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BUSINESS

S.J.-based job-training center at head of class

■ CET was the top performer in a study of 13 programs.

BY MICHELLE LEVANDER
Mercury News Staff Writer

JASON M. GROW — MERCURY NEWS

Baudelio Robles of San Jose, above, answers questions about a CNC brake press for Ricardo Crespo of Campbell at the Center for Employment and Training. Later, Robles figures the dimensions for a sheet-metal part.

In the problem-plagued federal job-training system, the San Jose-based Center for Employment and Training has again proved to be the exception.

CET outperformed every other training school in an independent study released this week of 13 Job-start programs.

New York-based Manpower Demonstration Research Corp. examined the economic status and employment of disadvantaged high school drop-outs at training programs nationwide. The study followed students for four years after they completed a program that cost approximately $4,500 per person.

Only graduates from CET had substantial earnings increases — more than $6,700 over four years — when compared with a control group. Graduates of other programs did not have "statistically significant" improvements in pay when compared with a control group. Instead, the earnings increase for 2,312 participants in the program averaged $214 over the four years, a disappointing result, Manpower said.

'Consistent exception'

This study and a number of others have shown that federal job-training programs have failed to meet program goals of increasing employment and earnings, said Fred Doolittle, project director of the Manpower study. "CET has been one of the consistent exceptions," he said.

The not-for-profit CET is run by a community-based board of directors. Founded 26 years ago in an East San Jose garage, it now has 38 centers nationwide and has placed 60,000 graduates.

The new study marks the second time in two years that CET has been the lone standout in independent evaluations of such programs.

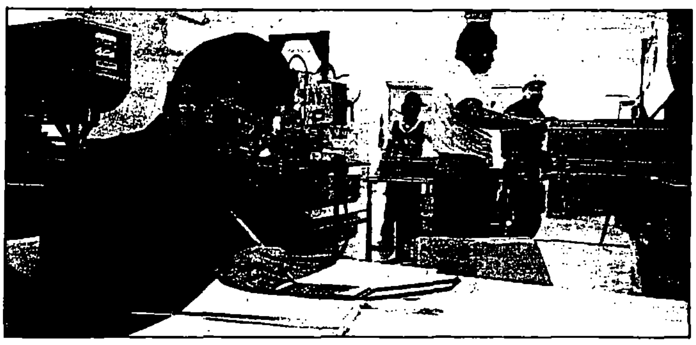
Higher earnings

In 1992, a Rockefeller Foundation study found that CET graduates were alone in sustaining higher earnings than control groups 2½ years after completing a program for minority single mothers. CET graduates earned an average of $100 more per month than a control group.

CET's track record has come to the attention of the Clinton administration.

John Heinberg, an official with the federal Employment and Training Administration, said the earnings improvements for CET graduates in the most recent study are "enormously successful for this population."

> "Getting their hands on a machine is worth 100 counselors because they can see a direct route to a job."
>
> — *Russell Tershy, CET executive director*



The Labor Department has sponsored a $1 million program to allow CET to replicate its training model in 10 other cities. Heinberg said the department plans to fund CET with another $1 million grant next year.

Training experts said CET has been successful because of its teaching approach — which emphasizes hands-on training in different job skills. Experts also praised CET for its close ties with the business community. This has enabled the school to train students in skills that are relevant for the market and to find jobs for them upon graduation.

Executive Director Russell Tershy describes CET's approach as unorthodox. Most programs emphasize literacy and high school equivalency before job training, he said. But CET believes that classroom training just reinforces old memories about failing in school. Many students drop out of such programs long before they get their hands on a machine, Tershy said.

Instead, CET begins training students in skills from the onset and weaves in the basic literacy and math that is directly relevant to the job. "Getting their hands on a machine is worth 100 counselors because they can see a direct route to a job," Tershy said.

Unlike other training schools, CET also has no set period for a course. Instead, students must master certain core competencies at their own pace. They don't graduate until they get a job.

The school also follows up with students for six months after graduation to help them cope with stresses that could diminish their chances for success.

Clinton Seeks Consolidation of Benefit Programs and Job-Hunting Services

Adding details to a pledge to overhaul welfare.

By CATHERINE S. MANEGOLD

Special to The New York Times

WASHINGTON, Feb. 2 — Calling for a major restructuring of the nation's unemployment and welfare systems, President Clinton said today that he would ask Congress to consolidate scores of benefit programs and create "one-stop-shopping" centers where unemployed workers could pick up assistance checks, get job training and receive placement help.

Courting an audience of about 300 job-training specialists and graduates of some of the nation's most innovative jobs programs, the President smiled and joked, hoarsely, with several people who shared stories about moving from the unemployment lines back into the work force. He then dismissed the existing system, saying it was weighted down with "yesterday's programs" and needed an overhaul.

"The welfare office ought to be a work office," Mr. Clinton said. "It ought to be the job-training office."

The President pledged to eliminate at least 100 Government programs and make cuts in at least 300 more to "squeeze the money" needed to retrain unemployed workers and move them toward new jobs in business and industry. He said he would propose these cuts in the budget that will go to Congress on Monday. But Labor Department officials said they did not expect the budget to include specific linkages between changes in the welfare program and any overhaul of the unemployment system.

Proposed cuts are likely to focus on job-training plans that cover only small segments of the work force, short-term training that the Labor Department says has not helped disadvantaged young people, and a jobs program that gives tax credits to employers. Labor Secretary Robert B. Reich has dismissed such credits, which took effect in 1982, as a misguided plan that rewards employers for hiring workers they would likely hire anyway.

Warning that welfare itself will need to be changed, Mr. Clinton today expanded on a refrain from his State of the Union Message, saying the Government must replace hand-out programs with local programs that can find jobs, provide training and then get jobless people back to work.

Reich Commands the Stage

The President's comments came at the close of a daylong conference and panel presentation in which Secretary Reich combined the stage skills of Oprah Winfrey, the evangelical fervor of Buckminster Fuller and the oratory of a small-town preacher to sell the message that the nation can stop a "downward trajectory" among the unemployed only by combining aid with hope.

Despite a general brightening of the employment picture, which has included the creation of 1.6 million jobs in the last year, he said, "we are not out of the woods at all."

The conference, held to showcase Mr. Reich's plan to transform the unemployment system and provide a human frame for the President's proposed changes, dwelt on the successes achieved by several privately backed job programs. Those that work, several panelists said, combine practical job training with essentials like baby-sitting, transportation, letter- and résumé-writing and, sometimes, a helping hand with the purchase of a pair of shoes or a new outfit to wear to job interviews.

Mr. Reich began the program with a catalogue of failures. Using charts and a CBS News television segment that dubbed the unemployment system a "Byzantine nightmare" he outlined an unwieldy if well-intentioned program that had grown too large and too complex to work.

"Everybody," he said, "is caught in the same web."

To illustrate those points, Mr. Reich picked out panelists and members of the audience, as members of his staff moved up and down the aisles with microphones while video cameras caught the speakers' slightest facial expressions.

Job Success in Louisville

Turning to a panelist who had lost a $26,000-a-year job and then found herself unable to support her family, the Labor Secretary said: "Now, let me be clear about this. How much time did you have before you lost your job?"

The woman thought a moment and then said with a shrug, "About 60 seconds."

Mr. Reich rocked forward and then lifted his microphone to reply: "Wow. A whole 60 seconds so you could formulate your strategy."

Both the second panel and a third one presided over by the President dwelt on programs that work.

Alma Willis, a 31-year-old clinic worker who was helped by a Louisville, Ky., program called Job Link, said she lost her car, her telephone and almost her house before finding help.

"I had a problem," Ms. Willis said. "My husband wouldn't let us go onto food stamps. But I couldn't qualify if we weren't on food stamps, so I went behind his back."

Once in the program, she said, staff members provided her with a telephone, helped her write letters of application and even bought her a dress. She found a job after telling the clinic staff she would work without pay for a month, just to prove that she could do the job.

She did not have to do that. "They said they really liked my letter," Ms. Willis told the audience. "Now, I'm missing two days of work to be here. And they said that was O.K. But I had to be here. I think this is really fantastic."

13 Cities Are Accused of Diverting Airport Money

By MARTIN TOLCHIN

Special to The New York Times

WASHINGTON, Feb. 2 — The chairman of a Congressional committee who oversees Federal funds for transportation said today that 13 localities had illegally diverted $252 million in airport revenue since 1982 for local needs.

Representative Bob Carr, a Michigan Democrat who heads the Appropriations subcommittee on transportation, said a six-month Congressional study of 33 leading airports found that 13 had used airport income to finance various local programs. The law requires that airport revenue from all sources, including Federal grants and rent from concessionaires, go only toward airport improvements like more runways and safety equipment.

The Federal Government has spent $14.5 billion on airport improvement grants since 1982.

The report found that in many cases the diversions equaled the amount of Federal financing and were most likely to occur at airports owned by cities where the airport manager reported directly to a mayor or city manager.

"Some airports are financially successful while the cities that own them may well experience critical financial problems," the report said. "This creates a condition where political leaders view their successful airports as cash cows.

Since 1990, for example, the city of Chicago, which owns and operates O'Hare International Airport, diverted $2.9 million in airport revenue for a warming station for homeless people at the airport, and $900,000 has been budgeted for this year, the report said.

In 1990, when Philadelphia was financially strapped, the city, which owns and operates Philadelphia International Airport, diverted $98 million from the aviation capital fund to the city's general fund, which finances all city operations, according to the report.

Other offenders included San Diego, Baltimore, Detroit and Milwaukee according to the report, while Los Angeles and Indianapolis had signaled their intention to divert airport funds.

Although Federal law prohibits the diversion of airport revenue, it exempts authorities, like the Port Authority of New York and New Jersey, on the ground that they sponsor and coordinate several modes of transportation, including airports, railroads, highways and mass transit.

George Howard, president of Airports Council International-North America, which represents communities that own and operate commercial airports in the United States, Canada and Bermuda, said that considering the billions of dollars received each year by American airports, the amount Mr. Carr cited "cannot be characterized as rampant diversion."

Mr. Carr criticized the Department of Transportation and the Federal Aviation Administration for not enforcing the prohibition. "The F.A.A. is not in any meaningful way enforcing the requirement that airport monies stay at the airport," he said.

F.A.A. officials pledged a prompt investigation and action to end the diversions. Linda Daschle, deputy administrator of the aviation agency, said: "We are appreciative of Chairman Carr for sharing the report with us. We are very troubled by its conclusions. While we will immediately look into these cases, we believe that most airports are in compliance with the law.

Mr. Carr warned that the offending municipalities would find it difficult to persuade his committee to provide more transportation funds.

Houston Grand Jury Declines To Indict in Mistaken Killing

HOUSTON, Feb. 2 — A grand jury today declined to indict a homeowner who shot and killed a Scottish businessman whom he mistook for a burglar.

The businessman, Andrew De Vries, was killed around 4 A.M. on Jan. 7, in a west Houston neighborhood, apparently as he was searching for a telephone. The District Attorney referred the case to the grand jury without recommending charges. Texas law gives homeowners generous latitude in the use of deadly force to defend property. The homeowner, Jeffrey Agee, fired through a back door after hearing what he thought was someone breaking in. Mr. De Vries died instantly.

THE NEW YORK TIMES, THURSDAY, FEBRUARY 3, 1994

White House Memo

Clinton Is Still Tiptoeing Round the Vietnam Mines

By DOUGLAS JEHL
Special to The New York Times

WASHINGTON, Feb. 2 — If anyone had forgotten just how skittish Bill Clinton can be when it comes to Vietnam, there could be no better evidence than his public insistence today that he has not made up his mind on whether to lift the American embargo on Hanoi.

It has been more than a month since his top deputies signed off on a recommendation to restore trade relations with that former enemy, a step they would never have taken without a keen sense of the boss's wishes. Aides had been saying for weeks that he was moving irrevocably in that direction, and they said Tuesday and again today that there would be no turning back.

In addition to a vague yet pervasive sense in Washington that the embargo has lasted long enough, Mr. Clinton has been driven to this point by cold political calculation. He and his aides know a healthy economy is crucial to his political health. A healthy economy requires the creation of more jobs, and that in turn requires expanded foreign trade. So the President backed the North American Free Trade Agreement and extension of the world trade pact and he will open the potentially rich Vietnamese market to American business.

A Very Cautious Approach

Still, he has moved exceedingly cautiously.

A refrain common to every White House press office is that no decision has been made until the President announces it. By today, however, when news reports quoted senior officials saying the end of the embargo was a done deal, most other administrations would have conceded the impossibility of protecting what was no longer a secret.

But Mr. Clinton's wariness of giving ammunition to those who will not forgive him for having avoided the draft in the Vietnam War era has left him determined to make no commitments until he must. Even as his aides planned quietly today for an announcement by the end of the week, Mr. Clinton stuck to his plan to line up support and assuage critics before he himself takes a public stand.

At a photo session this morning, he would say only that he would reach a decision "in the next couple of days." But later he dropped a less than subtle hint of where he was heading, noting that many prominent veterans favored ending the embargo.

The White House has long known that an announcement of an end to the embargo would infuriate the American Legion and other groups whose criticism of his conduct in the Vietnam era helped to make his path to the presidency so treacherous.

Soothing the Critics

But rather than confront the issue head on, Mr. Clinton and his aides have counted on others to do it for them, relying in large part on the Senate vote last week recommending an end to the embargo to make the case to the American public.

"What's being decided now is how they do it and who meets with whom," a White House official said today of the scramble to soothe the most likely critics, who include the families of those still missing in action from the Vietnam War.

As the White House had feared, the national commander of the American Legion dispatched a letter to Mr. Clinton angrily warning that the step would amount to a betrayal of American veterans. Separately, the National League of Families of American Prisoners and Missing in Vietnam urged Mr. Clinton to postpone any decision until it could determine whether its Government had indeed made progress in providing information about missing Americans.

White House officials said tonight that Mr. Clinton was determined at least to explain to those groups the reasons for his decision before announcing it publicly.

A White House official said tonight that it was likely that Mr. Clinton would meet with some of the critics on Friday before announcing his decision on Saturday at a ceremony to be attended by veterans who support his action.

Campaign wounds have left the President wary.

An Unpleasant Prospect

What leaves his aides most anxious, of course, is the prospect that an announcement by Mr. Clinton calling an end to the embargo will call attention to the steps he took to avoid the draft and to his college-age protests against the war.

Bruce Thiesen, the American Legion national commander, did not make that point directly in his letter to Mr. Clinton. But the strong language he employed made clear that he and other critics regard the decision as one involving much more than the President's judgment on whether Vietnam has made sufficient progress in aiding the United States with information about P.O.W.'s and M.I.A.'s to be rewarded with restored trade ties.

"If you decide to lift the embargo this week as is rumored," Mr. Thiesen said, "you will have not only broken your promise, but you will also have betrayed the missing servicemen, their families, members of the active military services and millions of Vietnam veterans who feel very strongly about their brethren who have not been accounted for."

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Clinton has plan to help jobless

By David R. Sands
THE WASHINGTON TIMES

Led for a time by first facilitator Bill Clinton, government and private experts spent yesterday looking at ways to overhaul the patchwork network of support for the nation's job training programs and the unemployed.

President Clinton and Labor Secretary Robert Reich used the daylong conference to highlight failings of current efforts and tout reforms they plan to introduce in Congress in the next few weeks for a federal "reemployment system."

It would involve one-stop shopping, more extensive and focused training, early identification of workers who need training, better information about new jobs, and universal access for applicants regardless of why they lost their old jobs.

Mr. Clinton took a turn moderating one of Mr. Reich's panels on employment reform, citing frustrations he had with federal job-training programs while governor of Arkansas.

"I never had the feeling that the system we've established in this country made any real sense," he said.

Several displaced workers testified at the conference on the confusion and intimidation they felt attempting to navigate the dozens of federal and state programs designed to train them in new skills and hook them up with a new employer.

Vicki Spagnuolo, 38, is a high school-educated, single mother of two from Louisville, Ky., who lost her sales job during a medical leave. She didn't qualify for federal "displaced worker" retraining programs, and spent eight months out of work (part of the time on welfare) before getting into a job-training program.

"You fill out the same forms maybe fifty times at agency after agency," she recalled. "Believe me, folks, your self-esteem is about this big by the end," she added, showing just the slightest space between her thumb and index finger.

Cynthia Scott of San Antonio, Texas, told Mr. Clinton of the difficulties she had raising three teenage sons on welfare while trying to earn a nursing degree. She said social workers actively discouraged her from applying for training at a local program, one that provided the training she needed to get her vocational nursing license.

Deb Woodbury lost her job in a Guilford, Maine, textile factory in 1989. She was forced to complete a yearlong retraining program in eight months because her jobless benefits were set to run out. Mrs. Woodbury used the training to land a job as a marketing and sales representative at the Bangor and Aroostook Railroad.

"I certainly would have been delighted to go" for more education, she said, "but I just had to get through the system and get out of it what I could."

For several jobless workers, hooking up with training programs that could help them was a remarkably casual affair.

Miss Scott said she only learned about San Antonio's Project Quest from a fellow volunteer at a church social work mission. Mrs. Woodbury heard about Maine's Career Advancement Center from a friend.

Mr. Clinton said such stories underscore the need for both welfare reform and job training reform at the federal level.

"The welfare office ought to be the work office, it ought to be the job training office all right under one roof," he said.

Bill Izabal, director of human resources at a Silicon Valley subsidiary of TRW and a member of the private industry council in Sunnyvale, Calif., dealing with job training issues, used a medical analogy to describe the current system's shortcomings.

What unemployed workers need, he said, is a "general practitioner" who can diagnose their needs and refer them to the correct specialist. The current system gives applicants virtually no guidance and results in them consulting a specialist who can't address what ails them.

Mr. Reich said the administration's reforms will focus on lifelong education to prepare workers for the demands of the global high-tech economy. It will also seek to simplify three transitions: from school to work, from welfare to work, and from one job with little future to a new, better-paying career.

While the budget he will unveil next week will be tight, job training will be one of the few areas spared the ax, Mr. Clinton suggested.

"We have to find more money to spend on this," he said.

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Pentagon trying to clear path for discharging gays

By Rowan Scarborough
THE WASHINGTON TIMES

The Defense Department is making a series of changes to its new regulations on homosexuals in the military that appear to give commanders wider latitude in moving to discharge personnel for homosexuality, Defense Secretary-designate William Perry says.

But the changes to date do not go far enough in defusing complaints from some lawmakers, and negotiations continue with the Pentagon prior to the regulations taking effect Saturday, congressional aides said yesterday.

Pentagon officials, under the direction of Pentagon General Counsel Jamie Gorelick, have been reworking the regulations' language in an attempt to head off a renewed public confrontation over the issue between President Clinton and Congress.

The behind-the-scenes maneuvering is one reason Mr. Perry, now the deputy defense secretary, got few questions from senators yesterday at his confirmation hearing to succeed Defense Secretary Les Aspin.

Republican Sens. Strom Thurmond of South Carolina and Dan Coats of Indiana complained to Mr. Clinton in a letter last month that the regulations are not compatible with a federal statute on discharging homosexuals from the military.

The two said, for example, that the guidelines appear to restrict a commander's ability to ask questions of personnel who have disclosed their homosexuality.

The new policy, known as "don't ask, don't tell," states that "sexual orientation" is not a bar to military service. But "homosexual conduct" is grounds for dismissal. The conduct is defined as a declaration of homosexuality in word or actions.

Mr. Perry, in written responses to questions from the Senate Armed Services Committee, disclosed yesterday a series of changes being made to the regulations since they were first announced Dec. 22 by Mr. Aspin.

Tim Goeglein, Mr. Coats' spokesman, said the changes take the lawmakers closer to an agreement, but that further changes need to be made.

Armed Services Chairman Sam Nunn, Georgia Democrat, who blocked Mr. Clinton's initial attempt last year to completely lift the 50-year-old homosexual ban, has yet to endorse the Pentagon regulations.

Several Senate aides say Mr. Nunn, the principal author of the new law, has expressed reservations privately.

Mr. Nunn said yesterday the committee's counsel is working "very closely" with the Pentagon in "reviewing the proposed regs and going over them, making sure that they are consistent with the law and making sure they are understandable in the field, which is an important element here."

The rewriting detailed by Mr. Perry yesterday includes:

- Emphasizing that the field commanders and members of discharge boards have broad latitude in questioning personnel once there is evidence of "homosexual conduct."
- Clarifying that suspected personnel cannot challenge the legality of a discharge proceeding because he or she was not informed of the "don't ask, don't tell" policy.
- Reiterating that "homosexual conduct" refers not just to acts, but to statements and same-sex "marriage."
- Stating that personnel found to have engaged in homosexual conduct have the burden of proving they do not have a propensity to engage in homosexual conduct.

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...n Seeks ...Budget Rise ...o Train Jobless

Proposal of Over $7 Billion Focuses on Unemployed Among the Middle Class

By KEVIN G. SALWEN
Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON – The Clinton administration is seeking to boost spending on federal job-training programs by 13%, to more than $7 billion, focusing largely on middle-class unemployed workers but also adding funds for the inner-city poor.

The Labor Department, which administers the programs, would be one of the winners in the administration's fiscal 1995 budget to be released Monday. But it isn't ... what will happen to training programs run by other agencies, or what programs within the Labor Department might be cut to help pay for the roughly $800 million increase in federal training funds.

The core of the administration's new training initiatives is a "dislocated-worker program," aimed at helping people permanently laid off because of a closed factory, corporate streamlining or import competiti... That program is budgeted at more than $2 billion for the coming fiscal year, and is projected to cost $3 billion annually when fully implemented. The dislocated-worker fund would combine six existing funding streams currently budgeted at about $1.5 billion.

S...e Questions Are Raised

But the Labor Department's focus on the dislocated-worker program is raising questions about whether the White House is shifting the focus of federal job training to the middle class from the poor.

Administration officials, sensitive to such criticism, said the contention isn't true. Labor Secretary Robert Reich refused to talk about the specifics of the budget, but argued that money would be doled out fairly. "This isn't a zero-sum game," Mr. Reich said in an interview. "The president wants to expand programs for the disadvantaged as well as for dislocated workers." He noted that those laid-off workers eligible for the dislocated-worker program are "both disadvantaged and working class or lower-middle class."

A look at figures in the president's planned budget shows that spending on programs for youths, who need to be poor to qualify for most programs, would grow 12% next year, according to officials who have seen the budget proposal.

Job Corps Is Cited

In all, youth programs, mostly targeted at the poor, will increase to $3.1 billion, while spending on programs for adults would gain 14% to $4.1 billion, largely through the dislocated-worker program.

For example, Job Corps, a program that takes poor teenagers out of the inner city and puts them in a boot-camp-type environment, would get an 11% budget increase, to $1.16 billion, under the president's proposal.

The summer youth-employment program would gain $168 million, or 19%, to $1.06 billion. And the Job Training Partnership Act program for poor adults would gain $142 million over its current budget authority of almost $1 billion. At the same time, however, the program for disadvantaged youth, which studies have shown fell short of expectations, would be cut by about 9%, or $60 million, to just below $600 million.

Advocates for expansions of job training are warily awaiting Monday's budget announcement. "Clearly the amount of money they're willing to put in is one of the chief defining characteristics of whether this program is going to be a good one," said Lawrence Mishel, research director of the Economic Policy Institute, a Washington think tank funded in part by unions. "If there isn't enough money, then there is a hollow promise. With enough money, it could be a real advance in our labor-market policies."

Baca Quits at Land Agency Over Clash With Babbitt

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON – Jim Baca, the controversial, hard-driving head of the Bureau of Land Management, resigned in a clash with Interior Secretary Bruce Babbitt over management style.

Mr. Babbitt said he had offered Mr. Baca the post of deputy assistant secretary for land and minerals management, but Mr. Baca declined the assignment. Mr. Babbitt insisted that Mr. Baca's views on boosting grazing fees paid by ranchers and on other issues don't differ from his policies, but said, "Jim and I have different approaches to management style and consensus building."

Mr. Baca has riled many ranchers, senators and governors by pushing environmentalist policies.

Mr. Baca, former New Mexico land commissioner, had strong support from environmental groups. The groups contended that Mr. Baca was forced out because he pushed hard for the Interior Department's efforts to change grazing and mining policies.

Mr. Babbitt named Michael Dombeck acting bureau director. Mr. Dombeck is currently chief of staff to Assistant Secretary Bob Armstrong and acting deputy assistant secretary.

Reno Seeks to Speed Up Release of Some Documents

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON – Attorney General Janet Reno issued procedures designed to speed the release of documents in cases of "extraordinary interest to the news media."

Under the new procedures, the department's director of public affairs may move a Freedom of Information Act request ahead of others if there is exceptional media interest in the case and if the information concerns questions relating to governmental integrity.

The Justice Department said Ms. Reno authorized an exemption to the "first-in, first-out processing" after asking why it is taking so long to process requests for reports relating to the death of Vincent Foster, who was deputy White House counsel and President Clinton's personal lawyer.

Though the Foster case led to the new policy, those records may not be immediately released under it, said Carl Stern, the department's director of public affairs. Before the Foster documents are released, they will have to be reviewed by independent counsel Robert Fiske, who is investigating matters linked to Mr. Foster's death, Mr. Stern explained.

The editor of The Wall Street Journal sued the Justice Department last week because it hasn't provided documents requested in August under the FOIA or given a reason why it has not.

U.S. and Japan to Resume Talks on Access to Trade

By a WALL STREET JOURNAL Staff Reporter

TOKYO—The U.S. and Japanese governments have agreed to resume stalled negotiations over reaching a new trade "framework" in Washington on Monday, a senior Japanese government official said.

The two countries are trying to reach an agreement on increasing foreign access to Japanese markets – in autos and auto parts, insurance, and government procurement – by the time Prime Minister Morihiro Hosokawa meets in Washington with President Clinton next Friday.

The two countries decided to restart the talks between high-level negotiators after U.S. Trade Representative Mickey Kantor spent the week in Tokyo meeting with top Japanese politicians and making veiled threats of sanctions if an agreement isn't reached.

The senior Japanese government official, who briefed reporters on condition of anonymity, said that Japanese leaders told Mr. Kantor this week that Japan is adhering to its refusal to accept numerical targets.

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Details of Plan to Revise Superfund Law Are Spelled Out, Draw Mixed Reviews

By Timothy Noah

Staff Reporter of The Wall Street Journal

WASHINGTON – The Clinton administration unveiled its plan for rewriting the Superfund law, to mixed reviews from members of Congress, environmentalists and industry.

The proposal, announced yesterday by Carol Browner, head of the Environmental Protection Agency, includes a new non-judicial arbitration process aimed at removing Superfund disputes from the courts; a new tax on commercial insurance companies, set to raise $3.1 billion over five years, to be used to settle Superfund-related lawsuits between polluting businesses and their insurers; and a relaxation of cleanup standards under certain conditions, which the administration contends will reduce cleanup costs as much as 25%.

The key Democratic leaders on the issue agreed to sponsor or cosponsor the administration's bill, though it is expected they will work to change some of it. One of them, Rep. Al Swift (D., Wash.), called the bill "a good beginning."

'Polluter-Pays' Principle

Reaction by business and environmentalists was similarly ambivalent, with businesses generally hoping to reduce the liability of individual companies even further and environmentalists hoping to shore up the "polluter-pays" principle behind the Superfund and to stiffen the bill's cleanup requirements.

Main features of the proposal had been disclosed previously, but yesterday's announcement gave more details on the proposed tax on insurers, which would be based on premiums charged on commercial policies since 1971.

The administration hopes the bill will at least halve the litigation related to the 1980 Superfund law, which governs cleanup of abandoned hazardous-waste sites. The money raised from the new insurance tax would be used to settle lawsuits filed against insurers by polluting companies held liable for Superfund cleanup costs prior to 1986, when the bulk of dumping subject to the Superfund law occurred. Litigation costs paid by insurers represent roughly one-third of all Superfund litigation costs.

The new tax would be levied only on commercial insurers and certain reinsurers involved in the type of insurance that is used to reimburse companies for hazardous-waste cleanup. The tax consists of two parts. The first part, which would supply most of the revenues for the fund, is a 0.19% annual levy on all relevant insurance premiums charged between 1971 and 1985, adjusted for inflation. The second part, which would supply the remainder of the revenue, is a 0.3% annual levy on all relevant insurance premiums charged since 1985.

Both Levies Deductible

Both levies could be deducted by insurers as a business expense, and companies that could demonstrate they've written few policies related to Superfund would be exempt.

Under the bill, the EPA would create a $300 million fund to pick up so-called orphan shares, or portions of Superfund cleanup costs that aren't assigned to a particular company. An EPA official said that the money would come from a surplus in revenue from an existing Superfund tax on businesses.

Under the new allocation system, a non-governmental party such as a non-profit group would assign Superfund cleanup costs among businesses that polluted at a hazardous-waste site. If a business agreed to pay the amount requested, it couldn't be sued by other companies that contributed waste to the site and sought to shift cleanup costs elsewhere. If the business didn't agree to pay the amount requested, it could be sued by the other companies, and the federal government could hold the company responsible for the entire cost of cleaning up the site.

Polluting businesses that chose to settle Superfund lawsuits with their insurers, drawing on the $3.1 billion fund, would receive 20%, 40%, or 60% of cleanup costs, depending on whether the law in the state where the lawsuit was filed favored the insurer, favored neither side, or favored the polluting business. A company that received a given percentage in one Superfund-related lawsuit against an insurer would also be pledging to accept the same percentage to settle any future Superfund-related disputes with insurers.

'Genuine Step Forward'

Mike McGavick, director of the American Insurance Association's Superfund project, who helped the administration craft the bill, said: "With proper modification this could be a genuine step forward." Similarly, Fred Krupp, executive director of the Environmental Defense Fund, which also participated in administration discussions on the bill, said his group is "greatly encouraged by the overall structure," but would press for "strengthening improvements."

The Sierra Club, however, termed the Superfund proposal "a major retreat" that would shift costs "from polluters to the government with no new revenue to pay for it."

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EDITORIALS

Job training that works

Standout San Jose program deserves more funding

WHAT does San Jose have that was invented in a garage, and has people in 48 U.S. cities, Chile, Belize and Mexico standing in line for?

If you guessed personal computers, you're wrong. The answer is a spot in a job program run by or supervised by the Center for Employment Training.

CET began 26 years ago in East San Jose with an unorthodox approach to the elusive goal of turning welfare recipients into workers. Instead of offering popular and easy remedial English and math classes, CET stresses tangible skills. No matter how well men or women read and write, they quickly get their hands on typewriters, circuit boards, kitchen ovens and machine tools.

It works.

When the Manpower Demonstration Research Corp. in New York measured 15 training programs for disadvantaged high school dropouts, CET received the only passing grade. CET graduates saw their earnings increase $6,700 over four years, far above the average of $214. Two years ago the Rockefeller Foundation called CET's success with young mothers a national model.

It *really* works.

The government of Chile has formally invited CET to start a center. Belize already has one. Mexican government officials have visited CET's headquarters and training center in San Jose. The Clinton administration has awarded CET $1 million to replicate its method in 10 new cities. CET already operates centers in 38 cities coast to coast and has placed 60,000 graduates.

So why just a measly $1 million more from Washington? In a quarter century, CET has outperformed a legion of federally funded job-training programs that squandered billions.

As the Clinton welfare reformers prepare their initiatives, it's clear Washington must cut loose the failed approaches and reward the ones that succeed. CET is one of the nation's very few standouts.

Study of 'Jobstart' Participants Shows Little Gain in Earnings

By William Claiborne
Washington Post Staff Writer

A follow-up study of disadvantaged high school dropouts who were enrolled in a pilot program of intensive education and occupational training showed "statistically insignificant" increases in earnings for most participants, an independent research group reported yesterday.

However, the New York-based Manpower Demonstration Research Corp. (MDRC) said that the federally funded "Jobstart" experiment, which operated in 13 communities across the country, led to 42 percent of the enrolled youths obtaining high school equivalency diplomas, compared to 29 percent for a control group not in the program.

"That's at least something to build on, even though the earnings results were disappointing," Robert Ivory, MDRC senior vice president, said in a telephone interview.

The study found that in the third and fourth years of follow-up, earnings gains for all Jobstart participants averaged about $400 a year. As expected, youths in the experimental group earned less than those in the control group during the first year of follow-up because they had less time to seek employment while in the training program, the researchers said.

The MDRC said the investment in the pilot project—about $4,500 for each of the 2,312 youths—"was not repaid through increases in [their] earnings or other quantified benefits by the end of the follow-up period."

Fred Doolitttle, project director, said the dropouts in Jobstart "were able to recover the investment they made by participating—their initial earnings losses—but there was no real payoff in earnings over the four years we studied."

The major conclusion, Doolittle said, is that "education and training alone, as traditionally offered within the [federal job training program], are not enough to make a real difference in these young people's lives."

The exceptions, he said, were young men who had arrest records before entering the program.

Also, young women who were not mothers when they entered the program were less likely to go on welfare over the four years of follow-up than their control group counterparts, suggesting that programs like Jobstart might play a welfare-prevention role for some youths, MDRC officials said.

For the entire demonstration group, however, there was little change in welfare benefits received: Aid to Families With Dependent Children payments increased by an average of $74 monthly over four years, while general assistance payments rose by $28 and food stamps declined by $34.

The Jobstart experiment, which operated from 1985 to 1988 within the federal Job Training Partnership Act program, was funded by the Labor Department and grants by 11 private foundations or corporations.

When the experiment began, the Job Training Partnership Act programs emphasized short term job placement services for more "job ready" youths, although that emphasis shifted to primarily disadvantaged youths like those enrolled in the experimental program. That made the results of the MDRC study even more relevant, the researchers said.

One of the more encouraging findings in the otherwise "disappointing" follow up study, MDRC officials said, was that one site, the Center for Employment Training (CET) in San Jose, Calif., had earnings improvements of $6,500 on average for each youth in the final two years of the follow-up study.

"These results show that success is possible. The challenge now is to learn from the performance of CET to build more effective programs," said Judith M. Gueron, MDRC president.

Among the unusual features of the San Jose project, she said, were the involvement of employers in developing the training curriculum, integrating basic education into occupational training and providing strong job placement services.

Ivory said one of the most important lessons learned form the Jobstart experiment was the importance in hiring staff members with a better understanding of adolescent development.

"That's something that needs attention," he said. "You need staffers with a strong knowledge of the day-to-day issues that young people confront in the streets. You need people who are trained to deal with the real-world problems these people face."

Center for Employment Training is the only success in the national Jobstart program.

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