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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

NEWS RELEASE

Energy Conversion Devices, Inc.

FOR IMMEDIATE RELEASE

Contacts:

Stanford R. Ovshinsky, President
and Chief Executive Officer
(313) 280-1900

Rikuma Ito, Vice President
(313) 280-1900

ECD SIGNS JOINT VENTURE AGREEMENT WITH CANON

Troy, Michigan, July 2, 1990--Energy Conversion Devices, Inc ("ECD") (OTC-ENER) announced today that it has agreed to form a joint venture, United Solar Systems Corp. ("USSC") with Canon Inc of Japan ("Canon"), for the manufacture of solar cells in the United States. The joint venture will be an American company owned 49.98% by Canon, 49.98% by ECD, with the balance held by Professor Edwin O. Reischauer, former U. S. Ambassador to Japan. Under the agreement, USSC will manufacture and sell proprietary thin-film solar cell products under license from ECD and Canon. USSC's manufacturing operations will initially be in Troy, Michigan.

Canon is making an initial $30 million capital contribution to the joint venture, including a credit of $8 million for cancelling a previously announced term loan to ECD. ECD is contributing its solar cell manufacturing plant, R&D equipment as well as an exclusive technology license to the joint venture, excluding U.S.S.R., India and Japan and subject to existing agreements. Mr. Eiichi Kondo, Chief Executive of Canon's Chemical Products Operations and a member of Canon's Board of Directors, will be President and Chief Executive Officer of the new joint venture.

Stanford R. Ovshinsky, President and Chief Executive Officer of ECD and a director of the new company, stated that the joint venture is dedicated to becoming a leader in the U.S. and worldwide markets for photovoltaic products. He further noted that photovoltaic energy is receiving worldwide attention because of the pollution produced by conventional forms of energy and that the Canon/ECD joint venture is a model of how Japan and the United States can work together.

Canon, a 6% stockholder in ECD, is a leading international manufacturer of automated business machines, and photographic and optical products.

ECD, based in Troy, Michigan, is the pioneer in amorphous materials technology. The company and its subsidiaries form joint ventures, license technology and manufacture and sell products in the fields of energy, information and synthetic materials based upon technology ECD and its subsidiaries have developed. ECD's photovoltaic and battery products are environmentally safe and address such environmental problems as atmospheric pollution, protecting the ozone layer, reducing hazardous waste and the greenhouse effect.

2186e

University of Windsor

March 25, 1993

ltr - sorry we can't do the forward.

Ms. Katie McGinty
Office of the Vice-President
Office of Environmental Policy
Old Executive Office Building
Washington, DC 20501

Dear Ms. McGinty:

Following our telephone conversation, I am sending you the manuscript entitled The Principle of Integrity: An Environmental Proposal for Ethics which is forthcoming from Temple University Press. For information in regard to the status of the book, you can contact Ms. Jane Cullen, Head of Acquisitions, Temple University Press. Please note that the last two chapters have not been copy-edited yet (I trust this task to others seeing as I attended high school in Italy and completed my post-secondary education at the University of Toronto).

Last weekend, I presented a paper for a group called Globescope 1993, which listed Vice-President Gore as a possible speaker. In preparation for this, I read most of his book and was surprised to discover that there are many points of convergence between our recommended approaches, although this is not necessarily the case as far as the philosophical underpinnings of our conclusions are concerned (I use the thought of Aristotle).

The whole manuscript may be far too long for anybody to read. In this case, please consider at least Chapter 2, and the last section of Chapter 6 and Chapter 5. In Chapter 2, I take a concept that has been "legal coin" since 1972 -- in the U.S. Clean Water Act -- and is particularly evident in the 1978 Great Lakes Water Quality Agreement (rat. 1988), that of "ecosystem integrity". I note that it is used now in a host of documents, but left largely undefined.

I attempt to define it (together with James Kay, University of Waterloo, and Dr. Don de Angelis, Oak Ridge National Laboratories) and demonstrate why it should be an ultimate and absolute value from a variety of standpoints. I have had a grant from the Social Sciences and Humanities Research Council of Canada (a federally funded research council) to research the concept, hence my interaction with scientists on both sides of the border. Then, I base a moral principle upon it. In Chapters 5 and 6, I approach the problem of buffer zones, on which so little globally useful work has been done, and I point out the need for additional

401 Sunset Avenue, Windsor, Ontario, Canada N9B 3P4, 519/253-4232

research in that area. It is this concept of environmental primacy, in the face of, for instance, the problems that the research of RIVM (Bilthoven, the Netherlands, Dr. Bert de Vries) encountered in Beyond the Limits, as well as in Mr. Gore's book, that I see myself defending on philosophical grounds.

I realize that perhaps the insistence on a Dutch style "super-ministry" of the environment with veto powers over all else (hence antithetical to democracy in a sense) is not something Mr. Gore may fairly endorse in his position. So although our positions are not the same in this case, I believe mine is the only logical one, in the face of the predictions of the Union of Concerned Scientists, for instance, who also cite "restoring integrity" as a first on their list of "must-do's". I hope that someone will have the the time to read, at the very least, those parts I have suggested as vitally important and somewhat similar in intent to Mr. Gore's. With a lead time of about 10 years (from 1992), I think that the urgency of the tasks before us is not in question.

I would like to add a short section at the end, before Chaper 6 is copy-edited, which would address Mr. Gore's book. But before I pontentially proceed with this, I would like to learn whether my perception of our points of similarity in our respective works can be objectively perceived as such by those familiar with his thought.

I am Secretary of the International Society for Environmental Ethics, with membership all over the world. I have enclosed a copy of our newsletter, although I will not list you as "member" unless I have your express permission to do so.

I am also sending you, for your information, my C.V., in order for you to learn more about me as well as Dr. James Kay, with whom I have worked, and especially Dr. Eric Schneider who has also participated in some of my grant activities (a meeting in Baltimore, at the Entomology Society of America) and who I believe is well known in Washington.

Thank you very much in advance for your kind cooperation and I look forward to hearing your response.

Sincerely yours,

Laura Westra, Ph.D.
Associate Professor
Secretary, International Society for
Environmental Ethics

CH2M HILL

Let Us Know Who You Are

Please check the box that best describes your organization, affiliation, or interest.

Business
- ☐ ERWM Corporation
- ☐ National Corporation with Environmental Division
- ☐ Small Business
- ☐ Minority Business

Local Community
- ☐ Parent
- ☐ Business Interested in the Environment
- ☐ Community Organization or Citizen

Education
- ☐ Pre-college Education (elementary, middle school, high school)
- ☐ College/University

Government
- ☐ Federal Government
- ☐ State Government
- ☐ Local Government

I am interested in learning more about your partnership programs in:
- ☐ Applied Research
- ☐ Curriculum Development Workshops
- ☐ ERWM Academic Program Offerings
  ☐ Undergraduate ☐ Graduate
- ☐ ERWM Workforce Training
- ☐ Faculty and Internship Placement
- ☐ Joint Project Development
- ☐ Local Outreach and Action
- ☐ Technical Conferences and Seminars
- ☐ Technical Personnel Exchanges
- ☐ Technology Development
- ☐ Other ______________________
  (please specify)

Providing Solutions

In 1990, the Historically Black Colleges and Universities and Minority Institutions Environmental Technology and Waste Management Consortium (HBCU/MI Consortium) was founded. These seventeen research-oriented universities initiated a process to develop and establish environmental policies and infrastructures to assure the health, safety, and long-term economic vitality of the nation's minority communities.

The need exists to create new and restructured jobs and careers within the ERWM industry. A growing number of skilled scientific and non-scientific personnel will be required to work together as a multidisciplinary team to aggressively and constructively address local and national environmental challenges. The HBCU/MI Consortium's priority is to help implement this innovative team approach by preparing environmentally literate and technically experienced minority personnel. Consortium institutions are training:

- Scientists and Engineers
- Managers
- Community Relations Specialists
- Paratechnicals
- Journalists

A union of historic significance, the HBCU/MI Consortium synthesizes the divergent scientific, engineering, policy, and research expertise of its member institutions to provide an informed minority resource and perspective on national environmental issues. Its members work closely with local communities, national organizations, private sector companies, and government agencies to ensure that underrepresented minorities are involved in environmental and energy-related programs. HBCU/MI Consortium programs specifically target education, research, training, and technology development processes for African Americans, Hispanics, and American Indians.

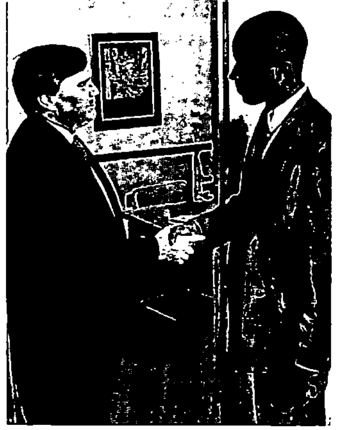
Consortium Members

Alabama A&M University - *Huntsville, AL*
Clark Atlanta University - *Atlanta, GA*
Florida A&M University - *Tallahassee, FL*
Florida International University - *Miami, FL*
Hampton University - *Hampton, VA*
Howard University - *Washington, DC*
Jackson State University - *Jackson, MS*
New Mexico Highlands University - *Las Vegas, NM*
North Carolina A&T University - *Greensboro, NC*
Northern Arizona University - *Flagstaff, AZ*
Prairie View A&M University - *Prairie View, TX*
Southern University at Baton Rouge - *Baton Rouge, LA*
Texas A&I University - *Kingsville, TX*
Texas Southern University - *Houston, TX*
Tuskegee University - *Tuskegee, AL*
University of Texas at El Paso - *El Paso, TX*
Xavier University of Louisiana - *New Orleans, LA*

The HBCU/MI Consortium
c/o Clark Atlanta University
Office of Sponsored Research and Programs
223 James P. Brawley Drive, S.W.
Atlanta, Georgia, 30314
(404) 880-8836

Who Will Fill The Other 9 Jobs?

The HBCU/MI Environmental Technology and Waste Management Consortium



The Workforce of the Future

Today's headlines are filled with stories about job shortages and unemployment. Despite those grim reports, there *are* jobs out there. The growing need to manage and protect our environment has created technological advances and new career opportunities. In fact, the Environmental Restoration and Waste Management (ERWM) industry has become one of the fastest-growing in the United States today.

Colleges and universities are not producing qualified graduates in science, engineering, and other technical fields rapidly enough to meet the demand. Conservative estimates suggest that new environmental career positions presently outnumber the supply of adequately trained workers by almost 10 to 1. If National Science Foundation projections are correct, the United States will soon need 500,000 engineers and scientists to replace its rapidly aging technical workforce. The shortage of trained scientists and technicians will be further intensified by the introduction of new ERWM technologies.

This situation, however, offers opportunities for both technical and non-technical personnel. At least until the personnel gap is filled, much will be demanded of the limited number of available scientists and engineers. Their responsibility will be to develop complex automated systems and processes that are friendly enough for paratechnical personnel to effectively use and manage. The introduction of this new ERWM technology will increase the job skill requirements of everyone from the craft trades to human resource management.

How the Consortium Works

The HBCU/MI Consortium is building upon the successful track record of its member institutions in educating and training underrepresented minorities in the sciences and engineering. The result will be enhanced programs that prepare minority personnel for all aspects of leadership in the environmental technology and waste management industry. Parents, governments, teachers, students, and industry must share and support this HBCU/MI Consortium commitment.

Who the Consortium Works With

WHO: Elementary and Secondary Schools
WHAT: Introduce environmental concepts to students and teachers.
HOW: Consortium faculty and students participate in community outreach programs and seminars in environmental science at local schools. These programs expose students, parents, teachers, and administrators to environmental concepts and hands-on exercises that have personal and cultural meaning. Consortium institutions team with local school districts to encourage the implementation of improved science and mathematics programs. Math and science summer programs, seminars, and training institutes are sponsored for students and teachers.

WHO: Community Colleges and Four Year Institutions
WHAT: Assist in developing and implementing technology-based environmental education and training programs for AA and BS degrees.
HOW: The Consortium assists these institutions in developing environmental science curriculum. Student and faculty teams at non-member institutions are also encouraged to participate in scholarship and internship programs, conferences, research programs, seminars, training, and faculty-exchange programs sponsored by Consortium institutions.

WHO: ERWM Industry, Government Agencies, and Private Sector Companies with Environmental Divisions
WHAT: Develop long-term partnership programs in environmental research, technology development, and cooperative workforce development.
HOW: Government agencies, corporations, and businesses develop and support applied research, training, and technology development centers at HBCU/MI Consortium institutions. Cooperative educational programs, academic and technical personnel exchanges, project partnerships, and joint ventures are now being established to promote technology transfer. An increased number of trained personnel will be needed to manage the processes and technology that are rapidly coming on-line.

Many ERWM corporations understand that the HBCU/MI Consortium can be a reliable source of high-quality professionals for their rapidly growing businesses. Maintaining a competitive edge in the future requires the investment of corporate time and effort now.

WHO: Community Groups, Parents, Citizens
WHAT: Increase environmental literacy among minorities.
HOW: The HBCU/MI Consortium contends that all literacy starts at home—with family, youth groups, churches, tribal councils, and civic organizations. The Consortium's community-based outreach programs are designed to promote local action and awareness. The HBCU/MI Consortium demonstrates its commitment to the significant role minorities must play as guardians of the environment. Faculty and students conduct seminars, workshops, and hands-on problem-solving exercises that address local concerns.

Invest in the Consortium and the Future

As we approach the 21st century, the HBCU/MI Consortium is emerging as a national resource for establishing environmental literacy, environmental career awareness among minorities, and research partnerships with governments and private entities. For the Consortium, success depends on how well it prepares minority students for tomorrow's environmental workforce.

☐ **Yes, please send more information on how I can invest in the HBCU/MI Consortium.**

Name ______________________

Title or Description ______________________

Organization ______________________

Address ______________________

City/State/Zip Code ______________________

(Area Code) Phone Number ______________________

Please complete both sides of this form and return to:

The HBCU/MI Consortium
c/o Clark Atlanta University
Office of Sponsored Research and Programs
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Atlanta, Georgia, 30314
(404) 880-8836

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1993 National Congress

A Leadership Model for the Promotion of

for the Advancement

Environmental Partnerships Involving

# of Minorities in the

Education, Industry and Government

Environmental Professions

February 24-26, 1993

NATIONAL PARTNERSHIPS ACTION AGENDA:
For the Advancement of Minorities In the Environmental Professions

In 1992, the Historically Black Colleges and Universities/ Minority Institutions (HBCU/MI) Environmental Technology Consortium entered into partnership with select members of the public and private sectors of the environmental industry. Represented are consulting, technology development and application, transportation and management as well as governmental interests. Also called upon were environmentally responsible national corporations providing a broad range of national products and services.

The purpose of this partnership is to develop a mutually acceptable and beneficial strategy for the promotion of environmental career awareness activities, education and training, contracting and employment opportunities within African American, Hispanic and American Indian communities, nationally.

The National Congress for the Advancement of Minorities in the Environmental Professions is envisioned as a series of biennial gatherings to include education, industry and government leaders who will review progress made on agreed-upon activities as well as solicit new ideas on approaches, potential participants and activities which will enhance specific partnership goals.

As the initial session of the series, the 1993 National Congress is structured to present, for public review and discussion, specific recommended actions resulting from the partnership's initial year-long planning process. Representatives from each of the aforementioned sectors have joined in the planning operations of the following working committees:

- Minority Outreach and Pre-College Education
- Undergraduate Education and Post-Secondary Training
- Graduate and Post-Graduate Education and Research, and
- Technology Transfer

By your registration at this historic event, you have volunteered to participate in the refinement process. During the course of the National Congress you will be challenged to provide verbal and written feedback on the agenda items outlined in this document.

Carefully review the following summary grid prior to your attendance. The program flow will allow ample opportunity for you to receive background and clarification information on each point of the outlined National Partnerships Action Agenda.

May we be among the first to thank you for your interest and support.

1993 National Congress Executive Committee

MINORITY OUTREACH AND PRE-COLLEGE EDUCATION

COMMITTEE GOAL: Increase the number of minorities in the mathematics and science pipeline who are aware of environmental issues and the range of available environmental career options.

COMMITTEE OBJECTIVE - FIVE YEAR PLAN

- Using environment-oriented base materials, replicate key elements of the most effective national models for reaching and impacting minority students in grades K-12 at each of the HBCU/MI Environmental Technology Consortium institutions.

ACTION AGENDA

YEAR ONE:

1. Implement at least a three-way outreach partnership involving a local environmental industry, consortium institution, and school district;
2. Assist each Consortium member to implement and enhance the local partnership;
3. Consolidate fiscal and human resources to create stable industry-school-university partnerships as basis for institutionalization;
4. Catalog and replicate successful HBCU/MI Consortium K-12 environmental resource materials in math and the sciences as basis for community outreach programs;

YEAR TWO:

1. Expand local catalog information into a regional Resource Directory for community-based outreach programs;
2. Develop and implement enhanced strategies for sharing resource and program materials among Consortium-wide partnerships members;

YEAR THREE:

1. Disseminate exemplary environment-based science and mathematics resource and training materials to a broader audience of minority students and teachers;
2. Develop major funding initiatives in the areas of materials development, teacher enhancement, teacher preparation, human resource development, and research using environment-based source materials;

YEARS FOUR AND FIVE:

1. Develop pre-service teacher training and internship programs at HBCU/MI Consortium institutions and industry partner sites;

2. Enhance consortium-wide exchanges of ideas, curricula, and students in order to establish HBCU/MI Environmental Technology Consortium as national resource for pre-service teacher training;

3. Expand Regional Directory to a National Resource Directory of environmental information and minority outreach programs that can be utilized by any two-year colleges, four-year institutions, community-based organizations, or school districts.

UNDERGRADUATE EDUCATION AND POST SECONDARY TRAINING

COMMITTEE GOAL: Increase the number of underrepresented minority personnel trained for entry-level positions with the environmental industry;

COMMITTEE OBJECTIVE - FIVE YEAR PLAN

- Strengthen environmental management, science and technology curricula at each of the HBCU/MI Environmental Technology Consortium member institutions, and associated two-year colleges and four-year universities;

ACTION AGENDA

YEAR ONE:

1. Enhance environmental management curricula in engineering, environmental sciences, the basic sciences, and mathematics;
2. Develop environmental units for incorporation into existing scientific, technical and associated non-science academic disciplines;
3. Review environmental workforce data to determine the types, number and mix of new curricula needed to meet the entry-level employment requirements of the environmental industry;

YEARS TWO/THREE:

1. Implement the Environmental Partners Scholarship and Internship Program (EPSI);
2. Seek industry guidance on consortium-wide evaluation of environmental curriculum and training materials for possible consideration for accreditation and certification;
3. Promote student and faculty environmental program enrichment through
   - industry mentoring programs
   - faculty travel and professional development resources
   - undergraduate research opportunities;

YEARS FOUR/FIVE:

1. Create an "Office of Curriculum Development" to enhance consortium-wide sharing of developed materials and processes;

2. Increase environmental equipment acquisition and access to special-purpose instrumentation;

3. Establish dedicated laboratory facilities for purposes of technicians training;

4. Implement workshops for "retooling" faculty;

GRADUATE AND POST-GRADUATE EDUCATION AND RESEARCH

COMMITTEE GOAL: Expand the HBCU/MI Consortium institutions' reputation as a national resource for basic and applied environmental research;

COMMITTEE OBJECTIVES - FIVE YEAR PLAN

- Increase the number and quality of underrepresented minorities with advanced degrees in the environmental industry;
- promote joint research ventures between the environmental industry and HBCU/MI Consortium researchers, and product and process developers;

ACTION AGENDA

YEAR ONE

1. Enhance communication of HBCU/MI Consortium institutional capabilities to conduct research and development with industry and government; increase communication of industry and governmental research needs among HBCU/MI institutions;
2. Intensify efforts to identify and recruit capable full-time minority students in environment-related graduate programs and for post-graduate fellowships;
3. Expand HBCU/MI advisory boards re: science and engineering programs and research centers to include environmental industry representation;
4. Increase financial resources available to support minority graduate students and post-graduate fellows in the environmental sciences and engineering at HBCU/MI Consortium institutions;

YEAR TWO

1. Increase the use of environmental industry resources and facilities in order to expand the pool of minority graduate students and post-doctoral fellows engaged in environment-oriented studies;
2. Increase HBCU/MI Consortium graduate faculty awareness of the environmental industry and the career options available to scientifically trained managers;
3. Establish environmental industry sponsored graduate and post-graduate traineeships and co-ops targeted to minorities;
4. Develop supplemental courses for non-technical undergraduate majors desiring to pursue graduate degrees in the environmental sciences;

YEAR THREE

1. Establish mechanisms for the development of industrial, consulting, and regulatory practitioners as visiting instructors in seminars, symposia, and faculty exchanges at HBCU/MI institutions.

2. Develop curriculum to include training in policy development and public participation and their impact on the environmental restoration process;

3. Introduce graduate students and post-graduate fellows to the concept of "citizen environmental professional" and their accompanying responsibilities for interfacing between public policy and technology development and utilization;

YEARS FOUR AND FIVE

1. Establish criteria and implement preparatory activities for the accreditation of graduate programs in the environmental sciences and engineering at the HBCU/MI Consortium institutions;

TECHNOLOGY TRANSFER

COMMITTEE GOAL: Develop and promote systems for the integration of new knowledge, products, processes and "Total Quality Environmental Management Teams" into ongoing environmental problem-solving processes at HBCU/MI Consortium institutions;

COMMITTEE OBJECTIVES - FIVE YEAR PLAN

- Establish Several HBCU/MI Consortium Environmental Technology Development Centers (CETDCs) at HBCU/MI Consortium institutions;
- Develop multiple feeder mechanisms to promote the growth of each CETDC;

ACTION AGENDA

YEAR ONE:

1. Identify the uniform components of the proposed HBCU-CETDCs by researching existing technology development and transfer centers nationally and internationally;
2. Establish CETDC user/client populations and service needs for:
   - federal, state, local and regional environmental agencies and authorities
   - major environmental contractors
   - small and minority environmental service companies
   - military commands
   - other HBCUs/MIs, technology development centers and 2-year and 4-year academic institutions
   - community-based organizations and environmental interest groups
3. Effect agreements for the "test bed" use of the required facilities and property with university, military, government and/or private industry;
4. Draft and obtain legal review of required leases and performance contracts relative to all aspects of environmental technology development, transfer and integration; define need for and obtain permits and licenses;
5. Establish environmental training requirements;

YEAR TWO:

1. Expand the Environmental Partners Scholarship and Internship (see EPSI, Undergraduate Working Committee) to include technology transfer assignments;

2. Implement the first CETDCs;

3. Initiate approved CETDC feeder activities at participating HBCU/MI Consortium institutions, other colleges and universities and industry, association and governmental partnership sites, such as :
   - minority environmental business incubators
   - environmental information centers
   - training - worker safety, policy, regulatory and compliance
   - environmental instrumentation prototype engineering

YEARS THREE, FOUR, AND FIVE:

1. Replicate the CETDC development process at the remaining HBCU/MI Consortium sites;

2. Evaluate effectiveness of CETDCs;

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January 29, 1993

Kate McGinty
Special Assistant to the President
for Environmental Policy
Room 286
Old Executive Office Building
Washington, DC

Dear Katie:

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January 29, 1993

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Special Assistant to the President
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Room 286
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Vice President
Consumer & Community Relations

cc: Pam McElwee
Deputy Asstistant

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ISSUE BRIEF

Solid Waste Management

Introduction

From a consumer's standpoint, we know that the environment -- solid waste management specifically -- is not the headline-grabber it was just a short time ago. However, from a grocery retailer/wholesaler's perspective, recycling, source reduction, market development and other environmental programs continue to be integral components of day to day operations. Food Marketing Institute (FMI) continues to support our members in their efforts to develop and implement effective programs for better managing solid waste at their facilities and in their communities.

Under pressure due to dwindling landfill space and lack of support for the siting of new landfill and incineration facilities, practically every state in the nation has passed legislation that sets up goals, and in many cases mandates, for recycling. A recent report issued by the U.S. Environmental Protection Agency (EPA) notes that we are already seeing significant progress toward meeting those goals.

The EPA's 1992 update to its report on the Characterization of Municipal Solid Waste shows that recycling has made large gains. The report presents information from 1960 to 1990 on waste generation, disposal, combustion and recovery through recycling and composting.

In 1990, the most recent year for which data is available, Americans generated 195 million tons of municipal solid waste. Of this total, 33 million tons were recovered for recycling or composting, representing a 17 percent recycling rate in 1990 compared to a 13 percent rate in 1988 -- a 30 percent increase in just two years. Due in part to the increased amount of yard debris that was collected for composting, the amount of material recovered annually from municipal solid waste more than doubled from 1986 to 1990.

EPA sites two important factors in these improvements: the efforts of communities to compost yard trimmings and to set up recycling programs, and, the efforts of manufacturers to use more recycled materials. In the last two years, we have seen great strides in both these areas, so it is very possible that our current recovery rate is even greater than the 17 percent of 1990.

Despite this good news, EPA informs us that Americans are still producing more garbage today than ever before. From 1988 to 1990, waste generation per capita in the U.S. jumped from 4 pounds per person per day to 4.3 pounds (including yard waste). So although Americans recycled more, they also generated and threw away more -- evidence that many opportunities for increased source reduction and recycling still exist. It is estimated that between 35 and 45 percent of total MSW generated is from commercial sources.

Paper and paperboard continue to rank as the largest component of municipal solid waste, at 37.5 percent in 1990, followed by yard trimmings at 17.9 percent, metals and plastics, each at 8.3 percent, food waste and glass, each at 6.7 percent, wood at 6.3 percent and miscellaneous at 8.3 percent. Although paper and paperboard are the largest components of our solid waste stream, they are also the most recovered: paper and paperboard represent 37.5 percent of MSW generated but have a recovery rate of over 62 percent, resulting in only 32 percent of MSW discarded. On the other hand, food waste comprises less than seven percent of MSW generated, but about eight percent of discards.

When we take a look at MSW by product category, containers and packaging are a major portion, at about 33 percent of total generation. The total recovery rate for containers and packaging in 1990 was 26.2 percent.

The EPA report tells us that without additional source reduction, the amount of waste generated is expected to reach 222 million tons, or 4.5 pounds per person per day, by the year 2000, a five percent increase over 1990. Projected scenarios for recovery of MSW are between 20 and 30 percent in 1995 and 35 percent in the year 2000. To achieve these recovery rates, EPA says some products will have to be recovered at rates of 50 percent or more, and there will have to be substantial composting, especially of yard waste.

Knowing then, what the challenge is, what can the grocery industry do to help, and what are we already doing?

FMI Policy Statement on Solid Waste

As an industry, we are committed to playing a strong role in the environmental movement, first of all, because it is the right thing to do, and secondly, because we will surely see impractical solutions if we do not. Therefore, in 1988, FMI formed a task force to study the solid waste issue and make recommendations as to how the food distribution industry should respond to burgeoning waste disposal problems. The task force, made up of member company representatives and state association executives, held several meetings over a six month period and then drafted the FMI Policy Statement on Solid Waste. The Policy was formally adopted by the FMI Board of Directors in May, 1989.

The Policy urges retailers and wholesalers to:
(1) Actively participate in the development of comprehensive community solid waste management plans that emphasize <u>source reduction</u> and <u>recycling</u> (particularly curbside recycling).
(2) Work with suppliers to reduce the amount of materials used in packaging <u>and</u> to make packaging more recyclable (without compromising food safety and quality).
(3) Establish in-house programs to separate and recycle disposables.
(4) Reduce in-house packaging, especially in the deli, bakery, meat and produce departments.
(5) Educate employees and consumers about the need for solid waste management.
(6) Participate in efforts to oppose piecemeal solid waste legislation and promote comprehensive solutions.

Following formal Board approval of the Policy, FMI instituted several programs designed to help the industry respond to solid waste disposal challenges. These programs, as outlined below, can be grouped into four broad categories: education, legislation, research and industry relations.

Education Programs

Our initial environmental education materials were quite simple and specifically designed to educate and motivate food retailers and wholesalers. In 1989, we published and distributed background issue papers about solid waste management, plastic packaging, and the myth of biodegradability. Four editions of the FMI newsletter, the *Issues Bulletin*, and an issue of FMI's *Food Marketing*, have covered solid waste and highlighted recycling and source reduction activities of FMI and our member companies. Another *Issues Bulletin* targeted environmental labeling, and the publication now regularly features an environmental column. A special edition of the FMI *Face to Face* video newsletter covered the main points of the industry Policy Statement and showcased innovative member company environmental programs.

In the fall of 1990, FMI produced a consumer and employee solid waste education brochure entitled *Reduce, Reuse, Recycle -- You and I Can Make a Difference*; an accompanying video under the same name was released in early 1991. The brochure and video outline practical ways consumers can practice the new "3 R's" at home. The video won the 1991 Silver Award from the New Jersey chapter of the International Television Association (ITVA) and was a finalist at ITVA's 24th Annual Video Fest in May, 1992.

In the spring of 1992, FMI released the video "Composting: It Makes Sense for the Supermarket Industry" and offered a detailed convention workshop on the same subject. The video, nominated for a 1992 Golden Eagle award from the Council on International Non-theatrical Events (CINE), offers supermarket operators tips for developing and implementing a successful composting program. The video illustrates the various methods for composting and includes interviews with supermarket executives who have incorporated innovative composting programs in to their store operations.

FMI has instituted a bi-monthly newsletter, the *Environmental Report*, now in its second year of distribution. The newsletter provides members and other interested parties with timely information and ideas they can use to implement company environmental programs. FMI also maintains a directory of retailer/wholesaler environmental programs, which is shared among members. We are currently in the final stages of developing a supermarket source reduction manual that will serve as a "how to" guide for reducing waste in our members' stores, offices and warehouses.

In an ongoing effort to educate the media about the solid waste issue, FMI has conducted media briefings in major cities throughout the U.S. Emphasis has also been given to working with the trade press. In 1990, FMI helped organize and participated in an industry roundtable discussion on solid waste sponsored by *Supermarket News*. *Progressive Grocer* magazine worked closely with FMI as it produced its June 1990 "Executive Report on Solid Waste." Special coverage has also been given to the solid waste issue in *Food Marketing Facts* and *Key Costs Behind*

Supermarket Prices, two primary information pieces, updated annually, that FMI and member companies regularly distribute to the media.

FMI compiled an Information Kit on Environmental Issues that contains background reports on the issue in general, as well as on solid waste disposal problems, plastic packaging and degradability. The kit also lists other organizations which may be contacted for more information, and is currently being updated.

For the past several years, almost every FMI conference has had a solid waste education component. In addition, FMI staff meet with members and state association executives throughout the country, making presentations and helping companies launch their own solid waste/environmental programs. FMI Conventions for the past three years have also featured workshops dealing with solid waste management.

FMI's first Environmental Affairs Conference was held in February, 1991. Since then, Grocery Manufacturers of America (GMA) has joined in the co-sponsorship of the two-day event, which focuses on the practical information food manufacturers, wholesalers and retailers need to get their own environmental programs off and running. The 1993 Conference will be held in Washington, D.C., and will include an opportunity to tour a nearby state of the art materials recovery facility.

FMI was pleased this year to announce the formation of the FMI Environmental Affairs Committee. This new operating committee will advise the association as we develop and implement policies and programs relating to the environment. We have assembled an extremely talented and motivated group of food industry executives who oversee environmental projects for supermarket wholesalers and retailers of various formats and from many regions of the country. Initially, the Committee will explore new source reduction and recycling opportunities for supermarkets and warehouses; market development for recycled goods; use of new technology for recycling and for using recyclables in the food industry; composting; and environmental legislation.

Legislation

Government officials at all levels have tended to react to the solid waste crisis with short-sighted "quick-fixes," which can be disruptive to the food distribution industry and the consumer marketplace, and are often counterproductive. FMI is working to see that comprehensive approaches are adopted instead.

On the federal level, FMI plays a constructive role in helping to advance Resource Conservation and Recovery Act (RCRA) legislation that encourages the development of comprehensive solid waste management programs at the state and local level. FMI questions the need for recycling standards and legislated environmental marketing claims. As part of RCRA reauthorization, FMI would like to see the development of national recycling goals, a recycling information clearinghouse, market development programs and federal procurement policies for recycled goods. We strongly oppose legislation at the federal and state level to create mandatory beverage container deposit systems.

While there is legislative activity at the federal level, solid waste management remains primarily a state and local issue. In the past few years, over 3,000 solid waste/packaging bills were considered annually by the 50 state legislatures. In response, FMI has been working to assist state retail grocer associations in reacting to the myriad of proposals by serving as an information resource and clearinghouse, and by bringing together state associations in regional solid waste legislative strategy meetings. We regularly provide legislative and regulatory testimony; bill and program interpretation and analysis; background and summary information; bill tracking; and key contacts.

FMI is an associate member of the Coalition of Northeastern Governors' (CONEG) Source Reduction Task Force and has presented testimony before the organization on environmental labeling and on "model" packaging reduction legislation. FMI also worked closely with the industry-organized Oregon Recycling Committee to defeat the onerous OSPIRG packaging initiative on that state's 1990 ballot, and with the Massachusetts "No on 3" Committee, which overwhelmingly defeated a similar ballot initiative this year. In addition, we continue to work with other industry associations and state association executives to develop and support sound solid waste management legislation at the state level.

Environmental Labeling

As the purchasing agent for the consumer, grocery stores serve as the primary point of contact for the public to interact with the food industry. On average, shoppers visit supermarkets 2.3 times a week. Grocers, therefore, are in an excellent position to provide timely, helpful information to consumers on a variety of subjects, including the environment. It became apparent to us that a primary role for the retail grocery industry in helping to solve the solid waste crisis was to funnel the information that consumers are seeking about packaging and the environment to them. Such information includes not only messages from manufacturers about the environmental attributes of their products and packaging, but also important information about specific community collection and recycling programs.

Many FMI members are partners with their local governments and community leaders in collection and recycling programs. Some also host their own drop-off and recycling programs for consumers. Others embark on efforts with manufacturers to promote products that have been source reduced or contain recycled materials.

Each of these programs requires that information be delivered to consumers, and some of it must be tailored to individual communities. However, consumers were bombarded with an overabundance of environmental "claims" in a short period of time. With so much confusion in the marketplace, we needed a tool for leveling the "green marketing" playing field so that retailers could fulfill their role as information sources in an effective and consistent manner, and consumers could utilize a single set of terms to assist them in their purchasing decisions.

In order to promote a national set of standards to govern the use of environmental labeling and marketing, FMI joined a food industry coalition that petitioned the Federal Trade Commission (FTC) to establish voluntary national guidelines for environmental labeling and marketing.

We advocated guidelines over federal regulations because guidelines could be issued relatively quickly and offer a more flexible system that can respond not only to consumer needs, but also to growth in our knowledge about the nature of environmental problems. While guidelines, in general, do not preempt state action, they promote national uniformity by sending a strong national signal that goes a long way toward satisfying demands for action at the state level.

During the summer of 1991, the FTC held hearings on environmental marketing and Bob Gal, Senior Vice President, Wakefern Food Corp., testified before the Commission on behalf of FMI. In July of this year, the FTC issued voluntary guidelines for the use of claims about the environmental attributes of products and packages. Although there are some differences in detail between the industry petition and the Commission's guidelines, the basic approaches are quite similar. FMI and the grocery industry welcomed the issuance of the guidelines and in general, are pleased with their contents as well as their format.

Although the guidelines themselves are not enforceable as law or regulations, they do give guidance on how the FTC will exercise its general enforcement powers to protect the public from false or misleading environmental claims. We are urging our members to treat the guides as if they were legally binding and are preparing an information piece to help our members interpret how the guides specifically effect actions in a retail setting.

Research Projects

In 1990, FMI conducted two major studies regarding solid waste and the retail grocery industry. The first was a member company survey to determine what food retailers and wholesalers were already doing and planning to do to address the solid waste crisis. The survey helped establish a benchmark so that the industry's progress can be measured. The survey revealed that 84 percent of the wholesaler and large retail members who responded were already collecting recyclables at distribution centers. Nearly half (45 percent) were tracking solid waste disposal costs and tonnage. Respondents reported that waste removal costs increased 26 percent in 1988 and another 29 percent in 1989.

In addition to the member company report, FMI and *Better Homes and Gardens* magazine released a survey of consumer attitudes about solid waste and packaging. The results were publicized at the FMI convention in May, 1990. Major findings of the survey were:

* Garbage and solid waste disposal was considered a very serious problem.
* Recycling was seen as the best way to solve the problem.
* Lack of knowledge was thwarting the intent to recycle.
* Aluminum cans were the items most likely to be recycled.
* Curbside recycling was the preferred method over a community recycling center.
* Consumer and environmental groups were the most trusted sources of recycling information.
* Consumers placed most responsibility for solving the garbage problem on themselves.
* Consumers felt they could have a positive affect on the problem.
* Educating the consumer is an important factor.

Now included in FMI's annual *Speaks* and *Trends* survey reports is information pertaining to solid waste management in supermarkets and grocery wholesalers, as well as updated environmental consumer trends information. These reports help to track the ongoing development and implementation of supermarket solid waste management programs, as well as evolving consumer knowledge about the environment. For example, the 1992 *Trends* survey revealed that today, consumers place less of the responsibility for ensuring that products are environmentally safe on themselves and more responsibility on manufactures, food processors and food stores.

FMI's 1992 *Speaks* report states that the average per company waste disposal cost rose 13 percent from 1989 to 1991, a rate significantly down from previous years. Over two thirds of companies responding had at least some of their stores serving as community collection centers. Aluminum cans were reported the most frequently collected community item (please see attachment).

Industry Relations

There is no one solution to the solid waste problem. Managing waste in the most environmentally effective way will require a combination of approaches and a pooling of talent and resources. Many important goals will be achieved only if grocery product manufacturers, wholesalers and retailers find ways to cooperate and coordinate efforts.

To promote a unified industry approach, FMI and the Grocery Manufacturers of America (GMA) were joined by the National Grocers Association (NGA), the National-American Wholesale Grocers' Association (NAWGA), the National Food Processors Association (NFPA), the American Meat Institute (AMI), the United Fresh Fruit and Vegetable Association (UFFVA), The American Frozen Food Institute (AFFI), the American Bakers Association (ABA) and the Produce Marketing Association (PMA) to create the Grocery Industry Committee on Solid Waste (GICSW). The Committee is co-chaired by Phil Lippincott, chairman and CEO, Scott Paper Co., and Jim Moody, chairman and CEO, Hannaford Bros. Co. Its mission is to develop, implement and support joint grocery industry projects and programs that help advance a national integrated waste management system.

The GICSW has met several times over the past two years and is focusing its efforts in two key areas: legislation and public policy, and development of markets for recycled materials. The committee helped to develop uniform standards and definitions for environmental labeling by joining as a co-petitioner to the FTC for environmental marketing guidelines. The committee has also published a list of guiding principles that can help states write comprehensive solid waste management legislation, and produced a primer on financial mechanisms to support waste management systems. Furthermore, committee members have completed work on four projects related to market development:

* recommendations for composting food waste in the grocery industry (final report released October, 1991);
* recommendations for increasing the recycling of paper and plastic grocery bags (final report released October, 1991);
* recommendations for recycling stretch/shrink wrap (final report released April, 1992);
* recommendations for increasing the recycling of old corrugated containers (OCC) and for increasing the amount of recycled content in OCC (final report released April, 1992);

Promotion and distribution of the published reports to industry, state and local government leaders and recycling managers, academia and the media is underway.

Conclusion

In October, 1989, Lyle Everingham, then chairman of The Kroger Co,. received the prestigious Keep America Beautiful (KAB) vision for America Award for his company's contributions to KAB's work to clean up the environment. In accepting his award, Everingham summed up the solid waste issue succinctly: "We must keep in mind that solid waste is as much a psychological challenge as it is a technical problem. We must, as a nation, change our behavior. We must find a way, as the world's most advanced disposable society, to alter familiar habits in the interest of the common good. We have no other choice."

Many have asked, "Why should the grocery industry be a leader in this movement?" Dean Werries, immediate past chairman of FMI, provided a concise answer in the FMI solid waste video: "Because of our high visibility with consumers, we're perceived as a major source of the (solid waste) problem. And we can't permit our industry to be cast as the villain." In addition, we share many of the same concerns of environmentalists and our consumers, and are in an excellent position within our communities to work in cooperation with them to find realistic, effective solutions.

Consumers believe they can have a positive impact on the environment by recycling, but they do not always understand how to do it, where to do it, or when to do it. Food retailers and wholesalers have been, and will continue to be, instrumental in helping to educate consumers so they can be active recyclers in their communities. In addition, we can play a key role in educating our customers about the other important and necessary components of an integrated, effective solid waste management program: source reduction, composting, waste to energy incineration and sanitary landfilling.

FMI will continue to work independently and in cooperation with other industry organizations, state and local governments, environmental and consumer groups and our communities toward these goals, and will tailor our education, legislative, research and industry relations programs accordingly.

For further information please contact FMI's Government Relations Department.

FOOD MARKETING INDUSTRY

SPEAKS

1992

FOOD MARKETING INSTITUTE

"FOOD DISTRIBUTORS FACE TREMENDOUS PRESSURE TO REDUCE, RECYCLE AND COMPOST AND CONSUMERS ARE DEMANDING ENVIRONMENTALLY RESPONSIBLE BEHAVIOR AND PRODUCTS."

OVERVIEW

Solid waste issues affect every level of the grocery distribution chain. Landfills are closing rapidly, costs for land filling and incineration are climbing and new capacity for disposal is running into intense opposition virtually everywhere. Food distributors face tremendous pressure to reduce, recycle and compost and consumers are demanding environmentally responsible behavior and products. Furthermore, supermarkets have become drop-off centers for recyclables or deposit bottles in some states. Many states have adopted mandatory recycling laws and others will probably do so within the next few years. Such laws require that certain materials, such as plastic, aluminum and paper be removed from the individual waste stream. Enforcement mechanisms include spot checks and fines.

DISPOSAL COSTS AND TONNAGE

Only 43 percent of this year's respondents reported solid waste costs as a separate item, a number consistent with that found in FMI's 1988 study, *Solid Waste Management in the Food Distribution Industry*. Their average per company disposal cost rose 13 percent from $782,673 in 1989 to $883,653 in 1991. The 1991 number translates to a median of $13,704 per store.

Disposal cost varied by region. New England retailers had the highest median costs for the removal and disposal of solid waste per store: $22,167, four times the lowest median cost of $5,794 in the Southeast. This is consistent with national averages, which tend to be higher in the Northeast where there is less landfill space. As landfill space becomes more scarce, tip fees increase.

Only 15 percent of respondents reported the annual tonnage of waste disposed. For those firms, the average annual tonnage increased 29 percent from 1989 to 1990 and then decreased by 18 percent in 1991.

COLLECTION AND RECYCLING PROGRAMS

The *Speaks* study examined collection and recycling programs at three levels: headquarters, distribution center and store. The three are not separate entities since distribution centers sometimes function as central collection points for certain products. The study differentiates those products sent for recycling directly from the store from those brought first to a distribution center. Another major concern is the value realized for recyclable products. Some can be sold, others must be given away, some even require companies to pay for their removal.

Retail stores collect products generated by the store itself and sometimes serve as collection centers for the local community.

Corrugated cardboard, meat trimmings, pallets and aluminum cans were the most frequently collected store-generated products. The majority of companies collecting meat and aluminum sent them to be recycled directly from the store rather than returning them to the distribution center. Pallets and corrugated cardboard were more frequently returned to the distribution center for recycling.

Legal requirements play an important role at the store level. "Bottle laws" are now in effect in nine states (and California which has a non traditional bottle bill titled AB2020). These laws require consumers to pay a deposit on certain containers (most often glass and aluminum beverage containers) which can be redeemed at a specified location, usually a retail store.

In other locations, retailers voluntarily collect recyclables. Over two-thirds of the companies responding had at least some of their stores serving as community collection centers. As shown in the table, aluminum cans were the most frequently collected community item.

Almost 55 percent of the companies surveyed had a program in place for plastic grocery bags; 43 percent had one for paper bags. While grocery bags are a small portion of all municipal solid waste, the grocery industry uses 38 billion bags each year according to the Grocery Industry Committee on Solid Waste (GICSW)* *Grocery Bag Recycling Task Force Report*. Approximately 60 percent were plastic bags in 1991 (compared with only 5 percent in 1982) and 40 percent were paper.

Distribution center recycling programs collect products generated by the center itself and serve as a central collection point for items brought from stores served by the company. In this year's *Speaks* study, the top three items collected from the distribution center itself were pallets (90 percent of companies), old corrugated containers (OCC)(87 percent) and office paper (85 percent). Of those, only old corrugated containers were collected less often than in 1988 (98 percent). This is most likely due to declining OCC prices which have fallen since 1988 in most areas of the country. Showing the largest increases since 1988 were stretchwrap (16 percent to 53 percent) and aluminum cans (23 percent to 65 percent).

In companies operating warehouses, old corrugated containers (71 percent), plastic grocery bags (54 percent) and pallets (53 percent) were most often returned to their distribution centers by stores for recycling.

Legal requirements affect distribution center operations as well. Just over 40 percent of the responding companies with distribution centers operate in states with mandatory recycling ordinances; most are located in the Mid-Atlantic, New England or Pacific regions. In some situations, recycling laws are on the books but not enforced. However, almost all responding companies said the ordinances are enforced in their area. Eight in 10 had to spend additional money to comply, but only half actually measured the expenses they incurred.

Almost nine in 10 companies with a separate headquarters collected office paper for recycling, compared with 69 percent in 1988 a change likely caused by strong paper markets, high disposal costs or both. The highest percentages of company headquarters collecting office paper were in regions with paper mills and therefore the means to reprocess the collected paper. Almost three-quarters (74 percent) collected aluminum cans, up from 32 percent in 1988. Less than half the respondents collected other materials such as plastic containers and corrugated boxes.

Did these products have any value once collected? Just over seven in 10 companies collecting meat by-products were able to sell them; just under 15 percent gave them away. Fewer firms (53.4 percent) were able to sell their aluminum cans. Plastic grocery bags were a different story: half the companies collecting them said they gave them away; only 22 percent were able to sell them.

The following sections of this chapter address specific products being recycled.

PALLETS

The typical pallet in use today has an average life of about one year. Almost all pallets are currently made of wood and the wood from broken pallets often enters the solid waste stream. In an effort to remedy this and other problems, a joint industry task force is addressing the pallet issue (see the Distribution Center Operations section of this report, p. 13).

For those companies in *Speaks* operating warehouses:

- 53 percent salvaged parts for repairing other pallets
- 50 percent sold them for scrap value
- 27 percent gave away the pallets
- 27 percent disposed of unusable pallets in the trash

STATUS OF RECYCLING/COMPOSTING PROGRAMS IN DISTRIBUTION CENTERS

PERCENTAGE OF COMPANIES WITH DISTRIBUTION CENTERS COLLECTING:

Pallets	89.7%
Corrugated Boxes	86.8%
Office Paper	85.3%
Aluminum Cans	64.7%
Plastic Grocery Bags	57.4%
Stretchwrap/Shrinkwrap	52.9%
Motor Oil	50.0%
Meat Trimmings (Fat and Bone)	47.1%
Paper Grocery Bags	35.3%
Glass/Bottles	33.8%
Plastics	29.4%
Newspaper	29.4%
Produce Trimmings	14.7%
Steel Cans	11.8%
Household Batteries	2.9%
Florist Wastes	2.9%

STATUS OF RECYCLING/COMPOSTING PROGRAMS AT THE STORE LEVEL

PERCENTAGE OF COMPANIES COLLECTING:

Corrugated Boxes	81.6%
Meat Trimmings (Fat and Bone)	75.4%
Pallets	74.9%
Aluminum Cans	57.5%
Plastic Grocery Bags	54.7%
Paper Grocery Bags	43.0%
Glass/Bottles	39.1%
Plastics	38.5%
Stretchwrap/Shrinkwrap	29.6%
Office Paper	27.9%
Newspaper	26.3%
Produce Trimmings	24.0%
Steel Cans	14.5%
Motor Oil	3.9%
Florist Wastes	3.9%
Household Batteries	1.7%
Other	7.3%

"APPROXIMATELY 35 PERCENT OF THE CORRUGATED CONTAINERS PRODUCED IN THE U.S. ARE USED BY THE FOOD INDUSTRY; THE VAST MAJORITY COME FROM GROCERY MANUFACTURERS AND ARE DELIVERED TO GROCERY DISTRIBUTORS AND RETAILERS. THIS FIGURE DOES NOT INCLUDE THE VAST ARRAY OF NONFOOD GROCERY ITEMS ALSO SHIPPED IN CORRUGATED BOXES."

At the store level:

- 56 percent of responding companies returned unusable pallets to their distribution center
- 15 percent salvaged parts for repairing other pallets
- 7 percent sold broken pallets for scrap
- 16 percent gave away pallets
- 15 percent disposed of unusable pallets in the trash

CORRUGATED CONTAINERS

Old corrugated containers (OCC) make up 12.8 percent of the U.S. waste stream according to the U.S. Environmental Protection Agency (EPA). Approximately 35 percent of the corrugated containers produced in the U.S. are used by the food industry; the vast majority come from grocery manufacturers and are delivered to grocery distributors and retailers. This figure does not include the vast array of nonfood grocery items also shipped in corrugated boxes.

In 1990, 56 percent of the corrugated containers produced in the U.S. were collected and recycled according to the GICSW *Old Corrugated Container Task Force Report*. While tonnage increased 19 percent from 1987-1990, prices for OCC declined 50 percent. While OCC prices are cyclical, the prices in the cycle are dropping as the supply grows.

Data from the *Speaks* study show the majority of food distributors have recycling programs for OCC.

- 82 percent collected corrugated cardboard at the store level
- 55 percent returned it to distribution centers
- 29 percent recycled it directly from the stores

The largest number of companies not collecting corrugated cardboard operated in the West North Central and Mountain regions. The landfill crisis is not as prevalent there as it is in densely populated New England and the Mid-Atlantic. Of the companies that collect cardboard, 68 percent were able to sell it for reuse, recycling or composting.

STRETCH SHRINK PALLET WRAPS

Pallet wrap, typically used to secure boxes onto a pallet, has become a widespread packaging medium in the grocery industry. The GICSW *Stretch Wrap Recycling Task Force Report* estimates that approximately 50 percent of all pallet wrap is used in the grocery industry. Companies operating distribution centers in the *Speaks* study reported that 83 percent of their pallet loads were secured by wraps. Of those companies:

- 53 percent reported that pallet wraps were collected at their distribution centers
- 34 percent of these companies reported that they collected pallet wrap at the store level and returned it to the distribution center
- 13 percent plan to start a program to recycle pallet wraps in the future.

COMPOSTABLES

Food waste plus wet and waxed corrugated from retailers alone account for 6.6 million tons per year of waste that could be composted rather than discarded and nearly 4 percent of all municipal solid waste, according the GICSW *Composting Task Force Report*. Compostables collected by companies in *Speaks* include meat trimmings (75.4 percent) and produce trimmings (24.0 percent). Only 3.9 percent collected florist wastes.

**The Grocery Industry Committee on Solid Waste (GICSW) is a coalition of nine associations representing manufacturers, retailers and wholesalers of food and nonfood grocery products. Membership includes 22 senior executives from all sectors of the industry. GICSW has come together to develop pro-active policies and positions on solid waste issues. For further information, please contact the Public Affairs Department of FMI.*

1992 Supermarket Facts

Total grocery stores	140,000
Number of employees	3.2 million
Total grocery sales	$376.2 billion
Total supermarkets (over $2 million in annual sales)	30,670
Total supermarket sales	$280.4 billion
Net profit after taxes, fiscal year 1991 - 1992	0.77%
Average weekly sales per supermarket	$183,775
Median number of items in a supermarket	30,000

■ **The Supermarket Industry is One of the Most Competitive and Efficient in the World.** Food retailers and wholesalers serve as the purchasing agents for our nation's consumers and the distribution agents for farmers and grocery suppliers. Intense competition has led to innovative distribution techniques and increased efficiencies that benefit consumers. Today, Americans spend a smaller amount of their disposable income on food than do consumers in any other major economy in the world. In 1991, consumers spent only 7.2 percent of disposable income on food-at-home, down from 9.1 percent in 1980. The extremely competitive nature of the industry is reflected in its after-tax profits, which frequently fall below a penny on a dollar. For the fiscal year ending March 1992, after-tax profit for the industry was only 0.77 percent, well below a penny on the dollar.

■ **Food Marketing is One of the Largest Employers in the Nation.** Food retailers and wholesalers employ more than 3 million skilled workers in grocery stores and warehouses, supermarket company offices and wholesale food company facilities. From 1981 to 1991, the number of employees in grocery retailing increased by 33 percent, and the industry may add an estimated 600,000 more jobs by the next century. Labor is the largest expense for supermarket companies, about half of total operating expenses. (Operating expenses are the costs of running the businesses — everything but product cost.)

■ **1992 Food Price Increases Are Predicted to be the Smallest in 25 Years.** Based on the first 10 months of the year, U.S. Department of Agriculture economists believe food prices will increase only about 1 percent this year, the smallest increase since 1967. This is the second year in a row of very modest food price increases. The 1991 rise was the lowest in six years, with food-at-home prices rising just 2.1 percent. Food prices as a whole—including food-away-from-home rose 2.9 percent, also the smallest increase in six years. In comparison, the overall Consumer Price Index (CPI) for all consumer products and services rose 4.2 percent in 1991.

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The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education, industry relations and public affairs on behalf of its 1,500 members — food retailers and wholesalers and their customers in the United States and around the world. FMI's domestic member companies operate approximately 19,000 retail food stores with a combined annual sales volume of $190 billion — more than half of all grocery store sales in the United States. FMI's retail membership is composed of large multi-store chains, small regional firms and independent supermarkets. Its international membership includes 250 members from 60 countries.

Printed on recycled paper

A STATE BY STATE LOOK AT THE SUPERMARKET INDUSTRY

State	# Of Stores	Sales
Alabama	631	$4.9 billion
Alaska	89	$897 million
Arizona	439	$5.2 billion
Arkansas	361	$2.5 billion
California	2,937	$30 billion
Colorado	337	$4.2 billion
Connecticut	340	$4.1 billion
Delaware	75	$854 million
D. C.	54	$488 million
Florida	1,639	$17.8 billion
Georgia	913	$8.0 billion
Hawaii	118	$1.1 billion
Idaho	183	$1.3 billion
Illinois	1,215	$11.2 billion
Indiana	743	$5.9 billion
Iowa	404	$3.2 billion
Kansas	375	$3.0 billion
Kentucky	578	$4.0 billion
Louisiana	613	$5.0 billion
Maine	147	$1.5 billion
Maryland	498	$5.2 billion
Massachusetts	502	$6.4 billion
Michigan	1,191	$9.5 billion
Minnesota	480	$4.3 billion
Mississippi	406	$2.7 billion
Missouri	689	$5.6 billion
Montana	139	$971 million
Nebraska	253	$1.9 billion
Nevada	131	$1.5 billion
New Hampshire	169	$1.7 billion
New Jersey	721	$9.1 billion
New Mexico	161	$1.6 billion
New York	1,780	$17.0 billion
North Carolina	1,131	$8.4 billion
North Dakota	78	$617 million
Ohio	1,341	$12.0 billion
Oklahoma	452	$3.5 billion
Oregon	491	$3.9 billion
Pennsylvania	1,375	$12.7 billion
Rhode Island	78	$918 million
South Carolina	569	$4.5 billion
South Dakota	103	$734 million
Tennessee	700	$5.4 billion
Texas	2,012	$20.0 billion
Utah	181	$2.0 billion
Vermont	92	$687 million
Virginia	928	$8.1 billion
Washington	709	$6.4 billion
West Virginia	280	$1.8 billion
Wisconsin	752	$6.1 billion
Wyoming	86	$630 million

*Figures are for supermarkets, defined as stores with over $2 million in annual sales costs and marketing costs in the food processing and distribution sectors are more stable than those in the farm sector.

Changes in farm supply are, therefore, primary determinants of the changes in retail food consumption and prices. However, changes at the farm level do not affect retail food markets immediately. Usually, there is a time lag before changes in supply prices at the farm level are realized at the retail level, because most foods must be moved and processed before they are ready for sale.

For example, if drought in California causes an immediate reduction in the lettuce harvest, putting upward pressure on prices, it would take about a week before the increases show up at the retail level in Eastern cities. It takes time to transport the lettuce and transmit a higher price through the different stages of the food distribution system. For foods that are processed and go through a manufacturer, this time delay could be much longer. Bread, for example, may not reflect higher wheat prices in its retail price for months.

Higher corn prices may not affect retail prices until an even longer time period has elapsed. In turn, higher corn prices cause meat producers to cut back on production, thereby influencing the supply—and price—of beef in future years.

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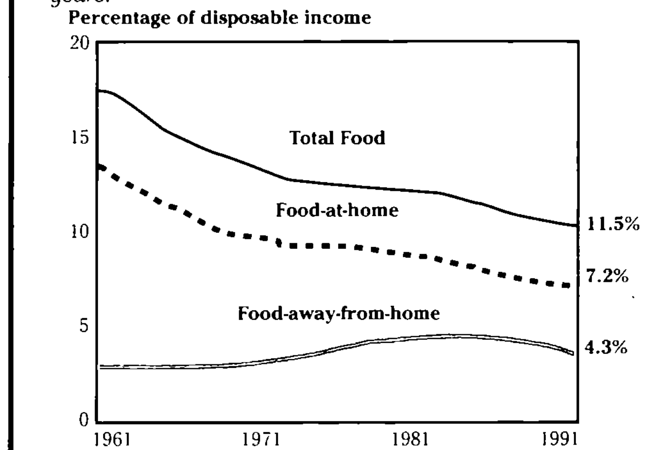
7/92

FOOD PRICES

1991 Rise in Food Prices the Lowest in Six Years

Share of Income Spent For Food

Total spending on food-at-home by families and individuals declined to 7.2 percent of disposable income in the past 30 years.



Source: U.S. Department of Labor

In 1991, food-at-home prices rose just 2.1 percent, the lowest rate in six years.* Food prices as a whole—including food-away-from-home—rose 2.9 percent, also the smallest increase in six years. In comparison, the overall Consumer Price Index (CPI) for all consumer products and services rose 4.2 percent in 1991, down from 5.4 percent in 1990. Total consumer expenditures for food in 1991 came to $486 billion, and $303 billion of this was spent on food from grocery stores.

The rise in retail food prices slowed dramatically in 1991 under the pressure of large food supplies and recession-weakened consumer demand, according to the U.S. Department of Agriculture (USDA). Production of livestock increased, generating record meat supplies. At the same time, the recession cut into consumer buying power and, thus, food spending. Per capita disposable income, adjusted for inflation, fell about 1 percent in 1991. Grocery store sales, adjusted for inflation, declined about 1 percent in 1991.

Food shoppers were the beneficiaries of the slower rise in food prices. Grocery store prices of most foods in 1991 were only moderately higher than the year before, and some prices, including those for dairy products, poultry and eggs, fell slightly. Starting in August 1991, increasing pork supplies caused monthly drops in retail pork prices.

The percentage of consumers' disposable income spent for food-at-home continued to be low. In 1991, consumers spent 7.2 percent, about the same as in the four previous years. In comparison, 13.7 percent of their disposable income went to food-at-home in 1961. (See chart this page.)

At the beginning of this century, consumers spent as much as 40 percent of their disposable income on all food—considerably more than the 11.5 percent of 1991.

1991 Retail Prices**

Four food groups caused most of the rise in grocery-store prices in 1991. Red meat retail prices rose 3.1 percent; cereal and bakery product prices went up 4.1 percent; prepared foods prices rose 4.5 percent, and prices of fresh fruit jumped 13.5 percent.

Fresh fruit prices accounted for about a third of the 2.6-percent price rise for food-at-home. The higher prices for meat accounted for a fourth of the total price rise for food-at-home. Lower prices for dairy products, poultry and eggs helped slow the rate of price increases in 1991.

Meat. Beef and veal prices averaged 2.8 percent higher in 1991 than a year earlier, the smallest price increase in three years. Prices peaked in the second quarter at a record high, reflecting lower beef production, and then declined slightly in the last half of the year as beef production increased. Total 1991 beef production was nearly 1 percent more than in 1990, the first increase in three years. Retail pork prices also rose much more slowly in 1991 as pork production picked up about 4 percent. Retail pork prices averaged 3.3 percent higher in 1991 than in 1990. Prices peaked in July and then declined monthly the rest of the year. Prices in December 1991 were 6 percent lower than those a year earlier.

Poultry and eggs. Retail poultry prices declined slightly in 1991 for the second consecutive year. They reflected larger supplies of poultry and downward pressure on prices created by larger red meat supplies. Broiler chicken production increased about 6.5 percent, extending a long-term expansion, and turkey production was up about 2.5 percent.

Egg production was only a fraction of a percent larger in 1991, but egg prices declined at the farm, wholesale and retail levels. Retail egg prices averaged 2.3 percent lower in 1991 than in 1990.

Dairy products. Retail prices of milk and other dairy products averaged 1.1 percent lower in 1991. However, a 1990 increase in dairy prices that was the largest since 1980 preceded this small decline, sharply contrasting with the 1- or 2-percent annual increases during most of the 1980s. Price decreases in 1991 were limited to fresh

*U.S. Bureau of Labor Statistics

**U.S. Department of Agriculture

continued on next page

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Annual Increases in Consumer Price Index (percentage increase)

	1982	*1983*	*1984*	*1985*	*1986*	*1987*	*1988*	*1989*	*1990*	*1991*
All Commodities	6.1%	3.2%	4.3%	3.6%	1.9%	3.7%	4.1%	5.8%	5.8%	4.2%
Food-at-home	3.4%	1.1%	3.7%	1.4%	2.9%	4.3%	4.2%	6.5%	6.5%	2.6%
Food-away-from-home	5.3%	4.4%	4.2%	4.0%	3.9%	4.0%	4.1%	4.6%	4.7%	3.4%

Source: U.S. Bureau of Labor Statistics

milk and cream (3.2 percent), while prices for cheese and other processed products rose 1.1 percent. Cheese supplies tightened during the year due to the lack of milk shipments between butter/powder manufacturing plants and cheese plants. Milk production in 1991 was about even with the year before.

Fish and seafood. Fish and seafood prices increased 1.1 percent in 1991, the smallest increase in eight years. Much larger supplies of canned salmon, larger imports of frozen fish blocks, and higher catfish production moderated prices.

Cereals and bakery products. Retail prices for cereals and bakery products averaged 4.1 percent higher in 1991, the smallest rise since the 1988 drought-induced, sharp price increases for wheat and other food grains. Rising retail prices reflected higher charges by bakers and cereal manufacturers for processing and marketing functions. Cereal prices led the category, increasing by 6 percent. White bread prices advanced only 2.1 percent.

Annual cereal price increases have been larger than price increases for most other products in the food-at-home index in the past decade, reflecting higher manufacturing and selling charges and strong consumer demand.

Fresh fruits and vegetables. Fresh fruit prices averaged 13.5 percent higher in 1991, but price increases varied widely among fruits. Prices of bananas, the most popular fresh fruit, rose 4.9 percent. Apple prices averaged 17 percent higher, reflecting a 5-percent smaller 1990 harvest. However, orange prices soared 55 percent due to short fresh-market supplies created by the December 1990 freeze in California, which reduced the 1990-91 crop by 62 percent from the previous year. California lemon and grapefruit production also fell because of the freeze, and lemon prices rose sharply. Grapefruit prices, however, declined in 1991 because Florida production was much larger following a freeze the year before.

Prices of fresh vegetables averaged only 2.2 percent higher in 1991. Most of the increase was in the second quarter, resulting from unusual weather patterns that caused sporadic supplies of lettuce, tomatoes, peppers and cucumbers. Retail prices for fresh potatoes averaged 11.1 percent lower in 1991, a downturn that reflected an 8-percent increase in the 1990 fall potato crop followed by a record-large crop in 1991.

Marketing Functions

After products leave the farm, processors and distributors perform the marketing functions that bring food to the nation's dinner tables. These functions include storing, processing, packaging, transporting and retailing. Currently, the cost of these services comprises about 78 percent of the retail price of food purchased in supermarkets. Marketing costs are significant factors in food prices—with direct labor costs running about 45 percent of these costs. In recent years, the annual rise in marketing costs has ranged from 4 to 7 percent.

Labor also is a major component of the consumer's food bill at the checkout counter—comprising 35 percent of the total food dollar. Packaging costs represent another 8.5 percent; advertising, 4 percent; fuels and electricity, 3.5 percent. These marketing costs are affected by inflation and interest rates, with handling and distribution costs rising at roughly the same rate as the CPI.

Labor costs for the food industry during most of the past decade have been tempered by labor contract agreements that provide small wage increases, reduced pay for holiday and evening work, reduced medical benefits, and greater management flexibility in scheduling work.

Consumers spent $462 billion in 1991 for food that originated on U.S. farms. About 22 percent, or $101 billion, represents the farm value—that portion that went to farmers. The remaining $361 billion covered marketing costs, with labor costs equal to $163 billion.

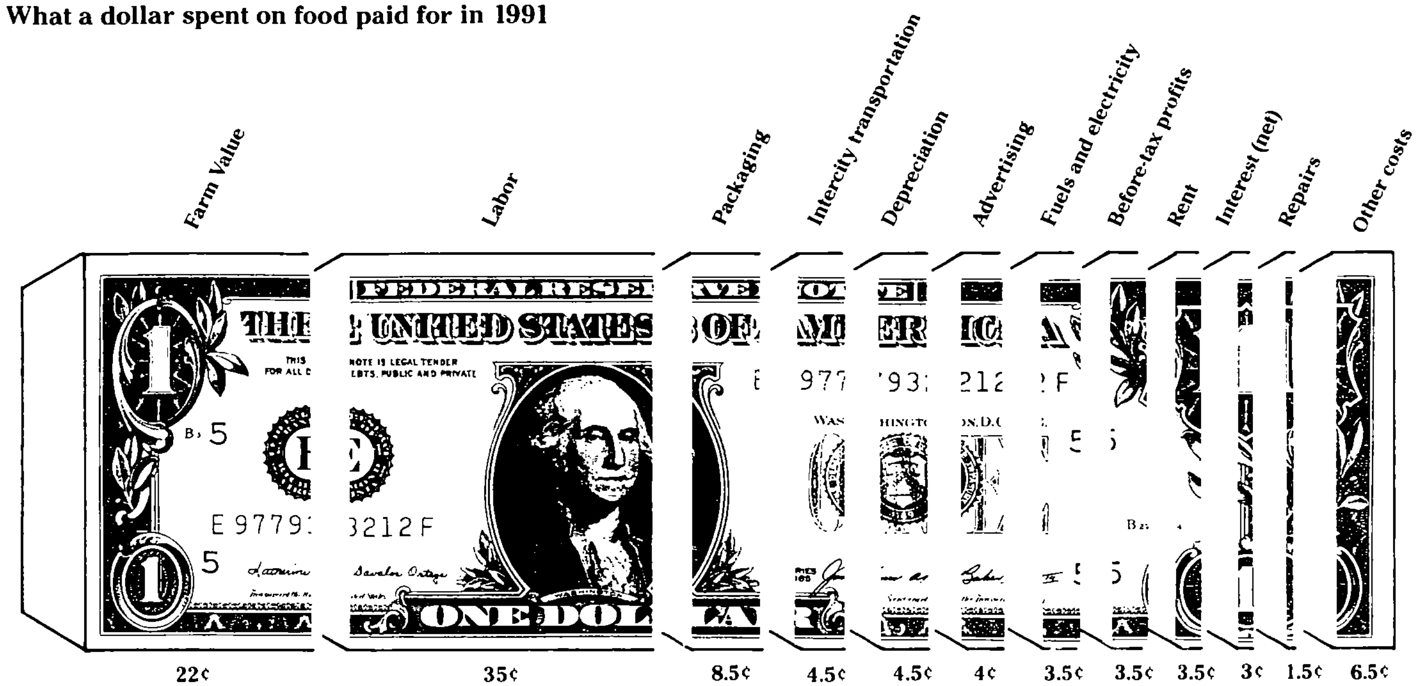
In addition to marketing costs, two other major factors influence retail food prices: the relation of supply to demand, and consumer buying habits. When prices for key commodities rise sharply because of reduced supply, and marketing costs climb because of inflation, food prices tend to climb at a faster rate than overall consumer prices. When producer prices fall, consumer prices will reflect that decline as long as marketing costs do not greatly increase.

Changes in the CPI for Food

	1988	**1989**	**1990**	**1991**
All Food	4.1%	5.8%	5.8%	2.9%
Food-away-from-home	4.1	4.6	4.7	3.4
Food-at-home	4.2	6.5	6.5	2.6
Meat, poultry and fish	3.5	5.0	7.4	2.3
Meats	2.4	4.0	10.1	3.1
Beef and veal	5.5	6.4	8.0	2.8
Pork	−3.0	0.6	14.7	3.3
Poultry	7.2	9.9	−0.2	−0.8
Fish and seafood	5.8	4.5	2.2	1.1
Eggs	2.3	26.6	4.7	−2.3
Dairy products	2.4	6.6	9.4	−1.1
Fats and oils	4.6	7.2	4.2	4.3
Fruits and vegetables	7.6	6.3	6.2	4.6
Sugar and sweets	2.7	4.7	4.4	3.7
Cereals and bakery products	6.4	8.4	5.7	4.1
Nonalcoholic beverages	0.0	3.5	2.0	0.5

Source: U.S. Bureau of Labor Statistics

What a dollar spent on food paid for in 1991



Includes food eaten at home and away from home. Other costs include property taxes and insurance, accounting and professional services, promotion, bad debts and many miscellaneous items.

Consumers themselves have helped hold down price increases by the ways they shop for food. Shoppers constantly shift their purchases to lower priced items in season or in ample supply. However, these shifts in buying habits would not be reflected in the CPI, which is based on a fixed market basket and does not register such changes.

Where the Food Dollar Goes

Consumers buy food in a wide variety of forms and from many different types of outlets. The farm share of the retail food dollar averaged about 22 cents in 1990. This figure includes an entire array of food products from U.S. farms distributed through grocery stores, restaurants, fast-food outlets, hotels and institutions.

Farm value shares vary widely from commodity to commodity, depending on the amount of processing required between farm and supermarket. For example, egg producers received 60 cents of each retail dollar spent on eggs in 1991 because little processing or handling is required. Bakery products, however, require extensive processing, so wheat farmers received as little as 6 cents from each dollar spent on bread.

The 1991 farm value share fell while retail prices rose moderately. This contrast reflects the abundant food supplies that depressed farm prices, while charges for rising food processing and distributing boosted retail prices. The farm share remained stable until the decline in 1991, reflecting the rise in farm prices during 1987-90.

In 1991, the 78 cents of the food dollar remaining after the farmer was paid went toward labor, assembly, processing, transportation and distribution—all handling charges beyond the farm. Non-farm labor and food packaging costs are the major components of the handling bill.

Key 1991 Price Changes

4.2%	2.6%	4.0%	8.7%	3.3%	2.7%
All Items	Food-At-Home	Housing	Medical Care	Fuel & Other Utilities	Transportation

Source: U.S. Bureau of Labor Statistics

These percentage breakouts for the food dollar were fairly stable over the past decade. The figures relate to farm products distributed through all forms of outlets, including grocery stores, restaurants, fast food outlets, hotels and institutions. Food purchased in grocery stores requires less processing and less service at point of sale than restaurant food; therefore, the farmer's share of the *grocery* food dollar is larger than suggested by the figures for all food expenditures.

Food Economics

Although the food marketing sector's percentage share of the national food dollar is greater than the farm sector, the main causes of food-price swings from year to year stem from the farm sector. Farm supplies and prices for farm goods change rapidly and directly cause changes in retail food prices and consumer consumption.

Swings in farm prices are a consequence of changes in the weather, international competition and natural livestock growth and production cycles. Employment

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COMPETITION & PROFITS

Supermarket Net Profit Remains Less Than 1 Cent on $1

The supermarket industry is one of the most competitive businesses in the world. For the fiscal year April 1991/March 1992,* the after-tax profit for the industry was 0.77 percent, down from 0.96 percent for the prior fiscal year. In 1990-91, the industry's cost of sales and expenses dropped to 97.39 percent of sales before taxes (compared with 97.55 percent in the previous fiscal year). The 1991-92 result was similar: 97.48 percent. This indicates the industry has reduced its operating costs, perhaps realizing savings from cost-cutting measures, better deals and similar measures. In past years, "other income" (e.g., income from investments) helped boost industry profits. In 1991-92, "other income" dropped to 0.12 percent from 0.30 percent in 1990-91.

Traditionally, grocery store operators have depended on increasing volume to compensate for low margins. The industry grew most rapidly when the "baby boom" generation reached shopping age in the 1960s.

In the 1970s, the birthrate slowed dramatically. The resulting, intensified competition for customers drove some firms out of business completely and caused others to close whole divisions and relinquish market areas.

In the last 20 years, six chains have fallen from the top 10 either through mergers and acquisitions or competitive pressures.

Supermarkets Rely on High Volume

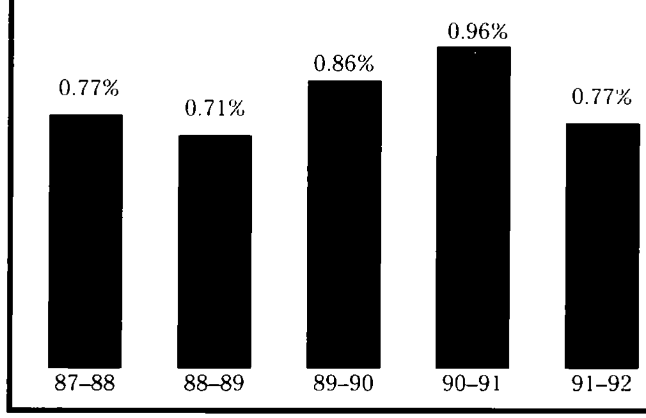
How can supermarkets survive on less than one-cent-on-a-dollar profit?

Retail food stores depend on sales volume for profitability. Inventory "turns," or replacements, occur about 20 times in an average year. The intense competition among stores tends to lower prices for consumers and keeps gross margins low.

Food retailers tend to look for low profits on a large number of transactions. Low markup to stimulate high volume is the fundamental principle of mass merchandising, developed by the grocery business in the mid-1930s.

In 1972, supermarket net profit on each dollar of sales hit bottom—dipping to one-half penny. Through the mid-'80s, the industry saw a gradual return to profit levels common in the 1950s and 1960s, which then averaged almost one penny per customer dollar.

Five Year Trend: Net Profit as a Percentage of Sales



The results of the merger and acquisition fray of the late 1980s drove industry profits down again. After bottoming out at 0.71 percent in 1988-89, profits have begun to creep up.

Measures of Profitability

In measuring profitability, three ratios taken together provide an overall picture of the financial health of supermarket companies:

- Profit margin.
- Return on total assets.
- Return on equity.

The profit margin is simply net income as a percentage of sales. It measures the portion of the firm's sales dollar that is left after paying all expenses, including the cost of the products and the realization of any extraordinary gains or losses. In 1991-92, net profit was 0.77 percent, down from 0.96 percent in 1990-91.

Return on total assets (ROA) is net income divided by total assets, which measures the ability of a company's combined equity and debt capital to generate profits. Return on assets reflects the profit generated from the firm's asset base regardless of how it is financed. Supermarket companies' return on total assets decreased to 3.29 percent in 1991-92 from 3.75 percent one year earlier.

The third measure, return on equity (ROE), is net income as a percentage of the owners' equity. This relates the earnings of the company specifically to the resources provided by its owners. It reflects, among other things, the effectiveness of the firm in employing leverage, i.e.,

*Source: *Annual Financial Review, 1991-1992, FMI*

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Top 10 Supermarket Companies
(ranked by annual sales)

1971	1981	1991
A&P	Safeway	American Stores
Safeway	Kroger	Kroger
Kroger	A&P	Safeway
Food Fair	American Stores	A&P
Acme	Winn-Dixie	Winn-Dixie
Jewel	Lucky Stores	Albertson's
Lucky Stores	Grand Union	Food Lion
National Tea	Albertson's	Publix
Winn-Dixie	Jewel	Vons
Grand Union	Supermarkets General	Supermarkets General

funds acquired from outsiders by issuing debt securities.

Return on equity for supermarket firms was 15.74 percent in 1991-92, compared with 20.16 in 1990-91.

Recent ROE measures for the supermarket industry can be misleading because of substantial changes in the industry's financial structure. Due to the leveraged buyouts of the late 1980s, the major publicly traded supermarket companies substituted debt for equity to a major degree.

For example, the equity portion of the industry's balance sheet dipped under 20 percent between 1989 and 1991, compared with almost 40 percent in 1985-86. In 1991-92, the equity portion crept up to 20.23 percent. As a result, ROE increases over this period appear to be at record levels, not because of high profits but because of substantially lower equity substituted for higher debt.

The broader measure, return on assets, reflects the total capital necessary to run a company. This measure is not distorted by the substitution of one type of financing for another. The ROA remained in 1991-92 below the levels common in the mid-1980s. By any broad measure of industry performance, the supermarket industry is still struggling with a period of low profits.

Supermarket Industry Highly Competitive

Economists note that entry into a competitive industry is relatively easy. The most common barriers to entry are found when established firms have valuable patents, control of essential raw materials, unique products or large-scale national advertising programs. None of these barriers are found in the supermarket industry.

That is one important reason why independent operators—those with 10 stores or fewer—have remained a vital part of the industry. In fact, over the last few years, these independent operators have earned a higher net profit than the chains. In 1991, according to *Progressive Grocer,* independents earned 1.9 percent, compared with the industry-wide profit margin of 0.96 (chains and independents combined).

Another important reason is that through affiliation with voluntary or cooperative wholesale organizations, small grocery firms share the advantage of buying in large quantity. This partnership between independents and wholesalers guarantees a healthy, highly competitive independent operator balance in the supermarket industry.

Competition for the consumer's dollar among different types of supermarkets continues to increase, as consumers spend less of their disposable income for food-at-home. Consequently, supermarkets are increasingly customizing their services and merchandising mix to the local neighborhoods.

The Meat Margin

The public frequently asks why a wide spread exists between the per-pound price of a live animal and the retail price of meat. Day-to-day practical experience tells supermarket operators that government beef "spread" data—the difference between farm prices for live animals and supermarket prices for beef—are based on questionable assumptions.

U.S. Department of Agriculture (USDA) measurements assume beef is sold in the supermarket in a whole carcass form on the same day it is purchased from the farmer. Actually, several weeks elapse from the time the farmer's animal is processed to the day the meat is delivered to the supermarket and placed in the meat case as retail cuts. The same day that the farmer's selling price is beginning to decline may be the very day the retailer receives the shipment of beef bought several weeks ago at its peak price.

This time lag in the processing/delivery cycle of various food items sometimes creates the erroneous assumption that retailers are raising prices at the same time farmers are lowering them.

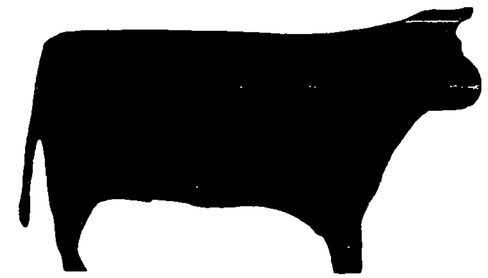
It should also be remembered that USDA data measure "choice" grade beef in whole carcass form. Although numerous stores merchandise "choice" beef, many have moved to their own grading standards, emphasizing lean beef. The mix of retail cuts actually sold in the marketplace, therefore, may be quite different from the statistician's assumptions. Government indexes also fail to adequately reflect the impact of supermarket price specials on beef products.

As these points illustrate, collecting spread data is not a straight-forward task. It is a sampling process with many assumptions built into the analysis. As conditions change, these assumptions become less and less accurate, and the data no longer reflect the true marketplace.

Retail gross margins for all meat have tended to fall slightly over the past decade. Compared with many other food products, beef requires more processing and labor intensive preparation in the store, not to mention transportation from packer to retailer. This is part of the reason that farm prices always are substantially lower than retail prices.

Another key factor in the price spread between farm and meat counter is that less than half of a steer is edible. This weight loss alone has a dramatic economic impact on prices.

THE MEAT MARGIN



1,100 pounds live weight x $ .74 = $814
650 pounds carcass x $1.25 = $814
450 pounds retail cuts x $1.81 = $814

For example, the rancher sells a live animal averaging 1,100 pounds. If the price is 74 cents a pound, the rancher would receive $814 for the animal.

When this is the case, the packer can sell the 650 pounds of edible carcass to the retailer for the cost paid for the live animal—$814. Without adding anything at all for transportation, the cost per pound is now up to $1.25.

The processing is not over, however. The retailer must then process the subprimal carcass cut received from the packer into marketable cuts. In doing this, the retailer in this example is left with only 450 pounds of retail cuts and 200 pounds of bone, fat and waste. These by-products earn the retailer only a few cents a pound.

Without adding anything for transportation, labor, packaging, equipment, taxes and other costs, the retailer must charge about $1.81 per pound just to cover the weight loss for the 1,100 pound animal on the hoof—with no margin to cover operating costs or profits.

It is easy to see, therefore, that the loss of waste, fat and bone alone accounts for most of the beef price difference between ranch and retail.

Another factor to consider is that these retail cuts are not all high-priced steak. Because a major portion of less popular cuts of a carcass are sold below the retailer's average cost, some parts must sell above the average

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MARKETING COSTS

Supermarket Labor is Half of Total Expense

The difference in the price that a grocer pays for merchandise and what it's actually sold for is called the gross margin. That margin (expressed as a percentage of the sales dollar) pays the grocer's bills for labor, rent, energy, supplies, taxes—and then provides some earnings if the company has had a profitable year.

According to the 1991 *Operations Review*, an FMI study of supermarket company operating performance, the average gross margin in 1991 was 24.6 percent of sales for companies with their own warehouses and 23.0 percent for those without warehouses. Of all expenses for the supermarket company, labor is the largest portion—equalling 49 percent for companies with warehouses, 51 percent for those without warehouses.

After all expenses are paid, the typical supermarket company is left with less than a penny on the dollar of sales (0.96 percent of sales in 1990-91).

Food marketing remains one of the most labor intensive industries in the nation, employing more than 3 million skilled workers in grocery stores and warehouses, supermarket company offices and wholesale food company facilities. From 1981 to 1991, the number of employees in grocery retailing increased by 33 percent, and the industry may add an estimated 600,000 more jobs by the next century.

The average hourly wage (non-supervisory employees) reached a peak of $7.92 in 1984 but has stabilized since then, helping supermarket companies to hold down operating costs while investing in new services and facilities.

Gross Margin	Payroll	Fringe Benefits	Total Labor Cost as a % of Gross Margin
24.60% (with warehouse)	9.32%	3.25%	51%
22.95% (without warehouse)	9.05%	2.30%	49%

Source: 1991 Operations Review, FMI

Fringe Benefit Costs Increase

Labor cost increases were tempered by lower inflation rates in the past decade. However, fringe benefit costs have escalated, driven by increases in government mandated benefits. In 1991, fringe benefits equaled 23 percent of the total labor cost (payroll plus fringe benefits) for a supermarket company, according to the FMI review—up from about 19 percent in 1982.

Fringe benefits include such company benefits as: holiday and vacation pay; medical and life insurance; pension and profit-sharing plans; retirement pay; severance pay; and Christmas or annual bonuses. Government-mandated benefits include workers' compensation, unemployment insurance and Social Security.

Fringe-benefit costs are particularly affected by the rise in medical, Social Security and workers' compensation costs. The tax rate for Social Security has risen appreciably along with the maximum level of taxable wages. As a result, supermarket companies are paying a significantly higher rate on more employees in 1992 than in 1982: 95 percent more, while the maximum level of taxable wages increased 71 percent.

Many supermarket companies are taking steps to control labor costs. One high-priority area they have targeted is helping the United States control burgeoning health-care costs. They are asking employees to seek second medical opinions before scheduling surgery, and they are finding success with preadmission tests before surgery to determine if treatment can be given on an outpatient basis. Many companies offer employee health programs as well, including courses on such topics as stress management and weight reduction.

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Supermarket Gross Margins — Over 10 Years										
1982	**1983**	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	
22.3%	22.9%	23.9%	24.85%	24.35%	24.33%	24.90%	24.64%	24.83%	24.60%	(with warehouse)
Source: Cornell University and FMI									22.95%	(without warehouse)

Labor Expenses as Share of Gross Margin — Over 10 Years										
1982	**1983**	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**	
66.2%	65.9%	65.7%	62.8%	61.5%	59.2%	59.3%	60.7%	54.8%	51%	(with warehouse)
Source: Cornell University and FMI									49%	(without warehouse)

Labor Expense
(as a percentage of sales)

	1982	**1983**	**1984**	**1985**	**1986**	**1987**	**1988**	**1989**	**1990**	**1991**
Store Payroll	8.8%	8.8%	8.9%	8.6%	8.8%	8.6%	8.7%	8.8%	8.9%	9.1%
Fringe Benefits	2.1%	2.2%	2.3%	2.3%	2.2%	2.5%	2.3%	2.4%	2.5%	2.7%
Total Labor	10.9%	11.0%	11.2%	10.9%	11.0%	11.1%	11.0%	11.2%	11.4%	11.8%
Fringe as a % of Total Labor	19.3%	20.0%	20.5%	21.1%	20.0%	22.5%	21.0%	21.4%	21.9%	22.8%

Source: FMI

Other Operating Costs

Rent, energy, transportation and taxes are other important cost factors in the operation of a supermarket. Also, supermarket companies remodel their stores and build new ones to keep up with changing customer needs.

FMI's *Facts About Store Development*, an annual study, reports that supermarkets paid an average rent of $4.68 per square foot in 1991, plus a percentage of sales (averaging 1.1 percent) called overages—compared with $4.50 and 0.8 percent in 1990.

Energy costs often approach those paid for rent. Supermarket chains spent an average of 1.06 percent of their sales for utilities in 1990, according to the latest FMI data available for this expense category.

Another way of looking at the cost of energy is to view it as a percentage of the total spent on food by U.S. consumers—or what portion of the food dollar it represents. In 1991, energy accounted for about 3.5 percent of the total food dollar.

Transportation is another portion of the food dollar. The nation's food supply depends on all forms of transcontinental transportation. The costs of transporting food intercity by truck and railroad were nearly $20 billion in 1991, 4.5 percent of consumer food expenditures, according to a report by the U.S. Department of Agriculture (USDA). Railroad freight rates for hauling food products rose 4 percent in 1991, USDA reports. Deregulation kept truck rates stable for most of the 1980s, but steadily rising wages and higher fuel costs caused increases in truck rates for hauling produce and other food during 1991.

Packaging is also overlooked sometimes when examining cost components of the food dollar. In 1991, 8.5 percent of the total food dollar went to packaging.

Federal income taxes also take about 3 cents of every consumer food dollar. In addition, supermarkets must comply with government regulations. Usually, supermarkets also pay local and state taxes and often must cover payroll, franchise and license taxes as well. These assessments will continue to be affected by state and federal actions, precipitated in part by the Tax Reform Act of 1986, budget deficits and related issues.

Capital Costs

Stores must keep up with today's changing customer. With their tight time constraints, two-income and single-parent families demand larger stores for one-stop shopping—along with more service departments offering fresh, nutritious, convenient products.

Industry experts estimate that a store requires remodeling 10 years after it opens and every seven years after that to improve its appearance and install more efficient equipment. In 1987, remodeling a typical supermarket cost $24 a square foot, and the total capital investment was $500,000 per store. By 1991, the cost per square foot was $32, but the total capital investment was lower—$339,412—because of a trend toward remodeling smaller stores.

Although the pace of new store construction slowed in the 1980s, 4.5 percent of all stores were new in 1991. The cost per square foot came to $76, down from $81 in 1990.

Capital needed for new technology and productivity advances is affected by the conditions of the economy. At the beginning of the 1980s, supermarkets financed a large portion of their capital investment from within their companies. Now, most companies must borrow the largest portion of needed capital. In 1991, net interest paid on borrowed funds accounted for 3.0 percent of the total food dollar bill.

FOOD SAFETY

Confidence in Food Supply Declines

Consumer confidence in the food supply fell 10 percentage points between 1991 and 1992, according to the annual FMI *Trends* study* conducted in January 1992.

While 72 percent of shoppers are completely or mostly confident that the food in their supermarket is safe, this is down from 82 percent in 1991. The 1992 level is the lowest since mid-1989 (65 percent), following the Alar and Chilean grape controversies. There was increased public attention to seafood safety while the survey was being conducted, which might account for the significant swing.

The biggest increases in concern about specific issues were for spoilage and freshness.

Food Safety Remains a Top Concern

Food safety continues to be an important supermarket shopper concern. More than nine in 10 shoppers rate safety as at least somewhat important, and 71 percent regard it as "very important." Shoppers' overall rating of food safety's importance did not change from 1991 to 1992.

Shopper subgroups vary in the importance they place on food safety:

- Women are more concerned than men.
- Shoppers with a high-school degree or less education consider food safety more important than those with a college education.
- Individuals who shop for someone on a medically restricted diet are more concerned than any other group.

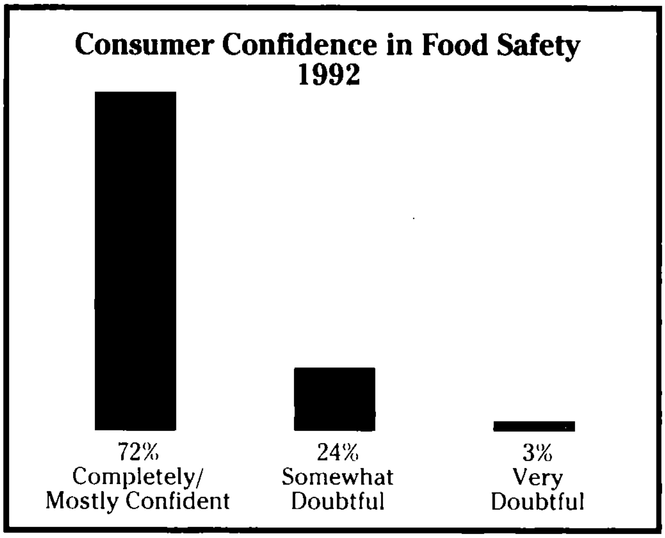
Most groups' perceptions about food safety's importance have remained constant for several years. Households with children actually expressed less concern in 1992. The percentage who consider food safety "very important" dropped from 78 percent in 1991 to 72 percent in 1992—about the same concern level as childless households (71 percent).

Confidence in the Food Supply

For the first time since 1989, confidence in the safety of the food supply declined. It had reached a new high in 1991—82 percent were completely or mostly confident. In 1992, however, the percentage declined to 72 percent.

One in eight consumers are completely confident that food is safe (12 percent), while three in five (60 percent) are mostly confident. More than one in four (27 percent) now harbor doubts about food safety.

Confidence dropped among all demographic groups. Midwesterners and shoppers age 65 or older are the most confident; those aged 40-64, the least.



Spoilage Still Seen As Greatest Threat

When asked to volunteer specific safety concerns, shoppers continue to feel that spoilage is the greatest threat. In fact, significantly more 1992 than 1991 shoppers view spoilage as a threat—up 9 percentage points to 36 percent.

Just 18 percent of shoppers worry about pesticides, residues, insecticides and herbicides, down from 20 percent in 1991. At least one in 10 is concerned about chemicals (13 percent); freshness, shelf life or expiration date (12 percent); improper packaging and canning (10 percent); and preparation and processing of foods (10 percent). The only item that fewer 1992 than 1991 shoppers see as a threat is improper packaging and canning (down 7 points to 10 percent).

Shoppers are more concerned in 1992 about several threats to food safety:

- Freshness, long shelf life, expiration dates (up 6 percentage points to 12 percent).
- Processing and preparation of foods (up 7 points to 10 percent).
- Quality control, improper shipping and handling (up 4 points to 9 percent).
- Bacteria and food contamination (up 6 points to 9 percent).

Perceived threats to food safety differ by sex and level of educational attainment. More so than others, women and shoppers with at least some college worry about pesticides and residues. Men express greater concern about the threat of chemicals.

**Trends—Consumer Attitudes & the Supermarket 1992*

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Perceived Threats to Food Safety, by Region (Volunteered)

	%	Jan. 1992 Total	Region			
			East	Midwest	South	West
Base		**1,000**	178	283	321	218
Spoilage in general	%	**36**	40	38	28	39
Pesticides/residues/insecticides/herbicides	%	**18**	16	18	18	19
Chemicals	%	**13**	12	16	11	14
Freshness/shelf life too long	%	**12**	12	13	9	13
Improper packaging/canning	%	**10**	15	8	9	8
Processing/preparation of foods	%	**10**	12	9	10	10
Bacteria/contamination	%	**9**	10	10	8	7
Quality control/improper shipping handling, etc.	%	**9**	10	6	8	12
Unsanitary handling by supermarket employees	%	**8**	11	6	8	10
Tampering	%	**6**	7	6	8	3
Preservatives	%	**6**	5	6	6	8
Unsanitary handling by supermarket shoppers	%	**6**	11	6	8	10
Additives (non-specific)	%	**5**	2	5	5	6
Pollution/environmental pollution	%	**3**	3	3	3	4
Bugs/pests/rats	%	**2**	0	2	1	4
Artificial coloring	%	**1**	2	*	*	1
Radiation (not irradiation)	%	**1**	1	1	1	0
Antibiotics	%	*	0	*	1	1
Not sure	%	**15**	17	23	19	14
None	%	**3**	3	3	3	1

*Less than 0.5 percent

Residues Still Lead List of Perceived Health Hazards

The 1992 *Trends* once again asked shoppers to rate the extent that they think various food items may pose health hazards. The survey reveals that consumer concern about specific food attributes is declining. "Residues, such as pesticides or herbicides," continue to be seen as the most serious health hazard, although the proportion rating them as the most serious health hazard dropped from 80 percent in 1991 to 76 percent in 1992.

More than half of all shoppers (53 percent) consider "antibiotics and hormones in poultry and livestock" a serious hazard. Significantly fewer shoppers in 1992 feel that irradiated foods pose a serious health hazard (down 7 percentage points to 35 percent). In fact, more shoppers view "nitrites in food" as a serious hazard (40 percent). A steadily decreasing minority are worried about "additives and preservatives" (26 percent) or artificial coloring (21 percent).

Shoppers Rely Most on Themselves to Ensure Food Safety

Shoppers continue to assume responsibility for food safety. They remain nearly twice as likely to feel that they should rely primarily on themselves to ensure their food is safe. "Myself as an individual" is still the number one response, with the percentage at 40 percent, up slightly over 1991 (39 percent).

Consumers rely about equally on government (21 percent) and manufacturers (20 percent)—a dramatic change from 1988, when three times as many consumers relied on the government as on industry. About one in 10 place responsibility with their food store (9 percent), and the trend toward less reliance on consumer organizations continues in 1992 (5 percent).

Consumer Concern About Selected Food Attributes: 1992

	Serious Hazard	Something of a Hazard	Not a Hazard At All	Not Sure
	%	%	%	%
Residues (pesticides/herbicides)	**76**	19	2	3
Antibiotics and hormones in poultry and livestock	**53**	36	5	6
Irradiated foods	**35**	28	10	27
Nitrites in food	**40**	38	4	18
Additives and preservatives	**26**	62	9	4
Artificial coloring	**21**	50	24	5

Those on Whom Shoppers Rely to Ensure That The Products They Buy Are Safe

	1990 %	1991 %	**1992 %**
Yourself as an individual	35	39	**40**
Government	27	23	**21**
Manufacturers	19	19	**20**
Food Stores	9	8	**9**
Consumer organizations	7	7	**5**
All/everybody	x	2	**4**
Farmers	x	x	**1**
Not sure	1	2	**1**

x = Not asked.
May not add to 100 percent due to rounding.
*Less than 0.5 percent.

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TELEPHONE 202/452-8444 • FAX 202/429-4519

7/92

NUTRITION

Fat Remains Top Nutrition Concern

In FMI's 1992 *Trends* survey,* almost all shoppers (96 percent) said nutrition is a somewhat or very important factor when they purchase food. Only taste ranked higher (98 percent).

Of shoppers who show a concern about the nutrition content of the foods they eat, the top three issues in 1992 remained the same as in 1991—fat, cholesterol and salt.

Concern about fat content rose considerably in 1992. Half of consumers say they focus on fat, up 8 percentage points from 1991. This is nearly double what it was as recently as 1988.

At the same time, cholesterol concern declined 7 points and reached its lowest level since 1988. Salt content remained in third place, followed by sugar content and preservatives. A greater proportion of 1992 shoppers express concern about preservatives—up 3 percentage points over 1991. This marks the first year since 1988 that concern over preservatives has increased.

Concern about vitamin and mineral content dropped significantly, to 8 percent from 15 percent in 1991.

More Concern About Nutrition

A far greater number of shoppers are "very concerned" about nutrition in 1992, according to the FMI research. This increased concern appears among virtually all demographic groups, with the exception of shoppers under age 25, Midwesterners and those who believe their diet is healthy enough.

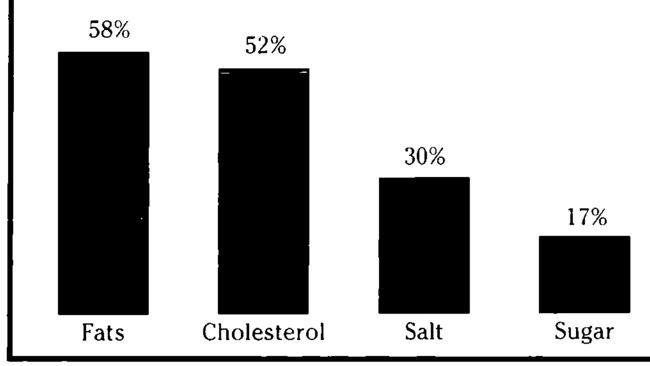
Shopper groups vary somewhat. For example:

- Concern about nutrition increases with age.
- Shoppers who live with someone on a restricted diet are more likely to be "very concerned."
- More college-educated shoppers are very concerned than those with less education.

Nature of Concern About Nutritional Content of Food: 1990–1992

	1990 Total	1991 Total	**1992 Total**	1991–1992 Percentage Point Change
	%	%	**%**	%
Fat content, low fat	46	42	**50**	+ 8
Cholesterol levels	44	37	**30**	− 7
Salt content, less salt	30	22	**21**	− 1
Sugar content, less sugar	16	12	**13**	+ 1
Preservatives	7	8	**11**	+ 3

Considered a Serious Health Hazard



Taste Is Number One

Taste remains the most important consideration when shopping for food. Nine out of 10 shoppers believe it is very important. It outweighs nutrition, product safety and even price.

The relative importance of taste and nutrition has remained steady, but the importance of price increased in 1992, rising 4 percentage points to third place, just ahead of product safety.

Fat, Cholesterol Seen As Top Health Hazards

Shoppers' perceptions of how much certain nutritional items constitute health hazards reflect their nutritional concerns. Fats and cholesterol are considered the most serious, followed by salt and sugar (see chart on this page).

Consistent with the smaller number concerned about cholesterol, fewer shoppers view it as a serious health hazard in 1992 (down 6 points to 52 percent). The number of shoppers who consider salt and sugar hazardous falls well below that for fats and cholesterol and remains unchanged from last year.

Majority Believe Diets Could Be Healthier

Shoppers continue to believe their diets could be healthier. Two out of three think their diet could be at least somewhat healthier (66 percent). Just one in 10 believes it is as healthy as it could be—although another 23 percent say it is healthy enough.

Certain groups are more likely to report that their diet could be at least somewhat healthier:

- Working women.
- Shoppers from households with children.
- Shoppers under age 65.
- Those whose 1991 household income exceeds $15,000.

**Trends—Consumer Attitudes & the Supermarkets 1992*

continued on next page

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Eating more fruits and vegetables continues to be the primary way that shoppers ensure their diets are healthy, followed by eating less meat and consuming fewer fats and oils.

Consumers Cook Differently

Nearly two-thirds of shoppers say they have been cooking or preparing foods differently in the past three to five years. This is significantly more than two years ago—up 4 percentage points to 65 percent.

There are distinct differences between groups. For example:

- Women are more likely than men to have changed cooking methods in the past three to five years.
- Shoppers aged 25 to 64 are more likely to have changed than either the oldest or youngest shoppers.
- Those who live with someone on a medically restricted diet are more apt to have altered their cooking.

Importance of Various Factors in Food Selection

		Jan. 1992 Very Important	Jan. 1992 Somewhat Important
Taste	%	**89**	8
Nutrition	%	**77**	19
Price	%	**75**	21
Product safety	%	**71**	20
Storability	%	**46**	34
Recyclable product packaging	%	**45**	34
Food preparation time	%	**41**	33
Ease of preparation	%	**36**	42

The greatest food preparation changes since the FMI Trends study last asked this question in 1989 are less frying (up 7 percentage points to 44 percent) and adding less fat (up 7 percentage points to 27 percent)—reflecting shoppers' increased concerns about fat. Some shoppers make greater use of broiling (22 percent), baking or roasting (17 percent) and steaming (10 percent). Another one in eight has cut down on salt (12 percent).

Fewer 1992 than 1989 shoppers claim to have reduced their cholesterol intake and eaten less red meat. Other ways that shoppers have significantly altered their cooking:

- Continuing the trend noted in 1989, fewer shoppers have reduced the amount of salt they use (down 12 percentage points from 1989, to 12 percent).
- After an increase in use from 1988 to 1989, shoppers now use the microwave with much less frequency (a drop of 13 percentage points to 9 percent).

How Consumers Prepare Foods Differently from Three to Five Years Ago

Q: *How are you cooking or preparing foods differently?*

	Jan. 1992 Total
Base	**649**
Less frying	**44** %
Less added fat	**27**
More broiling	**22**
Baking/roasting more	**17**
Less salt	**12**
More steaming	**10**
More microwaving	**9**
Less cholesterol	**7**
Eating more vegetables/fresh foods	**7**
Less oil/use vegetable, olive oil	**7**
More fish/chicken	**6**
Eating less red meat	**4**
Less sugar	**4**
Changing barbecue use	**4**
More margarine	**3**
Stir fry	**3**
Changing use of fast foods/prepared foods	**2**
Eating more fruit	**2**
Wider variety/more recipes	**2**
Fewer calories	**2**
Changing spices	**2**
Less butter	**2**
Changing length of cooking time	**1**
Fewer sauces	**1**
Eating smaller quantities	**1**
Consumption of desserts	*
Other	**9**
Not sure	**2**

*Less than 0.5 percent.

Reliance on Government Continues to Decline

Shoppers continue to assume primary responsibility for ensuring that the products they buy are nutritious (39 percent), but they are placing less responsibility with the public sector and more with private industry, especially manufacturers.

Twice as many shoppers in 1992 feel that manufacturers (27 percent), rather than government agencies or institutions (14 percent), should take responsibility. This marks the third straight year that reliance on the government has declined significantly.

Less than 10 percent of shoppers believe that everyone should share equal responsibility for ensuring products are nutritious. Similarly, less than 10 percent believe that the responsibility rests primarily with food stores, consumer organizations or farmers.

Those on Whom Shoppers Rely to Ensure that the Products They Buy Are Nutritious

	Jan. 1989 Total	Jan. 1990 Total	Jan. 1991 Total	**Jan. 1992 Total**
Base	1,031	1,005	1,004	**1,000**
Yourself as an individual	29%	36%	38%	**39%**
Manufacturers	29	21	26	**27**
Government institutions or agencies	28	23	17	**14**
Food stores[1]	4	6	6	**7**
All/everybody	x	x	3	**6**
Consumer organizations	6	7	6	**4**
Farmers	x	x	x	**2**
Not sure	4	3	3	**1**

x = Not mentioned.

Evaluation of Diet: 1992

		Could Be a Lot Healthier	Could Be Somewhat Healthier	Is Healthy Enough	Is as Healthy as It Could Possibly Be
Total	%	17	50	23	11
Sex					
Men	%	15	51	24	11
Women	%	17	49	22	11
Working	%	19	53	21	7
Nonworking	%	15	46	23	15
Type of Household					
With children	%	18	52	23	8
No children	%	16	48	22	13
Age					
18-24	%	24	45	21	10
25-39	%	17	55	21	7
40-49	%	19	57	20	5
50-64	%	17	47	19	16
65 or older	%	9	33	34	22
Income					
$15,000 or less	%	18	37	22	22
$15,000-$25,000	%	22	43	25	10
$25,001-$35,000	%	14	58	20	8
$35,001-$50,000	%	13	57	24	7
$50,001 or more	%	14	61	21	3

Consumers Who Consider Food Item a Serious Hazard: 1989-1992

	1989	1990	1991	**1992**
Fats	58%	54%	62%	**58%**
Cholesterol	61	47	58	**52**
Salt in food	44	34	32	**30**
Sugar in food	23	17	18	**17**

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Michael D. Sherman
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February 11, 1993

Ms. Kathleen McGinty
Deputy Assistant to the President
Director, Office of Environmental Policy
The White House
1600 Pennsylvania Avenue, N.W.
Room 284 EOB
Washington, D.C. 20500

Dear Ms. McGinty:

On behalf of Petroleos de Venezuela, S.A. ("PDVSA"), the national oil company of Venezuela, I am writing to request a meeting to discuss the potential impact of the Environmental Protection Agency's ("EPA") proposed reformulated gasoline regulations on Venezuela's refineries that export gasoline to the United States. The proposed regulations would have a substantial, adverse impact on PDVSA's refineries that will result in substantially reduced supply of Venezuelan gasoline for the U.S. market.

PDVSA, wholly owned by the Republic of Venezuela, is the fourth largest oil company in the world. Venezuela -- through PDVSA -- has traditionally been the largest exporter of gasoline and blendstocks to the United States. In 1992, Venezuela was again the leading exporter of these products to this country. In 1991, Venezuela ranked second to Canada. In addition to its exports of gasoline and blendstocks, Venezuela is the largest exporter to the United States of distillate, jet fuel, and residual fuel oil. The United States/Venezuelan oil trade relationship extends over 70 years. During that entire period, Venezuela has proven that it is a reliable and secure foreign supplier of energy to U.S. customers.

The U.S. market is vital to PDVSA; more than 60 percent of Venezuela's oil exports go to the United States. From the U.S. perspective, Venezuela is an important source of oil and petroleum products. The U.S. East Coast relies on supplies of Venezuelan gasoline that account for almost 20 percent of PADD I's gasoline imports or about 3 percent of PADD I's total gasoline consumption. In selected areas, Venezuelan gasoline plays an even greater role in the market. For example, Venezuela accounts for 30 percent of Boston's gasoline imports or approximately 14 percent of the area's total gasoline consumption. It accounts for 20 percent of the New York City area's gasoline imports or approximately 8 percent of that area's total consumption.

Under the proposed reformulated gasoline regulations, PDVSA's refineries that export gasoline to the United States, unlike domestic U.S. refineries, would not have the opportunity to rely on the specifications of their own 1990 gasoline production (exported to the United States) in meeting certain parameters for reformulated or conventional gasoline that is produced beginning in 1995. This disparate treatment would reduce the amount of gasoline that Venezuela could otherwise produce for export to the United States by more than 50 percent in the 1995-97 period under the so-called "simple model," to the detriment of both PDVSA and the available supply of imported gasoline to the U.S. East Coast.

PDVSA has presented EPA with a feasible solution, fully consistent with the mandate of the Clean Air Act, that would eliminate this discriminatory treatment and its detrimental supply consequences. EPA has taken our proposal under advisement and will be soliciting comments on the issue as can be seen from the enclosed pages from the draft of the expected notice of proposed regulations. The significance of this issue is of such magnitude for Venezuela that we believe it necessary to bring it directly to your attention and would appreciate the opportunity to meet with you to discuss the matter in more detail.

Please let me know when it would be convenient to arrange a meeting.

Thank you for your consideration in this matter.

Sincerely,

Michael D. Sherman
Counsel
Petroleos de Venezuela, S.A.

MDS/pd
Enclosure

Establishment of Baselines by Foreign Refineries

EPA has received comments pertaining to the establishment of 1990 baselines by foreign refiners. The 1990 baseline is relevant in the early years of the reformulated gasoline program for purposes of certifying reformulated gasoline under the Simple Model, [1] and it is relevant from 1995 onward for purposes of measuring compliance with the anti-dumping provisions of this program.

In the SNPRM (April 1992), EPA proposed that domestic refiners establish their individual baseline using one of three proposed methods to calculate their 1990 average fuel parameters. Method 1 would be used if sufficient data was available; if not, then Method 2; or Method 3, if insufficient data was available for Method 2. EPA proposed that importers of foreign gasoline establish their baselines using the first proposed method, and that importers "default" to the statutory baseline if sufficient data was not available for that method.

EPA did not propose any methodology for foreign refiners to establish individual baselines. Rather, the quality of gasoline imported from foreign refiners was to be controlled by regulation of domestic importers. However, EPA proposed an exception to

[1] The proposed Simple Model would apply from January 1, 1995 until the Complex Model becomes mandatory during 1997.

this scheme for refiners that were also domestic importers and that imported 75% of the gasoline produced at the refinery. EPA proposed that these importers be permitted to use the three methodologies for establishing an individual baseline.

The proposed approach regarding the establishment of individual baselines by foreign refineries arose from three principle concerns by EPA:

1. EPA was concerned that foreign refiners that imported less than a significant portion of their total production into the United States would be unable to produce verifiable data adequate to justify use of the three proposed methodologies. EPA did not believe that foreign refiners had records of the relevant fuel parameters necessary to accurately establish a 1990 baseline for that fraction of their total 1990 gasoline production exported to the United States..

2. EPA was concerned with its ability to conduct verification and compliance audits on foreign soil to verify the calculation of individual baselines for foreign refiners. Domestic refiners and importers are subject to regulation by the Agency, whereas regulation of foreign refiners raises significant questions on legal authority and regulatory jurisdiction. EPA's concern also extended to the effect product fungibility and mixing during shipment would have on the Agency's ability to

correlate imported product with individual foreign refinery baselines.

3. EPA was concerned that permitting foreign refiners to establish individual baselines would lead to "gaming" of the system. Specifically, EPA was concerned that foreign refiners that had exported gasoline to the U.S. in 1990 that was cleaner than the statutory baseline would have economic incentives to default to the less stringent statutory standard. As a result, foreign refiners could use EPA's limited ability to audit or verify a foreign refiner's records and intentionally default to the less stringent baseline. Such "gaming" might have the effect of skewing the anticipated average quality of gasoline characteristics within the United States, especially in areas where imported gasoline is a significant percentage of total gasoline consumption.

Petroleos de Venezuela S.A. (PDVSA) claims that EPA's first concern would be satisfied if a foreign refiner's data was sufficiently detailed such that the qualities of the 1990 gasoline exported to the United States could be determined, as compared to the qualities of the refiner's overall 1990 gasoline production. In such a situation, PDVSA claims that a foreign refiner should not be precluded from using the three methods to establish individual baselines for its refineries.

With respect to EPA's second concern, PDVSA claims that foreign refiners and their governments would be amenable to EPA conducting verification and compliance audits. This could be arranged through diplomatic instruments if necessary. With respect to EPA's concerns on reliably tracking the origin of gasoline to specific refiners and refineries, PDVSA believes that EPA could continue, if necessary, to regulate importers of foreign gasoline. A refiner's or refinery's individual baseline would follow its gasoline as long as it's gasoline could be fairly tracked at the point of importation. For example, a foreign refiner could segregate its product from others, or the point of origin could be clearly traceable from the documentation accompanying the gasoline. If the point of origin could be clearly identified, then the importer would use the foreign refiner's baseline for that product's baseline. If the point of origin could not be clearly identified, then the importer would use the statutory baseline for that gasoline. In effect, the burden of clearly identifying the point of origin would be on the importer, and through them on the foreign refiner.

Finally, with respect to the gaming concern, PDVSA believes there is no significant economic incentive for such gaming as it would not be economic for a refiner to intentionally degrade the quality of the gasoline it exports to the United States to the statutory baseline. In addition, PDVSA claims there is no realistic chance of an adverse air quality impact from this gaming potential. PDVSA also claimed that failing to allow foreign refiners to establish individual baselines could distort the export market in a way that potentially could disrupt the supply of gasoline in certain areas of the country.

EPA invites comment on all of the above issues, including EPA's concerns and the suggestions of PDVSA. EPA also invites comments on alternatives to the approaches proposed today, including allowing foreign refiners to establish individual baselines under reasonably limited circumstances based on the concerns noted above, for use in the reformulated gasoline program under the Simple Model and/or for use in the anti-dumping program.

the WIP to be at risk. "Substantial" was proposed to be capital involved with the WIP which exceeded 10 percent of the of the refinery's depreciated plant and equipment value. Comments were received which stated that it is possible that this requirement could be biased against recently built or recently upgraded refineries because the depreciated value would be higher for these facilities than for older refineries of the same size. The commenter also claimed that newer facilities tend to be benefit the environment more than similar, older facilities, and thus could be unfairly penalized, compared to older facilities, by the proposal. Based on these comments, EPA proposes an alternative criteria which could be met in lieu of the "10 percent" criteria. EPA proposes and requests comments on the allowing either the "10 percent" criteria or minimum cost of the WIP to satisfy the capital-at-risk criteria. Comments are requested as to whether $10 million is an appropriate minimum cost.

Because WIP was not previously clearly defined, EPA proposes that WIP include both projects actually under construction in 1990 and projects for which contracts were signed in 1990 such that construction would be completed in time to comply with the regulatory requirement motivating the WIP (per the discussion of this requirement in the SNPRM). Comments are requested as to whether this proposal is appropriate. Detailed comments are also requested which address the type of contracts that would qualify.

3. Baseline Adjustment for Multiple Modes of Operation

EPA proposed that separate individual baselines be developed for each of the different modes of refinery operation (as discussed in the SNPRM) to minimize anticompetitive effects

American Water Works Association
Government Affairs Office

February 24, 1993

regret not possible @ this time

Kathleen McGinty
Special Assistant to the President
Office of Environmental Policy
The White House
Washington, DC 20500

Dear Ms McGinty:

Enclosed is a copy of a letter which AWWA has sent to President Clinton on the proposed EPA/drinking water state revolving fund. AWWA is very interested in working with you and others in the Administration to develop this proposal.

We commend the President and others in the Administration who have taken the leadership to help communities comply with the Safe Drinking Water Act. AWWA would be pleased to assist the Administration in developing policy and legislation which would assure the American people, regardless of where they live, safe high quality drinking water.

AWWA would welcome the opportunity to meet with you and your staff to discuss how we may be of assistance to you in achieving our common goal of providing safe drinking water to the American people.

We thank you for your kind consideration and look forward to working with you.

Sincerely,

John H. Sullivan
Deputy Executive Director

1401 New York Avenue, N.W., Suite 640, Washington, D.C. 20005 (202) 628-8303 FAX (202) 628-2846

The World Bank
Washington, D.C. 20433
U.S.A.

202-477-1234

February 11, 1993

not a good time

Ms. Kathleen McGinty
Old Executive Office Building
Room 284
Washington, DC 20500

Dear Katie:

Your new position is a well deserved vote of confidence and a major step towards repositioning the environment into the center of decision-making. Congratulations.

Let us have lunch soon to talk about the environment, the World Bank, and the GEF.

With best wishes,

Sincerely,

Mohamed T. El-Ashry

473-3202

Ms. Kathleen McGinty
Director
Office of Environmental Policy
Old Executive Office Bldg.,
1700 Penn. Ave., N.W.,
Wash., D.C. 20006

Not regret a good time

Feb. 12, 1993

Dear Ms. McGinty:

First, congratulations on your appointment as premiere director of the new OEP. It represents a needed shift in environmental emphasis which I applaud.

I was moved to write you when I first learned that you will create a liaison between many major government councils, including the National Security Council.

I was an intelligence analyst and writer at the OEOB and Situation Room for Nixon, Ford and for President Jimmy Carter's transition team.

Beating the warning drum that seemingly invisible agencies like the NSC can adversely affect world ecology by their policies was a signal gone unheeded during my six years on the OEOB third floor. Now our time has come.

As a native of the District of Columbia, born and educated; USDA public information officer, NSC writer and newspaperman, communications and interagency relations have always been my forte.

I believe I can make a positive contribution and a difference to affect change as an OEP staffer.

Next month, I am traveling to Washington to see a few NSC colleagues at The White House. May we briefly meet to discuss how I can serve you?

Thank you for your time and kind consideration.

In hopes of meeting you next month,

TK

Terry King
1407 Coronado Terrace,
Los Angeles, CA 90026

(213) 413-7901

NORTHLAND
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January 18, 1993

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The Honorable Al Gore
Vice President of the United States
Executive Office Building
Washington, DC 20501

Dear Mr. Vice President:

Congratulations and high hopes as you settle into your new duties!

We are the editors at Northland Publishing, a small, regional publishing company located in Flagstaff, Arizona. As such, we are writing to invite your participation in one of our current projects: a general trade book about animal species listed as threatened or endangered by the federal government and the governments of seventeen western states. The book, subtitled *Endangered Mammals of the American West,* is written by Gary Turbak and illustrated by Lawrence Ormsby. We chose to focus on the West because this region represents an environmental battleground, upon which many skirmishes are currently underway: ranchers and the gray wolf square off for territory; grizzly bears and tourists confront one another in National Parks; the meek salt marsh harvest mouse loses its habitat to land developers.

Betti has been reading *Earth in the Balance,* and she can't say enough good things about the information you put forth in your book. We understand how busy you must be, but we would be thrilled if you would be willing to write the foreword for our book. We hope your message will help connect the fate of these animals with the actions of the American people. If you are able to be involved in this project, we would like, with your permission, to title the book *Life in the Balance.*

not possible

(continued)

Post Office Box 1389, Flagstaff, AZ 86002, 602/774-5251, FAX 602/774-0592

If you would like to pursue the possibility of working on this project with us, we would be happy to send the manuscript for your review, along with samples of our work and information about Northland. However, we certainly understand if your busy schedule precludes you from pursuing this project.

From all of us at Northland Publishing, best wishes to you and President Clinton for a very successful administration!

Sincerely,

Betti Albrecht

Betti Albrecht
Editor in Chief

Erin Murphy

Erin Murphy
Assistant Editor

ASSOCIATION OF METROPOLITAN SEWERAGE AGENCIES

1000 CONNECTICUT AVENUE, N.W. SUITE 1006 WASHINGTON, DC 20036
(202) 833-AMSA FAX (202) 833-4657

February 24, 1993

Kate McGinty
Director
White House Office on Environmental Policy
Old Executive Office Building
Room 358
Washington, DC 20501

regret

Dear Ms. McGinty:

Congratulations on your recent appointment as Director of the White House Office on Environmental Policy. The Association of Metropolitan Sewerage Agencies (AMSA) looks forward to working closely with you over the next several years to address the many critical environmental challenges that lie ahead.

AMSA members represent 150 of the nation's largest wastewater treatment agencies. We serve well over 90 million of the 176 million total sewered population in the United States, and collectively treat nearly 14 billion gallons of wastewater each day. Our members consider themselves to be true environmental practitioners and can serve as a unique source of technical information and expertise. In this regard, we would be happy to be of assistance whenever possible.

Currently, among a wide range of funding and water quality issues, AMSA is working hard on behalf of a comprehensive watershed management program that would emphasize ecosystem health, promote water quality and reduce both point and nonpoint sources of pollution across the nation.

We would be pleased to have the opportunity to discuss this and other issues with you in the near future. I will contact your office soon to discuss the details for such a meeting.

Again, most sincere congratulations on your appointment.

Sincerely,

K Kirk

Ken Kirk
Executive Director

Dedicated to Environmental Improvement for Over 20 Years

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LOUISE H. WALLER

ACQUIRING EDITOR
COLLEGE DEPARTMENT

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March 1, 1993

Mr. Albert Gore, Jr.
Vice-President of the United States
The United States Senate
Washington, D.C. 20510

Dear Vice-President Gore:

The College Division of St. Martin's Press is committed to publishing the highest quality of textbooks in the Social Sciences and the Humanities. We are particularly proud to publish Environment and Society, a textbook by Allan Schnaiberg of Northwestern University and Kenneth Gould of St. Lawrence University in August 1993. We recognize the interest that teachers and students have in our environment and the implications of how it affects the quality of life in the United States and in the world. Because of this interest we will issue a group of publications on this subject.

Environment and Society discusses policy decisions made by government and the society at large, and how each decision brings about a specific result. By weighing the consequences before a policy is instituted, the authors say, we can make decisions for the greater good of all.

We respectfully request your comment for publication on Environment and Society which is enclosed in galley form. Your recognition of the importance of the subject would reinforce environmental study in the colleges and universities we serve. In fact, we would very much like to have a Foreword to the book from you, if that is possible.

We hope that you will respond favorably to our request. My card and a self-addressed label are attached for your convenience. You need not, however, return the galleys to us.

No

Sincerely,

Louise Waller

Louise Waller
Acquisitions Editor

175 FIFTH AVENUE, NEW YORK, N. Y., 10010-7848 ▫ Telephone: (212) 674-5151 EXT.
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Dear Katy -
Hope you can make it.

David Fenton

you are cordially invited to attend

A BUFFET SOIREE

Regret

in honor of

The Body Shop's

Anita Roddick and **David Wheeler**

Who: **Anita Roddick**; *activist*, *innovator* and *catalyst* redefining the role of business in society with her global network of stores.
Founder and Managing Director of The Body Shop.

David Wheeler; *authority*, *reformer* and *trend-setter* proving that being good to the environment is good for business.
General Manager for Environmental Affairs at The Body Shop and former key enviromental adviser to the British Labour Party.

When: Sunday, March 28, 1993
6:00 - 9:00 p.m.

Where: 2820 Albermarle St., NW
(north up Conneticut Ave., past Van Ness Metro - right on Albermarle St - house on right - park on street, please)

RSVP: Kristen Grimm, (202) 745-0707

ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

March 15, 1993

Ms. Kathleen McGinty
Office of Environmental Policy
Old Executive Office Building
Room 358
Washington, D.C. 20501

Dear Ms. McGinty:

We would like to invite you to participate in a cooperative project being conducted this Spring by the ACIR and U.S. Army Corps of Engineers that focuses on a *Federal Infrastructure Investment Strategy*. A description of this project is enclosed.

Task Force Five, that will look at streamlining environmental permitting processes, may be of particular interest to you. However, you are certainly welcome to participate in any of the six task forces. We will be announcing the times and locations for each task force soon. You will find the overall project schedule and meeting dates included with the enclosed material.

If you have any questions about this project, please feel free to contact me at your convenience.

Very truly yours,

Charles Griffiths

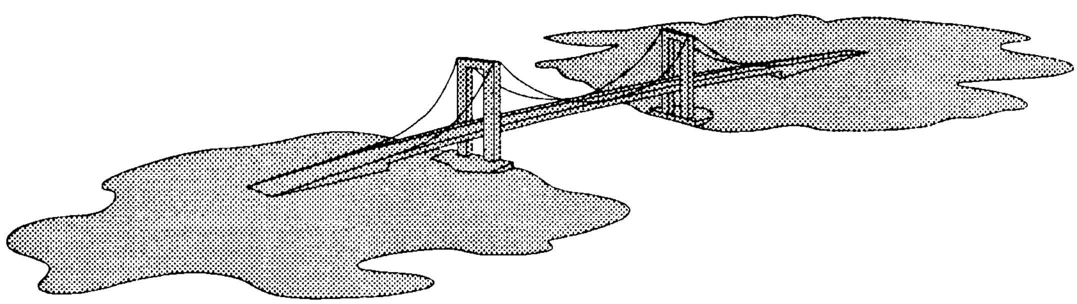
Charles Griffiths
Senior Policy Analyst

ATTACTMENT: **Federal Infrastructure Investment Strategy**

800 K Street, NW, South Building, Suite 450, Washington, DC 20575
Phone: (202) 653-5540 FAX: (202) 653-5429

FEDERAL INFRASTRUCTURE INVESTMENT STRATEGY

PROJECT DESCRIPTION



March 15, 1993

OVERVIEW

Federal Infrastructure Investment Strategy is the third and final phase of ACIR's assistance to the U. S. Army Corps of Engineers in developing a federal infrastructure strategy thorough consultation with federal, state, local, and private sector interests. It builds on two previous issue papers defining issues related to meeting the infrastructure needs of the nation, and a 1992 ACIR report identifying the key elements that should be addressed by a federal infrastructure strategy.

This work was initiated by the *Energy and Water Development Appropriations Act of 1991*(October 19, 1990) which emphasized "pursuing opportunities for providing local infrastructure facilities" through a partnership including the Department of Army, the Environmental Protection Agency, the Department of Energy, other federal agencies, state and local governments, and the private sector. Mention was made of planning, designing, financing, constructing, operating, and maintaining the nation's infrastructure including the identification of public/private financing opportunities.

The ACIR work with the Corps has been based on a series of major infrastructure studies prepared by others, including: *America in Ruins*(1981), *Hard Choices*(1984), *Fragile Foundations*(1988), *New Directions for the Nation's Public Works*(1988), *Rebuilding the Foundations*(1990), *Delivering the Goods*(1991), and *How Federal Spending for Infrastructure and Other Public Investments Affects the Economy*(1991). From this base, ACIR convened a series of workshops involving more than 25 representatives of congressional and other federal agencies and departments, along with more than 70 organizations representing state and local governments, public works providers, and related research, advocacy, professional, and user groups. These workshops identified five primary issue areas of critical importance to the federal infrastructure strategy: (1) rationales for federal investment(strategic investments); (2) regulations(streamlining and administrative relief); (3) technology(R&D and technology transfer); (4) financing(flexibility and revenue diversification); and (5) management improvement. The dialog surrounding these issue areas touched on a number of principles for a federal strategy along with types of suggested federal actions. These workshops developed a consensus that federal agencies should pursue new opportunities for action on infrastructure improvements together with each other and with state and local governments and the private sector. The deliberations and findings of these workshops were documented by the ACIR in a report entitled, *Toward a Federal Infrastructure Strategy*(August, 1992).

In the Preface of the 1992 ACIR report, it was stated that the ..."ACIR anticipates working with the Corps and a series of intergovernmental task forces on helping to make the nation's infrastructure more efficient, better coordinated, and more productive." Phase Three of this project, therefore, seeks to more fully define and pursue a federal infrastructure investment strategy.

Five principles have guided the design of this final project phase:

Interagency commonalty — involving topics relatively generic in application to the programs administered by the pertinent federal agencies;
Federal champion —addressing topics having technical and policy credibility within the federal establishment. Such topical areas should have a logical and receptive home within a specific federal agency that is willing and capable of pursuing and accomplishing desired results during and after this project period;
Potential for achieving results — selecting topics that can take advantage of such factors as technology readiness, demonstrable benefits beyond the spinning of theoretical concepts, and non-political appeal that could continue through changes in administrations

and agency leadership;
Needing attention — focusing on topics that will be a good investment of time and energy such as ones that are not already being addressed by another agency;
Diversity of topics — including topics that adequately span the major subject areas identified in prior project discussions, except for the technology and R&D issue area being covered by the Civil Engineering Research Foundation(CERF) and others.

With these principles in mind, six subject areas have been selected to be addressed; each by a task force established for this purpose. It should be stressed that the categories are not mutually exclusive. These categories are:

I. [Strategic Investment] — Making greater use of program performance measurements as input into investment decisions and continued levels of support.
II. [Strategic Analyses] — Applying cost/benefit analyses to investment options to minimize risks and maximize returns.
III. [Management Improvement] — Establishing accounting *and public reporting* practices for performed and deferred maintenance of infrastructure investments.
IV. [Regulatory and Administrative Relief] — Moving toward more flexible and performance-based federal regulation of infrastructure development and maintenance.
V. [Streamlining Environmental Requirements] — Facilitating permitting processes to reduce investment costs and delays in infrastructure development.
VI. [Flexible Funding and Revenue Diversification] — Developing and using diversified revenue sources to support infrastructure development.

TASK FORCE SESSIONS

Each of **six** task forces will conduct three, one day sessions between April and June of 1993. These sessions will be followed by a final plenary session of all task force participants. Overall, there will be 18 task force sessions plus the final plenary session. Each task force will follow the sequence below:

Session #1: participants will hear presentations by knowledgeable practioners and experts about the issues, needs, and proposed courses of action related to the subject matter. and will be asked to report on relevant practices they use. This will be followed by a general discussion and consensus-building around key action areas.

Discussion materials will be developed and mailed to participants prior to the session. The materials will contain a brief *background paper* of the subject matter, including some side issues that will not be addressed specifically, and an *outline* of the objectives, key issue areas to be discussed, and desired outcomes for the task force.

From the results of this meeting, a draft report will be prepared of the discussion and areas of concensus. This report will be provided to the participants prior to the second meeting.

Session #2: participants will review the draft report of the first session and have the opportunity for making refinements or modifications. Additional discussion of current practices will be encouraged. A revised report will then be developed and sent to the participants prior to the third task force meeting.

Session #3: participants will review the revised report and then recommend implementing actions by federal agencies and other governmental units. A final report of the task force will be prepared and provided to the participants of all six task forces for review at the plenary session.

Plenary Session: this last session will combine all task force participants. The purpose will be to summarize the findings and recommendations of all task forces and provide an opportunity for selected experts to critique these results. This meeting will allow for general discussion and possible refinements or modifications. Based on the results of this session, a final project report will be prepared representing the consensus reached in this plenary session pertaining to all subjects addressed.

Each task force will be assisted by a expert in the subject field, employed by the ACIR, who will participate in the discussions and assist the ACIR in preparing meeting materials and the project reports. These experts will begin work prior to the task force meetings so that they may help with the development of discussion materials for the first task force sessions. In addition to these experts, each session will be guided by a meeting facilitator to help the participants remain focused in their discussions and thereby use the time available as productively as possible.

With regard to productivity, each participant will be asked to bring descriptions of their relevant organizational practices, or experiences in the subject field, to the meetings to serve as a basis for discussion and possible incorporation into the project reports that will follow.

Two principal goals are expected to be achieved by these task force efforts:

(1) the development of reports for each group, prepared by the ACIR and its consulting experts, that present the consensus reached for the **best** "principles and guidelines"(P&G) as frameworks for federal action. The P&G's will represent what the participants would like to see reflected in such instruments as GAO recommendations, OMB circulars, legislation, federal aid program regulations, or interagency agreements.

(2) at the conclusion to these sessions, the ACIR staff will prepare the appropriate findings and recommendations for consideration and action by its Commission in support of the consensus coming from this project.

Overall, this project is intended to result in action plans and priorities that can guide further efforts for implementing the areas of consensus reached by the participants. During this period of emphasis on "reinventing government", making government more effective and efficient, and redoubling our commitment to the nation's investment in its vital infrastructure, this project offers an excellent opportunity to play an important role in these endeavors.

Following is an outline of each task force describing the charge to each task force and the people to be involved. Many of the listed participants are those who participated in the last phase of project workshops. Others have been added because of their expressed interest in the current task forces or who have otherwise been suggested to the ACIR. Some participants are listed more than once because their interest involves more than one topical area. Additional names may be added prior to the task force meetings.

I. Making greater use of program performance measurements as input into investment decisions and continued levels of support.

This task force will focus on strategic infrastructure investments at the federal level. The term *strategic* involves actions based on a defined rationale for action; examination of the quality of service and outcomes(results) achieved in public programs compared with costs. The "investment budget" concept will be relevant to the work of this task force. Raising the "quality" of projects in the investment portfolio, in terms of expected "rates of returns", is the goal.

This task force will address at least the following three aspects of strategy development:

- *Performance-based needs studies* — looking at the kinds of studies, data, and analytical techniques that can or should be employed to avoid the "wish list" problem.
- *Capital improvement programming/budgeting* — while performance evaluations are the critical first step, federal action must be made a part of the structured programming and budgeting systems used by agencies. How this integration is best accomplished is a matter for the task force to discuss.
- *Interagency and intergovernmental cooperation* — a major purpose of this project is to arrive at recommended means of approaching strategic infrastructure development across agencies resulting in not only more common practices but cooperative efforts that can maximize returns on investments and minimize costs and risks. This objective requires attention as to how agencies can work together to identify cooperative investment opportunities, and involve the critical types of consultation needed with state and local governments.

Participants

Potential Presenters:

- Joe Wholey, USC Washington Public Affairs Center
- John Kamensky, Assistant Director, Federal Management Issues
- Harry Hatry, Urban Institute
- FHWA, Highway Needs & Investment Branch, Policy Office

[CG1]

Potential Task Force Members:

Mike	Bell	Johns Hopkins University
Susan	Binder	Chief, Economic & Industry Analysis Branch, FHWA
Madeleine	Bloom	FHWA: Policy Development
Jonathan	Bruel	OMB
Harry	Caldwell	FHWA; Chief, Highway Needs and Investment Branch
Michael	Deich	National Economic Council, White House
Chuck	Dennis	FAA; Chief, System Requirement Branch
Randell	Eberts	Cleveland Federal Reserve Bank
Sheldon	Edner	FHWA: Planning Operations Branch
Walter	Growzyk	OMB
Harry	Hatry	Urban Institute
Kevin	Heanue	Program Development, Environment & Planning Office
Gary	Jones	GAO
John	Kamensky	GAO: Assistant Director, Federal Management Issues

Paul	Kerkhoven	Office of Senator Roth: Legislative Assistant
John	LaRocque	Dept. of Community Affairs, State of Washington
Elizabeth	LaRoe	Director, Strategic Planning & Environmental Data, EPA
Andy	Lemer	Building Research Board
Thomas	Lutton	CBO
David	McElheney	FHWA: Director, Office of Highway Information Management, HPMS
Dick	Mudge	Apogee Research
George	Peterson	Urban Institute
Paul	Posner	GAO: Budget Issues
Norm	Starler	OMB
Hal	Steinberg	OMB; Deputy Controller(OFFM)
Sheldon	Strickland	FHWA: Chief, Traffic Operations Division, Office of Traffic Management
John	Thomas	ASPA
Ed	Weiner	DOT: Office of the Secretary
Joe	Wholey	USC
Fred	Williams	Federal Transit Administration, DOT
Germaine	Williams	FHWA: Policy Development
Chris	Wye	NAPA

II. Applying benefit/cost analyses to investment options to minimize risks and maximize returns.

This task force will focus on a specific aspect of infrastructure investment, namely, the use and practice of performing benefit/cost analyses. B/C analyses really have(or should have) a three-fold purpose: (1) to support initial decision strategies; (2) to upgrade investment portfolios and reduce investment risks; and (3)to assess post investment decisions which can lead to determinations for and levels of continued investment support. The more critical aspects for task force attention are:

- *Looking at current B/C practices(or alternative analyses)* — who is now performing such analyses and to what effect? What types of performance measures and risk-avoidance measures are used in calculating benefits? To what extent are secondary benefits and costs considered? Other interests here would be the roles of state/local/private participants, and interagency consultation in general, in the B/C processes.
- *Promoting the best B/C practices* — the objective here would be to identify the more successful and effective B/C practices and to assess how to encourage their use by other agencies.
- *Application of B/C to investment decisions* — it is critical to identify how B/C analyses are translated into policy/programming decisions.
- *Identifying the statutory or other obstacles to the use of B/C analysis by agencies* — what are the problems related to cooperative and common practices in this regard?

Participants

Potential Presenters:

- Dr. David Moser, Senior Economist, Corps of Engineers
- Susan Binder, FHWA: Chief, Economic & Industry Analysis Branch
- Al McGartland, EPA
- [CG2] David J. Forkenbrock, Director, Public Policy Center, University of Iowa

Potential Task Force Members

Susan	Binder	FHWA; Chief, Economic & Industry Analysis Branch
John	Boland	Johns Hopkins University
Carolyn	Cannon	Dept. of Energy
Brad	Crowder	Bureau of Reclamation, Dept. of Interior
Michael	Deich	National Economic Council, White House
Don	Emerson	Chief, Planning Analysis Division, FTA
David	Forkenbrock	Director, Public Policy Center, University of Iowa
Bill	Gelston	Federal Rail Administration
Anne	Grambsch	EPA
Howard	Gruenspecht	Deputy Assistant Secretary, Economic & Environmental Policy, Dept. of Energy
Thomas	Hady	Economic Research Service, Dept. of Agriculture
Stefan	Hoffer	Federal Aviation Administration, DOT
Mary Joe	Kealey	EPA
James	Kirkman	GAO
Raymond	Kopp	Director, Quality of the Environment Division, Resources For The Future

Randy	Lyon	OMB; Office of Economic Policy
Al	McGartland	EPA
David	Moser	Senior Economist, Corps of Engineers
Edith	Page	Bechtel Corp.
Beth	Pinkston	Public Investment, CBO
Leonard	Shabman	VPI
V. Kerry	Smith	Dept. of Economics, North Carolina State University
Norm	Starler	OMB
Robert	Stearns	Corps of Engineers
Brett	Synder	EPA; Chief, Economic Analysis & Research
Aaron	Zeisler	CBO

III. Establishing accounting *and public reporting* practices for performed and deferred maintenance of infrastructure investments.

This task force will address performed and deferred maintenance accounting for infrastructure investments. Traditional infrastructure investments are largely concerned with the original acquisition costs and ongoing maintenance costs essential to retaining adequate service levels of the asset and to prolonging the life of the asset as long as possible before replacement or major reconstruction becomes necessary. What is less traditional (by government) is the practice of accounting for the accrued or unfunded liability of a capital asset which, in reality, is an overall cost of the asset. In essence, while a capital asset loses dollar value over time because of use(wear), it at the same time incurs an increasing dollar liability in routine maintenance dollars needed to prolong the usefulness of the facility, and in the approaching need for renewal or replacement. Proper maintenance, performed when needed often, can significantly prolong the life of the facility at least cost.

It is these accounting aspects that the task force will examine. Some of the elements of this focus are as follows:

- The policy and practice of including long term accrued liability as part of the pricing and continued budgeting for infrastructure investments.
- The accounting processes, liability measures, and **public reporting** used for maintenance accounting.
- Relationships of maintenance accounting to agency programming and budgeting, especially with regard to investment/spending priorities.
- Funding set-asides(provisions) to ensure needed maintenance spending and eventual renewal.
- Examples of successful governmental or other deferred maintenance accounting systems/practices.

Participants

Potential Presenters:

- Harry Hatry, Urban Institute
- Jay Fountain, GASB/FASAB
- Barna Juhasz, FHWA, Chief, Metropolitan Planning Division

[CG3]

Potential Task Force Members

L. George	Antle	Chief, Navigation Div., Corps of Engineers
Christine	Bonhem	GAO
Barbara	Bovbjerg	GAO
Don	Chapin	Director of Accounting, GAO
Allen	Dickerman	Bureau of Reclamation
Sheldon	Edner	FHWA: Planning Operations Branch
Jay	Fountain	GSAB
Lee	Godown	Office of Rep. Robert Wise: Staff Director
Rodger	Goodman	Office of Rep. Robert Wise: Legislative Director
Harry	Hatry	Urban Institute
Kevin	Heanue	FHWA
Daniel	Hightower	Federal Construction Council: National Institute of Health, Health Facilities Planning
Miriam	Hillier	GSA
Barna	Juhasz	FHWA: Chief, Metropolitan Planning Division

Andy	Lemer	Building Research Board
Matt	Mangold	National Air Transportation Association
Edith	Page	Bechtel Corp.
Jim	Ranfranz	Ex. Director, NW Indiana Regional Planning Commission
Anne	Riley	American University
John	Spencer	Deputy Associate Administrator, Budget & Policy Office, FTA
Norm	Starler	OMB
Cornea	Strawser	House Budget Committee
Randall	VanPelt	Fish & Wildlife, Interior
Tom	Willet	FHWA: Director, Office of Engineering
Dave	Williams	Senate Budget Committee

IV. Moving toward more flexible and performance-based federal regulation of infrastructure development and maintenance.

Federal regulatory activity can significantly affect the cost and effectiveness of infrastructure development. This task force will look at the processes available to federal agencies that can help to minimize regulatory costs while increasing the flexibility available to state and local governments(and the private sector) in meeting federal infrastructure objectives. Some of the key areas of focus will be:

- *The Regulatory Flexibility Act(RFA)* and the assessments it requires of the impacts of federal rules on "small entities". Among other things, the RFA requires an examination of possible regulatory overlaps or duplication, and it stresses the use of possible alternatives such as a greater reliance on "performance rather than design standards".
- *Executive Order 12291*, which requires a "regulatory impact analysis" for major federal proposed regulations. While the primary emphasis here is an assessment of benefits and costs, there is also the need to look at "alternatives" at least with respect to net benefit and costs.
- *Executive Order 12612*, which involves a "federalism assessment" of proposed rules subject to E.O. 12291 analyses, by placing an emphasis on federalism principles and criteria that strive to minimize the issuance of(or need for) regulations or, at the least, to structure regulations so as to extend the maximum possible discretion to be exercised by state and local governments, and permit these governments the option of achieving federal program objectives through their own policies.
- *Negotiated Rulemaking*(P.L. 101-648 of 1990), sometimes referred to as "reg-neg", which emphasizes using the authority that all federal agencies have to negotiate the specific provisions to be proposed by regulation with state and local(public and private) interests most directly affected.

Participants

Potential Presenters:

- Michael Pompili, Asst. Health Commissioner, Columbus, OH
- Paul Lapsley, EPA, Regulatory Management Division
- Philip Harter, Private Mediator
- Tim Conlan, GMU

[CG4]

Potential Task Force Members

Charlotte	Adams	Director, Office of Policy, Federal Transit Administration, DOT
David	Berg	Office of Cooperative Environmental Management, A-101 F6, EPA
John	Boland	Johns Hopkins University
Larry	Bory	American Consulting Engineers Council
Bruce	Cannon	FHWA, DOT
Ann	Cole	EPA
Tim	Conlan	George Mason University
Glenn	Davis	U.S. GAO, NGB-HSPM
Michael	Deich	National Economic Council, White House
Sheldon	Edner	FHWA:
Marlene	Eide	Former county official
Paul	Guthrie	EPA: Director, State & Local Operations
Philip	Harter	Private Mediator
Jefferson	Hill	OMB, Office of Information/Regulatory Affairs
Henry	Jasny	Advocates for Highway & Auto Safety

Barna	Juhasz	FHWA: Chief, Metropolitan Planning Division
Paul	Lapsley	EPA: Chief, Regulatory Management Div.
Ann	Mladinov	Chief, Strategic Planning, B-10, Office of Budget & Planning, DOT
Regina	Montoya	White House, Director of IGA
Laura	Paradise	Rapoza Associates
Michael	Pompili	Asst. Health Commissioner, Columbus, OH
Charlie	Pou	ACUS: Senior Staff Attorney
Alan	Roberson	American Water Works Association
John	Rodgers	Federal Aviation Administration, DOT
Norm	Starler	OMB
William	Toohey	American Road & Transportation Builders Association
Richard	Torbick	FHWA: Chief, State Planning Division
Samuel	Zimmerman	FTA: Director, Planning Assistance Office

V. Streamlining environmental permitting processes to reduce investment costs and delays in infrastructure development.

This task force will examine a particular aspect of federal regulations, namely, the streamling of environmental permitting. Probably more than any other single concern by non-federal participants are the concerns related to the requirements surrounding environmental reviews and impact statements resulting from NEPA and other environmental laws affecting physical development. The essential issues involve cost and time delays, and difficulties for resolving the problems that arise during the required reviews. This subject is troublesome because it pits two desirable objectives against one another: protecting the environment and the need for infrastructure.

Among the issues to be addressed are:

- Attention to effective uses of NEPA relating to environmental reviews(EIA's/EIS's). For example, taking advantage of the *two tier* review process allowed by NEPA; making more use of the *fast tracking* processes which have been developed but used only on a limited basis; and generally striving to better *coordinate* reviews, mitigation efforts and permit issuance.
- Increasing state permitting approvals in lieu of direct federal approvals.
- Developing stronger federal efforts to assist non-federal participants to adequately meet environmental requirements in a timely fashion.

Participants

Potential Presenters:

- Dinah Bear, CEQ, General Counsel
- Anne Cole, EPA, Small Communities Coordinator
- Eugene Cleckley, FHWA, Chief, Environmental Operations Division
- Norm Miller, Dept. of Environmental Protection & Energy, New Jersey

Potential Task Force Members

Dinah	Bear	CEQ
David	Berg	Office of Cooperative Environmental Management, A-101 F6, EPA
Michael	Brennan	Fish & Wildlife
Eugene	Cleckley	FHWA; Chief, Environmental Operations Div.
Anne	Cole	EPA
Michael	Davis	Assistant for Regulatory Affairs, Office of Assistant Secretary of the Army
Kevin	Doxey	Deputy Director, Engineering & Construction, Office of Secretary of Defense
Jon	Felde	National Conference of State Legislatures
Paul	Guthrie	EPA: Director, State & Local Operations
Elizabeth	LaRoe	Director, Strategic Planning & Environmental Data, EPA
Tom	Magness	Director, Engineering Technology & Development, Mid-West Research Institute
Kathleen	McGinty	Office of Environmental Policy, White House
Norm	Miller	Dept of Environmental Protection & Energy, N.J
Robert	Mulready	City Administrator, Lewistown, Maine

Edward	Osann	National Wildlife Federation
Lynne	Pickard	FAA: Airports, Community & Environmental Needs Division
William	Roberts	Environmental Defense Fund
John	Sawhill	President & CEO, Nature Conservancy: Chairman, National Advisory Commission for Environmental Policy & Technology – EPA
William	Schroeer	Policy, Planning, Evaluation, EPA
John	Spencer	Deputy Associate Administrator, Budget & Policy, FTA
Norm	Starler	OMB
John	Studt	Chief of Regulatory Branch
Lucy	Swartz	CEQ
Willy	Taylor	Deputy, Environmental Affairs, Interior
William	Westbrook	Mayor, Jackson, WY

VI. Developing and using diversified revenue sources to support infrastructure investment and maintenance initiatives.

This task force will examine the several issues and options related to the financing of infrastructure development. In a time when direct federal funding is declining for such efforts, there is a need to identify alternative financial mechanisms at all levels of government as well as in the private sector. Among the topics to be addressed are:

- Pricing investments with an increasing view towards the principle of *beneficiaries pay.*
- Instituting user fees.
- Greater reliance on revolving loan funds and investment pools.
- Modifications to the tax code, especially regarding tax-exempt financing(revenue bonds), arbitrage, and taxation of interest earnings.
- Looking to revenue diversification in the form of more public/private partnerships.
- Possibly consolidating additional grant programs.
- Providing for interagency and/or inter-fund transfers for infrastructure purposes
- .Creation of investment insurance programs and debt securities.
- Correlating financing(delivery of funds) with actual stages of development needs.

Participants

Potential Presenters:

Panel:

- Douglas Koelemay, Infrastructure Investment Commission
- Scott Reznick, President, Commonwealth Development Associates
- John Sandy, EPA, Director, Resources Management Division
- Pete Bukus, Public Works Manager, Dept. of Community Affairs, State of Washington

Commentators:

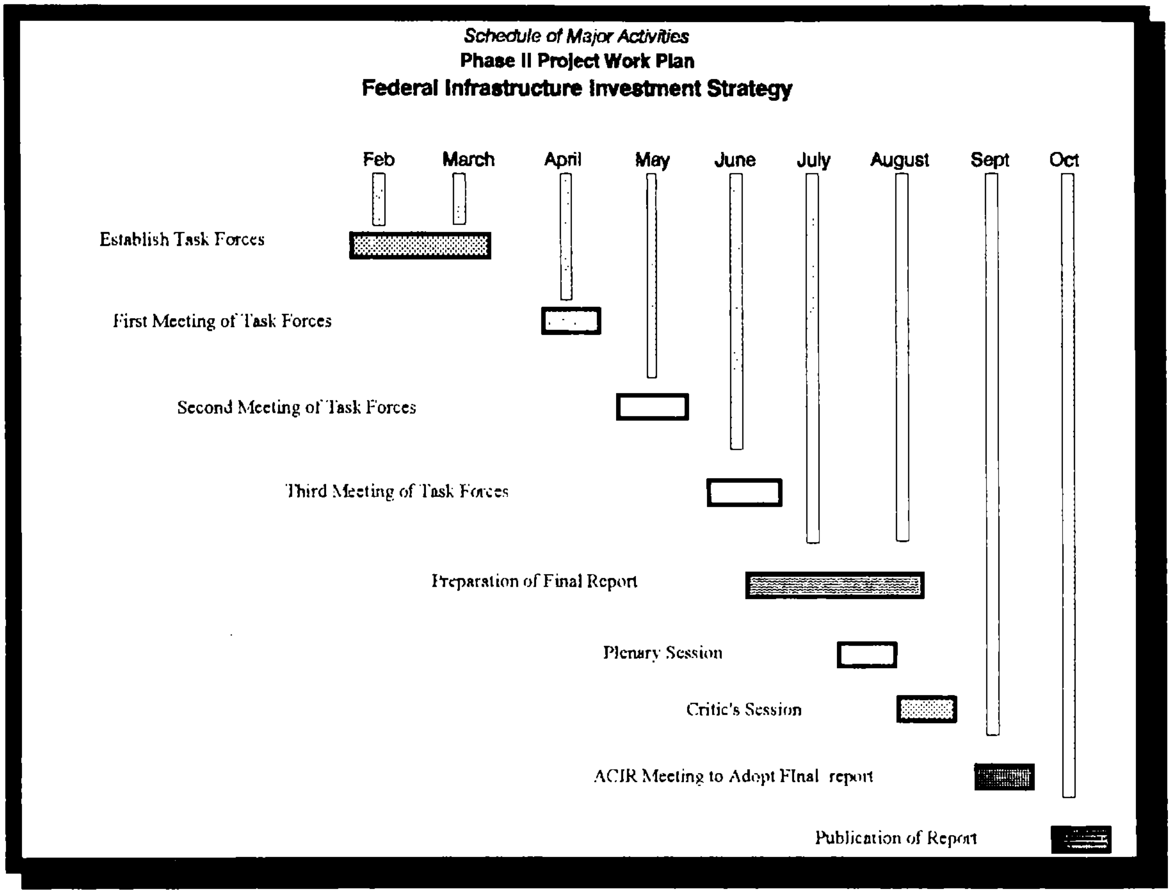
[CG5]

- Dick Geltman, Vice President of Intergov'tal Relations, Public Securities Association
- George Peterson, Urban Institute

Potential Task Force Members

James	Archibald	Associate Administrator for Budget & Policy, Federal Transit Administration, DOT
Tom	Barthold	Joint Committee on Taxation
Mike	Bell	Johns Hopkins Unversity
Pete	Bukus	Public Works Manager, Dept. of Community Affairs, State of Washington
Bruce	Cannon	FHWA, DOT
Steve	Charnovitz	Competitiveness Policy Council
Randell	Eberts	Cleveland Federal Reserve Bank
Carol	Everett	APWA; Rebuild America Coalition
Dick	Geltman	Vice President of Intergov'tal Relations, Public Securities Association
John	Grezebien	Minority Staff Committee on Environment & Public Works
David	Grier	Corps of Engineers

Kevin	Heanue	FHWA: Program Development, Environment & Planning
Jake	Jacoby	FHWA: Policy Development Office
Douglas	Koelemay	Infrastructure Investment Commission
Mark	Mazur	Joint Committee on Taxation
Ann	Miadinov	Chief, Strategic Planning, B-10, Office of Budget & Planning, DOT
Alicia	Munnell	Deputy Secretary for Economic Policy, U.S. Department of Treasury
John	Petersen	Government Research Finance Group
George	Peterson	Urban Institute
Beth	Pinkston	CBO
Mark	Pointon	Corps of Engineers
Benedict	Radecki	Bureau of Reclamation, W6500, Interior
Scott	Reznick	President, Commonwealth Development Associates
Anne	Riley	FASAB
John	Sandy	EPA: Director, Resources Management Div.
Jim	Smith	Council of Infrastructure Financing Authorities
Cathy	Spain	Government Finance Officers Association
Norm	Starler	OMB
Germaine	Williams	FWHA, HPL-1, DOT
Leslie	Woolley	Office of Senator Robert Graham(FL); Congressional Infrastructure Caucus
Dennis	Zimmerman	Congressional Research Service


Schedule of Major Activities
Phase II Project Work Plan
Federal Infrastructure Investment Strategy
Feb
March
April
May
June
July
August
Sept
Oct
Establish Task Forces
First Meeting of Task Forces
Second Meeting of Task Forces
Third Meeting of Task Forces
Preparation of Final Report
Plenary Session
Critic's Session
ACIR Meeting to Adopt Final report
Publication of Report

PHASE II TASK FORCE MEETINGS

	Task Force 1	Task Force 2	Task Force 3	Task Force 4	Task Force 5	Task Force 6
APRIL						
Thur:1						
Fri:2	tf1					
Mon:5					tf5	
Tues:6						
Wed:7						
Thur:8				tf4		
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Wed:30						

Attorney General
Lee Fisher

X

February 3, 1993

Faxed to Katie's ofc. w/ rec to

Greg Simon
Domestic Policy Advisor
to the Vice President
Old Executive Office Building
17th Street & Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear ~~Gregg~~ Greg

Congratulations on being appointed to the position of Domestic Policy Advisor to Vice President Al Gore. We, in Ohio, should be proud that "one of our own" is shaping policy for the nation!

I recently received the enclosed letter from a close friend of mine, William Feniger. Bill is Chief Executive Officer for Meridian National Corporation which has a purification plant in Toledo, Ohio called Environmental Purification Industries (EPI). This plant recycles paint waste.

Knowing of Vice President Gore's commitment to environmental issues and the need for recycling of waste materials, I thought it would be beneficial to bring this to your attention. I think this is a valuable solution to the crucial problem of waste streams and warrants serious attention.

I would very much appreciate it if you would contact Bill Feniger to discuss this as a possible solution to the ever-growing problem of hazardous waste. He would like the opportunity to meet with you, Katie McGinty, or another appropriate member of Al's staff.

Please keep me informed of your thoughts on this. If I can be of any other assistance in facilitating this matter, please do not hesitate to contact my office.

Best regards.

Sincerely,

LEE FISHER
Attorney General

Call.
Amy - pls call and say not mtg. possible until after first Summit. Call the Feniger #

Enclosure

State Office Tower / 30 East Broad Street / Columbus, Ohio 43266-0410
An Equal Opportunity Employer

MNC
Meridian National Corporation

William D. Feniger,
Chief Executive Officer

January 4, 1993

JAN 11 1993

Attorney General Lee Fisher
State Office Tower
30 East Broad Street
Columbus, OH 43266-0410

Dear Lee:

Happy and healthy New Year to you and your family.

I have enclosed a copy of an article from the Wall Street Journal (Wednesday, December 30, 1992). As you will read, Vice President elect Gore has taken a firm stance on the environment, specifically the East Liverpool project. I have highlighted the paragraph within the article which has significantly pointed to hazardous waste streams potentially moving into this facility. Gore is looking for alternatives for these waste streams. Paint waste from these waste stream in East Liverpool, which would be incinerated, could be recycled at our Toledo plant, Environmental Purification Industries (EPI), which is presently operating and recycling paint waste every day.

How would you suggest Vice President elect Gore and his people become aware of our facility? If he is truly out to create a better environment, our facility is one answer to achieve his goal.

It is my desire to be introduced to the key people, and Gore, who would consider utilizing EPI as an alternative. The benefits to EPI are obvious, in addition to our companies and the State of Ohio gaining the recognition due for developing the only paint waste recycling facility in the world. As you might remember Meridian, with Port Authority funds, brought to the area and is operating this one of a kind fully EPA approved facility to Toledo, Ohio.

I would appreciate your help in setting up a meeting with Gore himself and/or his committee working on his environmental programs. Thank you in advance for any assistance you might lend.

Very truly yours,

Bill

William D. Feniger
Chief Executive Officer

WDF/ck

MNC
Meridian National Corporation

William D. Feniger
Chief Executive Officer

January 4, 1993

Attorney General Lee Fisher
State Office Tower
30 East Broad Street
Columbus, OH 43266-0410

JAN 11 1993

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Very truly yours,

Bill

William D. Feniger
Chief Executive Officer

WDF/ck

WALL STREET JOURNAL
DECEMBER 30, 1992

REVIEW & OUTLOOK

Environmental Preview?

In what we fear may be a preview of Clinton administration environmental policies, Al Gore promised earlier this month to block a crucial EPA permit for a hazardous waste incinerator in East Liverpool, Ohio. On his Senatorial stationery, with his position as vice president-elect typed in, he cast his lot with a Greenpeace campaign explicitly billed as an effort to stop the incineration industry nationwide.

Von Roll, a 170-year-old Swiss company, designed, built and would operate the plant. It has already spent 13 years jumping through political hoops, winning the approval of every court and agency it came before. Indeed, the plant would be running today except that the company chose to add an expensive spray dryer so water wouldn't have to be discharged into the Ohio River. Von Roll is a world leader in antipollution technology and East Liverpool would be its North American showcase.

Greenpeace dreams that the town will become the "Waterloo of the incineration industry," according to Scott Sederstrom, an activist who parachuted in from Boston for the holy wars. Von Roll's early partners got fed up with the delays two years ago, and Von Roll bought them out. Now Greenpeace denounces this as a "corporate shell game" and thus a reason for canceling the plant's permits. Mr. Gore harrumphs that, of course, everything must be put on hold while the lapdog General Accounting Office investigates. Meanwhile, the company is losing $115,000 a day on top of the $160 million already invested.

Naturally, Mr. Gore couches his meddling as solicitude for "the health and safety of the residents." That didn't stop a busload of East Liverpool residents from trekking all the way to Washington last week to march in front of Greenpeace's offices. The protesters want the plant and the jobs it would bring.

The phrase "hazardous waste" is understandably worrisome to people, but plants like the one in East Liverpool aren't dealing with anthrax and nerve gas. They cremate things like dry-cleaning fluids, drugs that are past their expiration dates, and paint sludge from auto plants. This stuff is handled by hundreds of thousands of people every day. It rolls along the highways and railroads at all hours. It has to go somewhere, and burning it is the safest method of disposal.

What's more, anything coming out of Von Roll's smokestack is bound to be cleaner than the gunk billowing from dozens of other industrial plants in the Ohio Valley. Up the road, a single zinc smelter puts out 32,000 pounds of lead in one year. By helping to clear up after Ohio's paint, chemical anc other industries, Von Roll will create new jobs and preserve old ones.

No doubt some of the local opponents are sincere chemophobes. Terr Swearingen quit her nurse's job anc has poured $25,000 into the fight (hei husband is a dentist). She goes tc Washington at least once a week and has testified on Capitol Hill and made the TV rounds. "I spend every second of every day on this. There's nothing else in my life right now," she tells us, not sounding particularly unfulfilled. "The idea of incinerating anything, I'm opposed to."

Not everyone in East Liverpool cai afford such exquisite standards. Ai old pottery-making capital, the towi has slid downhill since the 1970s. Voi Roll would mean hundreds of "gooc jobs at good wages," not to mentioi $2.3 million a year in tax receipts. Anc chasing out a foreign investor who's bringing state-of-the-art technolog isn't exactly the best advertisemen for Ohio, or for an administratioi pushing global competitiveness.

Greenpeace's agitprop ha "scarred and divided this city," a local businessman, Larry Walton, tol one reporter. "Greenpeace will mov on after this, but we have to live here. The group's various outfits budgete at least $8 million for the toxics jiha in 1990. Beth Newman from the Chicago office belly-landed in East Livei pool almost two years ago and ha been busy improving the natives eve since. "Any facility that wants to spe four and a half tons of lead into schoolyard deserves the death per alty," she preached to the local pres (Actually, the plant would emit les than 76 pounds of lead a year, abou the same as a pre-1970s car.)

At bottom Greenpeace is theolog cally opposed to any form of waste di posal. Presumably then society woul have to stop making waste, an Mother Earth would revert to a pri tine, pre-industrial state. In othe words, where most nature lovers re ognize that technology is the only hop for solving most environmental prol lems, the Greenpeace Luddites tur this on its head. They see environme talism as the club with which they' beat down technology.

All through the campaign Mr. Goi bragged that pollution control woul yield a jobs bonanza. On ABC th month he warned that "if we keep a guing among ourselves," Japan "wi eat our lunch" in the battle for th global market. But the still-evolvin Mr. Gore seems mainly to be "argu ing" with himself these days. And it hardly encouraging that on his fir outing as the new administration's e vironmental czar, he's lined up wi the antitechnology pagans in the env ronmentalist camp.

20805 Orr Springs Rd Ukiah, Ca 95482

OCEAN PROTECTION COALITION

P.O. Box 1395, Mendocino, CA 95460
(707) ~~[illegible]~~ 937-2060

Please schedule us for 10 am Wednesday March 24, 1993

Fax # (202) 456-2710

Memo requesting a meeting with the appropriate person in the Office of the Vice President.

To: Kady McGurdy and Trey Lindseth

As an environmental activist for over 20 years, founder of the Ocean Protection Coalition one of the original advocates and movers and shakers of permanent an Ocean Sanctuary or permanent protection of the ocean, working directly & closely with Barbara Boxer on the creation (writing) of the California Ocean Sanctuary Act and the National Ocean Protection Act, co-owner (with my husband John) and chief harvester of the Mendocino Sea Vegetable Company and mother of 3 children and credentialed teacher, I desire to bring to Vice President Al Gore my deep concerns and positive ideas for dealing with the environmental challenges we face.

1. Permanent Protection for the Ocean
2. Peace Conversion & responsible energy policy
3. Creating an educational program to teach our young how to protect our environment to be known as Environmental Advocates in the Schools

I will be accompanied by my 12½ year old son Shanti Shalom Lewallen.

We look forward to meeting with you.

Sincerely & warmly, Mrs Eleanor Lewallen

of course we would love to meet with Gore himself if possible

regret

staffer not on board yet

935-3378

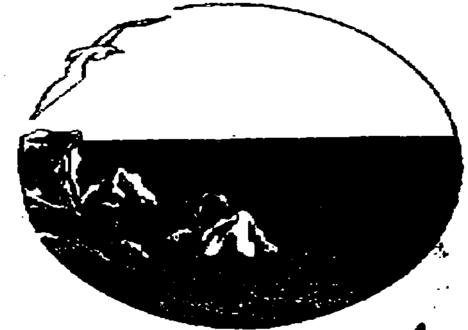
© 1986 Nicholas Wilson

- JOIN THE OCEAN PROTECTION COALITION
- SEND YOUR CHECK
- ALERT YOUR FRIENDS
- WRITE TO YOUR PUBLIC OFFICIALS

OCEAN PROTECTION COALITION
P.O. Box 1395
Mendocino, CA 95460
(707) 895-3741

Thanks to contributors. Cover photo and KRDC [illegible] facts and figures. Typesetting and layout donated by Black Bear Press. Cover paper paid for by Thanksgiving Coffee Co., Box 1918, Fort Bragg. Contributors to printing costs: Caspar Inn, Mendocino Bakery, Spencer Window Coverings, Deborah [illegible], A.D. Abramson, Connie Bear, and John Schoenberger. Printed at the Parr Print [illegible], Mendocino.

PROTECT YOUR COAST



you can help!

SUPPORT THE NATIONAL OCEAN PROTECTION ACT H.R. 989

TO: Katie McGinty/ Trey Lindseth, (202) 456-2710
FROM: Eleanor Mulloney LeCain, (617) 436-4875
DATE: March 1, 1993
RE: Scheduling a meeting

regret

>>

I have sent previous information about both a proposal for creating jobs through environmental restoration, and about possibly working at the Office of Environmental Policy.

Letters of support for me have come from Senator Kennedy and Senator Kerry, as well as Congressman Moakley and Congressman Studds. The letters from Senator Kerry and Congressman Moakley follow this page; you should receive letters from Kennedy and Studds soon if you haven't already.

Also following this page is my resume with relevant background information. As you can see, we share many interests in common!

I would appreciate a meeting with Katie McGinty to discuss the proposal and working together either tomorrow or Wednesday. I will be in the Old Executive Office Building visiting my good friend, David Kusnet, and would like to see Katie while I am there.

Please let me know what time would be good for you to meet. You can reach me at (617) 436 4875.

Thank you!

DEPUTY WHIP
COMMITTEE ON RULES
CHAIRMAN

Congress of the United States
House of Representatives
Washington, DC 20515

February 18, 1993

221 Cannon Building
(202) 225-8273
Suite 220
Boston, MA 02210
4 Court Street
(508) 824-6676

Ms. Kathleen McGinty
Office of the Environment
The White House
Washington, D.C. 20500

Dear Ms. McGinty:

I am writing to you on behalf of Eleanor Mulloney LeCain of Boston, Massachusetts who would be an excellent candidate to serve on the staff of the Office of the Environment. I know her well and I recommend her to you with not hesitation.

An economist by profession, Eleanor has made a name for herself in the developing field of melding the economy and the environment. Eleanor has written a great deal on this emerging field in academia and in the corporate world, and has become e a recognized authority on job creation and profit in environmental business. She has recently developed a proposal to create an International Environmental Technology Institute in Boston which could serve as a model for this country and others hoping to achieve sustainable economic development and, in doing so, expand markets for domestic environmental-related business.

Eleanor is very interested in the Office of the Environment, and would make a substantial contribution to achieving the aims of your agency. I heartily endorse Eleanor's candidacy. She has been serving as an advisor to me on economic development, particularly in the area of job creation through environmental business, and I know she would have a great deal to offer the administration.

If I can be of any additional assistance providing background material on Eleanor's impressive credentials, please don't hesitate to get in touch with me personally or with my chief of staff, John Weinfurter, at 202-225-8273.

Sincerely,

JOHN JOSEPH MOAKLEY
Member of Congress

JJM:jd

JOHN KERRY
MASSACHUSETTS

United States Senate
WASHINGTON, DC 20510-2102

One Bowdoin Square
Tenth Floor
Boston, MA 02116
(617) 565-8519

February 23, 1993

Kathleen McGinty
Office of Environmental Policy
White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Ms. McGinty:

I am writing to bring to your attention Eleanor Mulloney LeCain, 43 Samoset Street, Boston, MA 02124, for a position in the Office of Environmental Policy.

I first met Eleanor several years ago when she was an invitee to an economic summit I co-sponsored on the future of the Massachusetts economy. Eleanor had published an article in the Boston Business Journal on the potential of environmental business and the role government coud play in stimulating the emerging environmental industry.

Eleanor understands the issues involved in environment and economy. She has an academic background in economics from Yale and has written and spoken widely on topics related to a healthy environment and a healthy economy.

She has experience in senior levels of state government and in political campaigns, including experience as a candidate. I hope you will give her credentials careful consideration.

Sincerely,

John F. Kerry
United States Senator

JFK/bkc

Eleanor Mulloney LeCain

43 Samoset Street
Boston, MA 02124
(617) 436-4875

EDUCATION:

Boalt Hall School of Law, 1983, University of California, Berkeley, M.A., Law and Social Policy.

Yale University, New Haven, Connecticut, 1977, B.A., Economics Department.

EXPERIENCE:

1992 Candidate for United States Congress, Massachusetts. Ran for the United States House of Representatives until seat was eliminated in redistricting.

1992 Clinton for President, Surrogate Speaker (volunteer).

1/90-4/91 Assistant Secretary of State for Strategic Planning, MA Initiated a strategic plan for the secretariat with a goal of making government more efficient and effective.

9/90-11/90 Campaign Manager. Managed successful statewide campaign for Michael Connolly, Massachusetts Secretary of State.

12/87-9/89 Executive Director, Blueprint 2000. Directed an initiative involving thousands of citizens, policy experts, and elected officials to develop a vision and plan of action for Massachusetts state government.

1987 Campaign Manager. Managed successful campaign, Rosaria Salerno for Boston City Council, citywide.

7/85-6/87 Executive Director, ExPro. Directed a national research project on the changes needed in our military, foreign, economic and environmental policies to provide for real security into the 21st Century.

1984 Director, Peace and Environmental Convention Coalition. Directed a coalition of over 100 organizations to articulate and advocate a positive vision of environmental and foreign policies.

PRESENTATIONS:

Lecture widely for universities, organizations and government officials on state, national and international policy, including:

"The Future of Environmental Business," 1992, Chattanooga Ventures, Tennessee.

PRESENTATIONS continued:

"Creating a Healthy Environment and a Healthy Economy," 1990, Keynote Address,"Renewing the Earth," Kyoto, Japan, Also advised Japanese businessmen and members of the Diet on eco-economics.

Commentator, National Public Radio, Wisconsin, January 1991-present. Analyze policy and politics, such as Presidential campaign, Economic Summit, the State of the Union address.

"Converting from a Military to a Civilian Economy: The Possibilities of Environmental Jobs," September 1992, testimony for the Defense Conversion Commission hearings, Department of Defense, Groton, CT.

"An Energy Policy with a Future," Bradford College, Massachusetts, May, 1992. Speech at conference to explore a safe, sane energy policy.

"Environmental Jobs: the Wave of the Future," Radcliffe Career Services, 1991.

"Environment and Population," 1991, Population Conference, Elmwood Institute, California.

"Global Warming and Ozone Depletion: The Role of State Government," 1989, Missouri Leadership Conference, "Partnerships for Economic Growth and the Environment."

"The Prospects and Potential of Conversion," Plenary speech, April 1989, New England Conference on Economic Diversification, Pittsfield, Massachusetts.

"Participatory Planning," 1989, international conference on initiatives for development and democracy, Norway.

"Women in Politics and Government," 1989, Boston College Program on Women in Politics and Government.

"Making Our Visions Real," 1988, Keynote Address at Governor's Conference on Prevention, Vermont.

"The Ethical Management of Resources: Food and Forests," 1987, Science and Technology series by California Council for Humanities and the GTE Foundation, San Francisco.

"Agenda for the 21st Century," 1987, Omega Institute, New York.

"The Crisis in Modern Science," 1986, sponsored by the Consumers Association of Penang, Malaysia.

PRESENTATIONS, continued

World Conference to Review and Appraise the Achievements of the UN Decade for Women: Equality, Development and Peace, 1985, Nairobi, Kenya.

AWARDS, FELLOWSHIPS AND SPECIAL DISTINCTIONS:

Who's Who in Executive and Professional Women, Women's Foreign Policy Council Directory, & The World Who's Who of Women 1989-92.

German Marshall Fund Grant to Norway, 1989.

Bahai Human Rights Award, San Francisco, 1984.

Boalt Law School grant to work at United Nations in Geneva, Switzerland, on international law and economics, 1983.

PUBLICATIONS (partial listing):

"A New Role for Government," on rebuilding Homestead, Florida, ecologically. Co-authored with Jack Clark, World Hunger Year journal, 1992.

"Eco-business and the Bay State's Potential," Boston Business Journal, February, 1991.

"What's Good for Ecobiz is Good for America," 1991, In Business, the Magazine for Environmental Entrepreneurs.

"The Fate of the Earth," in transcripts from Fate of the Earth conference in New York, 1988.

"Hunger and Militarization," Food Monitor Journal, Summer,1987.

Edited **"The ExPro Papers,"** a series of articles addressing security needs to the 21st Century, 1985-1987.

"The Responsibility of International Research Institutions," in Food As a Human Right, co-authored with editors Ashborjn and Wenche Eide, United Nations University Press, 1984.

"A Solution for the Polish Crisis," New York Times op-ed, 1981.

"Lessons from the U.S. Food System," Le Monde Diplomatique, Paris, France, Spring, 1980.

REFERENCES:

Available upon request.

~~$~~ regretted 4/26

Fran Du Melle
Deputy Managing Director

Washington Office
1726 M Street, N.W.
Suite 902
Washington, DC
20036-4502
(202) 785-3355
FAX (202) 452-1805

National Headquarters:
1740 Broadway
New York, N.Y.
10019-4374

John R. Garrison
Managing Director

AMERICAN LUNG ASSOCIATION®
The Christmas Seal People®

Trey/Christian: EPA Mobile Sources. Send to Dick Wilson at 260-7400 CB 4/6/93

March 22, 1993

~~Cathy, who should do this one?~~

Ms. Katie McGinty
Special Assistant to the President
for the Environment
Old Executive Office Building
Washington, DC 20501

Dear Katie:

I understand the President has proposed providing federal funding for research on low emission vehicles. The American Lung Association welcomes the commitment of the President to the pursuit of cleaner vehicles and the resulting cleaner air.

The American Lung Association has long history of involvement in mobile source air pollution control and our interest in this issue continues. Throughout the debate on the Clean Air Act Amendments, the American Lung Association was a leading advocate for strong vehicle emission controls. In non-attainment states, particularly in the Northeast, ALA continues to pursue the adoption of California's Low Emission Vehicle Program.

I request a meeting with you to discuss our perspective on the mobile source pollution problem and low emission vehicle research. I would like to include Fran Du Melle of ALA, Michael Walsh, a longtime ALA consultant and former director of EPA's Office of Mobile Sources, Bill Becker, State and Territorial Air Pollution Program Administrators (STAPPA), and Bruce Bertelsen, Manufacturers of Emission Controls Association (MECA) in the meeting. I will call you next week to schedule the meeting.

Thank you for an opportunity to present our concerns.

Sincerely,

Paul G. Billings

When You Can't Breathe, Nothing Else Matters™

Fax: 260-
3730

IMMEDIATE SCHEDULING CONSIDERATION

Times Mirror
Magazines

Regretted 4/28/93

Christian I don't think it's necessary or appropriate but run past Katie. - CZ 4/19

Times Mirror
Magazines, Inc.
1705 De Sales Street, N.W.
Suite 801
Washington, DC 20036
(202) 467-4949
Fax (202) 467-4858
(212) 779-5000

David B. Rockland, Ph.D.
Executive Director
Conservation Council

April 2, 1993

Ms. Kathleen McGinty
Office on Environmental Policy
Old Executive Office Building, Room 358
Washington, D.C. 20501

Dear Katie:

Our survey with The Roper Organization goes into the field tonight. The survey updates a number of the questions we asked previously and are in the report I gave you.

In addition, we have added several questions about the Clinton Administration's environmental policies. This will provide a useful benchmark of American public opinion about what is going on at your end of Pennsylvania Avenue. Given that the survey is in the field at the same time as the Forest Conference, and we have several questions about the Endangered Species Act, this might give you a useful measure of the public's views on this matter. I also asked a number of questions relevant to a civilian conservation corps.

The survey results will be available in about a month. I would like you to consider helping me organize a briefing on the survey results. In the best of all worlds the briefing would be given on May 13 when Francis is in town to receive a Chevron Conservation Award. In attendance would be a dozen of the top people in the White House who handle environmental issues. In particular, you, Eli Segal, and Mark Gearan. Obviously, it would be great to involve Vice President Gore or even President Clinton if you think they would be interested. Should a briefing be possible, we would hold release of the results until that time.

Are you interested in putting together such a briefing? If so, let's have a 15 minute meeting in the next two weeks to pin down some of the specifics. Thank you.

Sincerely Yours,

David B. Rockland, Ph.D.

Alverla??

TO KATIE ASAP

To: Press

Field & Stream
Golf Magazine
Home Mechanix
Outdoor Life
Popular Science
Salt Water Sportsman
Ski Magazine
Skiing
Skiing Trade News
Sports Marketing Group
Yachting

To: CHRISTIAN

NO!! LET THEM RELEASE THEIR RESULTS ALONE. WE HAVE NO CLUE ON WHAT THEIR POLL WILL SHOW - AND, WE SHOULD NOT BE PERCEIVED TO BE GOVERNING BY POLL.

CM- Pam can do.
(Enviro Justice issue)

-CL
regretted 4/27

Katie

AMERICAN COMMUNITIES FOR CLEANUP EQUITY
1350 NEW YORK AVENUE, N.W., SUITE 1100
WASHINGTON, D.C. 20005-4798

TELEPHONE (202) 393-3734
TELECOPIERS (202) 393-2866
(202) 393-2867

March 4, 1993

The Honorable Al Gore
Vice President
of the United States
Old Executive Office Building
17th & Pennsylvania Avenue, N.W.
Washington, DC 20501

Re: **Request for Meeting to Discuss Municipal Liability under Superfund**

Dear Mr. Vice President:

I am writing to request an opportunity for local government officials from around the country to meet with you concerning municipal liability under Superfund. Under heavy pressure from industrial defendants, the Bush Administration refused to endorse an Interim Municipal Settlement Strategy developed by EPA last year to grapple with these issues, and it is our hope that we can persuade you to revive these efforts as you consider ways to improve the administration of this crucial program.

American Communities for Cleanup Equity (ACCE) is a national coalition of local governments committed to securing either legislative or administrative relief for the 400 counties, cities, and towns which have been sued because they arranged for the disposal of ordinary garbage or sewage sludge at a Superfund site. We have worked closely with other national municipal organizations and the environmental community to secure this relief. Legislation that we support was considered favorably on the Senate floor twice last year, and was recently reintroduced in both houses by Senators Lautenberg and Boxer (S. 343) and Congressmen Torricelli and Dreier (H.R. 870). We have enclosed a copy of our position paper and a synopsis of that legislation for your convenience and stand ready to provide whatever additional information you may find useful about the problem.

If we are granted an appointment to meet with you, local elected and appointed officials from around the country with direct experience in these problems will travel to Washington to discuss their concerns. We will also invite representatives of the National

Association of Counties, the United States Conference of Mayors, the National School Boards Association, and the National Association of Towns and Townships.

We understand how busy you are, and how many pressing and urgent problems you must face on a daily basis. However, we sincerely believe not only that our issue is of the gravest importance to virtually every local government in the country, all of which are vulnerable to overreaching third party lawsuits, but that such suits pose a serious threat to Superfund's already weakened credibility.

We understand that Wendy Wasserman, who works for Congresswoman Patricia Schroeder, has already contacted Kathy Curran of your staff to discuss a possible time for the meeting. While Ms. Wasserman had originally tried to set up a time in early March when many municipal officials were planning to be in Washington, we would now prefer a date in April so that we have adequate time to organize our delegation. We very much appreciate your consideration of this request and look forward to hearing from you.

Sincerely,

Rena Steinzor

Rena I. Steinzor

Enclosures
cc: Kathy Curran

AMERICAN COMMUNITIES FOR CLEANUP EQUITY
1350 NEW YORK AVENUE, N.W., SUITE 1100
WASHINGTON, D.C. 20005-4798

TELEPHONE (202) 393-3734
TELECOPIERS (202) 393-2866
(202) 393-2867

POSITION PAPER

American Communities for Cleanup Equity (ACCE) was created to address the growing national problem of local government liability under Superfund. ACCE's purpose is to secure federal legislative relief which will block efforts by major corporations to shift billions of dollars of Superfund cleanup costs from polluting industries to local governments, small businesses, organizations such as the Girl Scouts, and, ultimately, the average citizen.

Although the Superfund statute (Comprehensive Environmental Response, Compensation, and Liability Act) has brought welcome progress in the effort to clean up the nation's hazardous waste sites, its stringent liability provisions are being abused, placing unintended and potentially crippling liability on local governments and others.

The statute properly makes all parties who have created, transported, managed, or disposed of hazardous waste liable for the cost of hazardous waste cleanup. Polluters who jointly contribute to a hazardous waste site's dangers are each potentially liable for the entire cleanup bill. When the federal government sues a party for "response costs," that party acquires the right to sue its fellow polluters to share the cleanup expense.

How could this law affect local governments and their citizens? Twenty or thirty years ago, it was a common practice to dump concentrated liquid industrial hazardous waste on top of ordinary garbage and sewage sludge. Landfills where industrial hazardous waste has contaminated ordinary municipal solid waste are now on EPA's list of the nation's worst hazardous waste sites, and corporate entities have tried to exploit this situation at the expense of local governments, small businesses, and even the Girl Scouts. Specifically, corporate defendants in Superfund cases have tried to equate a ton of household garbage with a ton of dangerous toxins and have sued local governments and others to pick up a disproportionate share of the cleanup expense. These actions egregiously distort Superfund's "polluter pays" philosophy.

In its first year, ACCE became a national coalition comprising 110 local governments in twelve states. In the summer of 1991, it achieved the introduction of identical legislation -- the Toxic Cleanup Equity and Acceleration Act of 1991 -- in both houses of Congress to accomplish its agenda. In July 1992, the Senate passed a modified version of the legislation as part of a banking bill, but the House failed to consider the measure before the end of the 102nd Congress.

On February 4, 1993, Senator Frank Lautenberg (D-NJ) and Congressmen Robert Torricelli (D-NJ) and David Dreier (R-CA) reintroduced the Toxic Cleanup Equity and Acceleration Act of 1993 (S. 343 and H.R. 870), which is nearly identical to the provision that had passed the Senate. Senator Lautenberg's involvement is especially significant because he is the Chairman of the Superfund Subcommittee of the Senate Environment & Public Works Committee. In the House, the bill was authored by Congressmen Robert Torricelli (D-NJ) and David Dreier (R-CA) who have formed a bipartisan, bicoastal, politically diverse alliance.

The Toxic Cleanup Equity and Acceleration Act of 1993 is a compromise developed among key Senate supporters and municipal and environmentalist representatives. It has the full backing of ACCE, the National Association of Counties, the United States Conference of Mayors, the National School Boards Association, the National Association of Towns and Townships, as well as the major environmental groups: Clean Water Action, Environmental Defense Fund, Natural Resources Defense Council, Sierra Club, and U.S. PIRG. The legislation contains the following key provisions:

- **Prevents private parties from bringing "third-party" suits over municipal solid waste (MSW) and sewage.** If a local government has handled truly hazardous waste, then it deserves to be treated as an industrial party who behaved the same way. But given the history of polluters' overreaching lawsuits, only the federal government will be allowed to sue generators and transporters of municipal solid waste, including both garbage and sewage sludge.
- **Eases settlement procedures for generators or transporters of municipal solid waste or sewage sludge.** If EPA decides to sue generators or transporters of MSW or sewage sludge, such parties will be able to avoid high transaction costs and will have their *combined* liability capped at no more than four percent of total cleanup costs.
- **Creates incentives for future disposal practices.** Beginning three years after the date of enactment, for disposal of MSW or sewage sludge that occurs after such time, parties wishing to take advantage of the legislation's special *settlement* provisions must have household hazardous waste collection programs, or sewage sludge disposal in compliance with the Clean Water Act, regarding their respective MSW or sewage sludge waste streams.
- **Protects public rights-of-way.** A local government will not be liable for merely owning or maintaining a public right-of-way over which hazardous materials are transported, or for merely granting a business license to a private waste hauler.
- **Secures retroactive relief.** The legislation applies to all pending administrative or judicial actions, unless a final court judgment has been rendered or a court-approved settlement agreement has been reached.

American Communities for Cleanup Equity asks that local governments be treated fairly, that municipal solid waste be treated differently than industrial hazardous waste, and that polluters be stopped from dragging local governments into spurious and costly Superfund lawsuits. ACCE seeks to restore Superfund to its original purpose and to help local governments return to the job of providing essential public services. In short, there is no viable substitute for an immediate legislative solution.

Contact: American Communities for Cleanup Equity: Rena Steinzor, David Kolker, or Sandra Garbrecht at (202) 393-3734.

AMERICAN COMMUNITIES FOR CLEANUP EQUITY
1350 NEW YORK AVENUE, N.W., SUITE 1100
WASHINGTON, D.C. 20005-4798

TELEPHONE (202) 393-3734
TELECOPIERS (202) 393-2866
(202) 393-2867

A Synopsis of the

TOXIC CLEANUP EQUITY AND ACCELERATION ACT OF 1993

Senator Frank Lautenberg and Congressmen Robert Torricelli and David Dreier, with the active support of the environmental and municipal communities, have sponsored legislation which would amend Superfund to protect citizens, municipalities, and other generators and transporters of municipal solid waste (MSW) and sewage sludge from overreaching lawsuits that equate these substances with industrial hazardous wastes. This legislation was passed by the United States Senate on July 1, 1992, as part of a banking bill, and was reintroduced in both houses of Congress on February 4, 1993, as the Toxic Cleanup Equity and Acceleration Act of 1993 (TCEAA), S. 343 and H.R. 870.

The legislation contains the following key provisions:

- **A block on "third-party" suits for municipal solid waste (MSW) and sewage sludge.** Under Superfund, "potentially responsible parties" (PRPs) who have been notified by EPA that they may be liable for cleanup costs have the right to sue other parties who may also be responsible for the hazardous waste site. The bill would modify Superfund to prevent third-party contribution suits against municipalities or other persons if their actions at the site were related to the generation or transportation of MSW or sewage sludge. To the extent that municipalities or other persons owned or operated a facility, or handled genuinely hazardous waste, the block on third-party suits would not apply.

- **Relation to Existing Policy.** The bill would leave untouched and not attempt to codify EPA's 1989 "Interim Municipal Settlement Policy." The Policy states that the Agency will not sue municipalities or other persons who merely generated or transported MSW or sewage sludge, unless specifically defined "truly exceptional circumstances" exist. The legislation does not affect or modify this statement of how EPA will exercise its prosecutorial discretion in any way.

- **Expeditious settlements.** If EPA decides to send notices of potential liability to municipal generators or transporters of MSW or sewage sludge, such parties would be given an opportunity to settle their liability with EPA by tendering "good faith" offers to pay their fair share of cleanup costs. Until and unless EPA responds to such offers by entering into a consent decree with these parties, a moratorium on all Superfund litigation against them would be in place. The liability for all generation and transportation of MSW or sewage sludge would be capped at no more than four percent of total cleanup costs. This percentage share should be reduced when the presence of MSW and sewage sludge is not "significant" at the facility, when the party in question is unable to pay, or when other equitable factors exist. Provision of in-kind services would be credited at market rates toward the share required.

- **Future Disposal Practices.** Beginning three years after the date of enactment of the revised legislation, for disposal of MSW or sewage sludge that occurs at such time or later, municipalities wishing to take advantage of the settlement provisions described above must take the following affirmative steps regarding the MSW and sewage sludge waste streams, respectively:

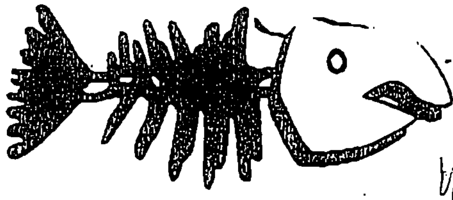
  (1) For MSW, eligible municipalities must establish a "qualified household hazardous waste collection program" that includes at least (a) semiannual, well-publicized collections at conveniently located collection points with the intended goal of participation by ten per cent of community households; (b) a public education program that identifies both hazardous products and safer substitutes; (c) efforts to collect hazardous waste from conditionally exempt generators; and (d) a comprehensive plan, which may include regional compacts or joint ventures, outlining how the program will be accomplished.

  (2) For sewage sludge, eligible municipalities must comply with section 405 of the Federal Water Pollution Control Act regulating the disposal of such materials.

- **Public right-of-way protection.** The revised bill would ensure that a municipality will not be liable merely for owning or maintaining a public right-of-way, such as a road or sewage pipeline, over which hazardous substances are transported, or for merely granting a business license to a private waste hauler.

- **Retroactivity.** The bill applies to all pending administrative or judicial actions that began before the effective date of the bill, unless a final court judgment has been rendered or a court-approved settlement agreement has been reached.

Joe - Tell her AGJ cannot do int., but you will forward letter to OEP.



→ PAM McELWEE -
WE SAID NO TO AN INTERVIEW W/ AGJ. DO YOU WANT TO DO ANYTHING FOR HSSC?
— J.C

FISH FAX

FROM: Rod Moore Jill Brady Julie Roberts

Our # is 202-226-3520, or fax us at 202-226-0072

ATTN: Heidi

TO: Communications Office - Office of the Vice President

DATE: April 5, 1993

PAGES (INCL. COVER) 2

Thank you very much for consideration of this request. As suggested, any date in April would be best.

JMB

No.

Regretted 4/26

home address: 3133 Connecticut Avenue, N.W., #521
Washington, D.C. 20008
(202) 462-2844
work address: Subcommittee on Fisheries Management
540 Ford House Office Building
Washington, D.C. 20515
(202) 226-3520

March 23, 1993

Vice-President Albert Gore
ATTN: Communications Office
Office of the Vice President
Old Executive Office Building
17th and Pennsylvania Avenue
Washington, D.C. 20501

Dear Mr. Vice-President:

I am a third-year law student at the University of Virginia. As satisfaction of the requirements of my final semester, the law school has allowed me to accept a Sea Grant Fellowship with the U.S. House of Representatives' Merchant Marine and Fisheries' Subcommittee on Fisheries Management. In addition to my subcommittee responsibilities, I must complete a substantial research paper on a topic of my choice. I am researching the use of science by the Congress in order to determine the impact of scientific information on the legislative process.

While I realize that your schedule may not allow my request, I would so appreciate having your views of the subject to include as part of my research paper. Your experiences as Vice-President and as a Senator and expertise in environmental affairs would provide a unique and extremely valuable perspective.

I spoke with a member of your Communications Office who told me that each request is considered individually. I would be very happy to provide you with any additional information and to meet you at your earliest convenience.

I so appreciate your consideration of my request. Thank you.

Sincerely,

Julie A. Roberts

Julie A. Roberts

Cottingham

4/27 - regretted

BOWATER INCORPORATED

Southern Division Woodlands
Calhoun, TN 37309
615/336-2211
Telex 558406

BOWATER

April 6, 1993

Mr. Christian Marsh
Old Executive Office Building
Room 360
Washington, DC 20501

Dear Mr. Marsh:

My name is Craig Earnest, and I was referred to you by the office of the Vice President. I am representing the Tennessee Southeastern Chapter of the Society of American Foresters (SAF). The Society of American Foresters is the national organization representing the forestry profession in the United States. Our local SAF chapter will be scheduling a meeting this coming May. The theme of the meeting will be "Public Involvement in Forestry Decisions." We would be delighted if you could arrange for Ms. McGinty or her representative to address us at this very important meeting. We are flexible in regard to meeting time (preferably in May) and location (Chattanooga, Cleveland, etc.).

Possible topics may be:

"How Does the Public View Forestry Professionals?"
"Are Forestry Professionals Listening to the Public?"
"How can the Society of American Foresters Better Serve the Public in Forestry Affairs?" etc.

Attendees will represent professional foresters from federal and state government, industry, and the private sector, as well as invited guests and the media.

Please let me know at your earliest convenience if you can arrange for Ms. McGinty to attend our meeting. If you require further information, please do not hesitate to call.

Sincerely yours,

Craig Earnest

Craig Earnest
External Affairs Forester

CE/mb

L. WALKER ALLEN II & ASSOCIATES
ATTORNEYS AND COUNSELORS AT LAW

L. WALKER ALLEN II
BRUCE C. BUTCHER

1820 ST. CHARLES AVENUE, SUITE 202
NEW ORLEANS, LOUISIANA 70130

TELEPHONE (504) 581-2487
FAX (504) 525-4225

April 8, 1993

no answer
regretted 4/26

Ms. Kathleen A. McGinity
Director, White House Office
On Environmental Policy
The White House
Washington, D.C.

Dear Kathleen:

You were very kind to take the time to personally reply to my letter inquiring about a position with your office. Having had my credentials forwarded to the Transition Committee by Senator Breaux (Louisiana) and Representative Tauzin (Louisiana) and former Senator Tim Wirth and heard nothing further, I'm just about ready to abandon my effort to find a position in which I can contribute to improving our environment.

On another note, I would like to show my appreciation for your personal consideration by extending an invitation to you to be my guest at a private suite at the Louisiana Superdome for the Saints v. Redskins game (or a game of your choice) or perhaps a concert such as the Paul McCartney tour. We're often joined by Harry Connick Jr. and his father (who's the New Orleans' DA), various state Supreme Court judges, musicians, celebrities and friends from Hollywood who you may enjoy meeting. In any event, please feel free to call my office should you ever visit New Orleans, and my law partner and I will be delighted to serve as your hosts at one of our famous restaurants.

Thanks again, and with kindest regards and best wishes for your success,

Sincerely yours,

Bruce

Bruce C. Butcher

regretted 4/27

CRINC.
12 Elizabeth Drive
Chelmsford, MA 01824-4149
Tel (508) 250-4800
FAX (508) 250-1255

CRINC.

Proven Leaders In Recycling

to Ken Connolly

cc 4/26

April 12, 1993

Ms. Kathy McGinty
Director, White House Office on Environmental Policy
Old Executive Office Building
17th Street & Pennsylvania Avenue, NW
Room 286
Washington, D.C. 20500

Dear Ms. McGinty:

As the nation's leading recycling company, with over 20 materials recovery facilities in operation coast-to-coast and worldwide, and as the processor of over 500,000 tons per year of recyclable materials, I want to congratulate you on your appointment and wish you good luck in your vital position. We have read numerous reports on the revival of environmental interests within the key circles of the White House and are pleased that your office has the opportunity and power to have a significant impact on environmental policy.

CRInc.'s flagship recycling facility is the Montgomery County (Maryland) Recycling Center. This facility, located in Gaithersburg, Maryland at the end of the Red Line on the Metro, is the most advanced recycling facility in the nation and demonstrates the impact a forward-thinking community can have by establishing a first-class recycling program and facility. Indeed, at the Montgomery County Recycling Center's Grand Opening in August, 1991, the facility was visited by over 5,000 state and local officials and community residents.

I want to extend to you an invitation to visit the Montgomery County Recycling Center at your convenience. As solid waste disposal issues generally, and recycling issues specifically, cross your desk, please keep in mind that, each and every day, this facility processes over 350 tons of recyclable materials and delivers it to market for remanufacturing. We welcome you to this facility and would be honored to have you view our process first hand.

Kindly contact my office to schedule a plant tour. As a company working with such diverse municipalities as the City of Phoenix, Arizona; Waukesha County, Wisconsin; and Long Island, New York, we are certainly prepared to discuss the key ingredients for successful recycling and to answer any questions you may have on moving comprehensive recycling into the mainstream of American life. We look forward to meeting with you.

Sincerely yours,

Stephen A. Katz
Vice President & General Counsel

SAK:cp

regretted 4/27

INSTITUTE FOR

LOCAL SELF-RELIANCE

Environmentally Sound Economic Development

No for KM - pass to Ken Connolly - CR 4/26

April 14, 1993

Ms. Kathleen McGinty
Deputy Assistant to the President, and
Director, Office on Environmental Policy
Old Executive Office Building
Ste. 360
Washington, DC 20501

Dear Ms. McGinty:

I would like to meet with you at your earliest convenience to discuss opportunities to incorporate economic growth stimuli into the administration's environmental policies. The ILSR pioneered in this field, and we are currently aware of several technologies that could yield dramatic results in a short period of time. One opportunity is in aluminum dross and salt cake recycling.

Aluminum dross and salt cake are the waste products from secondary aluminum smelting, part of the aluminum recycling process. Although these materials are chemically active hazardous wastes that react when combined with water, they are exempt from Resource Conservation and Recovery Act regulations. As such, these chemicals are being deposited on lands and in landfills across the country. Rather than dumping the materials, and for the same cost, they can be delivered to dross and salt cake recycling companies. These enterprises process the material into four industrial materials with strong market demand. One typical commercial dross and salt cake recycling plant in Cleveland, Ohio employs fifty workers at $11 per hour plus benefits. The Institute estimates that as many as twenty new plants could be established and supported in the United States. This sort of industrial and employment growth is desperately needed in cities and rural areas across the U.S.

This technology provides an environmentally friendly manufacturing service while eliminating hazardous materials from landfills and stimulating economic growth in the West, Midwest, and Southeast (where the bulk of aluminum dross and salt cake are generated). I believe that your meeting with Institute staff members and industry officials could help formulate a policy that would encourage technological expansion in this area that would significantly benefit national and local environmental safety and U.S. industrial efficiency.

2425 18th Street NW Washington DC 20009
202 232-4108 FAX: 202 332-0463

For your reference, I have enclosed two published articles on this subject, as well as a copy of the ILSR's recent testimony at a state hearing in Wabash, Indiana on the same topic. I have also included information about the ILSR and our work.

Please feel free to contact me should you have any questions. I will call your office next week to schedule a meeting with you at your earliest convenience.

Sincerely,

Neil Seldman

Neil Seldman
President

Enc.

AUSTRALIA

Embassy of Australia
Congressional Liaison Office
1601 Massachusetts Ave. NW
Washington DC 20036
Tel: [202] 797 3000

FAX NUMBER: [202] 797 3049

Date: 04/06/93

Number of pages - incl. cover: 5

PLEASE DELIVER TO:

Name: Mr. Christian Marsh
Location: Office on Environmental Policy
Dept/Room: RM 360 OEOB
Fax: 456-2710 Tel: 456-6224

Encl. - letter re: requested mtg. with Ms McGinty
Biography of Mrs Ros Kelly, Minister of Environment
Issue brief on Australian Environment issues

Point of Contact: Mary FRASCHÉ
Congressional Liaison Officer
202-797-3393

I am sending under separate cover a hard copy of the letter and a recent speech Prime Minister Paul Keating gave on the environment

From:

Name: Mary FRASCHÉ
Signature:
Tel: 797-3393

MEETINGS FILE
OR: Doniger

TELEPHONE: (202) 797-3000
FACSIMILE: (202) 797-3049

1601 MASSACHUSETTS AVE., N.W.
WASHINGTON DC 20036-2273

AUSTRALIA

EMBASSY OF AUSTRALIA

6 April 1993

IN REPLY QUOTE.

Ms. Katie McGinty
Director, Office on Environmental Policy
Room 360
Old Executive Office Building
Washington, DC 20501
Attn: Mr. Christian Marsh

Dear Mr. Marsh:

I write to advise you that the Australian Minister for the Environment, the Honourable Mrs. Ros Kelly, MP, will be in Washington DC, April 20, 21, and 22, and is seeking a meeting with Ms. McGinty on one of those days, preferably the morning of April 20.

Mrs. Kelly is in Washington to meet with senior Administration and congressional leaders. She would be interested in hearing from Ms. McGinty about broad U.S. policy on domestic and global environmental issues and particularly learning about U.S. priorities and functional arrangements. Apart from key global issues (biodiversity, global climate change and post-Rio follow-up), Mrs.Kelly would be interested in discussing the development of national standards and approaches in a federal system, including legal frameworks, and the use of economic as opposed to regulatory instruments. She would be pleased to exchange information about recent Australian experiences.

Mrs Kelly is traveling with Mr. Stuart Hamilton, the new Secretary of the Department of the Environment, Sport and Territories; Mr. David Buckingham, Executive Director, Commonwealth Environment Protection Agency; Mr. David Lording, Media Advisor to Mrs. Kelly; and Ms. Joanne Disano, First Assistant Secretary, Environment and Conservation Policy Division.

I have enclosed a biography of Mrs. Kelly and a brief statement on Australian environment issues. I would be grateful for your early advice about arranging a meeting.

Sincerely,

Denise Fisher

Denise Fisher
(Counsellor)

AUSTRALIA

• BACKGROUND •

ROS KELLY

Minister for the Environment, Sport and Territories

Mrs Ros Kelly was born on 25 January, 1948 in Sydney, New South Wales.

She received a bachelor of Arts degree and a Diploma of Education from Sydney University.

Mrs Kelly was a member of the Legislative Assembly, a local government body in the Australian Capital Territory from 1974-79.

In 1980 she was elected to the House of Representatives for the seat of Canberra and has held the seat at subsequent elections.

Mrs Kelly was the chairman of the ACT Schools Authority (1978-79), a foundation member of the ACT Legal Aid Commission (1974-79), and a member of the ACT Consumers Council (1974-79).

In September 1987 she was appointed Minister for Defence Science and Personnel.

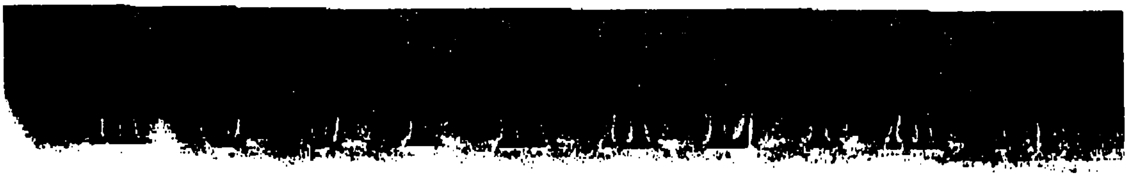
In April 1989 she was appointed Minister for Telecommunications and Aviation Support.

She was appointed Minister for the Arts, Sports, the Environment, Tourism and Territories following Labor's re-election on March 24, 1990, and promoted to the Cabinet.

She was appointed Minister for the Arts, Sports, the Environment and Territories in the new Ministry of Prime Minister Paul Keating, announced on 27 December, 1991.

In March 1993, Mrs Kelly was appointed Minister for the Environment, Sport and Territories following Mr Keating's re-election.

Mrs Kelly is married with two children.



B R I E F S

AUSTRALIA AND THE ENVIRONMENT

Australia is committed to environmental protection and to maintaining quality of life for future generations, and aims to cooperate with countries seeking to tackle regional and global environmental problems.

ALL LEVELS of Australian government are cooperating on environmental issues, ensuring that every aspect of government takes account of the environment, whether it be agriculture, mining, manufacturing, energy use and distribution, transport or tourism. Governments are seeking ways to remedy problems such as greenhouse-induced climate change, waste disposal, degraded soil, loss of forests and wildlife and marine pollution.

At the international level, Australia is working with other nations to solve problems which threaten the environmental security of the globe. These include global climate change and ozone depletion in the atmosphere, and the need to protect the earth's biodiversity. These issues were among those discussed at the UN Conference on the Environment and Development (UNCED) in Rio de Janeiro in June 1992. With more than 150 countries, Australia signed conventions on climate change and biological diversity. Australia also joined in the adoption of the Rio Declaration, Agenda 21 and a Statement of Forests Principles.

Land

Australia has declared a Decade of Landcare to the year 2000 because land degradation is one of its most serious environmental problems. Governments and community groups are tackling conservation of soil, water and vegetation with an overall goal of sustainable land use.

The Australian Soil Conservation Council was formed in 1986 and comprises federal, state and territory ministers. Its national strategy aims to guide its members in developing policies to conserve Australia's soil, reduce land degradation and retain economic and environmental utility.

More than half of Australia's 7.6 million square kilometres urgently needs soil conservation treatment. More than 42 000km² of agricultural land have been badly degraded by salinity. Wind and water erosion, acidification, compaction and nutrient deficiencies also threaten fragile soil structures. Water quality is of concern because of urban and agricultural run-off. Significant areas of native vegetation have been removed, contributing to soil degradation and a lowering of water quality.

A program begun in 1989 aims to have one billion more trees growing in Australia by the year 2000. Part of the program involves major revegetation projects by community, corporate and government organisations, school projects, local community projects and information and education activities.

Financial help through the Save the Bush program supports vegetation programs to conserve remaining areas of forests, woodlands, heaths, grasslands and wetlands outside national parks and needing special protection.

More than a million hectares of forest, including 900 000ha of rainforest, are protected by Australia under World Heritage listing. The National Rainforest Conservation Program between the federal and state governments aims at ensuring that the special values of Australia's rainforest are identified, protected and conserved.

Climate change

In 1990, Australia adopted an interim planning target for the stabilising of emissions of greenhouse gases (carbon dioxide, methane and nitrous oxide) not controlled by the Montreal Protocol on Ozone Depleting Substances. The target seeks to stabilise emissions at 1988 levels by the year 2000 and reduce them by 20 per cent by 2005. The target specifies that Australia will not proceed with the adoption of response measures which have net adverse economic impacts nationally or on Australia's trade competitiveness, in the absence of similar action by major greenhouse gas producing countries.

A national greenhouse response strategy is being developed to limit emissions of greenhouse gases, conduct further research, adapt to the impact of climate change and ensure that the community understands the need for early action on measures to reduce greenhouse gas emissions.

The strategy will include measures for auditing and reporting on national greenhouse gas emissions and provide a focus for Australia's response under the Climate Change Convention signed in Rio de Janeiro in mid-1992.

The convention does not go as far as Australia would have liked in setting clear targets and timetables for the reduction or stabilisation of greenhouse gas emissions. But it gives clear evidence of the seriousness with which the international community views the problem of climate change and of the willingness to take concerted action to address it. The Australian Government has said it will ratify the convention.

Australian climate change research is aimed at increasing understanding of climate systems, potential impact and technical options for response measures. Research programs are undertaken by scientific and tertiary institutions and are linked to regional activities under bilateral programs and through international regional programs, including the World Climate Research Program and the International Geosphere Biosphere Program.

World Heritage and National Parks

In August 1974, Australia became one of the first signatories to the UNESCO World Heritage Convention, which commits signatories and member countries to identify, protect, conserve and pass on to future generations all world heritage properties.

Areas in Australia on the world heritage list are Kakadu National Park and the Uluru (Ayers Rock-Mount Olga) National Park in the Northern Territory, the Great Barrier Reef, Willandra Lakes region of New South Wales, Tasmanian wilderness parks, Lord Howe Island group, Australian east coast temperate and sub-tropical rainforest parks, wet tropics of Queensland and Shark Bay in Western Australia.

Protected areas

Australia has more than 540 national parks and 3200 other nature conservation reserves, terrestrial and marine. Protected areas comprise at least six per cent of Australia's surface area. All are protected under federal, state or territory legislation. There is also a register of the national estate which lists 10 520 places assessed as having significance for their natural or cultural values, whether they are legally protected or not. A national wilderness inventory is assessing Australia's natural areas.

Costal and marine

Legislation prevents over-exploitation of Australia's fishing resources, protects living resources of the continental shelf, conserves the living resources of the sea, protects the sea bed beyond the three-mile zone, protects marine life and provides for the establishment of marine protected areas.

Australia has established a 10-year marine conservation program, Ocean Rescue 2000, to develop a national marine conservation strategy and a national marine information system, prepare a state of the marine environment report, and establish a representative system of marine protected areas and a national marine education program.

The Government is developing an integrated policy on the management and protection of the coastal zone which will set out principles to guide and focus federal activities in the coastal zone and promote an integrated and coordinated approach to coastal zone management across all federal agencies.

Waste and pollution

Vehicle emissions and noise are controlled through design rules under the Australian Government Motor Vehicle Standards Act. The use of farm chemicals is regulated by a system of clearance under the Agricultural and Veterinary Chemical Act. The Hazardous Waste Act controls, through a system of permits, imports and exports of hazardous waste, as defined by the Basel Convention which came into force in May 1992 as a result of Australia's accession to it on 5 February.

The Ozone Protection Act controls the production, import and export of ozone-depleting chemicals.

The Environment Protection (Sea Dumping) Act controls the deliberate disposal of waste materials at sea.

Biodiversity

Work is well advanced on the development of a national strategy to ensure that Australia's biological diversity is conserved. Australia's commitment to the conservation of biological diversity is implemented by a range of programs, including World Heritage, national parks, forests, endangered species and Save the Bush.

Australia played a major role in the development of the Convention on Biological Diversity, which facilitates a global approach to the conservation and sustainable use of biological diversity. It strikes a balance between conservation obligations and the resource needs of countries required to meet these obligations. Australia signed the convention on 5 June 1992 at UNCED and will move promptly to ratify it.

Endangered species

An endangered species program was established in 1989 to prevent the extinction of native species of flora and fauna, to prevent other species from becoming endangered and to return endangered species to a secure status in the wild.

The program tackles the recovery of individual species or ecological communities and the impact of introduced plants and animals, and encourages community education and involvement.

International Initiatives

Australia and France initiated moves to turn Antarctica into a natural reserve devoted to peace and science free from mining. This has culminated in the Antarctic Treaty parties adopting the Protocol on Environmental Protection to the Antarctic Treaty.

Australia is party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora and implements its commitments by strict legislative controls on exports and imports of endangered species of wildlife and products derived from them and by working with other parties to help them meet their obligations.

Early in 1992, Australia established the International Tropical Marine Resource Centre (INTROMARC) in Townsville, north Queensland. Australia has internationally recognised expertise in the field of tropical marine ecosystems, particularly in the Asia-Pacific region. The centre aims to focus quality education, scientific capacity and management expertise in tropical marine aspects of ecologically sustainable development, and to work with other organisations and individuals to assist in developing and maintaining effective management capabilities.

In 1991, the Government announced the Environment Assistance Program (EAP), which provided $80 million over four years. In 1991-92, the program promoted ecologically sustainable development through bilateral, regional and global cooperation programs. Key programs involve population, forests, land care, climate change, biodiversity and support for international environment organisations and activities.

The EAP includes funding for the second year of the Global Environment Facility (GEF), set up under the World Bank. Australia is committed to a total contribution to the GEF of $30 million over seven years from 1991-92. Part of this contribution will be used to cofinance the South Pacific Biodiversity Conservation Program.

The Australian International Development Assistance Bureau (AIDAB), Australia's official overseas development cooperation agency, is ensuring that its guidelines for managing development projects are ecologically sustainable.

Australia is party to the Montreal Protocol on Substances that Deplete the Ozone Layer, which regulates production and trade in ozone-depleting substances with the object of eliminating their use. It is contributing $5 million to the fund developed under the Montreal Protocol for the transfer of ozone-friendly technology to developing countries.

Australia provides training in agro-climatology and climate modelling in countries of the Commonwealth of Nations. Stations to monitor sea-level changes are being established around the South Pacific in line with Australia's commitment at the 1989 South Pacific Forum. Australia announced at the 1992 Forum that it would fund a range of personnel training, meteorological equipment upgrading and specialist technical backup and maintenance activities in the South Pacific to strengthen the capacity of the region to monitor climate change.

Australia is giving multilateral support to the UN Fund for Population Activities and the International Planned Parenthood Federation.

Bilateral environment programs in Papua New Guinea and countries of South East Asia will continue, with new activities in these countries and the South Pacific involving sustainable use and management of tropical forests.

Australia is a member of the Governing Council of the United Nations Environment Program and has been involved in the program since its creation in 1972.

MEETINGS
FILE.GEN

Lisa Crawford
Mtg 4/21
at 8:30AM

F.R.E.S.H., Inc.

Fernald Residents for Environmental Safety and Health

April 13, 1993

FYI: ~~[illegible]~~ (1) Nancy Maynard (2) Holly Gwin (3) Mark Schaeffer (4) Bob Watson (Nancy—will you tell him)

Mtg set w/ JHG/McGinty rep. of EPA for Wed. 4/21, Room 424 OEOB

ATT: JOHN PODESTA, STAFF SECRETARY

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

Dear President Clinton:

In a letter dated April 2, 1993, I requested a brief meeting with you and Vice President Al Gore while we're in Washington, D.C. for the 5th Annual Military Production Network's D.C. Days event. As of today, April 13th, I have yet to get a response from your office. But...once again, I'll ask for your aide and assistance!

Would you, or a member of your staff, please!!! put in calls to Carol Browner, Dr. Gibbons and Katie McGentie offices on behalf of the MPN. We're only 5 days away from beginning our event, and we still don't have meetings with them or their key staff. We have been unsuccessful in getting meetings with them, after many requests, and it leaves us to wonder if they really care!

Please contact me as soon as possible and let me know if you are able to assist us with this request. I can be reached at the following numbers thru Friday, April 16th:

(513) 948-3779 - work - 7:30 a.m. - 4:00 p.m.

(513) 738-1688/8055 - home - after 4:30 p.m.

I look forward and eagerly awaid hearing from you or your office in the very near future!

(FRESH) They will have a group of 6 X 1/2 hour

Sincerely,

Lisa Crawford

Lisa Crawford
FACE OF HOPE
President, F.R.E.S.H., Inc.

MAX! Can you also attend? do you want?

LC:eac

cc: files

See Podesta/Varney memos within.
Sue

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Request for appointments to WAVES from OSTP [Personally Identifiable Information] [partial] (1 page)	04/20/1993	b(6)

COLLECTION:

Clinton Presidential Records
Council on Environmental Quality
Kathleen "Katie" McGinty
OA/Box Number: 2610

FOLDER TITLE:

[Meeting Requests - 1993] [loose]

2012-0769-F
kc1937

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20506

REQUEST FOR APPOINTMENTS

TO: Officer-in-Charge
Workers and Visotors Entrance System
Room 065, OEOB
(FAX: 5349)

REQUESTED BY: Mike Kowalok

ROOM: 424, OEOB

EXTENSION: 7116

DATE OF REQUEST: 4/20/93

Please admit the following for an appointment on
Wednesday, April 21, at 8:30 AM with Dr. John Gibbons

Name:	Date of Birth:
Fresh.	
Margret Carde	
Lisa Crawford	
Bob Fulkerson	
Don Hancock	(b)(6)
Marylia Kelly	
Nicole LeFavour	
Todd Martin	

THE WHITE HOUSE
WASHINGTON

DATE: 4/14/93

TO: JOHN GIBBONS
KATIE McGINTY
KATHY ATERNO (COS to Secy Browner)

260-
9040

FROM: JOHN D. PODESTA
Assistant to the President and
Staff Secretary

Could the three of you coordinate a response to Lisa Crawford before this becomes an embarrassment to the President.

Leanne

Date rec'd 4/12/93
ACTION to: Sue
INFO to: Dana
~~Ralph~~
KE

SIG of
Stationery
DATE DUE

THE WHITE HOUSE

WASHINGTON

April 9, 1993

MEMORANDUM FOR JACK GIBBONS

FROM: CHRISTINE A. VARNEY
Secretary to the Cabinet

As you may know, "Faces of Hope" is a very important group to the President. They were prominently featured in the Inaugural festivities. The President's office has asked me to follow-up and ascertain if it is possible for you to spend a few minutes meeting with them, on his behalf. Please let me know if you will be able to meet with them. Thanks for your attention to this matter.

F.R.E.S.H., Inc.

Fernald Residents for Environmental Safety and Health

93 APR 2 P7:21

April 2, 1993

ATT: JOHN PODESTA, Staff Sect.

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

Dear President Clinton:

I am writing to you as one of your "FACES OF HOPE" and also as a concerne citizen who lives in the shadow of the now defunct Fernald nuclear weapon production facility, outside Cincinnati, Ohio. From April 19-21, many people from around the DOE sites in the U.S. will come to Washington, D.C as part of the 5th Annual Military Production Network-D.C. Days affair. This is the time of the year when grassroots citizens have the opportunit to come into D.C. to meet with their Senators, and Congressional Represen tatives, meet with pertinent agency heads and meet and have discussions with other people who work on the issues that affect us and our communiti

These citizens save their money, in many cases, their pennies, to make th trip each year. They make many long-distance calls to arrange meetings w their representatives and make many decisions as to where they will lodge while in D.C. They must put together a budget to see that they will have enough money to carry them through. As I'm sure you well know, D.C. is n a cheap place to visit, so much thought has to go into the preparations f this visit.

The point of this letter is that we have had little success setting up Ex cutive Branch meetings. We have asked for meetings with you and the Vice President. We have asked for a meeting with Carol Browner. We have aske for a meeting with Dr. Gibbons. We have asked for meetings with the Offi on Environmental Policy. All to no avail! Secretary O'Leary, on the oth hand, has been very receptive and we are scheduled to meet with her and other appropriate DOE officials.

I realize you are very busy, but we hope you would consider meeting with for a brief time. This would give you an up-front and close-up look at t faces of people who have lived with nuclear bomb plants in their communit and in some cases, in their backyards. This would afford you the opportu to hear the horror stories, the blatant lies and the secrecy that still exists at these sites. These people, who have lived through these issues, speak from their hearts. They have a first-hand view of what its like.

Moreover, we would like very much to meet with these other folks I mentio and would appreciate it if you, or your staff, could help us with that.

Many of the MPN people worked very hard on your campaign -- we all heard the words "hope" and "change" and met those challenges with you. We'd als like to hear them ring true for those of us who live in the shadows of the nation's bomb plants. For too long, we've been ignored and left out, and in many cases used as human guinea pigs.

As a "FACE OF HOPE" in D.C. in January, I was extremely impressed by you openness and candidness. I would ask the same for these nuclear neighbo I would like for them to feel the same way I did while I was there for t Inaugural activities. It was an exciting feeling, one I would like for these people to know. I was, and continue to be, proud to be a "FACE OF HOPE"!

Again we hope you will consider a brief meeting with our group on Monday Tuesday or Wednesday, April 19th, 20th or 21st. This would give the MPN delegation a great opportunity to discuss these issues and make them fee they are a part of the decision making process.

Please feel free to contact me, or have your staff contact me at the following numbers: work (7:30 a.m. - 4:00 p.m.) 513-948-3779, home (late than 4:30 p.m.) 513-738-1688. Also, Sean Meyer, in Washington, D.C. is aiding us in setting up meetings and can be reached at 202-296-9685. I look forward to hearing from you in the very near future. Thank you in advance for your consideration of this request.

Sincerely,

Lisa Crawford

Lisa Crawford
"FACE OF HOPE"
President, F.R.E.S.H., Inc.

Home Address: 10206 Crosby Road
Harrison, OH 45030

LC:eac

cc: files