

THE WHITE HOUSE
WASHINGTON

February 4, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*
SUBJECT: HOT ISSUES -- AUGUSTA, GEORGIA

Civil Rights: Georgia minority farmers are concerned about a number of issues, especially credit and lack of minority farmers on county committees. On December 31, Secretary Glickman announced that USDA would hold 13 listening sessions around the country to hear from the public, especially socially disadvantaged and minority farmers and USDA employees, concerning civil rights issues in both employment and program delivery. The Secretary attended a session in Albany on January 6. Information from the forums is being used by the Secretary's Civil Rights Action Team to make recommendations by mid-February. (USDA)

Welfare Reform: Georgia's Temporary Assistance for Needy Families (TANF) plan was certified complete on January 21. The Georgia General Assembly is expected to begin deliberations soon on Governor Miller's proposed welfare reform plan. Although 7 public hearings were held throughout the state prior to submission of the governor's proposal, advocacy groups have voiced concerns about passage of the proposal in its current form. The major issue in contention is the limit of 48 months of assistance rather than 60 months. (HHS)

New State School Board: The newly reconstituted state school board held its first meeting January 16. Governor Miller requested the resignations of all members of the school board in the fall of 1996, due to the contentious relationship between the board and the elected state schools superintendent, Linda Schrenko, a prominent opponent of federal education programs. All but two of the members resigned, and Governor Miller recently appointed a bipartisan group headed by his 1990 election opponent, Johnny Isakson, to replace them. (EDUC)

THE WHITE HOUSE

WASHINGTON

OCTOBER 26, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*

SUBJECT: HOT ISSUES -- PENNSYLVANIA (PHILADELPHIA)

Culling White-tailed Deer Herd at Gettysburg National Military Park: Gettysburg National Military Park and Eisenhower National Historical Site have begun the second year of a controversial deer reduction program in the two parks. Last year, the National Park Service (NPS) shot 503 deer at GETT and EISE and donated more than 30,000 lbs of venison to food banks. NPS anticipates donating a comparable amount again this year. On October 3, a group of local citizens who want to stop the shooting filed a complaint in the U.S. District Court in Harrisburg. The NPS has consistently denied media requests, including one from CBS's *60 Minutes*, to film the deer shooting. (DOI)

Research Contract: A \$906,000 research contract was awarded by VA and DOD to the University of Pennsylvania to study Persian Gulf illness. (VA)

Food Stamp Issues: Pennsylvania officials are seeking Administration guidance on implementing the new welfare reform legislation. The new law cuts food stamp benefits for Pennsylvania's caseload of more than 1 million recipients and makes legal aliens ineligible for benefits. Pennsylvania plans to start using fingerprint imaging next June to prevent welfare fraud related to food stamps, cash, and medical assistance. The state plans to use fingerprint imaging along with electronic benefits transfer to cut down on duplicate participation. (USDA)

Newspaper Series on Welfare Reform: The *Philadelphia Daily News* is running a week-long series examining the impact of welfare reform on Philadelphia. This series follows an October 13 report claiming that Pennsylvania is losing \$100,000 per day by not filing for the welfare reform block grant funds. (HHS)

School Budget Controversy: On October 24, Philadelphia newspapers reported a bitter public dispute between the local school superintendent and the state education secretary over school funding and desegregation plans. The dispute comes in the wake of the state supreme court's decision to assume control of the desegregation case and to vacate a lower court decision ordering Pennsylvania to provide \$45 million to the Philadelphia school district. (DOEd)

THE WHITE HOUSE
WASHINGTON

OCTOBER 25, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES --TENNESSEE (NASHVILLE)

Food Stamp Concern: Tennessee's food stamp payment error rate for FY95 was 10.6 percent, above the national average of 9.72 percent. The state faces a sanction of \$441,526. (USDA)

Peter Knight's ties to TVA: The local press has focused negative attention on ties between the Tennessee Valley Authority (TVA) and the Clinton/Gore campaign manager. As a former TVA lobbyist, Knight has been accused of trying to use that position to influence the re-appointment of Clinton appointee Johnny Hayes to the TVA board. Additionally, the TVA has been suspected of favoring Clinton/Gore allies in awarding its contracts. (DOC)

Nashville Minority Contractors: African American members of the Nashville City Council are concerned that less than one percent of the work at the \$130 million Nashville arena project went to minority contractors. These city council members withheld their support for the football stadium (to be the home of the relocating Houston Oilers) until Mayor Bredesen agreed to fund a \$500,000 study of city contracting disparity. (DOC)

Private School Endangered: Phoenix Academy, a Nashville private school that opened this fall, is beset by financial problems after revelations that its founder and headmistress used tuition money to fund a lavish spending spree. The headmistress, Barbara Bachman, allegedly used the money to buy diamond necklaces, crystal, Chinese rugs, two Lexus luxury cars and other items. Parents have taken over the school and reached a settlement with Bachman. No criminal charges have been brought. The matter is receiving very heavy local media attention and some national coverage. (DOEd)

Desegregation Plan: The Nashville-Davidson Metro Council is discussing a plan developed by the Metro school board to end decades-old court-ordered supervision of school desegregation. The plan would allow for limited choice among public schools. Some council members and parents advocate allowing parents to choose among all public schools in the district. On October 19, Mayor Bredesen stated that the council should consider this option, which some African-American council members say would resegregate the school system. (DOEd)

THE WHITE HOUSE
WASHINGTON

OCTOBER 25, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: HOT ISSUES -- MISSOURI (ST. LOUIS)

Times Beach Superfund Cleanup: Despite opposition from a limited number of local residents, incineration of dioxin-contaminated soil from 27 eastern Missouri sites began in March 1996. EPA and the State's Department of Natural Resources have determined that incineration is the best available technology to treat the dioxin-contaminated soil, which is posing a threat to public health. Congressman Talent issued a press release and wrote a letter to EPA on September 26, urging that the incinerator be shut down pending completion of additional testing. (EPA)

Lambert-St. Louis International Airport (STL) Expansion: Neighboring communities are up in arms over Lambert-St. Louis International Airport's westward expansion plans. Residents of St. Charles and St. Peters fear that shifts in flight patterns will increase aircraft noise in the area. A large area in the City of Bridgeton is targeted for buyouts. FAA has responded to numerous inquiries from Congressman Talent, who opposes the project, concerning aspects of the expansion. Secretary Peña and the FAA Administrator have met with community leaders who support expansion. Congressman Gephardt supports the expansion while Congressman Talent continues to oppose the project. (DOT)

Air Quality: The St. Louis metropolitan area is classified as a moderate non-attainment area for ozone. By November 15, the State Implementation Plan for St. Louis has to provide for a 15 percent reduction in volatile organic compound emissions relative to the 1990 emission baseline level. The St. Louis area will not be able to demonstrate attainment by that date. When the 1996 air quality data has been entered into the EPA system, EPA will require that St. Louis be bumped up to the serious category, requiring significant additional control measures to meet the serious category attainment date of 1999. (DOT)

Missouri Occupational Safety: On October 22, Senator Ashcroft met with the Assistant Secretary of Labor for Occupational Safety and Health Dear, to discuss the status of the "Missouri 500" occupational safety program. "Missouri 500" was recently canceled after reevaluation. OSHA will now have a greater role in protecting Missouri's workers. In related news, the St. Louis OSHA office is investigating a fatality at B&L Steel in Wentzville, where an employee was electrocuted on September 27. This was the second fatality in 5 months at the company. The office is also investigating a fatality at U.S. Metals in St. Louis where an employee was caught in machinery. (DOL)

Food Stamp Concerns: Missouri was granted a waiver to permit use of food stamp and AFDC benefits for wage supplementation in its demonstration project, "Missouri Beyond Welfare." The project is part of a 10-year welfare reform project to operate only in the Kansas City area. Food stamp households would be targeted for self-sufficiency within 48 months and could accumulate up to \$10,000 in resources. Recipients retain eligibility during the participation period, regardless of income changes. The project will be tested in up to 20 communities for 12 years, ending January 2005. Missouri's food stamp payment error rate for FY95 was 12.96 percent, resulting in a potential liability of nearly \$5.3 million. Currently, for FY96, Missouri's rolling error rate is 13.08 percent. (USDA)

Railroad Concerns: Farmers could be negatively impacted by the merger of the Union Pacific and Southern Pacific railroads, causing little competition. USDA opposed the merger. (USDA)

Kansas City Desegregation Case: On October 21, the Eighth Circuit Court of Appeals heard arguments on whether to immediately halt state payments ordered by the judge overseeing the case. U.S. District Judge Russell Clark ordered that the state pay for before- and after-school care and for permanent substitute teachers in foreign language magnet schools. On October 2, the Kansas City school board passed an emergency budget revision to cover its portion of the costs. (DOEd)

Tax for Education Challenged: On September 24, a group of state legislators asked the Missouri Supreme Court to hold that a 1993 tax increase was unconstitutional. The increase was passed to fund compliance with a state court decision finding that the state's method of funding schools was unconstitutional because it produced extreme disparities in funding for rich and poor districts. The Court is expected to rule on the legislators' case by the end of the year. (DOEd)

McDonnell Douglas Strike Ends: Employment has returned to its pre-strike numbers following a 99 day strike by the 6,700 International Association of Machinists. The 5-year contract was ratified on September 11. During the two week, post-strike transition period, department training was held for employees to acquaint them with changes in work processes and assignments. Also during this period, the company executives, union negotiators, and Federal Mediation and Conciliation Service held a two day transition program designed to help the healing process between the company and union. (DOD)

THE WHITE HOUSE
WASHINGTON

OCTOBER 25, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- NORTHERN VIRGINIA

Vegetation along Colonial Pipeline Right-of-Way: On October 24, an article appeared in the *Alexandria Journal* discussing concerns raised by Fairfax residents over a decision by Colonial Pipeline to forego its annual clearing of trees, grass, and other growth along its segment of the pipeline running through Fairfax County. Residents claimed the decision was confusing in light of Colonial's record of keeping the right-of-way clear. Some also claimed that the lack of clearing will increase pollen levels and attract more snakes and rodents. Colonial made this decision to offset losses resulting from a June 27 spill in Simpsonville, South Carolina. (DOT)

School to Work Controversy: On October 25, the *Washington Post* ran a story describing a dispute between Fairfax County school officials and Governor Allen on the Governor's refusal to apply for school to work funds under the 1994 School to Work Opportunities Act. School officials claim the governor did not apply due to ideological opposition to the program, while the Governor's office claims that an application was not submitted because local school boards were not ready to meet the federal grant requirements. Officials estimate that the grant monies which would have gone to Virginia amount to \$40 million. (DOEd)

Sallie Mae Memo on Student Loan Programs: The *Washington Post* reported on October 25 that the Fairfax County Democratic Party filed a formal complaint against Congressman Thomas Davis for allegedly receiving an improper campaign contribution from a federally funded corporation. The charges concern a packet of information faxed to Mr. Davis' Capitol office by an official of the Student Loan Marketing Association outlining ways to respond to attacks on his voting record on student loans. These materials were used in a debate and distributed to audience members. Sallie Mae officials have apologized and ordered an internal investigation. (DOEd)

THE WHITE HOUSE
WASHINGTON

OCTOBER 25, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- MINNESOTA

Deformed Frogs: Recent attention by the national media to last year's discovery of deformed frogs in Minnesota has made an ongoing scientific mystery a big story as well. Scientists agree that the large numbers of deformed frogs discovered by schoolchildren in wetlands near Henderson represents one of the highest concentrations of deformities ever identified in amphibian populations. At the same time, similar discoveries were made at other sites in Minnesota and Wisconsin. EPA scientists are not sure why this is occurring and are investigating many theories including possible environmental causes. Currently, no evidence suggests that public health is being endangered by whatever is causing the frog deformities. (EPA)

Minnesota Jobs: On October 16, the *Minneapolis Star Tribune* reported that the recent job growth in Minnesota (67,700 in 1994, 63,660 in 1995 and 47,200 in the first eight months of 1996) has resulted in labor shortages. The report states that the work force is growing at one percent a year, but job creation is currently growing at 1.3 percent each year. (DOL)

Strike at Alliant Techsystems: On October 8, The *Minneapolis Star Tribune* reported that a district judge had set limits on the protest activities by Teamsters Local 1145 in their strike against Alliant Techsystems. The strike by 500 Alliant workers began after contract talks broke-down. Alliant had offered a 15 percent increase in pension benefits and a 3 percent pay raise, but members voted against the contract on the issue of outsourcing. (DOL)

Objection To Northeast Interstate Dairy Compact: Minnesota dairy farmers have strong objections to the Northeast Interstate Dairy Compact, which allows New England to set milk prices received by dairy farmers above federal milk order floor prices. The farmers feel that with the Compact's implementation, the Administration is showing favoritism to the Northeast dairy industry. The Milk Industry Foundation (which represents the milk industry nationwide) filed a lawsuit against Secretary Glickman in the Federal District Court of Washington, DC, seeking to enjoin the Compact's implementation. Minnesota and Wisconsin joined the plaintiffs as intervenors. A ruling on the request for injunction is expected soon. Secretary Glickman is on record to monitor implementation of the Compact. He has stated that he will withdraw his approval of the Compact if its implementation is harmful to other dairy farmers across the nation. (USDA)

Education Commissioner Resigns: On October 11, controversial Commissioner of Education Bruce Johnson resigned, citing "pressing family matters." Johnson had issued a report critical of Minnesota schools this summer and said teachers' unions had won contracts that were far too generous. He was a strong advocate of Governor Carlson's private school voucher program, which failed to pass the state legislature this year. Johnson served for only one year and is the sixth education commissioner in seven years. Three other members of Carlson's cabinet have resigned in recent weeks. On November 3, Johnson will be replaced by Deputy Commissioner Bob Wedl. Observers and education advocates have applauded Wedl's selection. (DOEd)

Tobacco Lawsuits: Minnesota is among the latest group of states to file lawsuits against the tobacco industry to recoup health care costs associated with treating tobacco-related illnesses. (HHS)

THE WHITE HOUSE
WASHINGTON

OCTOBER 26, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: HOT ISSUES -- OHIO (COLUMBUS)

Discrimination Complaints: On October 11, DOJ sent a data request and a summary of complaints to the Columbus police department regarding 12 administrative complaints received by the department alleging discrimination by police against African-American city residents. The complaints allege misconduct including discriminatory stops, searches, arrests, use of force, and the use of racial epithets. (DOJ)

Bad Crop Year: The wet spring delayed corn and soybean planting in Ohio; some fields were never planted. Yields are expected to be below last year's and the five-year average. (USDA)

Farmland Loss: *Columbus Dispatch* in September ran a major series of articles reflecting Ohio residents' general concern over loss of farmland and green space. On September 27, USDA announced \$14.5 million in grants for 18 states to help purchase development rights from farmers to keep productive farmland in use. Ohio was not one of the states to receive a grant because the state does not have a development rights program in place. (USDA)

Food Stamp Fraud: Twenty (20) people were arrested in Columbus in early October for illegal trafficking of WIC baby formula and food stamps. (USDA)

New Assignment Plan Resegregating Columbus Schools: On October 15, the *Columbus Dispatch* reported that segregation appears to be increasing dramatically under the city's new assignment plan, which allows parents to choose their children's schools. Enrollment in two middle schools and 11 elementary schools is more than 90 percent black, while 5 middle schools and 12 elementary schools are more than 80 percent white. Overall enrollment is 57 percent black. The plan was instituted to end 20 years of unpopular busing in Columbus schools. (DOEd)

Riverboat Gambling: A November 5 ballot initiative would allow riverboat gambling and use some of the proceeds to fund public schools. Some education advocates claim that funding for schools would not increase under the proposal. Many school boards and school administrators are publicly opposing the measure. (DOEd)

Tritium Incidents at DOE's Mound Site in OH: DOE's Mound Site, a former nuclear weapons manufacturing and research site in Miamisburg (10 miles southwest of Dayton), has received media attention over the last week for two incidents. On October 10, DOE discovered a tritium inventory discrepancy. On October 23, tritium leaked from a facility stack into the environment. (Tritium is a radioactive gas used in nuclear weapons.) DOE is investigating the tritium inventory discrepancy. On the tritium leak, state and local officials were notified and the public informed that the off-site releases are below EPA's exposure guidelines and present no threat to public health. No workers were harmed. As of October 24, the tritium leak has ceased. (DOE)

THE WHITE HOUSE

WASHINGTON

October 3, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES--CONNECTICUT

Jason Becker et al. v. FRA and Amtrak: Plaintiffs residing along the Northeast Corridor right-of-way in Connecticut are challenging the environmental impact statement (EIS) prepared by the FRA analyzing Amtrak's proposal to electrify the Northeast Corridor from New Haven to Boston. (DOT)

Citizens for a Sound Environment, Inc. v. Sidney J. Holbrook, Commission of Environmental Protection and National Railroad Passenger Corporation: Some of the same plaintiffs involved in the EIS litigation against FRA and Amtrak have filed suit in Connecticut state court against Amtrak and the Connecticut Department of Environmental Protection (DEP) seeking a declaratory judgment that Amtrak's electrification project is subject to state and local permits. Amtrak has argued and DEP has agreed, to date, that the electrification project should be treated as a Federal project and thus subject only to state permits that implement a federal program (i.e., the Coastal Zone Management Act). (DOT)

Congestion and Indian Casinos: The dramatic increase in the volume of traffic and the associated congestion and safety impacts on routes in southeastern Connecticut has been attributed primarily to the success of a casino operated by the Mashantucket Pequot Indians. A proposed second Native American owned casino and a proposed Six Flags amusement park will place additional transportation demands on area roadways. (DOT)

Gas Tax: On April 1, Connecticut's state gas tax increased to 36 cents per gallon, the highest in the nation. Current state legislation calls for additional one cent increases for the next three calendar quarters. There is growing concern, primarily by gas station operators, that the gas tax is too high and that local businesses are losing substantial income to adjoining states that have significantly lower state gas taxes. (DOT)

Northeast Interstate Dairy Compact: As one of the Compact states, Connecticut producers and others in the state's agricultural community are generally pleased with Secretary Glickman's approval of the Compact. Therefore, Connecticut will likely intervene in the recent U.S. District Court lawsuit filed against the Secretary of Agriculture by the Milk Industry Foundation (an association of U.S. dairy processors) in opposition to the Compact. The 1996 farm bill provided Congressional consent to the Compact based upon a finding by the Secretary of Agriculture of a compelling public interest in the region. The Compact's

purpose is to bring price stability to New England dairy producers. After reviewing public comments, the Secretary authorized implementation of the Compact with an effective date of August 8. It is anticipated that a hearing will be held on October 4. It is our understanding that the other Compact states will also join in to intervene in the case. Since the Secretary's authorization, *USA Today*, *The Washington Post*, and *New York Times* have published editorials questioning the Compact. (USDA)

JOLI Grant Application Denied: Several members of the Connecticut Congressional delegation supported a grant application for the American Women's Economic Development Corporation (AWED). Only 10 of the 236 applications for grants under Job Opportunities for Low-Income Individuals (JOLI) program were approved, including one Connecticut application, from Action for Bridgeport Community Development (in Bridgeport) which received \$500,000. Our legislative office has discussed the situation with the staffs of Senator Dodd and Representative Shays. (HHS)

Temporary Assistance for Needy Families (TANF): Connecticut delivered its TANF plan, *Jobs First*, to the Administration for Children and Families (ACF) Regional Office by overnight delivery on September 30. The Regional Office received it on October 1 and has noted that the State has asked for an effective start date of October 1 for purposes of federal funding. The new welfare law requires that states submit their plans by July 1, 1997. (HHS)

U.S. -- Japan Insurance: The U.S.-Japan insurance agreement commits Japan to substantially deregulate Japan's primary life and non-life sectors--which comprises 95 percent of Japan's insurance market--and to allow foreign and medium and small Japanese firms to compete on equal terms based on an ability to innovate through differentiation of product, price and distribution. Japan moved to deregulate the other 5 percent, or the "third sector", first, where U.S. firms had gained a niche. Against the threat of possible sanctions, Japan has agreed to delay this move for three months in hopes of reaching a compromise. (USTR)

High-Speed Rail: As part of the federally funded Northeast Corridor Improvement Project, Amtrak is presently upgrading the rail line between Boston and New York City to permit high-speed rail service by the fall of 1999. The two previous Administrations sought to terminate this program. Substantial funding, on the order of \$200 million annually, has been requested in each budget request since 1993. Congress has appropriated \$115 million for FY 97. (DOT)

Innovative Financing Project: The \$65 million Yellow Mill Channel Bridge reconstruction project is the first part of a \$450 million effort to reconstruct I-95 in the Bridgeport area. The project will be funded with discretionary funds and the partial conversion of advance construction. The innovative financing concept for this project will allow the state to partly convert advance construction projects, making funds available earlier in the project and permitting construction to start sooner. (DOT)

THE WHITE HOUSE
WASHINGTON

October 9, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS

*LMH
LH*

SUBJECT: HOT ISSUES -- TENNESSEE UPDATE

Phillips Electronics Layoffs: The Phillips Electronic Company is stationed in three locations in Tennessee. One of the three plants, in Greeneville, TN, will lay-off 2,000 employees with no plans to re-hire. It is DOL's concern that the POTUS does not mention this company as an outstanding employer due to this recent development.

THE WHITE HOUSE
WASHINGTON

October 8, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty*
SUBJECT: HOT ISSUES -- TENNESSEE

Elizabeth

Drye

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(try att. door)

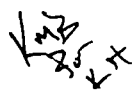
Nashville Football Stadium Minority Contracts: African-American members of the Nashville City Council are concerned that less than 1 percent of the work at the \$130 million Nashville Arena project went to minority contractors. These members withheld their support for the football stadium -- to be the home of the relocating Houston Oilers -- until the mayor agreed to fund a \$500,000 study of city contracting disparity. (DOC)

Death of Knoxville Two-Year-Old Who Was Denied Hospital Admission: In August, Danielle Sara Lynn Davis died after being denied admission to St. Mary's Hospital emergency room in Knoxville. Initial reports indicated that the child was in cardiac arrest when she was denied admission. It has also been reported that the Knox County Medical Examiner stated that the girl had been dead for two hours before her grandfather found her and called an ambulance. The Tennessee State Survey Agency investigated a possible "dumping" violation, but determined that the case did not violate COBRA requirements because admission was denied when the patient was in the ambulance and not physically on the grounds of the hospital. HCFA's Regional and Central Offices conducted a physician review because of concerns that the hospital might have failed to meet the Medicare Conditions of Participation for Hospitals, but reached the same result. Physician reviewers employed by the state Peer Review Organization concurred. There has been significant media coverage, including *Geraldo Rivera* and *Inside Edition*. (HHS)

THE WHITE HOUSE
WASHINGTON

October 9, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- KENTUCKY

U.S. Marshall Sued for Sexual Harassment: Last week, a Presidential appointee U.S. Marshall was the target of a sexual harassment suit, which was covered heavily by the local media. Because the case is ongoing, DOJ could not give additional information.

Tobacco/Smoking: Tobacco producers continue to be unhappy with the Administration's position on tobacco regulation. Kentucky ranks No. 2 behind North Carolina in the overall U.S. production of tobacco. The state is the No. 1 producer of burley tobacco, used in the manufacture of cigarettes. Although most of Kentucky's 59,000 tobacco farms grow only a few acres of burley, tobacco is the major source of farm income in the state. Farm Bureau members indicate the possibility of voicing their complaint during the President's visit.
(USDA)

THE WHITE HOUSE

WASHINGTON

October 4, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES--NEW HAMPSHIRE

Supplemental Airport Public Benefit Conveyance Issue at Pease Air Force Base:

The base was closed in March of 1991, eliminating nearly 5000 jobs. However, now 74% of the base is being reused. Pease Development Authority (PDA) voted to seek the remaining base property for industrial, commercial and open space purposes under a supplemental airport PBC. This action raised the ire of the city of Portsmouth which had hoped to have the remaining property on the local tax rolls. The city is attempting to block the PBC addition, claiming it is not needed to support airport operations. One solution to the impasse on disposal of the remainder of the property lies with FAA who has agreed to allow local taxation of improvements in certain areas of the airport. The State has also passed legislation to allow Portsmouth to do this. The PDA is now awaiting a response from the FAA explaining/clarifying their tax determination on the PBC. (DOD)

GOALS 2000: The Department announced September 26 grants to 16 New Hampshire school districts. Eighty districts applied for grants, and many applicants who were not selected are upset. However, GOALS 2000 received a 40% increase in the fiscal 1997 appropriations, and communities that were not funded this year are eligible for support next year. The New Hampshire grants, along with those to Montana and Oklahoma districts announced the same day, were the first under new authority for school districts to apply directly to the Department for GOALS 2000 funding. The new Chairman of the state Board of Education, like her predecessor who left the position to run for governor, has opposed GOALS 2000 participation. (DOEd)

Automobile Smog Check Program: EPA has expressed concern about New Hampshire's failure to move forward in developing and implementing an automobile inspection and maintenance program, as required by the Clean Air Act. The agency is working with the Governor and state representatives to develop a program that meets clean air goals without posing an unnecessary burden on New Hampshire motorists. (EPA)

Northeast Interstate Dairy Compact: As one of the Compact states, New Hampshire producers and the state's agricultural community are generally pleased with Secretary Glickman's approval of the Compact, as are other New England states. Therefore, New Hampshire will likely intervene in the recent U.S. District Court lawsuit filed against the Secretary of Agriculture by the Milk Industry Foundation (an association of U.S. dairy processors) in opposition to the Compact. There has been significant regional press interest in

this issue. (USDA)

Cabletron: A Rochester-based computer equipment company, Cabletron, is lobbying the USTR to file a complaint under the WTO's dispute settlement provisions due to an unfair tariff imposed by Great Britain and Ireland on Local-Area-Network equipment. Amb. Barshefsky has given consent [not public] to starting the process to file a case in hopes of bringing the EU to the table. Additional leverage could be used during the U.S.-EU Summit (the EU President is Irish). Senator Dole raised the issue in the NH primaries, and Senator Lott's office is closely watching our activities. There is a fair degree of concern on the part of the NH congressional delegation. (USTR)

Canadian Wool: Under originally the CFTA and now NAFTA, Canada is entitled to ship to the U.S. wool apparel products at the preferential rate of duty that, while made in Canada, are not up to the level of NAFTA content required by the rules of origin. The domestic tailored wool apparel industry and fabric industry have complained that Canada is unfairly targeting the wool suit and sport coat industry with this Tariff Preference Level (TPL). USTR has been consulting with Canada and working with the industry in an effort to strike a compromise between both sides' concerns. Senator Hollings' office drafted legislation, but failed to attach it to the recently-passed CR. The New York and New Hampshire Congressional delegations are keeping a close eye on this issue. (USTR)

THE WHITE HOUSE

WASHINGTON

October 4, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES--MAINE

Portland Bridge Oil Spill: On Friday morning, September 27, a tanker slammed into The Million Dollar Bridge in Portland Harbor, spilling 170,000 gallons of fuel oil. The bridge is damaged and commercial fishing is affected. Extent of damage to fisheries and in particular lobster in Casco Bay is still unknown. The Coast Guard has been effectively responding to the oil spill. The port was closed to marine traffic to establish a safety zone. Response personnel have been effectively removing oil from the harbor, although birds, fish, and shellfish still remain biological concerns. To maintain confidence in the Maine seafood industry, the state has enlarged the no-fishing area to encompass 16 square miles. State and local officials have been in touch with Secretary Pena, who visited the area today, pledging additional assistance as necessary.

The most recent information has federal and state trustees continuing to work cooperatively with the company involved with the oil spill to assess the impact of the oil on the wetlands and wildlife in the Portland area. The local press has reported minor criticism of the placement of boom devices to prevent the spread of oil. In fact, high winds spread the oil despite the placement of the booms. (DOT)/(EPA)/(DOC)

Occupational Safety at DeCoster Eggs: In an action heavily reported in both Boston and local Maine papers, Secretary Reich announced on July 12 a \$3.6 million fine for DeCoster Egg Farms. The business was cited for numerous occupational safety and health violations as well as violations of wage and hour laws. DeCoster had been the subject of numerous investigations and citations. In late July, newspapers reported that several large New England supermarket chains had stopped selling DeCoster eggs. On August 29, DeCoster held a press conference at which they promised to abide by the law. They did not, however, make any progress in the payment of the fine. On September 9, OSHA began the processes necessary for court action on the citations. Most recently, the Department has tested the water at the DeCoster facility for dangerous contaminants. The investigation is continuing. (DOL)

Potato Competition: Maine potato producers who compete most directly with Canadian producers contend that potatoes from Canada compete unfairly with U.S. potatoes in eastern U.S. markets, depressing fresh potato prices. The state's press is very interested in this issue, as are the state's potato producer groups. There have been some threats by potato producers to take actions on their own to stop trucks coming into the United States carrying Canadian potatoes. USDA is monitoring the situation and will report as necessary. Because of

concerns expressed by Florida and California marketing order interests, USTR is continuing to carefully evaluate the merits of a NAFTA or WTO case against Canada.

Over the years, Maine growers of white, round potatoes have expressed discontent with the fact that Canadian potatoes have easy entry through Maine to U.S. markets, but that Canada has placed phytosanitary and shipment restrictions on Maine's potatoes. The 1985 farm bill authorized USDA to spot-check Canadian potatoes to ensure that they meet U.S. grading standards. Because of complaints by Maine growers that Canadian government-subsidized potatoes were driving prices down and capturing East Coast markets, the checks were accelerated in October 1995 through January 1996. Canadian shippers claimed that USDA was harassing them and the Canadian government sent its own inspectors to join U.S. inspectors at the border. In response to this situation, USDA saw the need to increase communication with Canada on potatoes coming from and going into Canada.

USDA will issue a new daily report on imports of Canadian potatoes into the United States, beginning October 7. It will draw upon enhanced daily terminal market reporting of prices and shipments into key U.S. markets, and a new daily survey of Canadian potato imports as they cross the border. Maine is also proposing a mandatory state quality inspection system for its potatoes in lieu of its federal marketing order. Representative Baldacci issued a news release on October 2 announcing the new USDA report. In response to concerns raised by Senator Snowe and Congressman Baldacci, USDA and USTR will dispatch a joint team to meet with potato farmers in Presque Isle, Maine, this weekend. A joint press release from the two agencies will be released today. During the 1995-96 season, the controversy generated considerable international media interest. (USDA) (USTR)

Teachers Work to Rule in Biddeford: The teachers adopted this tactic after more than two years of working without a contract. The mayor vetoed a pay increase approved by the School Board a year ago; the veto's legality is currently before the Maine Supreme Court. (DOEd)

Technical Colleges Fail to Meet Demand: Maine's principal public institutions for postsecondary vocational education are able to accept only 51 percent of those who apply. The state's financial support for these colleges has not increased in the past five years. (DOEd)

FHWA FY97 Funds: Just one week before the beginning of FY97, the Maine DOT was informed that the state's obligation authority for the upcoming fiscal year would be almost 10 percent less than the Department had anticipated. Information released from FHWA Headquarters indicated that due to the 90 percent of payments adjustment authorized in ISTEA, some states will receive more formula obligation authority while others receive less, as the relative distribution of apportionments changes among the states. Up until this notification, Maine had been planning on an obligation ceiling of \$92 million for the FY. This ceiling had been supported not only by the state's FY96 obligation limitation, but also by figures in the proposed USDOT appropriations bill. Given these facts, the new \$84 million projection took state officials by surprise. This reduction is especially painful since the state has been trying to develop priorities against its higher apportionment levels (totaling almost

\$100 million for the upcoming year). Having to eliminate another \$8 million in identified needs, along with the \$8 million already shelved, increases the backlog of unfunded needs in the state. (DOT)

Hathaway Shirt Factory: The Economic Development Administration (EDA) has been involved in discussions with officials from the City of Waterville on a plan to mitigate the effects of the planned closure of the Hathaway shirt factory, which provides 550 jobs to the area. An initial grant request for \$1 million has been considered for the city to purchase the facility, then lease it to the new ownership group, which includes former Governor John McKernan. EDA funds are not normally used for acquisition, but talks continue to determine the most effective format of EDA assistance to the region. (DOC)

Canadian Wool: Originally under the CFTA but now under NAFTA, Canada is entitled to ship to the U.S. at the preferential rate of duty wool apparel products that, while made in Canada, are not up to the level of NAFTA content required by the rules of origin. The domestic tailored wool apparel industry and fabric industry have complained that Canada is unfairly targeting the wool suit and sport coat industry with the Tariff Preference Level (TPL). USTR has been consulting with Canada and working with the industry in an effort to strike a compromise between both sides' concerns. Senator Hollings' office drafted legislation, but failed to attach it to the recently-passed CR. The New York and New Hampshire Congressional delegations are keeping a close eye on this issue. (USTR)

Clearcutting: A November ballot referendum to curtail clear-cutting of forests has splintered environmental groups, the business community, and the public. (EPA)

Northeast Interstate Dairy Compact: As one of the Compact states, Maine producers and others in the state's agricultural community are generally pleased with Secretary Glickman's approval of the Compact. Maine will likely intervene in the recent U.S. District Court lawsuit filed against the Secretary of Agriculture by the Milk Industry Foundation (an association of U.S. dairy processors) in opposition to the Compact. The Compact's purpose is to bring price stability to New England dairy producers. There has been significant press activity questioning the Compact in recent weeks. (USDA)

THE WHITE HOUSE
WASHINGTON

September 26, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- MASSACHUSETTS

Southbridge Defense Finance and Accounting Training Center: As part of DOD consolidation plans, Southbridge hopes to secure approval for a major conference/training center and a 325-room hotel. The City's plans exceed DOD training requirements. DOD is working with Senators Kennedy and Kerry, Rep. Richard Neal, State and local officials and the White House to reach agreement on a viable plan; we hope to be able to announce it during your visit. (DOD)

Massachusetts Military Reservation: A series of contaminated groundwater plumes emanating from the Massachusetts Military Reservation on Cape Cod have turned this active military base (Otis Air Force Base) into one of the region's most complex and controversial toxic waste sites. The cleanup of this site has enormous technical complexities and is under intense public scrutiny. Forty three sites were identified for evaluation and cleanup, and serious hydrologic and ecological impacts were revealed. In July, the Air Force submitted a final comprehensive cleanup plan, including design and installation of a groundwater treatment system. Current community and regulator feedback indicates positive progress. (EPA, DOD)

Judge Rejects Racial Preferences for Public Schools: The controversy continues over Judge Garrity's August preliminary ruling suggesting that he would find Boston's system of racial preferences for its prestigious "examination schools" unconstitutional. Although originally critical of the ruling, Mayor Menino has criticized the Boston School Committee's reluctance to respond by abolishing the system, under which 35 percent of the places at the schools are reserved for African American and Latino children. The issue receives almost daily press attention. (DOEd)

State Board of Education Restructuring: Governor Weld, along with his controversial new Board of Education Chairman, John Silber, persuaded the MA legislature to cut the size of the Board from seventeen members to only nine. Governor Weld's original proposal to eliminate all minority members of the Board caused an uproar, and at the last minute he appointed one African-American, Patricia Crutchfield. (DOEd)

Boston School Committee Restructuring: Boston residents will vote this November on whether to allow the mayor to continue to appoint the school committee, or to popularly elect the committee. Business leaders generally side with the Mayor against a loose coalition of parents who prefer the former practice of electing the committee. (DOEd)

Pending Tobacco Litigation: Several states, including Massachusetts, have sued American tobacco manufacturers to recoup Medicaid costs of tobacco-related illnesses. The Liggett Group tobacco company has agreed to settle with five of those states (MA, WV, FL, MI and LA) with payments extending over 25 years. Massachusetts' suit seeks to recover \$1 billion. As of July, MA has reported receipt of \$200,000 in its suit against the Liggett Group. (HHS)

AFL-CIO Pension Fund Development in Boston: Lowell Square Apartments, located in a prime residential and commercial development area in Boston's West End, is the Administration's first innovative affordable rental housing built with a combination of private pension funds and federal rental assistance. The apartment complex, now ready for occupation for 183 families, is facing controversy in the admissions process. Former residents of the West End would like priority and 100 percent occupancy of the new complex. HUD has worked out a preference system that would allow 55 percent of the units to go to old West Enders. However, HUD is under court order to affirmatively market the units (most former residents are white). Negotiations are ongoing. (HUD)

Central Artery Tunnel Project: Construction of this project continues to be controversial on the local level, largely because of cost. While FHWA oversight has addressed these concerns, there is new concern from some local officials that the Secretary of the State DOT has now become Chief Executive of the MA Turnpike Authority. In this capacity, he could divert toll revenues to the Central Artery Project. (DOT)

Northeast Interstate Dairy Compact Supported In New England: Producers and others in the Massachusetts agricultural community are pleased with Secretary Glickman's approval of the Northeast Interstate Dairy Compact. They anticipate the Compact will help maintain milk prices at levels beneficial to the many small and family owned dairy farms in New England. However, milk producing states outside of New England, such as Wisconsin and Minnesota, report a highly negative response to the Compact. Record milk prices currently mute the arguments against the Compact. (USDA)

THE WHITE HOUSE
WASHINGTON

September 26, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- TEXAS

Prison Reform: State Attorney General Dan Morales called AG Reno on Sept. 25 to ask for her intervention in a pending case under the Prison Litigation Reform Act (PLRA), entitled Ruiz. This is a consent decree regarding TX prisons which has been pending since the mid-1970's. After PLRA was enacted this spring, DOJ joined Texas in a motion to terminate the consent decree. According to Morales, last week, his office was advised by an attorney from the Civil Rights Division that the Department was changing its position and would not join the State in its motion. Despite what was reported, the Justice Department, in fact, did not change its position and so advised staff at the TX AG's office last week. For reasons unknown, these calls were not reported to AG Morales. Justice filed its brief in the Ruiz case in support of the State position the same day, and is publicly on record as supporting Texas. (DOJ)

Kelly Air Force Base, San Antonio (BRAC 95 realignment): The Air Logistics Center (ALC) is set to close in 2001. The ALC is the largest organization at Kelly, employing approximately 11,000 civilians at the time of the BRAC announcement. Expected job losses include 4,998 military, 10,150 DoD/contractor civilian, and 19,476 indirect. The American Federation of Government Employees filed suit in March, alleging the work done at Kelly is being illegally privatized. The Sierra Club also has initiated an endangered species lawsuit which may limit groundwater availability at Kelly AFB. (DOD)

Houston Drug Bust: On September 6, Customs agents seized more than a ton of cocaine worth an estimated street value of \$100 million from a Colombian-registered ship that arrived at a private dock in Houston. It is believed to be the largest cocaine seizure this year. The manufacturing equipment in which the drug packages were hidden was en route from Colombia to Tampico, Mexico, and likely would have been headed into the U.S. via land routes from Mexico. (Treas)

Houston City Council: The media reports that the Justice Department is investigating allegations that current and former members of the Houston City Council have accepted unlawful payments in return for their support of a \$150 million hotel development project. (DOJ)

Schools Sue State Over High-Tech Funds: A group of 75 school districts has filed suit against the State Board of Education, arguing that it is illegally withholding \$89 million in funds for new student computers. The lawsuit contends that the board has reneged on a promise by the Texas Legislature to use surplus education funds this year to pay for classroom computers. (DOEd)

Texas v. Hopwood: The banning of affirmative action in college admissions by the Fifth Circuit U.S. Court of Appeals remains the most important education issue in Texas. The Texas Attorney General has advised state colleges and universities to no longer consider race in awarding scholarships and loans and to use only "race neutral" factors such as economic need and family background in making admission and financial aid decisions. (DOEd)

San Angelo Discrimination Complaint: The Department hopes to resolve by September 30 a Title VI racial discrimination complaint that last December received substantial national press attention and continues to receive local coverage. The complaint alleged that a black student had been removed as quarterback for the San Angelo high school football team due to racial prejudice. (DOEd)

Drought: The prolonged drought continues to cause hardships in central and south Texas. While beneficial rains have recently come to west and east Texas, farmers and ranchers continue to suffer because of the loss of their hay production. The Administration has responded with extensions of the Livestock Feed Program and the Feedgrain Disaster Reserve. Also, haying and grazing has been allowed on Conservation Reserve Program acres. In addition to the drought, Texas ranchers and cattle feeders have suffered heavy financial losses. Low prices, reduced pastures, and high feed costs have combined to cause a nearly \$2 billion loss to Texas livestock producers. (USDA)

Edwards Aquifer: The Edwards Aquifer, an underground reservoir, is the principal drinking water and irrigation source for over one million people in the San Antonio area. Over recent years, the flow level of the aquifer has dropped severely due to increased water withdrawals and diminished flows during the current drought; this has caused concern among various local groups: environmental groups are concerned that local endangered species will become extinct; local residents are concerned that drinking water and wildlife needs will not be met if water withdrawals are not regulated. (EPA)

Municipal Storm Sewer System Pollutants: The storm sewer systems of the cities of Houston and Pasadena and Harris County drain into the Galveston Bay watershed. Pollutants found in stormwater discharges from these systems are contributing to the water quality problems of the Houston Ship Channel, the San Jacinto River, Galveston Bay, and their tributaries. Environmental groups are concerned about the impacts on water quality and closed shellfish beds. (EPA)

BORDER ISSUES

Texas Border Issue: Narcotics traffickers are buying available land from ranchers and border property owners. Approximately one month ago, the Senate held a hearing to explore the issue. A rancher related his story anonymously because of fear of retaliation by the traffickers. The Administration was criticized for not doing a good job protecting the border, and Senators Gramm and Domenici called for a huge increase in border patrol personnel. This issue currently receives significant press coverage. (Treas)

North American Development Bank (NADBank): The 17-month old NADBank, created under NAFTA, has been criticized recently for its slowness to approve and disperse loans. On September 20, the NADBank Board of Directors approved the Bank's first two environmental financing packages along the U.S.-Mexico border: \$1.1 million wastewater treatment plant in Matamoras, Tamaulipas (near Brownsville, TX); and \$830,000 water supply and wastewater treatment facility for the small community of Naco, Sonora (near Cochise County, AZ). (Treas)

Immigration Reform: Agricultural employers are wary of immigration reform because they fear labor shortages. Many agricultural employers are unaware that the White House has directed agencies involved to seek improvement in the permanent H2-A temporary farm worker program. (USDA)

Sierra Blanca Site: The Texas Low-Level Radioactive Waste Disposal Authority has applied to the State for a license to dispose low-level radioactive waste at a site in Sierra Blanca. The site is 80 miles from El Paso and 16 miles from the U.S.-Mexico border. There has been a great deal of opposition to the proposed site from community and environmental groups, Mexican local and state authorities, and citizens from both sides of the border. (EPA)

U.S.-Mexico Air Issues: Two Mexican power plants, Carbon I and II, are generating significant levels of air pollution near the U.S.-Mexico border, causing public concern about reduced visibility and air quality in the nearby Big Bend National Park. Because these coal-burning plants do not have pollution controls in place, they are one of the largest sources of air pollution in the region. You discussed this issue with President Zedillo during your meeting in Washington in October 1995. The U.S. and Mexico have agreed to conduct a joint field study to assess the environmental impacts of these plants. Also, El Paso shares a common border and airshed with Juarez, Mexico, and is unable to meet U.S. air quality standards without the cooperation of Juarez industry. (EPA)

Drug Gangs Terrorize the Texas Border

Ranchers Seek Bigger U.S. Military Role Against Sophisticated Outlaws

By William Branigin
Washington Post Staff Writer

EAGLE PASS, Tex.—Using night-vision devices and walkie-talkies, scouts armed with assault rifles sneak along trails through a jungle of dense riverside cane to reconnoiter a rendezvous site. Then they signal their comrades to follow, and porters snake across the river and through the cane in single file, followed by more armed men.

To ranchers who live in the area and occasionally have witnessed them, such operations resemble military exercises. But these are not soldiers on maneuvers. They are gangs of Mexican drug traffickers who have become increasingly brazen as they push tons of marijuana, cocaine, heroin and amphetamines across the Rio Grande into the United States with virtual impunity.

According to residents and law enforcement offi-

cials, southwestern Texas these days is a frontier under siege. The cattle ranches that stretch for miles along the river dividing the United States from Mexico mark the front lines of a kind of guerrilla war—one being waged by armies of drug traffickers equipped with, among other gear, cellular telephones, radio scanners, digital pagers, fax machines and satellite global positioning systems.

It is a war that many ranchers fear the United States is losing, and they want the U.S. military to step in and play a more open, active role.

Armed drug gangs are riding roughshod across their property, ranchers say, terrorizing their families and ravaging their lives. The gangs have torn down fences on both sides of the border, scattered cattle, commandeered houses and threatened citizens who get in their way.

See RANCHERS, A4, Col. 1

Mexican Drug Gangs' Border Crossings Prompt Texans to Call for Military Role

RANCHERS, From A1

The Border Patrol reported 24 armed encounters and assaults against its agents in its Del Rio Sector, a 205-mile stretch of border that includes Eagle Pass, during the first eight months of this fiscal year, compared with eight in the same period last year.

In January, a Border Patrol agent killed in a shootout with a drug trafficker a few miles from town. On Jan. 16, an agent in Brownsville, Tex., was wounded in a shootout with two suspected traffickers.

Alarmed by signs of the gangs' growing wealth, organization and power, U.S. and Mexican ranchers say they feel increasingly helpless against the incursions. Some are thinking of selling their ranches—even though they know that prospective buyers are few men for traffickers seeking to consolidate holdings on both sides of the river to facilitate the flow of drugs.

"Our government won't admit that we have an invasion going on," said one angry landowner who, like a half-dozen other ranchers interviewed, asked that his name not be used for fear of retaliation. "They'd rather sacrifice us than in a forcible manner."

"It's just not our land anymore, when armies cross it," said the wife of another rancher. "It's a no man's

land." Adding to the drug-trafficking problem, officials say, is a sharp increase in the smuggling of illegal aliens across the border in these parts. Often the two are intertwined: Smugglers hired by Mexican cartels to move drugs typically started out by guiding illegal aliens across the border, and many use the migrants as porters to carry loads of contraband across the river in exchange for a discounted price for their passage.

"There are now clear indications that the gangs that traffic in human beings also traffic in drugs and weapons," said Donald F. Ferrarone, special agent in charge of the Drug Enforcement Administration's Houston office. He said that after the Border Patrol began reinforcing its agents in California two years ago, drug and alien smuggling groups "did a military swing" to the east, targeting the "soft underbelly" of southwestern Texas.

With its 1,268 miles of border with Mexico, Texas has become a major conduit for drug smuggling. The DEA estimates that 70 percent of the drugs smuggled into the United States come across the U.S.-Mexican border.

"It's wide open," a rancher said of the border in his area near Eagle Pass. "There's nothing to prevent driving anything you want across it."

Most of the drug loads smuggled in this area consist of marijuana, ranchers and federal officials said.

In the current fiscal year, the Border Patrol says it has seized 65,330 pounds of marijuana in its Del Rio sector, nearly double the amount seized last year. Yet federal officials estimate that their seizures account for less than 15 percent of the drugs coming across the Texas border.

In a hearing in Washington last July, Ferrarone told the Senate Judiciary Committee that Mexican traffickers have established an elaborate drug smuggling infrastructure that includes a network of "command and control centers" in major U.S. cities that oversee distribution in the United States.

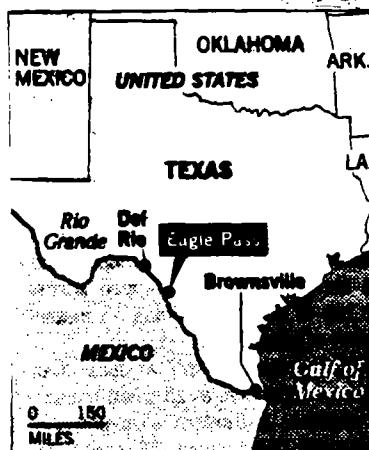
The organizations have been hard to crack because they are "compartmentalized" at every stage of their actions, a technique learned from Colombian traffickers to protect the groups' key members.

Some senators, including Democrat Dianne Feinstein of California, indicated they might support a permanent military presence at critical border areas.

In fact, the military is there, but in a transient backup role limited to helping the DEA and Border Patrol with surveillance and communications. Ranchers hope U.S. soldiers come in at night in three-man teams with night-vision equipment and attack before daylight.

The military is prohibited from apprehending illegal immigrants or otherwise enforcing U.S. domestic law. But advocates of a greater military role on the border say its involvement could be justified by its duty to repel foreign invasions, in this case the legions of drug traffickers. So far, the limited use of soldiers in a backup role has been kept quiet, partly out of a desire to avoid alarming Mexico by stirring up accusations that the United States is "militarizing" the border.

"They have instructions that they cannot show themselves or their weapons," said a rancher who described meeting a team of soldiers or



his property. But, he added with a wave toward the river, "the Mexican army is right over there. They're not worried about public opinion."

O rancher who testified anonymously at the Judiciary Committee hearing said he no longer calls local police because he suspects that they and other local officials have been corrupted by the traffickers. Wearing a hood and sitting behind a curtain as he spoke into a microphone that altered his voice, the rancher expressed fear of retaliation if he were identified.

Whether the corruption charges are true or not, it is clear that, along stretches of border, U.S. authorities find themselves outnumbered and often outgunned.

Benny Carrasco Jr., chief of the Border Patrol station at Eagle Pass, 88 agents, including himself, to the 55 miles of border in his sector. In practice, he said, this means that only 12 to 15 agents are deployed on any given shift—a staffing level that favors the drug-runners in rural areas.

"We've been getting beat a couple times a week for the last two months," said Luis Valderrama, a supervisory Border Patrol agent in Eagle Pass.

In a pasture near the river, amid squat mesquite trees and clumps of cactus, a wooden cross inside a barbed-wire enclosure marks the spot where a fellow agent, Jefferson Barr, 33, was gunned down Jan. 19 after surprising marijuana smugglers for the second time that night. Barr's suspected killer received a gunshot wound to the stomach, but managed to escape across the border and was subsequently arrested by Mexican police, Valderrama said. Mexico has rejected a U.S. extradition request, however, vowing to try the suspect in a Mexican court.

According to ranchers, marijuana is stockpiled on Mexican ranches across the river and brought across in loads ranging from a few hundred pounds to several tons. It is typically packed in 60-pound seed bags wrapped with black tape or spray-painted in camouflage colors. Trucks drive the bags to

crossing points on the Mexican side, where porters known as "mules" unload them and carry them across. The river is narrow and only a few feet deep in places, and the porters rarely have to walk more than 100 yards or so, the ranchers say.

On the U.S. side, trucks drive down close to the river on the ranchers' property and load the bags, often in clearings amid the bamboo-like carriso cane that are hidden from the nearby road.

One rancher said he has found on his property a 60-pound bag of marijuana that smugglers accidentally left behind. Border Patrol agents said they have recovered Russian night-vision goggles. The rancher said his tips to the Border Patrol have helped them seize around six tons of marijuana along a five-mile stretch so far this year, and he suspects that the traffickers may know of his cooperation. He pointed to a bullet hole in the side of his house from a recent drive-by shooting.

Another rancher recounted sitting hidden in a deer-hunting blind recently when a man in camouflage fatigues and carrying an AK-47 assault rifle emerged from the cane, followed by a column of drug-carrying "mules" with another armed escort at the rear—all in broad daylight.

A Mexican rancher said smugglers are even more brazen on his side of the border. He said drug-laden planes land on roads near his ranch and are met by Mexican federal police who escort the loads to the border. He was once chased off his property by traffickers, whom he found unloading a marijuana shipment. Some of his cattle have been killed as an apparent warning, he said. Now, he no longer lives on the ranch, but visits it during the day, making sure to leave before late afternoon.

"We're so vulnerable to retaliation it's unreal," the Mexican said. "They could kill off our whole herds, and that's all we have."

THE WHITE HOUSE
WASHINGTON

September 26, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- RHODE ISLAND

Strike Force: There is an investigation pending into allegations that State Attorney General Jeff Pine's Strike Force (the State's multi-agency task force to combat violent crime) has been engaging in false arrest and other illegal and deceptive tactics. (DOJ)

Providence Teachers Reject Contract: The teachers' union on September 12 failed to approve the contract negotiated by its leaders with the school district. The teachers objected to a provision of the contract that would have allowed the school district to continue to exceed a maximum class size of 26 students. The union filed a lawsuit to enforce the class size, and a judge will hear the case September 27. Rhode Island teachers are prohibited by law from striking. (DOEd)

Budget Cuts Proposed for State Environmental Agency: Governor Almond has proposed a seventeen percent cut in the RI Department of Environmental Management's (DEM) FY 97 budget, which EPA believes could result in the roll-back of hard fought environmental and public health protection gains and EPA taking back certain programs which it has delegated authority to the State to run. The DEM has projected layoffs in several programs including emergency response, brownfields clean-up, and the Marine Monitoring, Agriculture, Water and Waste programs. (EPA)

Narragansett Bay Combined Sewer Overflows: The Narragansett Bay Commission (NBC) includes the cities of Providence, Central Falls, Pawtucket, Cumberland, Lincoln, Johnston, and North Providence. It owns and operates two wastewater treatment plants that discharge to the Bay. NBC has approximately 80 sewer overflow points (combined sewer overflows, or CSOs) that discharge 3 billion gallons of raw or inadequately treated sewage into the Bay annually. CSOs remain one of Rhode Island's greatest threats to the quality of coastal waters and bathing beaches. NBC's proposed plan to control these CSOs (designed to comply with the State CSO abatement plan) would cost an estimated \$500 million and result in more than a 300 percent increase in residential user fees. (EPA)

THE WHITE HOUSE
WASHINGTON

September 26, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- NEW HAMPSHIRE

GOALS 2000: The Department is scheduled to announce grants to New Hampshire school districts today. These grants will be the first under new authority for school districts to apply directly to the Department for GOALS 2000 funding. However, the current Republican candidate for Governor vigorously opposes GOALS 2000 participation. (DOEd)

Sex Education Lecturer Dismissed: On August 26, the Bedford school board dismissed a local doctor who was employed to lecture students on sex education. Some parents had complained that the doctor had performed abortions, but district officials claimed that the doctor was dismissed for his own protection because he had received death threats. This continued to received local press coverage early in the month. (DOEd)

Gillnet Commercial Fishery Concerns: New Hampshire commercial gillnet fishers have asked the New England Fishery Management Council to review allocation of gillnet vessel days-at-sea, and also have expressed concern about the impact of mandatory seasonal closure of nearby fisheries. (DOC)

Route 16 Bypass: The Federal Highway Administration and the NH Department of Transportation propose to build an approximately 8-mile-long, two-lane, limited-access highway from Albany to Bartlett, bypassing the Conway/North Conway area. The highway is intended to relieve traffic congestion and improve safety conditions along the State's Route 16 and U.S. Route 302. NH DOT's preferred construction plan will have significant adverse public health and environmental impacts. The plan's proposed actions include filling twenty-seven acres of wetlands, clearing over 300 acres of vegetation, fragmenting large blocks of significant undeveloped wildlife habitat, and disturbing more than 4,000 sq. ft. of stream bed. EPA's Region I office is currently working closely with the State to resolve this issue. The final Environmental Impact Statement is expected to be released in a few months. (EPA)

VA Medical Center: The VA Network, of which the Manchester VA Medical Center is a part, is currently reviewing a consultant's recommendation to close acute inpatient services at the Medical Center. The talk of closure was picked up by the *Associated Press* at a public meeting held by Senator John Kerry in Manchester on September 16, when he announced his support of Dick Swett in his campaign to unseat Senator Smith. There is no truth to this rumor. (VA)

Crime Act: The 1994 Crime Act includes a provision which requires states to have in place a mechanism so that child-care providers can have access to records on convicted sex offenders. This is known as the "Jacob Wetterling Act." States which don't comply by September, 1997 will lose certain grant funds. As it turns out, 49 of 50 states, including NH, are not in compliance. Senator Judd Gregg, Chairman, Senate Appropriations, has raised serious concerns about this and suggests that the Crime Act is therefore flawed. If legislative amendments were offered the Administration might have to admit flaws in legislation that is a cornerstone of Administration efforts and moreover, changes in the Wetterling Act could be construed by some as a "weakening" of anti-crime efforts. (DOJ)

THE WHITE HOUSE
WASHINGTON

September 24, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- PENNSYLVANIA

PITTSBURGH

Pittsburgh Area Pilot Lost at Sea: Pittsburgh area resident Clark Woodard, a civilian pilot, went down in his private aircraft in rough seas 500 miles west of Lajes, Azores, on September 16. The Portuguese government, having search and rescue jurisdiction in this area, initiated search and rescue efforts with full cooperation from U.S. military and diplomatic agencies. No wreckage or survivors were sighted, although the standard 72 hour search was extended by 48 hours. The Pittsburgh press has criticized the DOD/U.S. response to the incident, although full support was given to the search and rescue efforts. This has received significant coverage in local papers. (DOD)

Public Housing Desegregation Case: Pittsburgh/Allegheny County is under court order to desegregate its public housing. Opposition has emanated from the need to construct or develop public housing in communities that never had public housing before. The issue is ongoing. (HUD)

PHILADELPHIA

Desegregation Case: The Supreme Court of PA last week seized full control over Philadelphia's 25-year old desegregation lawsuit, relieving Judge Doris Smith of authority in the matter and overturning her mid-August decision ordering PA to provide \$45 million to the Philadelphia school district to pay for desegregation. The decision leaves unresolved the issue of how the district will raise the funds necessary to institute controversial superintendent David Hornbeck's plans to reform and improve city schools. (DOEd)

Philadelphia Naval Base Complex: The Naval Base and Station closed in January, and the Shipyard will close on September 27. Civilian employment will drop from 15,000 to 2,000 at that time. While not a problem yet, the negotiations regarding payment terms and the amount of time it takes to arrange property transfer will most likely be a concern for the Mayor. (DOD)

Philadelphia Orchestra: For the first time in 30 years, the members of the Philadelphia Orchestra are on strike. The strike began on September 16 after the musicians rejected overwhelmingly the Orchestra Association's last offer. All performances through September 24 have been canceled. The principal issue in dispute is the continuation of the electronic-media guarantee, a salary supplement for recording and broadcast work. Talks are continuing. (DOL)

Armcor: Three South African corporations -- under indictment in Philadelphia -- allegedly acquired arms and other restricted materials from the United States. They have agreed in principle to enter pleas and pay fines totalling \$12.5 million. DOJ is in the process of working out the details of the plea agreement with Armcor and anticipates that pleas will take place this month. (DOJ)

Medicare Overbilling: On August 23, *The Philadelphia Inquirer* ran a front-page article on Thomas Jefferson University Hospital's teaching physicians' agreement to pay the U.S. Government \$12 million for overbilling Medicare. Auditors found \$12 million in improper billings: either charges by faculty doctors for services actually performed by medical residents, or charges that were not documented by medical records. (HHS)

Newspaper Series: Since September 8, *The Philadelphia Inquirer* has been running a series "America: Who Stole the Dream" that examines what is happening to the American middle class. The Labor Department received negative coverage in the September 14 article about the Employment and Training Administration's alien certification program and the September 18 article that addressed job training. (DOL)

CLOSE HOLD: SPC/Camden Iron: In the spring of 1996, EPA filed a judicial complaint against SPC/Camden Iron (Camden) for violations of Clean Air Act Title VI regulations. EPA took this action because Camden failed to remove refrigerant from certain small appliances and failed to comply with the refrigerant removal verification requirements. Philadelphia Mayor Rendell contacted Regional Administrator Michael McCabe who explained the nature of EPA's allegations. The Mayor raised this issue again September 12, when he -- at the request of the City of Camden -- called and wrote Administrator Browner. The defendants have asked the court to dismiss the parent company from the suit and to dismiss the suit entirely. EPA's Assistant Administrator for Enforcement and Compliance Assistance contacted Mayor Rendell on September 19 and explained that EPA and Camden were in the midst of settlement negotiations. EPA's Region 3 is providing a written response to the Mayor as well. (EPA) **END CLOSE HOLD**

Food Safety Approval Withheld: Meat products from Amoroso Foods Inc. in Philadelphia will no longer receive the USDA seal of approval until the plant comes into compliance with food safety regulations. The owner has been in contact with Cong. Foglietta and federal officials in an attempt to reopen the operation. Claiming bias and unfair treatment, the owner seeks to remove certain USDA Food Safety and Inspection Service inspection personnel. The plant needs to show extensive improvement before it can come back into compliance. (USDA)

THE WHITE HOUSE
WASHINGTON

September 19, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *for hilly*

SUBJECT: HOT ISSUES -- SOUTH DAKOTA

Barley Growers Criticize Administration: On September 16, Secretary Glickman and Acting U.S. Trade Representative Barshefsky issued a joint press release on wheat and barley trade with Canada, a topic sensitive to the agricultural community in the State, announcing that the Administration would monitor import levels and would take appropriate steps if imports rise above 1993/94 record levels. This position is a continuation of a policy put in place last year by the Administration. The National Barley Association responded strongly to the press, stating that the Administration has "ceded a playing field to [the] Canadian Wheat Board," because they wanted a much lower import "trigger" than the 1993/94 level. (USDA)

Concentration/Competition: Agricultural concentration is a concern in many states, especially SD. Nationwide, four firms control approximately 80 percent of the meatpacking market for red meat. The nation's largest meatpacker, IBP, is moving its headquarters to South Dakota from Iowa, and USDA has filed an administrative action against the company, alleging that certain preferential pricing practices violate the Packers and Stockyards Act. In general, farm organizations and Members of Congress are concerned about competition among corporate livestock and poultry facilities. Secretary Glickman has established a review and response task force to deal with recommendations of the Advisory Committee on Concentration. Representative Johnson has taken a lead in seeking legislative enactment of a Dealers Trust to benefit unpaid sellers of livestock to dealers and market agencies. (USDA)

Low Beef Prices: As a major beef production state, South Dakota beef producers are facing economic hardship caused by high feed costs, reduced pasture, record low prices, and a decreased demand. The Administration is taking several actions to alleviate this situation, including beef purchases of up to \$50 million for domestic feeding programs. (USDA)

Rep. Johnson and Head Start Grant, Flowering Tree Program: At-large Representative Tim Johnson has expressed concern about two recent grant-related issues. On August 23, the Badlands Head Start program, serving Bennett and Shannon counties, received routine refunding from the Administration for Children and Families, in the amount of \$480,000. The HHS legislative office provided notification by mailing and faxing advance notice to the Senators and Representative Johnson. Senator Larry Pressler announced the grant via press release. Johnson has expressed concern that he was unaware of the grant, despite the notice provided to his office. The HHS legislative office has contacted Johnson's office with their

regret over the situation. Additionally, on September 6, Representative Johnson wrote Secretary Shalala to express his regret that the Flowering Tree program administered on the Pine Ridge Indian Reservation will no longer receive funding for its sobriety program serving alcoholic women and their children. This funding is related to broader appropriations issues. The Department is reviewing the situation. (HHS)

Family Violence and Prevention Grants: The Administration for Children and Families recently announced the award of Family Violence Prevention and Services Grants for the South Dakota Coalition Against Domestic Violence and Sexual Assault in Pierre. ACF has awarded a new \$34,000 discretionary grant for a public awareness initiative called the Traveling Silent Witness Program. These funds are in addition to the \$46,000 grant for FY96 that goes to the South Dakota Domestic Violence Coalition and the \$200,000 state grant for domestic violence. (HHS)

THE WHITE HOUSE
WASHINGTON

September 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *SHK KAH*
SUBJECT: HOT ISSUES -- WASHINGTON

Western Power Outages: The July 2 electric power outage affected approximately 2 million customers in 14 western states for a period ranging from several minutes to over six hours. This was followed by a much smaller outage on July 3 that was limited to customers in Idaho. An August 10 outage interrupted service to 6.8 million customers in the same area for periods ranging from several minutes to ten hours. While the outages were unrelated, they originated from similar circumstances - heavily loaded transmission lines being shorted out by trees. In each case, voltages became unstable and the electric grid was separated into island to protect electrical equipment and facilitate system restoration.

Other factors included the lack of generation at hydro projects in the Mid -Columbia region including the Dalles dam. The Dalles operation has been curtailed due to spilling water to aid the migration of threatened juvenile fall Chinook. It is estimated that twenty thousand juvenile fall Chinook will migrate this year. The operation at the Dalles dam was modified for three days to increase power output to assure that there would be adequate power to meet needs along the west coast, particularly in California. It is estimated that during the three-day change in operation that the increase mortality to juvenile fall Chinook was in range of five to six fish.

Letters are currently being sent to the North American Electric Reliability Council and the Western Systems Coordinating Council by the Secretary of Energy requesting a specific response to the recommendations contained in DOE's Report to the President. The Western Systems Coordinating Council is in the final stages of preparing its disturbance reports on the outages and will discuss them with the Board of Trustees of the North American Electric Reliability Council on September 16 and 17. The reports contain many recommendations to improve electric reliability, some of which have already been implemented. (DOE)

Coastal Erosion Increasing along Southern Washington Coast: The causes for increased coastal erosion along many segments of the Washington coast remain a mystery. Several multi-million dollar condominium buildings are in danger of being undermined at Ocean Shores during upcoming winter storms. Tens of square miles of shoreline are actively being

eroded on the north shore of the entrance to Willapa Bay, and the City of Westport has been temporarily spared from further destruction by costly filling of a breach at the south jetty to Grays Harbor. (DOI)

Dredging the Lower Columbia River: In order to maintain the Port of Portland as a leading international grain port, port officials contend that the lower Columbia needs to be dredged to accommodate larger vessels. Most of the commodities exported from the Port of Portland are cereal grains and wood chips (the major link to Asia and the Middle East). Oregon, Washington, and Idaho rural areas are heavily dependent on the Port. The Army Corps of Engineers has just released a preliminary report and feasibility study about possible dredging and dredge spoils disposal options. Environmentalists oppose it because of the potential impact on fish and the disposal of the dredging spoils. While much of the dredged material is expected to be "clean," there is the potential of encountering contaminated sediments from the Willamette River. (EPA, USDA)

Seattle-Tacoma International Airport Third Runway: The FAA has worked for several years with the Port of Seattle on an EIS for a proposed 8,500-foot third runway at Seattle-Tacoma International Airport. The EIS was approved February 9. The Port of Seattle is expected to request more than \$200 million in federal aid for the project. The cost of the runway is estimated at \$405 million, plus \$50 million for environmental mitigation. No commitment of federal assistance has been made. Representative Randy Tate opposes the project, and neighboring communities have initiated legal action to stop the runway. Senator Slade Gorton supports the project as do Seattle newspapers and area business groups. (DOT)

Voucher Initiative: A ballot initiative would give each Washington student an annual voucher worth at least 55 percent of the amount that state and local governments provide for each child in public schools. Families could use the vouchers to pay tuition at public or private schools that opt into the program. A broad coalition of educational, parental, governmental and labor groups opposes the initiative. (DOEd)

Pesticide Legislation: The Food Quality Protection Act has a significant impact on Washington farmers and consumers. (*See attached background information*) (USDA)

PESTICIDE LEGISLATION

The Food Quality Protection Act has a significant impact on Washington farmers and consumers. The central feature of the Act is the reform and strengthening of the nation's food safety laws. By creating a single, health-based standard for all pesticides on food to replace the outdated "Delaney clause", the Act resolves a long-standing problem faced by the agriculture community. At the same time, the Act requires a full evaluation of pesticides for all health effects and strengthens protections for the diets of infants and children. In addition,

the right-to know provisions of the Act increase the information available to consumers and protect the right of states to enact their own right-to-know and labeling laws.

Provisions of the Act provide new incentives for the registration of minor crop pesticide uses which are of substantial importance to Washington's vast fruit, vegetable, and nut industry. The Act also includes provisions that will speed the registration of new, safer alternatives, such as biological pesticides. Finally, provisions, introduced by Representative Dooley, will improve the availability of pesticides that combat public health pests such as mosquitos. The net effect of these provisions will be to increase the availability of safe new alternatives for farmers and increase public confidence in the safety of the food supply.

The new legislation also mandates the collection of data on pesticide use and on residue levels in order to accurately assess the exposure to pesticides, particularly in the diets of infants and children. However, the Agriculture Appropriations bill recently passed by Congress eliminated funding for USDA's Pesticide Data program, which collects and submits that data to the EPA. The elimination of funding for this program hinders EPA's ability to accurately assess exposure and may force the agency to use default estimates which can cause the unnecessary loss of an important, and otherwise safe, pesticide because data were unavailable. Neither the public health nor the interests of growers are well-served in that situation. Grower groups, food processors, chemical companies, and environmental groups have expressed support for finding a way to re-instate funding. (USDA)

THE WHITE HOUSE
WASHINGTON

September 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Sf kh*
SUBJECT: HOT ISSUES -- MICHIGAN

Salmon Advisories: In January, Governor Engler unilaterally lifted all State health advisories for the consumption of salmon in Lake Michigan, whose waters are shared by Wisconsin, Illinois, and Indiana. The State has the authority to do this and is relying on a Food and Drug Administration (FDA) safety standard designed for fish sold *nationally*. MI argues that toxic PCB levels have fallen 90 percent in salmon since 1970 and the fish advisories are stigmatizing the State's sportfishing/tourism industry. However, FDA and EPA agree that standards designed for fish sold *nationally* are not protective of local populations that eat relatively large amounts of fish from contaminated local water bodies. EPA and the Centers for Disease Control strongly believe that current contaminant levels in Lake Michigan salmon present unacceptable health risks, warranting tighter restrictions, especially for pregnant women, other women of child-bearing age, and children. The issue has been given increased attention by the release of a recent article in the New England Journal of Medicine about IQ deficiencies in children born to women who ate PCB-laden fish while they were pregnant. (EPA)

Hazardous Waste Landfill: Wayne Disposal, Inc. operates a hazardous waste landfill and treatment operation located in the Ann Arbor/Ypsilanti area. In addition to seeking renewal of existing State and Federal hazardous waste facility permits, Wayne Disposal is expanding their commercial operations by applying to EPA for approval to be a commercial landfill for PCBs. The landfill is located within a quarter mile of residential areas, and less than one-half mile from Belleville Lake in the Lake Erie watershed. Substantial public comments include opposition to this facility's existing operations, past history compliance problems, and repeated odor problems. Senator Levin and Rep. Rivers are outspoken opponents of the landfill. EPA doesn't expect a final decision until fall, 1997. (EPA)

"Greektown Property" Gaming Lawsuit: In 1992, the Sault Ste. Marie Tribe of Chippewa Indians notified BIA of its plans to request that Secretary Babbitt place off-reservation fee land located in the Greektown District of the City of Detroit into trust for gaming purposes. In 1994 after review, Secretary Babbitt sought concurrence of Governor Engler that the acquisition of the Greektown property for gaming would be in the best interest of the Tribe and not detrimental to the surrounding community. To date, concurrence of the Governor has

not been received. This May, the Tribe filed suit against Secretary Babbitt and Governor Engler. The Governor has never officially responded to the Secretary's request for concurrence but has stated in the press that he would never agree to the establishment of an Indian casino in Detroit. (DOI)

Gaming Compact Issues: Three MI tribes (Little River Band of Ottawa Indians, the Little Traverse Bands of Odawa Indians and the Pokagon Band of Potawatomi Indians) tried to negotiate gaming compacts with the State this year. All three entered into and signed identical compacts with Governor Engler. The compacts were submitted to the MI legislature requesting ratification but were not ratified. The Little Traverse Bands of Odawa Indians sued the State for violating the good faith negotiating requirements of the Indian Gaming Regulatory Act (IGRA), but the case was dismissed. (DOI)

THE WHITE HOUSE
WASHINGTON

September 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *SS 10/11*

SUBJECT: HOT ISSUES -- IOWA

Immigration: INS has heightened its enforcement activities in the meat-packing industry and is discovering that meat-packing plants are using illegal aliens on a year-round basis. On the one hand, the Hispanic community is upset with the Administration for what it terms persecution. On the other hand, Senator Tom Harkin is upset that there is not a sufficient INS presence in Iowa. (DOJ)

Hog Waste: Spills from corporate hog farms are a major concern for Iowans and many stories have appeared in the *Des Moines Register* about this subject. In some cases, high levels of ammonia in polluted runoff from leaking hog waste lagoons with high levels of ammonia have eradicated aquatic life in streams and lakes. Construction is underway for a research facility that will focus on environmental quality aspects of swine manure waste management. The center is being built by USDA, but will be operated by Iowa State University (ISU). A research farm is being planned, but is opposed by local environmental and some farm groups. An Environmental Assessment (EA) has been drafted and is being reviewed by public groups. An August 25 *Des Moines Register* editorial indicates that the State Department of Natural Resources opposes the plan based on the EA and suggests that ISU should do the research, but not in the Big Creek Watershed where it is being planned. (USDA)

THE WHITE HOUSE
WASHINGTON

September 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *SH KH*
SUBJECT: HOT ISSUES -- ARIZONA

Grand Canyon Overflight Rule: President Clinton directed the Department of Transportation to complete a final rule on Grand Canyon National Park overflights by the end of 1996 (in his 1996 "Earth Day Parks for Tomorrow" announcement). A Notice of Proposed Rulemaking (NPRM) was issued on August 30, which would establish new and modify existing flight corridors, establish reporting requirements for commercial sightseeing companies operating in the Grand Canyon, and designate flight free periods and/or an interim moratorium on additional commercial sightseeing air tours and tour operators. The goal is to substantially restore the natural quiet and experience of the Grand Canyon. There is an effort by Senator McCain and the Nevada Congressional Delegation to get an extension of the 60-day comment period. The Department believes that extending the comment period at this time is premature. FAA will hold public meetings in Scottsdale on September 16-17 to solicit public comment on the NPRM and the accompanying draft Environmental Assessment (EA), and the comment period for the NPRM closes on September 30. The hearings will likely generate significant local media coverage, and the meeting is open to the general public. DOT expects representatives from the air tour industry who are likely to oppose any major changes to the current flight regulations. DOT also expects participants from the environmental community and groups whose primary mission is to ensure protection of the Park. These witnesses will likely advocate strict measures to limit air tour traffic growth. In addition, several Native American tribal nations have expressed interest and concern about the rulemaking. Their concern is primarily economic, as some of the tribes generate income from the tour business. At least one tribe is also worried about changes to the current flight routes moving noise from the Park over Native American land. (DOT)

THE WHITE HOUSE
WASHINGTON

October 8, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *LMB
for LH*
SUBJECT: HOT ISSUES -- OHIO

Lexis-Nexis: Dayton is headquarters for Lexis-Nexis, the company that for a brief period in June placed individual Social Security numbers on a subscriber database. The SSN information was deleted from the database after 11 days. While the story was reported nationwide, it received relatively more coverage in Dayton because of the local Lexis-Nexis connection. (SSA)

Central State University: DOEd's Office of Civil Rights is working with state officials to resolve a case that focuses on state funding of this historically black school in nearby Wilberforce. The press has extensively covered the fiscal crisis at the school, which has included: an operating deficit of at least \$8 million; \$82 million in identified necessary repairs; the condemnation of all nine dormitories, resulting in a students having to live in off-campus hotels; and the mismanagement of \$482,000 in financial aid monies. The state Inspector General and the state Auditor are conducting investigations and a new Acting President has been named. (DOEd)

Midol Case: On September 6, fourteen-year-old, Kimberly Smartt, was suspended from Baker Junior High School until Febuary for giving a Midol tablet to fellow classmate, Erica Taylor. Smartt is suing the school district, claiming discrimination because she is black. Erica Taylor, who is white, was suspended for only nine days because she agreed to take a drug counseling and education session. Smartt said she took two Midol from the nurse's office without the nurse's knowledge because she was feeling ill and running a slight fever. Smartt took one tablet and gave the other to Taylor who asked for it but never ingested it. The lawsuit states that Smartt was reprimanded more severely than Taylor and that she was never given the opportunity to reduce her penalty by attending the counseling and education session. Fairborn Schools Superintendent, Steve Clifton, stated that the expulsion had nothing to do with race, the district's penalties are more severe for transmitting drugs than for possession of them.

THE WHITE HOUSE
WASHINGTON

September 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *SHM*
SUBJECT: HOT ISSUES -- OREGON

Western Power Outages: The July 2 electric power outage affected approximately 2 million customers in 14 western states for a period ranging from several minutes to over six hours. This was followed by a much smaller outage on July 3 that was limited to customers in Idaho. An August 10 outage interrupted service to 6.8 million customers in the same area for periods ranging from several minutes to ten hours. While the outages were unrelated, they originated from similar circumstances - heavily loaded transmission lines being shorted out by trees. In each case, voltages became unstable and the electric grid was separated into island to protect electrical equipment and facilitate system restoration.

Other factors included the lack of generation at hydro projects in the Mid -Columbia region including the Dalles dam. The Dalles operation has been curtailed due to spilling water to aid the migration of threatened juvenile fall Chinook. It is estimated that twenty thousand juvenile fall Chinook will migrate this year. The operation at the Dalles dam was modified for three days to increase power output to assure that there would be adequate power to meet needs along the west coast, particularly in California. It is estimated that during the three-day change in operation that the increased mortality to juvenile fall Chinook was in range of five to six fish.

Letters are currently being sent to the North American Electric Reliability Council and the Western Systems Coordinating Council by the Secretary of Energy requesting a specific response to the recommendations contained in DOE's Report to the President. The Western Systems Coordinating Council is in the final stages of preparing its disturbance reports on the outages and will discuss them with the Board of Trustees of the North American Electric Reliability Council on September 16 and 17. The reports contain many recommendations to improve electric reliability, some of which have already been implemented. (DOE)

Nike: Nike, Inc. has been accused by human rights organizations of contracting production out to companies in Indonesia, Pakistan, China, etc., which are producing Nike shoes, clothing, soccer balls and other goods under exploitative labor conditions (wage and hour violation, substandard working conditions, harassment of female employees, and in soccer ball

production, using child labor). Press for Change, a small human rights organization based in New Jersey, has dedicated itself to publicizing such alleged abuses and to publicly and repeatedly asking Nike to take responsibility for eliminating them. Nike has responded to such pressure by establishing a code of conduct that it requires its contractors to sign, and by hiring the accounting firm Ernst & Young to independently monitor that contractors are enforcing the code of conduct. Secretary Reich wrote a letter to Nike congratulating it for its efforts in Pakistan and urging it to undertake such efforts in any other country where exploitative child labor or other exploitative labor practices are being used to make their products. In an August 9 editorial, *The Oregonian* praised Nike's decision to formally join the discussion about labor conditions in the Third World. Nike Chairman Phil Knight appeared with you recently to announce the formation of a task force to combat abusive garment industry conditions and identify manufacturers who use sweatshop labor. Industry leaders agreed to report back to you in six months with ideas about how to police themselves. (DOL)

Court Grants Benefits to Partners of Gay Employees: A state court recently ordered the State to provide benefits to the partners of gay public employees. The plaintiffs in the case were employed by the State university system. (DOEd)

Dredging the Lower Columbia River: In order to maintain the Port of Portland as a leading international grain port, port officials contend that the lower Columbia needs to be dredged to accommodate larger vessels. Most of the commodities exported from the Port of Portland are cereal grains and wood chips, with the major link to Asia and the Middle East. and Oregon, Washington, and Idaho rural areas are heavily dependent on the Port. The Army Corps of Engineers has just released a preliminary report and feasibility study about possible dredging and dredge spoils disposal options. Environmentalists oppose it because of the potential impact on fish and the disposal of the dredging spoils. While much of the dredged material is expected to be "clean," there is the potential of encountering contaminated sediments from the Willamette River. (EPA, USDA)

THE WHITE HOUSE
WASHINGTON

September 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *SHR kw*
SUBJECT: HOT ISSUES -- OHIO

Radioactive Materials: The U.S. DOE Fernald uranium production facility in Fernald operated from 1951 to 1988. During these operations, radioactive materials were released into the environment, exposing crops, livestock, workers, and residents in communities close to the Fernald facility to radiation. Under a Memorandum of Understanding between DOE and HHS, the Centers for Disease Control and Prevention conducted a study of the radiological dose and health risks for persons living in the area around the Fernald facility, located approximately 20 miles west of Cincinnati. On August 22, CDC released the report to the community at a public meeting in Harrison. CDC also briefed congressional staff, as well as State and local officials, at that time. Scientists estimated that the long-term residents who lived closest to the facility have an increased risk of developing fatal cancer, particularly lung cancer. The risk and dose estimates differ according to location, the year the exposure began, and the length of exposure. On August 23, the report was front-page news in papers across OH. (HHS)

Cleveland Voucher Program: In a mid-August decision, Ohio's intermediate appellate court upheld Cleveland's controversial school voucher pilot program. The Cleveland program, in its first year this fall, is the only one in the nation that subsidizes parents who take their children out of public schools to attend religious schools. (DOEd)

Central State University Financial Problems: The Department of Education determined in October 1995 that this historically black university must repay \$482,000 for mismanaging federal financial aid. Other programs are under investigation by the Department. The school is operating with a deficit of at least \$8 million and an additional \$72 million is needed to repair campus buildings. In addition, there is an open higher education desegregation investigation of Ohio by the Education Department's Office of Civil Rights, which focuses on this campus. The condition of this school and OCR's investigation have been the subject of considerable press attention. (DOEd)

Waste Technologies Inc. Hazardous Waste Incinerator: The Waste Technologies Industries incinerator, located in East Liverpool, near the PA and WV borders, is the most controversial environmental issue in OH. The incinerator has been the focus of intense opposition by local and national environmental groups because of its location near an elementary school and a residential area. (EPA)

THE WHITE HOUSE
WASHINGTON

September 13, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *CS + KB*
SUBJECT: HOT ISSUES -- ILLINOIS

Illegal Dumping in Chicago (Operation Silver Shovel): An ongoing DOJ/FBI investigation of municipal corruption nicknamed "Operation Silver Shovel" was made public in January. An FBI informant is alleged to have paid bribes to Chicago aldermen and other officials in exchange for construction debris to be dumped in unlicensed dump sites in their wards. A total of 16 dump sites, all in poor, minority neighborhoods, have been linked to the investigation. It may result in the indictment of 30-40 city and other government officials. To date, three aldermen, several city of Chicago employees and a business owner have been indicted. Of those indicted, two aldermen (one Latino and one African-American) and several city employees have pled guilty. The Rev. Jesse L. Jackson has complained publicly to Attorney General Janet Reno of a 'pattern of prosecutions' of elected officials who are of racial and ethnic minorities. He also met with the local U.S. Attorney and held several press conferences. The City of Chicago is pursuing settlements with waste haulers and other parties who may have taken material to these sites, but city officials still expect that there will be millions of dollars of cleanup expenses that will not be attributable to any individual or party. Therefore, the City and members of the Illinois Congressional delegation have been seeking federal funding for cleanup and redevelopment of many of these sites. EPA does not have the statutory authority to clean up the sites if no toxic material is found in the construction debris. (EPA, DOC)

Peotone Airport vs. Expansion of O'Hare: This issue remains a high priority for Mayor Daley. Daley and the airlines are in opposition to the new airport, while the State favors the new airport. (DOT)

Meigs Airport Closure: The issue is of significant concern, given the impending September 30 closure date. This pits the Mayor against the Governor and Representative Bobby Rush, as the State seeks to keep the field open while the Mayor and the City want it closed. Several lawsuits were filed this week to try and stop closure. The press reported today (Sept. 13) that the Coast Guard could operate search & rescue operations from Meigs field, keeping it open. However, the Coast Guard is downsizing in the Chicago area, and this development may put the Mayor's office in a difficult position. (DOT)

Drug Interdiction: In FY 1995, the IL State Police seized more than 7,300 kilograms of cannabis and 1,000 kilograms of cocaine worth more than \$155.3 million. Many of the

seizures were taken from commercial motor vehicles. The American Civil Liberties Union has filed suit against the State Police for targeting Hispanic drivers for drug interdiction purposes. (DOT)

Kerr-McGee Radioactive Waste Superfund Sites: Under an agreement with the State and the City of West Chicago, the Kerr-McGee Corporation began cleanup of its facility in West Chicago (30 miles west of Chicago) in September 1994. This site is contaminated with a large volume of radioactive waste, and is adjacent to a residential area. The facility is under State jurisdiction, delegated from the U.S. Nuclear Regulatory Commission. Material is being shipped by rail to a disposal site in Utah. Four other areas of the community (including potentially hundreds of residential yards) are Federal Superfund sites because radioactive waste from Kerr-McGee was distributed around the community. EPA expects to complete the sampling of individual residential yards in 1996 to determine the extent of contamination. (EPA)

Disability Insurance: Persons who are currently eligible for Social Security Disability Insurance or Supplemental Security Income benefits based on drug abuse or alcoholism (DAA) will be ineligible for cash benefits, as well as Medicare/Medicaid coverage, after January 1, 1997. IL has the second largest DAA population, with approximately 24,000 individuals receiving benefits, or 12.3 percent of the nation's DAA population. (SSA)

THE WHITE HOUSE

WASHINGTON

September 10, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- ARIZONA

Disposal of DDT-Contaminated Waste: Greenpeace, the Southwest Network for Environmental and Economic Justice, and several other Arizona environmental and environmental justice groups are protesting the train shipment of 85,000 cubic yards of DDT-contaminated sediment to a disposal facility in Mobile, about 30 miles outside of Phoenix. There have been several demonstrations resulting in some arrests, and protests may occur during your visit. The groups criticize Arizona's environmental standards as being too weak to protect public health. The contaminated sediment originates from the cleanup of a Superfund site (United Heckathorn) in Richmond, CA. While California regulations classify the contaminated sediments as hazardous, Arizona and federal regulations do not. EPA and the State have publicly stated that the Arizona disposal facility is in complete compliance with state and federal rules and regulations and is designated to handle this material in a safe manner without exposure or danger to public health or the environment. (EPA)

THE WHITE HOUSE
WASHINGTON

September 9, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*
SUBJECT: HOT ISSUES -- COLORADO

Drought: Much of the state is under extreme/severe drought conditions, impacting ranchers, farmers and consumers. USDA has designated 33 counties eligible for Emergency (EM) loan funding. Twelve additional counties are pending. (USDA)

Head Start: Two Head Start grantees have recently been terminated for cause. Child Opportunity Programs (COP) of Denver and Children's Services of Colorado (CSC). HHS is currently investigating allegations of financial mismanagement at COP, and has placed CSC on high risk status as of June 26 and denied their re-funding. Both grantees are appealing the decision to terminate their Head Start funding and the appeals are in process. The Clayton Foundation of Denver has been named to serve as the interim grantee for both communities, and was recommended by Governor Romer (HHS)

THE WHITE HOUSE
WASHINGTON

September 9, 1996.

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *Kitty Higgins*
SUBJECT: HOT ISSUES -- CALIFORNIA

Report Issued on Fiscal Effect of Welfare Reform: On August 20, the independent California Legislative Analyst's Office (LAO) issued a report analyzing the potential effects of the welfare reform bill ("the bill") on federal funds to California. The LAO estimates that the bill would likely result in a net loss of \$51 million in federal funds in the first year and a net loss of \$6.8 billion over the first six years of implementation. Most of the reduction results from federal restrictions on assistance to non-citizens, including SSI, Food Stamps, and Medicaid benefits. The State will have the option of whether to provide these benefits at its discretion, but it will no longer receive Federal funds to do so. This is particularly troubling in Southern California, where job training programs are faced with an influx of poorly educated, unskilled workers. For example, California's 8-year-old welfare-to-work program, Greater Avenues for Independence, has an expected enrollment of about 36,000 and needs \$62 million to operate this year. (HHS, DOC)

Chinese AK-47 Smuggling: This involves the smuggling of approximately 2,000 Chinese-manufactured AK-47 assault rifles into the USA. Seven individuals were arrested in May, and there are numerous fugitives believed to remain in China. You may be asked to comment on whether you will impose sanctions on China if it does not cooperate in the investigation. The State Department currently is conducting conversations with Chinese officials. (DOJ)

Head Start Closure: Earlier this month, the Administration for Children and Families suspended funding for the East Bay Perinatal Council (EBPC) due to serious problems with the administration of Head Start funds. EBPC has filed an appeal with the Department Appeals Board. The Administration is attempting to identify an agency to serve as an interim grantee during the one-year suspension period. (HHS)

Pesticide Legislation: The Food Quality Protection Act has a significant impact on California farmers and consumers. *(See attached background information)* (USDA)

Methyl Bromide: California growers are expected to bear much of the economic impact of the methyl bromide phaseout due to heavy reliance on the fumigant for vegetable crops. The

FY97 Appropriations Bill provides an additional \$1 million for research on methyl bromide alternatives. (USDA)

NORTHERN CALIFORNIA

Weather Radar Tower: The Ojai Environmental Coalition, comprised of landowners living near the Doppler weather radar tower on Sulphur Mountain in Ventura County, appealed to the Supreme Court to review its unsuccessful challenge in the Ninth Circuit Court. The Supreme Court has denied accepting the appeal. In Congress, Rep. Elton Gallegly has introduced a bill requesting relocation of the tower. The group alleges that the tower was installed over a holiday weekend with no prior notification to the community, and that it poses a health hazard. (DOC)

State Route 87: This proposed widening project will require displacement of 17 families of mostly Hispanic descent. The project has been in the planning for many years and Caltrans owns the right of way in question. The planned demolition will result in the loss of 79 affordable housing units in the community. The families, represented by Public Interest Law Firm, requested an Administrative Relocation Assistance Hearing, claiming that they should receive relocation assistance. On July 2, a hearing was held, and the appeal was denied by a Relocation Appeals Board, made up of Caltrans and Housing and Community Development personnel. The local press has covered the situation, and public opinion is in favor of Caltrans' position in that the tenants have known of this possibility for years. The City of San Jose is in favor of accelerating the project. (DOT)

Hazardous Waste Detected on Cypress Reconstruction Project: Vinyl Chloride, a hazardous material and known carcinogen, has been detected on the Cypress Reconstruction project in San Francisco. There has been extensive coverage of this issue by the local media. The public wants the entire site cleaned up, even though the freeway construction involves very little work within the site. This issue has the potential to delay construction of the Cypress Freeway Reconstruction project and to add extensive clean up costs to the project. (DOT)

Reid-Hillview Reliever Airport Potential Closure: The Santa Clara Board of Supervisors is expected to vote to close Reid-Hillview Airport. Closure would necessitate relocating 600 based aircraft to other local airports, and breach the county's federal grant obligations. The city of San Jose supports continued operation of Reid-Hillview Airport as a general aviation reliever airport for San Jose International Airport. The Federal Aviation Administration, Aircraft Owners and Pilots Association, and local pilots association oppose closure. (DOT)

SOUTHERN CALIFORNIA

Tustin Marine Corps Air Station (MCAS): 20 miles south of Los Angeles, Tustin is a BRAC 91 closure. At issue is the U.S. Coast Guard's request for 274 on-base housing units. The community is opposing transfer of the housing to the Coast Guard on the grounds that the revenue obtained from selling the housing and property taxes is needed for infrastructure improvements to facilitate economic development and job creation. Tensions are growing

between the Coast Guard and the community. The issue often appears in the local newspapers. The Congressional delegation, Senators Feinstein and Boxer, Congressman Cox, and Congresswoman Harman have written to the Secretary of Defense in support of the community. (DOD)

El Toro Marine Corps Air Station (MCAS): This was a BRAC 93 closure. Local officials and residents are strongly divided about whether to reuse the base for aviation or non-aviation purposes. It is an emotional, highly publicized issue, split along geographic lines—north Orange County vs. the south county cities (areas in the flight path). Opposition to airport development is expected to continue and will likely conclude in litigation. (DOD)

Bicycle Club Card Casino: This gambling casino, located in the Los Angeles suburb of Bell Gardens, was forfeited to the United States and is under the management of the U.S. Marshals Service pending sale. Allegations of mismanagement and permitting illegal activities to continue were made in Senate hearings and on *60 Minutes*. (DOJ)

Overtime Case Against Dental Firm: On August 22, the *Los Angeles Times* reported that the Labor Department has charged a Newport Beach California dental firm with failing to pay 300 employees some \$1.5 million in overtime. At issue is whether dental technicians should be exempt from federal overtime regulations. (DOL)

Palos Verdes Shelf: On July 10, EPA announced that it will begin an investigation under its Superfund program of contaminated sediments on the ocean floor off the Palos Verdes Peninsula of Los Angeles. The major source of the contamination is the Montrose Chemical Company, which discharged waste through the sewer system. This discharge, which is spread over a 27 square-mile area, has resulted in high levels of contamination in fish. Several environmental groups and several hundred citizens have written EPA over the past year requesting that EPA initiate Superfund action for the area. (EPA)

Casmalia Resources Hazardous Waste Management Facility: The Casmalia Site, located in Santa Barbara County, is an inactive hazardous waste treatment, storage, and disposal facility. After being ordered by the State to cease accepting wastes, the owner/operator, claiming financial difficulties, abandoned all active efforts to manage and properly close his facility. EPA notified 65 of the largest parties potentially responsible for the pollution (PRPs), and approximately 50 of these PRPs formed the Casmalia Steering Committee and commenced settlement negotiations with EPA. EPA has concluded settlement negotiations and anticipates lodging the consent decree in mid-September 1996. (EPA)

Los Angeles Basin Air Plan: California's air quality remains the worst in the nation. More than three-quarters of all Californians are currently exposed to health-threatening levels of air pollution, and the South Coast air basin exceeded EPA health standards for smog on 98 days in 1995. In July 1996, State air quality management officials released a draft plan that showed that air quality standards could be met with far fewer controls than had previously been assumed. Environmentalists reacted to the plan with outrage at what they viewed as a backpedalling on measures need to control air pollution. Skepticism about the plan deepened when nine of eleven long-time scientific advisors to South Coast Air Quality Management

District abruptly resigned, saying that the plan had been drafted without their input and would not produce the necessary air quality improvements. (EPA)

PESTICIDE LEGISLATION

The Food Quality Protection Act has a significant impact on California farmers and consumers. The central feature of the Act is the reform and strengthening of the nation's food safety laws. By creating a single, health-based standard for all pesticides on food to replace the outdated "Delaney clause", the Act resolves a long-standing problem faced by the agriculture community. At the same time, the Act requires a full evaluation of pesticides for all health effects and strengthens protections for the diets of infants and children. In addition, the right-to know provisions of the Act increase the information available to consumers and protect the right of states to enact their own right-to-know and labeling laws. California already has such a law, known as Proposition 65, which is protected under the Act.

Provisions of the Act provide new incentives for the registration of minor crop pesticide uses which are of substantial importance to California's vast fruit, vegetable, and nut industry. The Act also includes provisions that will speed the registration of new, safer alternatives, such as biological pesticides. Finally, provisions, introduced by Representative Dooley, will improve the availability of pesticides that combat public health pests such as mosquitos. The net effect of these provisions will be to increase the availability of safe new alternatives for farmers and increase public confidence in the safety of the food supply.

The new legislation also mandates the collection of data on pesticide use and on residue levels in order to accurately assess the exposure to pesticides, particularly in the diets of infants and children. However, the Agriculture Appropriations bill recently passed by Congress eliminated funding for USDA's Pesticide Data program, which collects and submits to EPA the data by the bill. The elimination of funding for this program hinders EPA's ability to accurately assess exposure and may force the agency to use default estimates which can cause the unnecessary loss of an important, and otherwise safe, pesticide because data were unavailable. Neither the public health nor the interests of growers are well-served in that situation. Grower groups, food processors, chemical companies, and environmental groups have expressed support for finding a way to re-instate funding. (USDA)

THE WHITE HOUSE
WASHINGTON

September 9, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS ^{8/26/96}
SUBJECT: HOT ISSUES -- MISSOURI

McDonnell Douglas Strike: Thirty hours of nonstop talks led to a tentative five-year agreement on September 6, between McDonnell Douglas and District 837 of the Machinists. The company is expected to present a written offer based on the tentative agreement to the union on Tuesday, September 10, and a vote by the membership reportedly is scheduled for Wednesday, September 11. Since only two members of the local bargaining committee participated in the talks leading to the agreement, it is not clear how the pact will be received by the membership. Details of the agreement are not available. On the key issues of job security and outsourcing, it reportedly does not include any job guarantees, but provides for advance notice whenever the company plans to outsource more than 50 jobs. Pension benefits reportedly are improved, and may be a positive factor in the voting. Meanwhile, the strike and picketing continue. (DOL)

Radioactive Waste Contamination: Several sites around St. Louis, including a large site near the St. Louis Airport and a downtown site, are contaminated with radioactive waste from nuclear weapons operations that occurred from WWII (Manhattan Project) until 1957. DOE has already performed cleanup at several high risk sites near homes in the area. No ongoing public health risks exist, but long term health and environmental protection will require substantial cleanup. Cleanup options include meeting standards for projected land use (\$170 million), to complete removal (\$600 million). (DOE)

Kansas City Jury Fines Medicare Provider for Submitting False Expenses: On August 5, a Kansas City jury found Allison G. Jenkins guilty of a scheme to collect \$112,000 in unauthorized Medicare payments by falsifying expenses in the cost report. Ms. Jenkins is the president and owner of A&M Home Health, Inc., and A&M Limited Care, Inc. Ms. Jenkins, who will be sentenced in 60 to 90 days, could be subject to the maximum punishment of 30 years in prison without parole plus up to \$1.5 million in fines. (HHS)

Livestock Waste: Missouri legislators are looking at stricter regulations on corporate hog producers in response to recent hog waste spills and complaints about odor from hog operations. Premium Standard Farms Inc. (PSF), Missouri's largest hog producer, filed for Chapter 11 bankruptcy protection in July. In addition, PSF, the country's fourth-largest hog

operation, has defaulted on bond payments and is seeking financial restructuring. With 40,000 acres under PSF ownership, anything that disrupts this operation will have a major economic impact in up to five northwest Missouri counties. (USDA)

Lambert-St. Louis International Airport Expansion: Neighboring communities are protesting Lambert-St. Louis International Airport's westward expansion plans. Residents of St. Charles and St. Peters fear that shifts in flight patterns will increase aircraft noise in the area. FAA has responded to numerous inquiries from Congressman Talent, who opposes the project, concerning aspects of the expansion. Congressman Gephardt supports the expansion. (DOT)

Page Avenue Extension: A proposal to extend Page Avenue from I-270 to US 40/61 would cross the Creve Coeur Lake Memorial Park. Two lawsuits, alleging violation of various environmental laws, were filed by a group of individuals, the Howard Bend Levee District, and the City of Maryland Heights in the spring of 1996. The project has received extensive media interest and strong opinions have been expressed both for and against the project. Supporters for the project include the Governor, Congressman Talent, Senator Bond, State Senators Steve Ehlmann, Ted House and Francis Flotron, and St. Charles County Executive Joe Ortwerth. Those opposing the project include the Sierra Club, the Missouri Coalition for the Environment, the Audubon Society, Congressman Clay and State Representative Chris Liese. (DOT)

Times Beach Superfund Cleanup: Dioxin-contaminated soil at the Times Beach Superfund site near St. Louis and at numerous sites in eastern Missouri is in need of disposal. EPA and the State's Department of Natural Resources have determined that incineration is the best available technology to remediate the dioxin-contaminated soil, which poses a threat to public health. A temporary incinerator is being used, and is expected to treat the soil from all 27 sites by early next year. Under the terms of a 1990 consent decree, Syntax Agribusiness is paying for the incinerator and the cost of incinerating the soil. Local political as well as public/media attention has focused on opposition to the incinerator, and some support exists for delaying the project until alternative disposal technologies can be evaluated. (EPA)

St. Louis Desegregation Development: Citing ongoing negotiations, a U.S. District Judge on August 14 refused to allow the State to freeze funding for busing students to suburban schools under the area's desegregation plan. Last year, about 13,000 students from the city attended county suburban schools in St. Louis under the plan. Missouri pays \$439,000 a day to help fund desegregation in St. Louis. (DOEd)

Lead-Zinc Mining in the Mark Twain National Forest: About 85 percent of domestic newly mined lead, along with substantial quantities of zinc, copper, silver and cadmium, is produced from eight mines in the Viburnum Trend mining district, located in the Mark Twain National Forest. Forty-five miles south of the Viburnum Trend in the Eleven Point Ranger District is a promising area for discovery of additional lead and zinc, and prospecting permit applications were submitted for about 7,330 acres. There is intense public interest for and against mineral activity. More than 2,000 public comments were received in 1988 during the EIS process, and most of the recent opposition has been from Arkansas. In 1992 the AR

Attorney General and two AR State Legislators appealed a drilling plan approval to the Interior Board of Land Appeals, and Senator Bumpers and Representative Lincoln also have been interested in this issue. (DOI)

California Issues for August 1996

PESTICIDE LEGISLATION

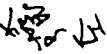
The Food Quality Protection Act, which the President signed on August 3, has a significant impact on California farmers and consumers. The central feature of the Act is the reform and strengthening of the nation's food safety laws. By creating a single, health-based standard for all pesticides on food to replace the outdated "Delaney clause", the Act resolves a long-standing problem faced by the agriculture community. At the same time, the Act requires a full evaluation of pesticides for all health effects and strengthens protections for the diets of infants and children. In addition, the right-to know provisions of the Act increase the information available to consumers and protect the right of states to enact their own right-to-know and labeling laws. California already has such a law, known as Proposition 65, which is protected under the Act.

Provisions of the Act provide new incentives for the registration of minor crop pesticide uses which are of substantial importance to California's vast fruit, vegetable, and nut industry. The Act also includes provisions that will speed the registration of new, safer alternatives, such as biological pesticides. Finally, provisions, introduced by Representative Dooley, will improve the availability of pesticides that combat public health pests such as mosquitos. The net effect of these provisions will be to increase the availability of safe new alternatives for farmers and increase public confidence in the safety of the food supply.

THE WHITE HOUSE
WASHINGTON

August 30, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- PENNSYLVANIA

Public Housing Desegregation Case: Pittsburgh/Allegheny County is under court order to desegregate its public housing. Opposition has emanated from the need to construct or develop public housing in communities that never had public housing before. The issue is ongoing. (HUD)

Pittsburgh Smog Reduction Plan: Under the Clean Air Act, Pittsburgh is classified as being in "nonattainment" of the health-based standards for smog (ozone). In 1995 the area violated the air quality standard seventeen times. In May 1996, EPA, the State, and representatives of the local environmental community reached agreement on a plan whereby the Commonwealth would submit an air quality attainment plan for ozone in a series of milestones commencing August 15, 1996 and concluding December 31, 1997. Pennsylvania successfully met the first milestone on August 15. (EPA)

Particulate Matter: In September 1995, EPA published a proposed decision that Liberty Borough (just outside of Pittsburgh) had not attained the air quality standard for particulate matter (e.g., soot, dust) by the Clean Air Act deadline of December 31, 1994. If EPA takes final action on this proposal, the area will be reclassified to a "serious" non-attainment area, requiring reduced particulate emissions and requiring the use of new control technologies at polluting facilities. EPA received over 200 letters opposing the proposal and the press reported that a reclassification could result in \$100 million in expenditures by United Steel (USX), the closure of the Clairton Coke works, and hardships to local communities. In February 1996, the Group Against Smog & Pollution (GASP) sued EPA for failure to take final action on the State's plan to achieve healthy air. EPA is currently negotiating a settlement with GASP and key stakeholders. Senators Specter and Santorum and Representatives Doyle and Mascara are heavily involved in this issue. (EPA)

Acid Mine Drainage: Acid mine drainage from abandoned coal mines causes serious water quality problems in PA, especially in Western and Northeastern Pennsylvania. EPA has provided over \$2.5 million (including \$1 million in FY96) of Clean Water Act funds for over 20 projects in Western PA. EPA also created and chairs a unique 14-member federal agency coalition that has focused largely on the Pittsburgh area. (EPA)

Governor Signs Anti-Busing Bill: Responding to opposition to busing in Pittsburgh, which is under court orders to follow racial balance guidelines established by the State Human Relations Commission, the legislature recently passed and Governor Ridge signed anti-busing legislation. The bill was designed to prohibit courts, the Human Relations Commission and other State Agencies from requiring school districts to bus children beyond the schools in their neighborhoods. (DOEd)

THE WHITE HOUSE
WASHINGTON

August 30, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH
20
LH*

SUBJECT: HOT ISSUES -- WISCONSIN

Milwaukee Voucher Program: Milwaukee has operated since 1991 a publicly funded school voucher program, giving low-income families tuition vouchers that cover about half of secular private school tuition costs. Approximately 1,115 children currently participate in the program, and until recently, the number of children receiving vouchers was legally limited to 1.5 percent of the district's total enrollment. A Dane County judge August 15 approved raising the participation limit to 15 percent of enrollment, but upheld an injunction against expanding the program to religious schools. A recent poll found that a solid majority of Wisconsin residents oppose the expansion to include religious schools, although a narrow majority of Milwaukee residents endorsed it. (DOEd)

Complaint Against Suburban Milwaukee School District: The Department's Office of Civil Rights is investigating a complaint of discrimination by the New Berlin School District. The district allegedly denied a student who uses a wheelchair attendance at his neighborhood school. Last January, National Public Radio's "Morning Edition" featured the parties in the case, but it has received no further national media attention. (DOEd)

Welfare Reform Bill: Wisconsin Works comprehensive waiver application was received May 29. Although you signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 on August 22, the State is still interested in receiving waivers. Additionally, WI submitted its State plan to implement a Temporary Assistance to Needy Families program. Wisconsin was the first state to submit such a plan under the new law. (HHS)

Milwaukee Baseball Stadium: A proposal to build a new baseball stadium has generated significant controversy because the current site selection near the existing stadium is opposed by Mayor Norgren. The Mayor prefers a downtown site, claiming it would be more beneficial for urban revitalization. The downtown site would require partial removal of a federally funded highway. (DOT)

Dairy Compact: On August 9, Secretary Glickman authorized six New England states to proceed with the NE Interstate Dairy Compact's implementation of milk marketing regulation. (See attached information) (USDA)

NORTHEAST INTERSTATE DAIRY COMPACT

For Discussion Only -- Not for Distribution

In the 1996 Farm Bill, Congress consented to the Northeast Interstate Dairy Compact, a Compact which had been approved by the states of Vermont, Massachusetts, Rhode Island, Connecticut, Maine, and New Hampshire. Congress provided, however, that the Compact could only be implemented if the Secretary of Agriculture found a "compelling public interest in the Compact region" and authorized its implementation.

On August 8, Secretary Glickman found a compelling public interest in the Compact region and authorized implementation of the Compact. Secretary Glickman also stated a number of concerns about potential effects of the Compact. He noted that the Department will monitor Compact implementation and that he will revoke his authorization to implement the Compact if his expectations are not met.

Compelling Public Interest

Congress provided no guidance to the Secretary in making the determination of whether a compelling public interest exists in the Compact region. Secretary Glickman's finding focused on the following key facts: all six state legislatures overwhelmingly approved the Compact; all six state governors signed a resolution supporting the Compact; the Congress consented to the Compact in the 1996 Farm Bill; and about 95 percent of the comments received by USDA supported the Compact.

Balanced against this overwhelming support of elected officials are **the potential** adverse effects of the Compact. The Compact will be implemented by a Commission, but no one knows at this time what specific steps the Commission will take to implement the Compact. The decision on compelling public interest was in essence, therefore, a decision between the overwhelming support of elected officials versus hypothetical or potential adverse effects, depending on how the Compact is implemented.

Monitoring and Revocation

To mitigate these potential adverse effects, Secretary Glickman stated a number of concerns and expectations that USDA will monitor. Secretary Glickman stated that if his expectations are not met, he will revoke his authorization to implement the Compact. USDA has established an interagency dairy task force to monitor implementation of the Compact. The task force has already held two meetings and has established the process and criteria or baselines under which implementation of the Compact will be judged. For example, the task force has identified how it will monitor whether the Compact has an adverse effect on dairy producers in other regions of the country. The task force expects to be actively involved in evaluating proposed actions of the Compact Commission as well as monitoring the effects of Commission actions relative to the baseline criteria established by Secretary Glickman.

Note: Litigation is likely in the near future to prevent the Compact from going forward.

THE WHITE HOUSE
WASHINGTON

August 28, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KWH*
SUBJECT: HOT ISSUES -- TENNESSEE

Families First Welfare Reform Plan: TN's Families First Welfare Reform Plan, proposed by Governor Sundquist, was approved by HHS in July and is scheduled for implementation on September 1. The plan, which limits welfare benefits to 18 months, is one of the most restrictive in the country. (HHS)

Airport Noise Issues at Memphis International: The FAA has agreed to provide funds acquire property near the airport for noise reduction. Congressman Harold Ford has protested strongly to the FAA that some of his constituents who live outside the acquired property boundaries also should have their property acquired. In addition to being affected by airport noise, the Congressman claims that the area, which is of lower income, has become more crime ridden as residences and businesses have been purchased. While the boundaries could be expanded to allow for another tier of acquisition, FAA does not have the funds for additional purchases. (DOT)

Budget Shortfalls on National Parks: The following parks in TN are experiencing interruption in visitor service operations including closing of some facilities, reduced hours of operation and elimination of programs: Fort Donelson National Battlefield, Great Smoky Mountains National Park, Obed Wild and Scenic River, Ocmulgee National Monument, and Shiloh National Military Park. (DOI)

THE WHITE HOUSE
WASHINGTON

August 28, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KMH*
SUBJECT: HOT ISSUES -- KENTUCKY

School-to-Work Head Scrutinized: The August 25 edition of the Frankfort State Journal carried a front page story discussing allegations of abuse of office by Beth Brinly, Director of the State's School-to-Work program. State agencies are examining allegations of improper activities regarding travel funds, state vehicles, time and attendance. (DOEd)

Bridge over Ohio River: KY and IN continue to disagree over the building of a bridge connecting Louisville with IN. Louisville, led by Mayor Abramson advocates a downtown bridge to directly relieve congestion at a junction where Interstate routes I-71, I-65 and I-64 merge in downtown Louisville. IN and Governor Bayh support an east end bridge that would connect I-265 in KY to I-265 in Indiana. (DOT)

Air Quality Issues: The Clean Air Act requires states to assure that cities are instituting necessary controls to decrease air pollution. Under the Clean Air Act, Northern KY is part of an inter-state area that is classified as "moderate non-attainment" of air standards for ozone (smog). Louisville also is classified as a "moderate non-attainment" area. The Louisville area continues to violate the ozone air quality standard. KY is working with EPA to identify controls which will enable the State to reach attainment of the air quality standard. (EPA)

THE WHITE HOUSE
WASHINGTON

August 28, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*
SUBJECT: HOT ISSUES -- ILLINOIS

Scholarship Records Ordered Open: The statewide scandal over alleged favoritism in legislators' selection of State university tuition waiver recipients has affected Southern Illinois. Four nephews and a daughter of a legislator from Eldorado have received scholarships. On June 11, a Cook County judge ruled that IL must disclose the records of those who received and gave secretive General Assembly scholarships. Numerous examples of lawmakers giving scholarships to relatives and political friends have been reported by *Associated Press*. Alleged abuses in Cook County include scholarships awarded to: a now-imprisoned former Cook County undersheriff who also was the county Republican chair; the niece of a Chicago alderman, from current Democratic Congressional candidate Ray Blagojevich; the niece of the current Cook County Sheriff; and the daughter of a Cook County judge related to the Daley family. (DoEd)

Illinois Schools "Crumbling": Nearly a third of Illinois schools need extensive repairs or replacement, according to a GAO study released June 25. Sixty-two percent had at least one inadequate building feature, such as a leaky roof. A proposal offered by Rep. Nita Lowey to appropriate \$150 million in funding for school renovations was rejected 30-11 by the Appropriations Committee. (DOEd)

Disability Insurance: Persons who are currently eligible for Social Security Disability Insurance or Supplemental Security Income benefits based on drug abuse or alcoholism (DAA) will be ineligible for cash benefits, as well as Medicare/Medicaid coverage, after January 1, 1997. IL has the second largest DAA population, with approximately 24,000 individuals receiving benefits, or 12.3 percent of the nation's DAA population. (SSA)

Marketing Abuses in the IL Medicaid Managed Care Program: As the State prepares to move into a mandatory managed care environment through the proposed Section 1115 waiver entitled "Mediplan Plus," HMO marketing has become more aggressive. The press, beneficiary advocate organizations and other interested organizations have made allegations of widespread marketing abuse. In order to curb abuses, the State plan amendment approved by HHS on July 12 prohibits providers from soliciting at the homes of beneficiaries and public aid offices. These provisions go into effect in 1997. Congressmen Durbin, Rush and Gutierrez are closely following this issue. (HHS)

THE WHITE HOUSE
WASHINGTON

August 28, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *hmb
KJ*

SUBJECT: HOT ISSUES -- MISSOURI

McDonnell Douglas Strike: Employment at this plant, approximately 21,151, is currently in flux due to the continuing strike by the International Association of Machinists (IAM), which started June 5. IAM's major issues involve job security for 6,700 workers and outsourcing. Production has continued through the use of salaried and temporary employees, and the Navy reports that the impact of the strike is negligible to date. However, there is a possibility that the company may impose terms on workers next week. Negotiations broke off last week in St. Louis. However, Rep. Richard Gephardt is expected to announce today (Aug. 28) that McDonnell Douglas and Machinists' negotiators have agreed to meet in Washington tomorrow in Gephardt's office. (DOD)

Lambert-St. Louis International Airport Expansion: Neighboring communities are protesting Lambert-St. Louis International Airport's westward expansion plans. Residents of St. Charles and St. Peters fear that shifts in flight patterns will increase aircraft noise in the area. FAA has responded to numerous inquiries from Congressman James Talent, who opposes the project, concerning aspects of the expansion. Congressman Richard Gephardt supports the expansion. (DOT)

TWA London Route/St. Louis: TWA is a major employer in St. Louis, and local and national Missouri officials have actively supported TWA's reentry into the New York-London market. In light of the proposed alliance between American Airlines and British Airways, the U.S. and U.K. have resumed negotiations on an open-skies agreement that would eliminate the current regulatory barriers to Heathrow entry. However, the British have not yet agreed to all the elements that the U.S. considers essential in a new aviation regime and the U.S. canceled government-to-government discussions scheduled for August 28-29 in response to an unsatisfactory U.K. proposal. (DOT)

Page Avenue Extension: A proposal to extend Page Avenue from I-270 to US 40/61 would cross the Creve Coeur Lake Memorial Park. Two lawsuits, alleging violation of various environmental laws, were filed by a group of individuals, the Howard Bend Levee District, and the City of Maryland Heights in the spring of 1996. The project has received extensive media interest and strong opinions have been expressed both for and against the project.

Supporters for the project include the Governor, Congressman James Talent, Senator Kit Bond, State Senators Steve Ehlmann, Ted House and Francis Flotron, and St. Charles County Executive Joe Ortwerth. Those opposing the project include the Sierra Club, the Missouri Coalition for the Environment, the Audubon Society, Congressman William Clay and State Representative Chris Liese. (DOT)

Times Beach Superfund Cleanup: Dioxin-contaminated soil at the Times Beach Superfund site near St. Louis and at numerous sites in eastern Missouri is in need of disposal. EPA and the State's Department of Natural Resources have determined that incineration is the best available technology to remediate the dioxin-contaminated soil, which poses a threat to public health. A temporary incinerator is being used, and is expected to treat the soil from all 27 sites by early next year. Under the terms of a 1990 consent decree, Syntax Agribusiness is paying for the incinerator and the cost of incinerating the soil. Local political as well as public/media attention has focused on opposition to the incinerator, and some support exists for delaying the project until alternative disposal technologies can be evaluated. (EPA)

Court Reinstates Teacher Dismissed for Profanity: In a case that has received national attention, a U.S. District Judge on August 15 ordered a suburban St. Louis school district to reinstate with back pay a teacher who was fired for allowing her students to use profanity in their writing assignments. Board members will soon decide whether to appeal the ruling. (DOEd)

St. Louis Desegregation Development: Citing ongoing negotiations, a U.S. District Judge on August 14 refused to allow the State to freeze funding for busing students to suburban schools under the area's desegregation plan. Last year, about 13,000 students from the city attended county suburban schools in St. Louis under the plan. Missouri pays \$439,000 a day to help fund desegregation in St. Louis. (DOEd)

Lead-Zinc Mining in the Mark Twain National Forest: About 85 percent of domestic newly mined lead, along with substantial quantities of zinc, copper, silver and cadmium, is produced from eight mines in the Viburnum Trend mining district, located in the Mark Twain National Forest. Forty-five miles south of the Viburnum Trend in the Eleven Point Ranger District is a promising area for discovery of additional lead and zinc, and prospecting permit applications were submitted for about 7,330 acres. There is intense public interest for and against mineral activity. More than 2,000 public comments were received in 1988 during the EIS process, and most of the recent opposition has been from Arkansas. In 1992 the AR Attorney General and two AR State Legislators appealed a drilling plan approval to the Interior Board of Land Appeals, and Senator Bumpers and Representative Lambert Lincoln also have been interested in this issue. (DOI)

THE WHITE HOUSE
WASHINGTON

August 28, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH 8/28/96*
SUBJECT: HOT ISSUES -- ARKANSAS

Pulaski County Teachers Strike: Pulaski County teachers began striking August 19 for a 2.84 percent pay increase, which would bring teacher salaries into compliance with a State law requiring beginning teachers to be paid at least \$20,000 per year (\$23,000 if they have a masters degree). A County Chancellor has refused to order the union to end the strike, as requested by six parents who sued the union, saying that AR law is unclear about the legality of strikes by public employees. This suit is being heard in court today (Aug. 28). (DOEd)

OSHA Partnership: The Arkansas Chamber of Commerce recently suggested in its newsletter to members that "those of you meeting with the President when he is in Arkansas on August 30-31 might want to ask him about the OSHA Cooperative Compliance Program." This program is part of the Department of Labor's reinvention efforts to target companies with high injury and illness numbers to partner them with local OSHA offices. Letters from DOL went out this summer to 150 companies with high numbers of lost workdays. Since those partnership letters went out, DOL has received site specific data on many companies and is reevaluating which companies will be in the program. (DOL)

Pulaski School Funding Lawsuit Continues: Last May, the Pulaski County Special School District filed a motion in the desegregation lawsuit alleging that the State's new school funding formula violates a 1989 settlement agreement. Little Rock and North Little Rock have joined in the allegations. 85 school districts have moved to intervene in the case. (DOEd)

Governor Refuses to Allow Medicaid Funds to Cover Abortion. Governor Mike Huckabee has refused to allow the use of State Medicaid funds to pay for a teenage rape victim's abortion. Amendment 68 to the Arkansas Constitution, passed in 1989, prohibits the use of public funds for abortions except to save the woman's life. This provision conflicts with the 1993 version of the Hyde Amendment which also requires Medicaid payment for abortions in cases of rape or incest. In March, the U.S. Supreme Court upheld a Federal district court order enjoining enforcement of the Arkansas constitutional provision to the extent it conflicted with the requirements of the Hyde Amendment. (HHS)

Western Arkansas Weather Service Modernization: The Ft. Smith media and community have expressed strong concern that weather radar coverage of the area will be inadequate as a result of modernization and consolidation efforts by the National Weather Service. Some are concerned that the new weather radar site at Slattington Mountain, 72 miles SE of Ft. Smith, is too far away, especially in light of an April 21 tornado which hit the Ft. Smith area. However, the Slattington Mountain site provides good coverage of the Ft. Smith area and will serve as a back-up to the Tulsa (OK) radar (88 miles NE). The Slattington Mountain site also improves weather radar coverage of Polk and Scott Counties, south of Ft. Smith. (DOC)

THE WHITE HOUSE
WASHINGTON

August 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*
SUBJECT: HOT ISSUES -- MICHIGAN

Two-thirds of High School Graduates May Fail Proficiency Test: As few as three out of ten high school graduates next year would receive endorsements on their diplomas in math, science, reading and writing based on standards set this summer by a state panel. The estimate is based on low performance on the statewide proficiency test last spring. (DoEd)

Salmon Advisories: In January, Governor Engler unilaterally lifted all State health advisories for the consumption of salmon in Lake Michigan, whose waters are shared by Wisconsin, Illinois, and Indiana. The State has the authority to do this and is relying on a Food and Drug Administration (FDA) safety standard designed for fish sold *nationally*. MI argues that toxic PCB levels have fallen 90 percent in salmon since 1970 and the fish advisories are stigmatizing the State's sportfishing/tourism industry. However, FDA and EPA agree that standards designed for fish sold *nationally* are not protective of local populations that eat relatively large amounts of fish from contaminated local water bodies. EPA and the Centers for Disease Control strongly believe that current contaminant levels in Lake Michigan salmon present unacceptable health risks, warranting tighter restrictions, especially for pregnant women, other women of child-bearing age, and children. (EPA)

Wayne Disposal, Inc., Hazardous Waste Landfill: Wayne Disposal, Inc., a subsidiary of EQ Corporation, operates a hazardous waste landfill and treatment operation in Belleville, located in the Ann Arbor/Ypsilanti area. In addition to seeking renewal of existing State and Federal hazardous waste facility permits, Wayne Disposal is expanding their commercial operations by applying to EPA for approval to be a commercial landfill for PCBs. The landfill is located within a quarter mile of residential areas, and less than one-half mile from Belleville Lake in the Lake Erie watershed. Substantial public comments include opposition to this facility's existing operations, past history compliance problems, and repeated odor problems. Senator Levin and Rep. Rivers are outspoken opponents of the landfill. (EPA)

Great Lakes Water Quality Initiative: In March 1995, the Clinton Administration announced the Great Lakes Water Quality Initiative, which sets the first-ever water quality standards for the entire Great Lakes basin -- lakes that provide drinking water for 23 million

Americans. Portions of the Great Lakes Water Quality Initiative are being challenged by a coalition of industry groups (and environmental groups); EPA is confident that the court will sustain the Great Lakes Water Quality Initiative. (EPA)

Copper Range Solution Mining Project: In July, the Copper Range Company began operations at its vast underground copper mine in White Pine, in the economically depressed Upper Peninsula. In May 1996, MI permitted both the pilot project and full-scale operation under State law, but EPA maintains jurisdiction under the Federal Safe Drinking Water Act and has only authorized the pilot project. Indian tribes in the region have filed a court petition challenging EPA's approval of the pilot project, and protestors at the Bad River Indian Reservation have been blocking rail shipments of sulfuric acid due to concerns with rail bed stability. Public concern centers around the transportation of the sulfuric acid for this project and its proximity to Lake Superior. (DOI, EPA)

"Greektown Property" Gaming Lawsuit: In 1992, the Sault Ste. Marie Tribe of Chippewa Indians of MI notified BIA of its plans to request that Secretary Babbitt place off-reservation fee land located in the Greektown District of the City of Detroit into trust for gaming purposes. In 1994 after review, Secretary Babbitt sought concurrence of Governor Engler that the acquisition of the Greektown property for gaming would be in the best interest of the Tribe and not detrimental to the surrounding community. To date, concurrence of the Governor has not been received. This May, the Tribe filed suit against Secretary Babbitt and Governor Engler. The Governor has never officially responded to the Secretary's request for concurrence but has stated in the press that he would never agree to the establishment of an Indian casino in Detroit. The Mayor of Detroit and the Democratic leadership of the Michigan House of Representatives have written to the Secretary requesting that the land be taken into trust for gaming purposes.

Gaming Compact Issues: Three MI tribes (Little River Band of Ottawa Indians, the Little Traverse Bands of Odawa Indians and the Pokagon Band of Potawatomi Indians) tried to negotiate gaming compacts with the State this year. All three entered into and signed identical compacts with Governor Engler. The compacts were submitted to the MI legislature requesting ratification but were not ratified. The three tribes are reportedly preparing to sue the State for violating the good faith negotiating requirements of the Indian Gaming Regulatory Act (IGRA). Governor Engler has publicly stated that he will not ask Secretary Babbitt to intercede on the tribes' behalf and that although he signed the compacts because he felt compelled to do so under the IGRA, he is opposed to the expansion of gaming. (DOI)

THE WHITE HOUSE
WASHINGTON

August 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*
SUBJECT: HOT ISSUES -- KENTUCKY

Louisville Teachers May Consider Strike: Whether Jefferson County teachers dissatisfied with their salaries will strike may be discussed at an August 25 union meeting. Teachers have asked for an 8 percent raise; the school district has offered 1 25 percent. (DoEd)

Bridge over Ohio River: KY and IN continue to have a major disagreement over the building of a bridge connecting Louisville with IN. Louisville, led by Mayor Abramson advocates a downtown bridge to directly relieve congestion at a junction where Interstate routes I-71, I-65 and I-64 merge in downtown Louisville. IN and Governor Bayh support an east end bridge that would connect I-265 in KY to I-265 in Indiana. (DOT)

Tobacco: Congressman Baesler has criticized you for your position on tobacco and, in the August 20, Lexington-Herald Leader, said that the tobacco crackdown will hurt fellow Democrats. (DOJ)

Air Quality Issues: The Clean Air Act requires states to assure that cities are instituting necessary controls to decrease air pollution. Under the Clean Air Act, Northern KY is part of an inter-state area that is classified as "moderate non-attainment" of air standards for ozone (smog). Louisville, Kentucky is classified as a "moderate" ozone non-attainment area. The Louisville area continues to violate the ozone air quality standard. KY is working with EPA to identify controls which will enable the State to reach attainment of the air quality standard. (EPA)

THE WHITE HOUSE
WASHINGTON

August 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS *KH*
SUBJECT: HOT ISSUES -- WEST VIRGINIA

Train Derailment: On August 20, at 5:40 a.m., an Eastbound CSX Freight Train collided head-on with a westbound CSX Freight Train near Smithfield. The collision occurred on tracks not controlled by electronic signals, as many lightly used freight rail lines use only oral or written commands. It is believed the trains were traveling at less than 25mph. As a result of the accident, two crew members were killed and two were seriously hurt. NTSB personnel are currently on the scene and are investigating the cause of the crash, and FRA staff has begun to review taped conversations between the crews. Media speculation has focused on human error as the cause. (DOT)

Apple Grove Pulp And Paper Mill: This proposed billion dollar, 600-job conventional pulp and paper mill in Mason County has generated significant controversy over expected dioxin discharges to air and water. Proponents of the mill are led by Governor Caperton. Local environmentalists and a large affiliation of construction unions are opposed. (EPA)

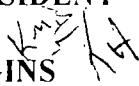
Appalachian Corridor H: Corridor H is a proposed billion dollar, 113-mile highway which would link Elkins, WV to western VA. This project has been rejected by some state legislators and is under intense criticism from WV environmental groups. Estimates suggest that at least 31,500 acres of wildlife habitat would be destroyed. DOI supports the "no build" alternative, and EPA has environmental objections to the Environmental Impact Statement. Media stories have focused on allegations of political interference in the decision-making process. The Federal Highway Administration has recently issued the authorization to begin building the highway. Many opponents are now expected to sue the State. (EPA)

Air Pollution: For years, residents in Huntington and communities in the surrounding states of OH and KY have challenged EPA to reduce the air pollution in the area. An oil refinery in Ashland is widely viewed as the most significant source of pollution but power plants and chemical plants also contribute to the air quality problems. Citizens are upset due to the transfer of a trusted EPA staffer out of the nearby Ashland study headquarters and are not satisfied with EPA's offer to fund an air monitoring expert in the area. (EPA)

THE WHITE HOUSE
WASHINGTON

August 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS 
SUBJECT: HOT ISSUES -- INDIANA

Air Quality Violations in Michigan City: The Clean Air Act requires states to assure that cities are instituting necessary controls to decrease air pollution. Under the Clean Air Act, LaPorte County is currently designated as meeting air quality standards for smog-producing pollution (ozone). However, this summer and last summer, the area violated the air quality standard. There are no plans to redesignate LaPorte to the "nonattainment" level of air quality since the air quality problem is considered to be caused by air pollution being transported from other areas. (EPA)

River Boat Gambling: River boat gambling on Lake Michigan may be subject to Federal regulation under the 1930's-era Johnson Act. DOJ has deferred to Congress for further action. NOTE: Congress has recently established -- at the Administration's urging -- a commission to establish gambling. You will have three appointments to the nine-member Commission. The appointments are presently unmade. (DOJ)

Bridge over Ohio River: KY and IN continue to have a major disagreement over the building of a bridge connecting Louisville with IN. Governor Bayh and the State support an east end bridge to connect I-265 in KY to I-265 in IN. Mayor Abramson and the City of Louisville advocate a bridge to relieve congestion at a junction where Interstate routes I-71, I-65 and I-64 merge in downtown Louisville. (DOT)

THE WHITE HOUSE
WASHINGTON

August 22, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: KITTY HIGGINS

SUBJECT: HOT ISSUES -- OHIO

Cleveland Voucher Program: In an August 12 decision, OH's intermediate appellate court upheld Cleveland's controversial school voucher pilot program. The Cleveland program, in its first year this fall, is the only one in the nation that subsidizes parents who take their children out of public schools to attend religious schools. (DoEd)

Waste Technologies Inc. Hazardous Waste Incinerator: The Waste Technologies Industries incinerator, located in East Liverpool, near the PA and WV borders, is the most controversial environmental issue in OH. The incinerator has been the focus of intense opposition by local and national environmental groups because of its location near an elementary school and a residential area. Extensive monitoring of stack emissions by independent scientists and EPA was performed over almost two years, and it demonstrated that emissions of toxic chemicals, including dioxin, are low. Citizens' allegations of EPA wrongdoing led to an investigation by the General Accounting Office, which concluded that the EPA had generally followed all the appropriate rules. (EPA)

\$500 Million Cleanup Contract in Miamisburg: On August 6, as part of reinventing government/contract reform initiative, DOE announced a request for proposals to accelerate and complete cleanup of the DOE Mound Plant, a former nuclear weapons research and production site located in Miamisburg. Contract value is expected to exceed \$500 million and last 9 years maximum. DOE is using competition among bidders to drive down cost and schedule, and make future contractor work contingent on performance on near-term remediations. (DOE)

Child support: Geraldine Jensen, the head of ACES -- the leading child support interest group -- lives and is based in OH. She is outspoken and has criticized the Administration's efforts in the child support area. NOTE: The President recently issued a directive requiring the Attorney General to establish a task force to examine ways that Federal criminal efforts on child support can be enhanced. (DOJ)

Radioactive Materials: The U.S. DOE Fernald uranium production facility (formerly the Feed Materials Production Center) in Fernald, OH, operated from 1951 to 1988. During these

operations, radioactive materials were released into the environment, exposing crops, livestock, workers, and residents in communities close to the Fernald facility. Under a Memorandum of Understanding between DOE and HHS, the Centers for Disease Control and Prevention has been conducting a study of the radiological dose and health risks for persons living in the area around the Fernald facility, located approximately 20 miles west of Cincinnati. On August 22, CDC will release the report to the community at a public meeting in Harrison. CDC will brief congressional staff, as well as State and local officials, at that time. (HHS)