very likely to be a candidate.

Akaka announced he would seek re-election at a dedication of a new ocean thermal energy facility at Keohole Point on the Big Island.

At the dedication, Akaka outlined a proposal for creating a new research, policy and education center at Keohole Point to "achieve sustainability of our natural resources in an environmentally acceptable fashion."

Akaka said his commitment to the center "extends beyond my current term," and said he will seek re-election.

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United States Senate
Committee on Environment and Public Works
Washington, D.C. 20510-6175

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Vali- file in Baucus file

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Office: (202) 224-5031

TO: Kathleen McGinty FAX: 456-2710

OFFICE: _____ PHONE: _____

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COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-8175

PETER L. SCHER, STAFF DIRECTOR
STEVEN J. SHIMBERG, MINORITY STAFF DIRECTOR AND CHIEF COUNSEL

July 30, 1993

The Honorable Bill Clinton
President
The White House
Washington, D.C. 20500

Dear President Clinton:

Thank you for writing to request my thoughts on how to achieve, in the National Action Plan now being formulated, stabilization of greenhouse gas emissions at their 1990 levels. I want to take this opportunity to let you know how strongly I feel that we need a tough and effective national plan, and that Congress needs to have a significant opportunity to review the draft plan once it is completed, and before it is made public.

There are several issues about which I feel particularly strongly. First, I am concerned that the Administration's priorities regarding resources may be out of line with its stated objectives. According to the Office of Management and Budget, almost \$1.5 billion dollars has been requested in 1994 to conduct research on only the scientific aspects of global climate change. I understand that this is a well-coordinated effort with no overlap in the work being performed by the nine agencies involved. I also appreciate that there are still many questions regarding the dynamics of climate change to be answered.

However, the answers to these scientific questions will not be available in the short term, and therefore, will not impact your goal for greenhouse gas emissions reductions. Consequently, a greater emphasis should be placed on mitigation efforts -- and that means more money should be devoted to mitigation research and programs. In these times of shrinking resources, some of the scientific research on global climate change should be delayed or suspended in order to pay for the critical mitigation work that needs to be done immediately and for which there is little public funding. Specifically, I urge you to increase resources for state programs and EPA's Green Programs as a part of the strategy. The National Action Plan will not succeed until these funding priorities are straightened out.

The Honorable Bill Clinton
July 30, 1993
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Second, as difficult as the task might be, joint implementation projects should be taken into account when determining whether the U.S. has met your goal. Joint implementation projects represent a significant opportunity for U.S. businesses to make a difference abroad, and reflect the increasingly global nature of our economy. While I agree that the National Action Plan must keep the pressure on U.S. business to look for ways to achieve the maximum greenhouse gas reductions here at home, domestic solutions cannot be the only means for achieving the goal.

Joint implementation offers this country more than just a means for achieving significant and inexpensive greenhouse gas reductions, however. It will also create a powerful new tool for promoting U.S. technology innovation and for facilitating global demand for these technologies. At the same time, by embracing joint implementation in the National Action Plan, the U.S. will be able to provide critical world leadership in dealing with the global warming problem. In addition, it will encourage private investment in developing countries and allow those countries to participate in the achievement of global greenhouse gas reductions.

Finally, I urge you to ensure that the Environmental Protection Agency plays a strong leadership role in the implementation of the National Action Plan. While many agencies will necessarily be involved in making the Action Plan a reality, one agency, the EPA, should be given the ultimate authority to execute the Plan. That was Congress' intention in passing the Global Climate Protection Act of 1987 (P.L. 100-204) which provides that the President, "through the Environmental Protection Agency, shall be responsible for developing and proposing to Congress a coordinated national policy on global climate change."

Lines of authority in the National Action Plan must be clear - when they are not, problems arise. Section 1605 of the National Energy Policy Act of 1992 is a perfect example of how ambiguity in this area leads to bureaucratic infighting. That provision establishes a mechanism for taking inventory of the national aggregate of emissions of greenhouse gasses for both 1987-90 and each subsequent year. This accounting of the baseline and how much the U.S. needs to reduce emissions is critical to joint implementation efforts and to domestic reductions as well. The Department of Energy is required by the statute to consult with the Environmental Protection Agency in

The Honorable Bill Clinton
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conducting its research, and it was envisioned that the data would be supplied by the EPA.

However, it is my understanding that EPA's expertise in developing greenhouse gas emissions inventories is not being adequately utilized, and that a duplication of efforts is occurring. I am concerned by this lack of cooperation, and I fear that these sorts of inter-agency disputes will hinder efforts to implement the National Action Plan. I therefore recommend that this project receive high level review by the White House to ensure that it is being accomplished in accordance with the letter and the spirit of the law.

Thank you again for the opportunity to comment on global climate change policy prior to the completion of the National Action Plan. I would like to request a briefing by your staff for myself and my staff just prior to release of the draft plan. I plan to hold a hearing of the Environment and Public Works Committee shortly after its release to discuss the National Action Plan. In the meantime, I would appreciate it if you would keep me informed on the timing of the release of the draft plan.

With best personal regards, I am

Sincerely,



Max Baucus

cc: Vice President Albert Gore, Jr.
Honorable Carol M. Browner
Honorable Hazel O'Leary
Honorable Timothy Wirth
Kathleen McGinty