National Audubon Society

Everglades Ecosystem Restoration Campaign
444 Brickell Avenue,
Suite 850
Miami, FL 33131-2405
(305)371-6399
(305)371-6398 *fax*

Funding for Everglades Restoration

The Sugar Quota Auction Proposal

Presently, the federal government gives away a valuable asset which could be used to generate revenue for Everglades restoration. Each year, the United States imports over 500,000 tons of foreign sugar beyond what is required under international treaties. By selling this excess quota of foreign sugar in a public auction, the federal government can raise supplementary funds for Everglades restoration projects at no additional cost to taxpayers, consumers, or property owners.

The following are some of the benefits of using the sugar quota auction concept to raise funds for Everglades protection and restoration.

- NO COST TO TAXPAYERS, CONSUMERS, OR PROPERTY OWNERS
- RAISES AS MUCH AS $100 MILLION PER YEAR
- ENTIRELY NEW SOURCE OF FUNDING
- SUPPLEMENT EXISTING FUNDING FOR EVERGLADES RESTORATION
- CAPTURES THE VALUE OF AN ASSET CURRENTLY BEING GIVEN AWAY
- NO EFFECT ON FEDERAL, STATE OR LOCAL BUDGETS -- COMPLETELY DEFICIT NEUTRAL
- NO EFFECT ON DOMESTIC SUGAR MARKET PRICES
- NO EFFECT ON DOMESTIC SUGAR PRODUCERS
- NO EFFECT ON INTERNATIONAL TRADE AGREEMENTS
- NO NEED FOR LEGISLATIVE ACTION
- PROGRAM CAN BE IMPLEMENTED BY EXECUTIVE ORDER
- SUGAR QUOTA AUCTION WOULD OPERATE AT A VERY MODEST COST

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(305)371-6398 fax

Sugar

May 28, 1997

The President
The White House
Washington, D. C.

Dear Mr. President:

Thank you for your active and consistent leadership on behalf of the Everglades. Largely due to your administration's interventions, restoration is moving forward. Yet each step toward fixing this great ecosystem's problems has a price, and more dedicated funding must be found. This letter is to propose to you a novel, market-based approach for delivering significant financial resources for Everglades restoration.

The core of the proposal is a plan to auction sugar import quotas and devote the revenue to an Everglades restoration fund. Currently the Department of Agriculture allows thousands of tons of foreign sugar to be imported without tariff to supplement domestic supplies. Some but not all of this sugar is required to be imported without tariff under GATT. The difference between the domestic and world prices creates a windfall for foreign producers. Our proposal is simple: Capture the windfall from the non-GATT sugar imports and dedicate it to the Everglades. Auctioning import rights could generate an average of over $70 million a year in new revenue without new costs to taxpayers, consumers or domestic sugar producers. A sugar import quota auction can be enacted through executive order.

I ask that you carefully review this market based proposal and use your executive authority to order the Department of Agriculture to auction the right to import sugar above GATT quotas and devote the auction proceeds to the Everglades.

The proposal is enclosed. I remain available to you or your staff to answer questions or clarify details. Thank you.

Sincerely,

John F Flicker

John Flicker
President

National Audubon Society
Everglades
Restoration Campaign

National Audubon Society

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Suite 850
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(305)371-6398 *fax*

FOR IMMEDIATE RELEASE
May 29, 1997

Contact: Tom Sadler
305.371.6399

Innovative Approach to Everglades Funding Unveiled

Use of Proceeds from Sugar Quota Auction could yield $100 million a year

(Miami, FL) -- Everglades restoration advocates today unveiled a market-based Everglades restoration funding plan estimated to raise $100 million a year with no cost to taxpayers, consumers or property owners.

This proposal, which is an entirely new source of Everglades funding, was forwarded to President Clinton today for his consideration. Writing to President Clinton, Audubon Society President John Flicker and Everglades Foundation Chair Mary Barley noted "under your stewardship we have made great strides in preserving and protecting our nation's natural wonders. Once again, Mr. President, our beloved river of grass requires your leadership."

The plan would utilize an existing federal program which currently enriches foreign sugar producers. Under the proposal, the over 500,000 tons of raw sugar imported into the country each year, above the 1.25 million ton GATT minimum, would be sold at auction. The proceeds of the auction would be used to restore the Everglades. Similar import auction mechanisms currently operating in New Zealand, Australia and Colombia have been a tremendous success.

"It makes sense to link Everglades restoration to the Federal sugar program," declared John Flicker. "The Sugar Program helped create the problems we face in the Everglades. Now we can use the same Sugar Program to help solve those problems."

Implementing this proposal requires that President Clinton sign an Executive Order directing the Secretary of Agriculture to conduct the auction. Countries that have implemented similar approaches auctions have been conducted at minimal cost.

"Citizens all over the United States want the Everglades restored. This mammoth undertaking will cost between $3 to $5 billion to achieve. We must look to novel and innovative ways to fund this project. This is a win, win, win approach. The taxpayer wins, the sugar industry wins and the Everglades wins," Mrs. Barley said. "If implemented, this proposal could become a national model of how diverse interests working together can preserve a national treasure and protect a region's quality of life while reinventing our government."

Proponents also stressed that the proposal unveiled today is easy to implement, completely deficit neutral, has no effect on domestic sugar markets, cost taxpayers and property owners nothing, is completely deficit neutral, and has no impact international trade agreements.

The Miami Herald

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Dollars for restoration

OF THE EVERGLADES

Latest $20 million from Uncle Sam helps, and a new funding proposal is worthy of debate.

It was a welcome phone call that Vice President Al Gore made to Florida Gov. Lawton Chiles. Not only did the vice president announce the release of $20 million for land acquisition for Everglades restoration, he said that the balanced-budget pact includes $300 million for the effort in 1998.

And on the heels of that good news, the National Audubon Society and Everglades Trust put forth an interesting proposal to auction sugar-import rights. Proceeds, estimated at $100 million annually, would go to restoration.

It's all fairly breathtaking — especially after the hammering that restoration and the South Florida Water Management District took from this year's Florida Legislature. The fact that the federal government hadn't reimbursed the district for buying land needed to filter water flowing into the Arthur R. Marshall Loxahatachee National Wildlife Refuge was a particular sore point among lawmakers.

By session's end, a few key legislators had grasped the complexity and scope of restoration and made sure that the district would be able to borrow from state trust funds to keep construction on schedule. Most, however, had little understanding of the issues.

There are dozens of facets to restoration: ringing Everglades farmlands south of Lake Okeechobee with filtration marshes; raising ground-water levels in South Dade; replumbing the coastal drainage system to create filtering and water-storing marshes, flow ways, and lakes in western Dade, Broward, and Palm Beach counties. Add it all up, and costs could well reach $3 billion. Clear funding commitments exist only for the first phase, which will cost $640 million.

So new funding mechanisms and existing alternatives, including local tax increases, merit examination. Certainly South Florida residents have the most at stake: a self-renewing and plentiful water supply far into the next century.

Auctioning sugar-import rights raises lots of money and has a certain "free market" cachet. Yet it could also devastate Caribbean economies, already hard hit by U.S. trade policies that favor Mexico. While the U.S. sugar program now restricts imports, the 40 countries selling to the United States get the same price per pound as domestic growers. Auctioning import rights could shut out some Caribbean countries and reduce returns for those who buy in. There needs to be a vigorous debate on how to shield Caribbean economies.

What's not open to debate is that restoration must be funded and must proceed — project by project — as South Floridians grasp its vision, make it their own, and cease to flinch when asked to pay their share to make it a reality.

The Palm Beach Post

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Firm ground for cleanup

Auctioning licenses for excess sugar imports would keep federal money flowing for the Everglades project.

Finally, someone has come up with what could be a sensible and workable way for the sugar industry to help ensure continued federal money for Everglades restoration.

The United States maintains a stable market and stable sugar prices through price supports and import quotas. The government provides production loans, then limits imports so the market is not glutted. That way, growers repay their loans rather than forfeit their crop.

For six months, the White House has been considering a proposal to auction licenses for imports above the 1.25 million tons the U.S. must take each year under the General Agreement on Tariffs and Trade. Proceeds would go toward Everglades restoration. The National Audubon Society went public last week, presumably to push for a decision. "Capture the windfall from the non-GATT sugar imports and dedicate it to the Everglades," Audubon Society President John Flicker wrote in a letter to President Clinton.

The windfall comes in because imports fetch the same price as domestic sugar, currently 22 to 23 cents per pound, whereas the world price is 11 to 12 cents, Mr. Flicker said. Assuming an auction price of 7 cents per pound and 500,000 tons of excess imports, that works out to $70 million a year.

Nathaniel Reed of Hobe Sound, one of the state's leading conservationists, supports the concept as "a well-reasoned approach." He worries that pressure to balance the budget and the power in Congress of Western lawmakers who may not like projects in the East could threaten federal money for the Everglades.

The only Florida sugar growers who would be affected directly are the Fanjuls, owners of the Flo-Sun companies. They also have plantations in the Dominican Republic, the largest single source of imported sugar. Nevertheless, the industry has adopted a united front in opposition, expressed through the Florida Sugar Cane League's Washington spokesman, Dalton Yancey.

Mr. Yancey says the plan probably would violate World Trade Organization rules because "you'd be treating imported sugar different than you treat domestic sugar." He also said the move would upset a stable market by removing an incentive for foreign growers to sell in this country.

The Audubon Society sees no legal problems because the proposal does not affect the 1.25 million tons covered by GATT. Ultimately, that is a question that can be answered only by the WTO. In the meantime, the state and federal governments are committed to an Everglades cleanup that could cost anywhere from $2 billion to $5 billion. A portion of that money will have to come from the federal government. Quota auctions for sugar would provide it.

NEWS JOURNAL

DAYTONA BEACH
DAILY - 112,000
JUNE 9, 1997

Funding for the Everglades

The largest environmental rescue project in history, restoration of the Everglades, finally is beginning to get the funding it will require. And a new revenue proposal offers even more hope of paying for the $1.5 billion program.

The goal is to save one of the nation's most important ecosystems and to replicate the natural flow of clean water that once nourished the Everglades and Florida Bay.

A NEW AGREEMENT by Republican congressional leaders and President Clinton allocates about $300 million in fiscal 1998 for Everglades restoration:

- About $100 million would go to acquire buffer zones to protect the Everglades from agricultural and urban growth areas.
- Another $120 million would fund the Army Corps of Engineers plan to restore the flow of water from Lake Okeechobee south to the Everglades National Park and Florida Bay.

Even more important, Everglades funding has been given a high priority status in the budget bill. That ranking should exempt it in future years from cuts that will be needed to balance the budget.

In a separate move, the federal government is allocating an additional $20 million to buy land needed for Everglades restoration. That doubles the amount of federal money Florida receives this year and brings the total for land buying to $80 million.

But the most promising potential source of new revenue is a proposal by the National Audubon Society. The organization suggests that the United States auction off the right for other nations to sell sugar in this country. The plan is modeled on similar programs in Australia and New Zealand, among other countries.

The National Audubon Society suggests that the United States auction off the right for other nations to sell sugar in this country.

Under international trade agreements, the United States must allow other countries to sell at least 1.25 million tons of sugar in this country each year.

In reality, other countries actually sell more than that, an average of 1.75 million tons. The idea is to auction off the rights to import amounts above the guaranteed minimum level.

Since sugar prices in the world market are about half the U.S. price, other countries have plenty of incentive to pay for the right to sell sugar here. The auctions could raise as much as $72 million a year, according to Audubon Society estimates. That money could help restore the Everglades.

The plan offers two other big advantages. The funds don't have to come out of the federal budget, and the money isn't tax dollars.

DOMESTIC SUGAR producers contend the plan would devastate the economies of poor sugar-producing nations and upset the world sugar market. But they haven't claimed it would affect their own business.

Domestic sugar producers, environmentalists and the government haven't been able to agree on much in the effort to restore the Everglades. This innovative approach ought to provide common ground for everyone, even U.S. sugar producers, to work on a funding solution.

THE WALL STREET JOURNAL
FLORIDA JOURNAL
TRACKING FLORIDA 5/28/97

ECONOMIC FOCUS

Shifting Everglades Cost Abroad Intrigues U.S.

By ROBERT JOHNSON
And DORIS BLOODSWORTH
Staff Reporters of THE WALL STREET JOURNAL

A proposal to make some foreign sugar producers chip in for the cost of Everglades restoration is drawing interest from officials in the Clinton administration.

Under the plan, rights to sell cheap, tariff-exempt sugar to the U.S. would be auctioned to foreign sugar producers. Currently, those rights are granted free to some 40 nations. Boosters say the auction proposal could sharply reduce the taxpayers' burden for the wilderness restoration in the Everglades, which some say may cost $3 billion to $5 billion over the next two decades.

A draft report done in May 1996 by the President's Council of Economic Advisers estimates that such auctions could have raised $300 million to $400 million since 1990 at the rate of sugar imports during that period. "It's something we're taking seriously and plan to discuss with others in the administration," says one White House environmental official, who asked not to be identified.

Administration officials say the auctions could be authorized by an order from President Clinton, without a congressional vote. Nevertheless, they're hoping that some key legislators, such as Florida's Democratic Sen. Bob Graham, will give their support.

Sen. Graham, who has backed the idea of Everglades restoration, but not at the expense of domestic cane growers, couldn't be reached to comment. However, an aide says the senator's staff has been studying the plan and submitted a list of 20 questions about the auction idea to lobbyists in Washington representing the Orlando-based Everglades Trust, an environmental group. Its politcal arm, Save Our Everglades, led last year's unsuccessful fight for an amendment to the Florida Constitution that would have put a tax of one penny a pound on sugar produced in this state, in order to pay for the South Florida wilderness project.

Sweet Deal?

Federal officials are reviewing a plan to auction sugar import quotas to fund Everglades cleanup

PROS

- It offers a fresh source of funding
- It doesn't force a further showdown over money between environmentalists and domestic sugar producers
- It doesn't cost U.S. taxpayers
- It can be administered without a big bureaucracy

CONS

- Some exporting countries may consider it an increase in tariffs
- An auction will reduce profits for some foreign sugar producers—money that many have come to view as a form of foreign aid
- Revenue from auctions would vary with U.S. demand, so it may not be a steady funding source.
- The environmental constituency could get "hooked" on sugar import revenue

Source: Council of Economic Advisers

"The beauty of this idea is, it doesn't cost consumers or the Florida sugar industry anything," says Richard Keller, an attorney for Everglades Trust.

The 1994 Everglades Forever Act called for sugar farmers, whose fertilizers contaminate the wetland habitat with phosphorus, to pay for about one-third of an initial $796 million cleanup job, leaving the rest of the bill to property owners in South Florida.

But under the auction plan being contemplated, the money would come from foreign sugar producers and brokers bidding for the right to sell low-cost sugar in the U.S., where wholesale prices have typically exceeded the world market price by an average of 10 cents a pound. Sugar prices in the U.S. are kept artificially high through the import tariffs, but each year the U.S. Agriculture Department grants tariff exemptions for a certain amount of sugar, beyond its obligations under trade treaties.

The usual beneficiaries of those tariff exemptions are sugar producers and brokers in such countries as the Dominican Republic and Barbados. Such companies, say the auction proponents, might be willing to pay several cents a pound for the tariff exemption because they would still have enough of a profit margin left on the U.S. market. According to the report by the president's economic council, "This should make for highly competitive bidding."

The idea of an auction on foreign sugar was first floated two years ago by the New York-based National Audubon Society. But an official there says the group gave it low priority when the proposed penny tax on domestic sugar seemed to gain momentum in Florida in mid-1996. That proposal was defeated by a margin of nearly 2-to-1 in a state referendum last November.

Officials in the Clinton administration, which supported the penny tax, say the auction could be an attractive funding alternative for the Everglades cleanup. "We're willing to be creative," says one economics researcher who asked not to be identified. "Frankly, we're having trouble finding the money the administration wants to help with the Everglades."

A White House economic official says Mr. Clinton's budget for the next fiscal year has earmarked $331 million for the Everglades effort, but Congress has agreed to only about two-thirds of that.

However, strong opposition to the auction plan is expected from many nations that now benefit from exporting sugar that doesn't get hit with the U.S. tariff. Ed Graves, a Washington lobbyist for the Caribbean Based Initiative Sugar Group, a trade alliance of 14 nations in Central and South America, says the tariff exemptions are important to the economies of his clients. "For those who say 'trade, not aid,' we agree," he says. "During the time when there were civil wars in a lot of these countries, the U.S. paid a lot of attention to them. Now it's taking them for granted."

Adds Ron Lord, an economics researcher at the USDA: "Technically, we probably have the discretion" to implement the auctions. "But when you take money from these countries to give to the Everglades, they are direct losers. There's no way around that."

In Guyana, for example, Ian McDonald, director of Guyana Sugar Corp.—the nation's biggest employer, with 25,000 workers—says profits from U.S. sugar sales "keep an industry going that is essential" to his country. He decries the notion of an auction on rights to sell tariff-exempt sugar. "I don't think there could be any suggestion to reducing the income that we get from" it, he says.

Moreover, some domestic sugar producers, particularly those that are also importers, oppose the auctions, fearing that any tinkering with the tariff structure may eventually destabilize sugar prices in the U.S. Dalton Yancey, executive vice president of the Florida Sugar Cane League, the state's main industry trade group, says, "We are for [Everglades] restoration but against this proposal."

The Palm Beach Post

SOUTH COUNTY FINAL | FRIDAY, MAY 30, 1997 | 128 PAGES

Everglades backers: Let foreign sugar pay

An auction of rights to sell sugar here could raise money for restoration, they propose.

By ROBERT P. KING
Palm Beach Post Staff Writer

MIAMI — Stymied in their efforts to tax Florida sugar to pay for Everglades restoration, environmental groups are trying a new strategy: getting the money from foreign growers.

The groups say the United States, which imports more than a million tons of sugar a year, should auction off the rights to sell some of that sugar in this country.

They estimate foreign growers would be willing to pay around 7 cents a pound — seven times the tax that environmentalists unsuccessfully tried to impose on Florida growers last year. The auctions would generate an average of $72 million a year, according to an analysis presented Thursday by the National Audubon Society.

"It doesn't cost consumers, taxpayers or (domestic) sugar growers anything," said society President John Flicker. Instead, it would reap the "windfall profits" that some foreign growers earn in the U.S. market, where a federal program keeps prices well above the world average.

Supporters said Florida growers should embrace the idea.

Instead, the state's sugar industry joined with a representative of Caribbean and Central American growers in denouncing the plan. They said it would devastate poor nations, violate trade agreements and upend the world sugar market, perhaps leading to shortages in the United States.

"I can assure you we'll fight this every inch of the way," said Ed Graves of CBI

Please see **SUGAR**/*13A*

Environmentalists seek Fla. sugar's backing

SUGAR
From 1A

Sugar Group, which represents growers in 14 Carribean and Central American nations.

"We don't think Everglades restoration should be built on shattered economies," said Robert Buker, senior vice president of U.S. Sugar Corp. Representatives of sugar giant Flo-Sun, the Sugar Cane Growers Cooperative and the Florida Sugar Cane League also denounced the idea.

Flo-Sun's owner, the Fanjul family of Palm Beach, also farms 120,000 acres in the Dominican Republic. That country holds the largest U.S. import quota.

Flicker said he still hopes to attract support from the Florida growers — even as a spokesman for the group Save Our Everglades barred a member of U.S. Sugar's public relations firm from attending Thursday's news conference.

> *'We don't think Everglades restoration should be built on shattered economies.'*
>
> **ROBERT BUKER**
> senior vice president of U.S. Sugar Corp.

National Audubon has pitched the proposal to President Clinton, and the group says he could enact it by executive order. The White House did not return calls seeking comment Thursday.

Florida's two U.S. senators, Bob Graham and Connie Mack, don't know enough about the idea yet to take a position, spokespeople said Thursday.

Supporters say the plan would raise some of the $3 billion to $5 billion they estimate Everglades restoration will need in coming decades.

It also would take advantage of a program that many environmentalists have fought to abolish: the federal system of tariffs, quotas and minimum prices that protects domestic growers from competition. Environmentalists say the protection has helped sugar spread in Florida, worsening the damage to the Everglades from farmers' tainted runoff.

"The greatest thing for the Everglades would be to not have (the program)," said Save Our Everglades leader Mary Barley. But while it exists, she'll try to use it to help the Everglades.

In its analysis, National Audubon said the proposal would pass muster with the General Agreement on Tariffs and Trade, the global trade pact that Congress approved in 1994.

Flicker said the auctions would affect only a part of the foreign growers' U.S. exports. He said their profits would decrease anyway if truly free trade caused U.S. prices to drop.

Growers countered that the world price is unreasonably low because some nations subsidize their sugar industries and dump the commodity on the market. So, they say, the profits are much less than Audubon assumes.

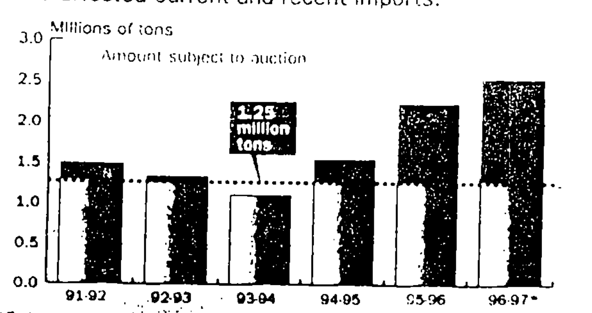
Dalton Yancey, executive vice president of the sugar league, said domestic growers would agree to abolish the federal program once other nations drop their subsidies. He said the environmentalists' plan goes the opposite direction.

"If you are for free trade, then this agreement doesn't make any sense," he said.

Staff writer Lisa Shuchman contributed to this story.

Sugar imports under U.S. quota program

The United States imports at least 1.25 million tons of sugar each year. Environmentalists want to make foreign growers bid for the right to sell any sugar exceeding that amount. This is how the proposal would have affected current and recent imports.



*Estimated
Source: U.S. Department of Agriculture

Pay to play

The plan would require foreign growers to pay for the privilege of selling sugar in the United States.

SUPPORTERS SAY:
It would generate $72 million a year for Everglades restoration.

OPPONENTS SAY:
It would violate world trade agreements and devastate poor nations.

ISLANDER

SANIBEL/CAPTIVA
WEEKLY - 7,500
JUNE 13, 1997

Environmental Affairs

Bob SLAYTON

Everglades cleanup swamped in red ink

The Everglades cleanup effort is bogged down in red ink. Projected construction costs will exceed revenues by about $51 million this year, and $28 million in 1998. The South Florida Water Management District (WMD) blames its troubles on rising land prices, a shortage of big construction companies, and a loss of anticipated revenues, especially $44 million the district expected to get from Alligator Alley tolls.

Cleanup will require the purchase of 40,000 acres of farmland - mostly sugar fields - land that will be turned into six sprawling marshes designed to remove phosphorus and other nutrients from water flowing off the remaining sugar fields. The marshes will also filter water from Lake Okeechobee, polluted by farms along the Kissimee River, farther north.

The price tag is currently estimated at $1.6 billion, but may go much higher. Costs currently are being borne by property owners in the South Florida Water Management District, by the federal government, Florida's Preservation 2000 program, and the Florida Power and Light Co. The Clinton administration's FY'98 budget has earmarked $331 million for Everglades restoration, but Congress has already shaved that figure by one-third.

Help may be on the way! A new proposal, unveiled May 29 by the National Audubon Society's Everglades Ecosystem Restoration Campaign office in Miami, would make foreign sugar growers responsible for some of the funding for Everglades restoration.

Domestic sugar prices are kept artificially high through import tariffs. The U.S. Department of Agriculture, however, grants tariff exemptions for a certain amount of imported sugar under trade treaties. Each year, thousands of tons of tariff-exempt raw sugar is imported into the United States. Under the Audubon Society's proposal, this sugar would be sold at auction, requiring foreign sugar producers and brokers to bid for the right to sell the low-cost sugar in the United States. The proceeds from the bidding, estimated at roughly $100 million a year, would be used to restore the Everglades.

Similar import auctions in New Zealand, Australia and Colombia have been successful.

Implementation of the plan will require the President to sign an Executive Order directing the Secretary of Agriculture to conduct the auction. Congressional approval is not necessary. The proposal would have no effect on the deficit or on international trade agreements.

Keeping the cleanup on track will require monitoring as well as money. To this end, the Florida Legislature has created a joint House-Senate panel to ensure fiscal accountability and monitor the progress of the restoration effort.

But there is still one fundamental issue - how to get through the next two years of construction expenses that will exceed revenues, no matter who keeps the books.

TAMPA TRIBUNE

TAMPA
DAILY - 391,400
JULY 5, 1997

EDITORIALS

A promising Everglades funding plan

The National Audubon Society has come up with a funding source for cleaning up the Everglades that doesn't put the arm on taxpayers, consumers or American sugar growers.

The innovative plan would raise about $72 million a year, and none of it would come from American pockets.

The money is badly needed. Canals and pumping systems divert water from the River of Grass. Polluted runoff from sugar cane fields and other agricultural operations makes its way into this singular resource. For the Everglades to survive, expansive marshes that will filter agricultural water must be established. Water systems must be revamped. Much land must be bought and preserved. It's estimated the projects needed to restore the Everglades will cost between $3 billion and $5 billion over the next 20 years.

THE STATE DOES NOT have the necessary money. The Legislature's 1994 Everglades Forever Act calls for sugar growers to pay about one-third of the initial $796 million cleanup job. The rest will be paid by South Florida property owners or by taxpayers at large. No definite funding source has been identified for expenses beyond the first phase of cleanup. So either taxes eventually will have to be increased or the Everglades will be left to languish.

Last year environmentalists sought to pass by referendum a penny-per-pound fee on the sugar industry that would have raised about $35 million a year. The money would have been used to augment restoration funds.

But the sugar industry launched an expensive and highly misleading media campaign, claiming, among other things, that the fee would end up increasing property taxes. In fact, the fee would have lessened the burden on homeowners by forcing the industry to pay for treating the water it polluted.

In any event, the referendum failed. Now the Audubon Society is supporting a measure that would raise as much as $75 million a year for Everglades restoration but would not cost American taxpayers, consumers or growers a dime. Further, it would use market forces to generate this revenue.

The details:

The United States each year imports about 1.2 million tons of foreign sugar because the American growers cannot meet consumers' needs.

As matters stand, the government gives away to about 40 nations the right to sell tariff-exempt sugar in the United States. Domestic sugar sells for about 10 cents per pound more than the world price, so the foreign nations reap a windfall profit when they are allowed in our market.

Yet the United States permits the exporters to sell here, at domestic prices, at no costs and with no strings attached.

Audubon suggests Washington auction off the rights to sell foreign sugar here.

As the environmental group's position paper explains: "Those interested in exporting sugar to the United States would bid at auction to acquire the excess sugar import quotas. The quotas would be granted to the highest bidder. With sugar producers and suppliers from over 40 countries, as well as import brokers and other sugar merchants bidding on these quotas, a competitive and well-capitalized market is assured."

The money achieved through the auction — estimated to be about $72 million a year — would go toward cleaning up the Everglades.

This tie to the nation's sugar price support program is appropriate. That program, after all, has made possible the great growth of the sugar industry in South Florida, and pollution from sugar fields poses the greatest threat to the Everglades.

Further, it makes sense to take advantage of a market that now is being neglected.

John Flicker, president of the National Audubon Society, says, "This would allow our country to capture value created by our own policy."

Caribbean sugar producers will fight the plan. They will claim the additional costs would ruin their economies. Such claims deserve close scrutiny. Most of the fat profits the exporters achieve from the American markets go to huge plantation operations, which could well afford the additional cost.

The auction device would not require congressional approval. The Trade Agreement Act of 1979 states: "The President may sell import licenses at public auction under such terms and conditions as he deems appropriate."

THE CLINTON ADMINISTRATION, to its credit, has supported Everglades restoration. Vice President Al Gore recently announced the release of $20 million for land acquisition in the Everglades, and the administration managed to include $300 million for Everglades restoration in the balanced-budget agreement.

But President Clinton could assure the salvation of the Everglades by providing a reliable funding source for restoration. Obviously, all the impacts of the auction plan should be studied. But this proposal appears to be a reasonable and fair way to generate the needed cleanup money.

As Flicker says, "This is a positive solution. This is not a case of people pointing fingers and yelling at one another. This is something we can all do together."

National Audubon Society

Everglades Ecosystem Restoration Campaign
444 Brickell Avenue,
Suite 850
Miami, FL 33131-2405
(305)371-6399
(305)371-6398 *fax*

The Sugar Quota Auction Concept
Questions and Answers

Q: Why does the United States import sugar?
A: International free-trade agreements, including the General Accords on Tariff and Trade (GATT), require that the United States import a certain amount of raw sugar duty-free. Each year, the United States must import at least 1.256 million short tons of foreign sugar.

Q: How much raw sugar does the United States import?
A: On average about 22% of the domestic market demand is met by sugar imported from foreign producers. In 1996, the United States imported 2.27 million short tons of foreign sugar.

Q: Why does the United States import foreign sugar beyond what is required by international treaties?
A: In order to ensure a stable domestic sugar market, the Secretary of Agriculture calculates a buffer or cushion into calculations of the amount of sugar to be imported into the United States. This buffer protects against the inevitable fluctuations of supply and demand.

Q: Isn't this "excess" quota valuable?
A: The right to sell low-cost foreign sugar at higher US domestic market prices is very valuable indeed. For example, in 1996 over 1 million short tons of sugar were imported into the United States in excess of the required quota. Since 1990, this excess quota has been worth an average of $72.5 million a year.

Q: Who gets the right to import this low-cost sugar?
A: Each year the United States Trade Representative grants sugar producers from 40 countries the right to sell sugar in the US domestic market--free of charge.

Q: Couldn't the value of this right to import low-cost sugar be recaptured?
A: Yes. The value of these excess sugar quotas could be sold to interested parties through a public auction.

Q: Would a Sugar Quota Auction violate international trade agreements?
A: The Quota Auction Proposal suggests selling the right to import sugar into the United States *beyond* what is required by international treaties. A sugar quota auction would only be initiated after these trade obligations are met.

Q: What effect would such an auction have on domestic sugar producers and the price of domestic sugar?

A: The sugar quota auction would have no impact on the price domestic producers receive for their product.

Q: How much would administration of a quota auction cost?

A: An auction is a highly cost effective way to capture the value of the excess foreign sugar quotas. The administrative cost of such an auction would be minimal and would be covered with a portion of the proceeds from the auction. The auction would actually pay for itself.

Q: Who would participate in such an auction?

A: The auction would be open to the public, with the right to sell sugar going to the highest bidder. Participation would include producers from around the world, sugar refineries, sugar merchants, and anyone with an interest in importing sugar.

Q: How would the proceeds be used?

A: For restoration and protection of the Everglades.

Q: Why should the money be used for the Everglades?

A: More than any other ecosystem, the Federal Sugar Price Support Program has had a direct negative impact on the Everglades. The result of higher prices for sugar in the US domestic market has made sugar cane farming in the Everglades highly profitable and encouraged the rapid conversion of hundreds of thousands of once pristine Everglades wetlands to sugar cane cultivation.

Q: How long would it take to implement a sugar quota auction?

A: The auction could be initiated immediately. The President of the United States has the authority to direct the Secretary of Agriculture to implement an auction immediately.

Q: Considering fluctuations in the amount of foreign sugar imported into the United States each year, isn't it dangerous to tie funding for Everglades restoration to such an unpredictable revenue source?

A: The revenue would be used as a supplementary source of funding for Everglades restoration, and would help meet long-term Everglades restoration initiatives.

Q: Wouldn't a sugar quota auction lead to the perpetuation of the Federal Sugar Price Support Program.

A: The quota auction is designed to help mitigate an environmental problem resulting from national trade policies and to capture the value of a financial asset that is presently being lost. Since the founding of the Union, the United States has protected its domestic sugar markets. In 1996, Congress again extended the Federal Sugar Price Support Program for another seven years. As long as the Federal Sugar Price Support Program exists, it makes sense to capture the value of these excess quotas.

National Audubon Society

Everglades Ecosystem Restoration Campaign
444 Brickell Avenue,
Suite 850
Miami, FL 33131-2405
(305)371-6399
(305)371-6398 *fax*

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An Innovative Source of Funding for Long-Term Everglades Restoration Objectives

National Audubon Society
Everglades Ecosystem Restoration Campaign

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National Audubon Society
EVERGLADES
Restoration Campaign

I. Situation Analysis

The Everglades is one of the largest and most important wetland systems found anywhere on earth. The 'River of Grass' is critical to the health and well-being of over 5 1/2 million Americans. It is the center of a $16 billion economy, creates hundreds of thousands of jobs, and is a unique part of our natural and cultural history. The Everglades is one of the nation's most important natural environments. It provides habitat that supports over 56 threatened or endangered species and 29 candidate species. Two national parks and several national preserves and wildlife protection areas are associate with the Everglades.

There is no greater example of the interdependence between man and the environment than the Everglades and the Greater South Florida Ecosystem. Recreational and tourism-related activities associated with the Everglades create over 365,000 jobs and bring more than $16 billion in direct spending to the regional economy. The Everglades also ensures the quality and quantity of the regional water supply, providing both water storage and flood control benefits.

II. Everglades Restoration

The need for Everglades restoration is clear. As a natural ecosystem, the Everglades is facing catastrophic decline. Since the turn of the century, 52% of the original Everglades has been lost. Wading bird populations are down 90%. An altered water regime has destroyed much of the natural habitat. Problems associated with poor water quality threaten the remaining Everglades ecosystems. Without immediate and direct action to restore and protect the remaining Everglades, the entire ecosystem could be lost within this generation.

A massive effort is underway to restore the Everglades. Already this effort includes a series of critical projects designed to restore and protect the Everglades over the next 25 years. This effort is expected to cost from $3 to $5 billion. Almost $700 million has already been invested in this effort. However, without a significant commitment to meeting long-term Everglades restoration goals and funding needs, this effort could fall short of its intended goal.

III. The Sugar Quota Auction: A Solution

The Sugar Quota Auction Proposal is a solution to help solve the problem of funding for Everglades restoration. By capturing the value of an asset presently given away by the federal government, we can supplement revenue for Everglades restoration, and move forward with efforts to protect this beleaguered national treasure. This solution costs taxpayers nothing, has no effect on domestic sugar prices, has no impact on domestic sugar growers, and can be implemented immediately under existing law.

IV. The Domestic Sugar Price Support Program

The United States gets its supply of raw sugar from a variety of sources (see Figure 1.) The amount of foreign sugar imported each year varies somewhat, based on USDA estimates of domestic sugar production and consumption. International trade agreements, particularly the GATT accords, obligate the US to import some 1.25 million tons of sugar annually. On average, the United States imports just over 500,000 tons of raw sugar each year beyond what is required by GATT.

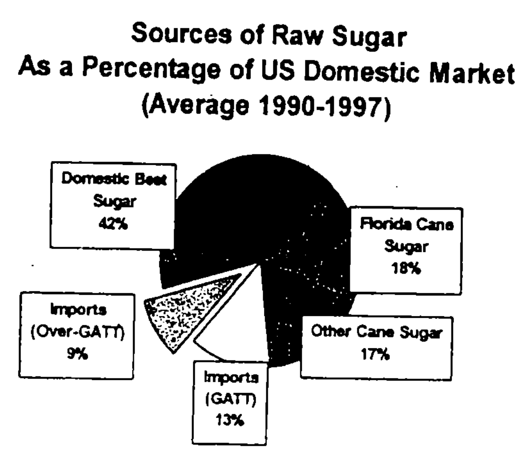

Figure 1

Source: Sugar and Sweetener Situation Outlook, US Department of Agriculture, September 1996

As part of the Federal Sugar Price Support Program, the federal government presently gives away -- no strings attached -- the right to sell low-cost foreign sugar at higher US domestic market prices. Each year, about 40 countries are granted a quota - a set amount of sugar - allowing foreign growers to export low-cost foreign sugar for sale in the price-supported US domestic market.

V. The Sugar Quota Auction -- A Free Market Approach

Instead of giving away these over-GATT quotas, the federal government could auction off the quotas in the free market. Under this proposal, the President of the United States, by Executive Order, directs the Secretary of Agriculture to sell over-GATT sugar quotas as sugar import licenses annually at public auction.

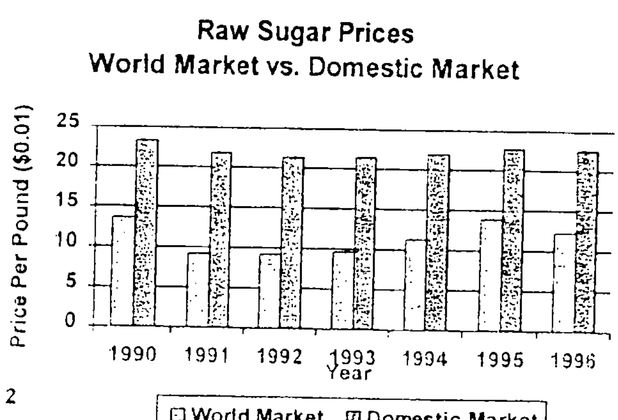

Figure 2

Source: Sugar and Sweetener Situation Outlook, US Department of Agricultu September 1996

This excess quota has a tremendous market value. Since 1990, US domestic sugar market prices have exceeded world market prices by an average of about 10 cents per pound (see Figure 2.) Considering this price differential, a bidder at auction might pay about 7 cents per pound for the over-GATT sugar import quotas. Based on data for the last seven years, sugar quota auctions would have raised an average of $72.5 million annually (see Figure 3.)

Who received this money? The entire amount has gone to -- *and continues to go to* -- foreign sugar interests as windfall profits.

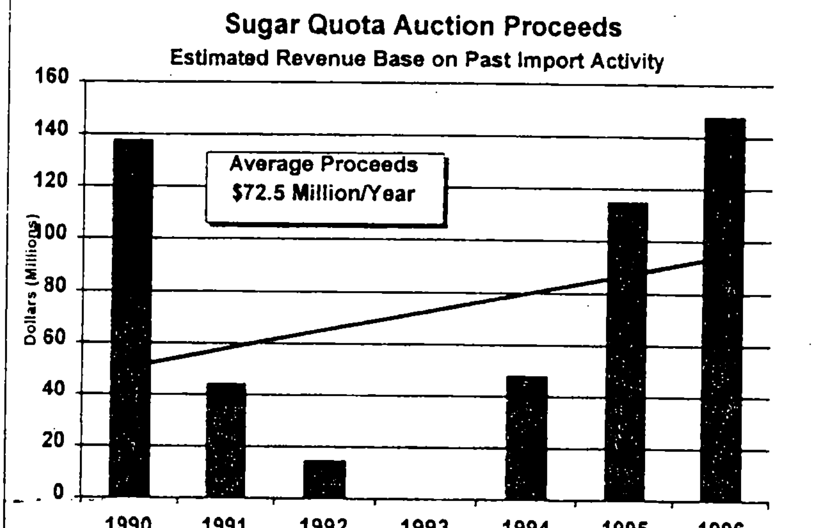

Figure 3
Source: Sugar and Sweetener Situation and Outlook Report, US Department of Agriculture, September 1996.

An auction would be the most efficient and cost effective way to establish the value of excess foreign sugar quotas. Those interested in exporting sugar to the United States would bid at auction to acquire the excess sugar import quotas. The quotas would be granted to the highest bidder. With sugar producers and suppliers from over 40 countries, as well as import brokers and other sugar merchants bidding on these quotas, a competitive and well-capitalized market is assured.

The Quota Auction Proposal is consistent with international trade agreements. Several other countries, including Australia, New Zealand, and Colombia, have successfully implemented quota auctions for other commodities.

VI. Quota Auction Revenue Projections

The Sugar Quota Auction has the potential to raise an average of $72.5 million annually for Everglades restoration and protection. This is an entirely new source of revenue. The money would come from selling the right to import sugar into the United States at public auction. Further, a sugar quota auction would result in no additional cost to taxpayers, consumers, agriculture, or landowners. Proceeds from the auction would supplement existing sources of funding for Everglades restoration, and be used exclusively to conserve and protect natural resources and abate water pollution in the Everglades Protection Area and Everglades Agricultural Area.

VII. Loss of the Everglades and Domestic Sugar Price Supports

It makes sense to link funding for Everglades restoration to the Federal Sugar Price Support Program. In the early 1960's cane sugar acreage in the northern Everglades totaled less than 50,000 acres. Today, more than 500,000 acres of what was once the natural Everglades has been converted to cane sugar production.

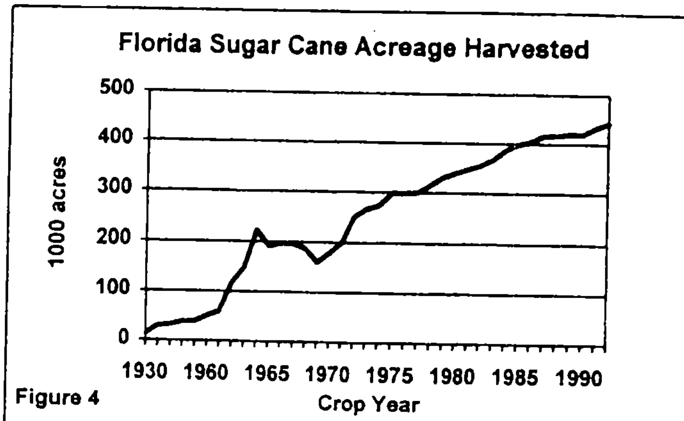

Figure 4

Source: Crop Production, National Agricultural Statistical Service, USDA, various issues

This rapid expansion was fueled by the Federal Sugar Price Support Program, and has had a direct negative impact on the health of the Everglades ecosystem in terms of degraded water quality, loss of natural habitat and water storage capacity, and large-scale diversion of water for cane sugar production. Again, it is appropriate that the same federal program that contributed to the decline of the Everglades now help fund its restoration.

VIII. Everglades Restoration: An Investment in the Future

The key to saving the Everglades is finding innovative ways to supplement existing funding sources for completion of the series of essential Everglades restoration projects. The Sugar Quota Auction is a creative example of a market-based approach to Everglades restoration. It costs the taxpayer nothing, has no effect on domestic sugar producers, and helps protect an irreplaceable national treasure. Further, it is simple to initiate, since it can be implemented immediately by Executive Order of the President.

IX. Legal Authority to Auction "Above GATT Minimum"

A. This Proposal Can Be Implemented by Executive Officer

This proposal can be implemented by the President, without Congressional action. Section 1102 of the Trade Agreement Act of 1979 (19 U.S.C. §2581) provides:

> Notwithstanding any other provision of law, the President may sell import licenses at public auction under such terms and conditions as he deems appropriate.

Section 1102 prescribes which current import licenses are authorized to be sold by public auction. Import licenses imposed under the authority of the notes of the Harmonized Tariff Schedule of the United States (HTS) are covered by this auction authority. The sugar tariff-rate quotas are imposed pursuant to additional note 5 to chapter 17 of the HTS and therefore could be administered by means of auctioned licenses.

The staff of the Trade Subcommittee of the House Ways and Means Committee, who were involved with the congressional passage of the Trade Agreements Act of 1979, believe that Section 1102 authority is applicable to the sugar quota.

This view is supported by the language of the Report of the Committee on Ways and Means which accompanied the Trade Agreements Act of 1979. In discussing the coverage of this authority, the House Report mentions "authority under the headnotes of the Tariff Schedules of the United States (e.g. sugar)". Nothing in the Report of the Committee on Finance on this legislation contradicts the House Report language.

This view is also supported in a report entitled "Auction Quotas and United States Trade Policy" prepared for the Institute for International Economics by C. Fred Bergsten and others in September 1987. In discussing which import licenses could be auctioned under Section 1102 authority, Bergsten states: "this authority could apply to the sugar quotas, which are under headnote authority rather than Section 22."

B. This Proposal Violates No US International Trade Obligations

1. Agreement on Agriculture
Imports of sugar into the United States have been limited by a tariff-rate quota system since 1990, under which an allocated amount of sugar is allowed to enter the United States, subject to the minimum duty of 0.625 cents per pound, and any sugar imported in excess of the allocated amount has an over quota duty of 16 cents per pound. Under the Uruguay Round Agreement on Agriculture, the US agreed to import a minimum of 1.25 million short tons of raw sugar annually at the virtually duty free rate of 0.625 per pound.

The United States Trade Representative (USTR) currently allocates these "GATT minimum" quota imports to supplying countries based upon representative trade patterns.

Under the Omnibus Trade and Competitiveness Act of 1988, the Secretary of Agriculture is permitted to allow additional raw sugar to be imported at the lower quota tariff rates to assure that US supply and demand are in balance. These additional imports vary from year to year, and are also allocated by USTR to supplying countries based upon their past export performance. Only these "above GATT minimum" quota imports would be subject to the public auction procedures of this proposal.

Given that this proposal leaves untouched all of the "GATT minimum" quota imports required by the Agreement on Agriculture, and only affects those additional "above GATT minimum" quota imports unilaterally granted by the United States annually, there is no basis for complaint under this Agreement.

2. GATT Article VII

GATT Article VIII: 1(a) prohibits the imposition of import fees except those required to cover the cost of customs services, which are specifically permitted under the GATT. In other words, the fee must approximate the cost of services rendered and should not be used to provide indirect protection to domestic products. GATT rules explicitly bar the use of import fees to raise revenues for other purposes.

To be considered an import fee, the auction premium must represent an additional charge that increases protection in the importing market above the level set by the underlying quota. Under this proposal, the auction would involve only the additional "above GATT minimum" quota allowed into the United States in any given year. Since the imports in question are part of a unilateral liberalization program, a World Trade Organization (WTO) complaint would appear unlikely.

3. Impairment of Tariff Bindings

GATT Article II: 1(b) provides for the binding of maximum tariff rates on products where concessions have been made in trade negotiations. However, the price of the auctioned quota certificates is not a tariff. There is no additional trade restraint. As noted above, this proposal involves only the additional "above GATT minimum" quota allowed each year. The affected imports would still likely be paying an amount less than they would face as over quota imports. Therefore, a WTO challenge on these grounds appears unlikely.

4. Agreement on Import Licensing Procedures

The World Trade Organization (WTO) Agreement on Import Licensing Procedures builds on the pre-existing GATT Licensing Code. The Agreement provides that licensing procedures shall not have trade-restrictive effects on imports additional to those caused by the imposition of the restriction. The Agreement calls for transparency of licensing procedures and nondiscriminatory access to licenses.

Auction procedures can be designed to ensure all the requirements of the Agreement are satisfied. This proposal does not increase the restrictiveness of the tariff-rate quota. The bidding procedure itself encourages the distribution of quotas to the most competitive suppliers. Therefore, a challenge under this Agreement would appear unlikely.

Lazy - plan

HELPING WORKING FAMILIES WIN	
1. Protecting Paychecks • **Taxes** Ensure tax cuts benefit working families -Distribution test on Tax Bill (i.e. bulk of tax cuts on fully phased-in basis should go to taxpayers making less than $80,000). -Insist $100 billion of the Tax Bill over 5 years will be allocated to the education and child credits. -Release Treasury distributional analysis of tax proposals. -Request CBO distributional analysis of Roth and Archer Tax proposals. -Highlight CRS report that disputes JTC methodology for assessing winners and losers from Capital Gains cuts. -Make Child Credit refundable. -Highlight any Republican deviation from informal Budget Deal agreements on EITC, education credits total, etc. -Add safeguard to Tax Bill that will automatically reduce tax cuts in case of out years explosion. Insist the gimmicks that balloon in out years be dropped (i.e. capital gains indexing, phased-in estate tax cuts, backloaded IRAs). -Highlight CBPP report exposing delayed revenue losses in GOP tax proposals. Close corporate tax loopholes and use as offsets for agenda priorities above. Citizens for Tax Justice has identified $69 billion in corporate tax breaks, $23 billion go to specific industries like oil & gas, insurance, timber and minerals, or benefit companies that operate abroad, or allow for entertainment and meal	

deductions. [need more specifics] Force deadbeat oil companies to pay the $440 million in royalties they owe the federal government. (Boxer) Democratic tax simplification alternative to GOP proposal. IRA payroll deduction for workers whose employers do not provide pension benefits. (Daschle/Kennedy/Bingaman) Make health benefits for self-employed tax deductible. Expand tax deductions for home offices. • **Job/Wage Security** Profitable companies that use mass downsizing schemes must pay 6 months severance or training before they may pay dividents or executive raises or bonuses. (Reich) Penalties for companies where executive compensation exceeds 50 times the average employee salary. (Bingaman) Companies that receive federal subsidies or contracts must keep a majority of employees in the U.S. not overseas. (Reich) **or** Eliminate tax break that encourages companies to move jobs overseas. (Dorgan) Stronger and better enforcement of the Equal Pay Act. (Daschle)	
Impose liability on companies and retailers that sub-contract to, or knowingly buy from sweat-shops. (Kennedy); Ban imports made with child labor; (?) Develop labeling to	YES -protecting our kids

reward products made without child or exploited labor. (Harkin)	
• **Workplaces that work for workers**	
Make child care more accessible by providing tax incentives to employers to create on-site day care centers, or help subsidize employees' off-site arrangement. (Dodd)(Kohl/Hatch)	YES -creating the balance between work and family
Allow unpaid leave for school or medical appointments. (Murray)	YES-creating the balance between work and family
Extend Family and Medical Leave Act to cover small firms with less than 25 employees. (Dodd).	YES (under preparing our children, our families and communities for the 21st Century)
Flex time to give employees more control of their work schedules. Preserve the 40 hour work week. (Baucus/Kerrey)	YES (under preparing our children, our families and communities for the 21st Century)
• **Consumer Protection**	
Lower the cost of basic financial services by protecting consumers from excessive automated teller, on-line or telephone banking charges. No bank fees for thsoe who carry no balance on credit cards.	
Authorize FCC reregulation of cable rates in markets where no competition has taken hold. Moratorium on cable TV rate increases. (Wyden)	COMPARE --Restructuring our economy (managing the deregulation of telecommunications, cable, transportation, electricity) (under Preparing our economy to meet the challenges of the new global economy and the information age)
Protect consumers from computer junk-e-mail. (CT Atty General); Prevent or limit trading of credit information over the Internet; Protect Internet privacy for children (FTC); child-safe labelling of Internet sites (Murray); Develop V-chip type technology to block all non-child-safe Internet sites.	YES --Using government to protect our kids from the new influences in society (pornography, safe and drug free schools, guns and tobacco and other values issues)(under Preparing our children, our families and communities for the 21st Century)

Insurance reform to eliminate Lifetime Limits. (Rockefeller)	
Improve service and standards of managed care insurance with incentives and rule changes to help health care professionals become managers of managed care plans; Set minimum standards of quality care to be observed by all managed care plans (Kennedy); Establish standards and procedures to give policy-holders consumer information about managed care plans.	
Aviation safety issues (?)	MAYBE -Adapting the federal bureaucracy to change (REGO reforms, FAA overhaul)
2. Empowering Parents - Protecting Children.	
Repair crumbling schools by reducing the costs of financing school construction for local authorities. Like the popular COPs program, local authorities would retain control. (Moseley-Braun)	
Extend health care coverage to all uninsured children [paid for with tax on cigarettes]. (Kennedy)	YES (under preparing our children, our families and communities for the 21st Century)
Fund HeadStart for all eligible 3 and 4 year-olds by adding a fee, or reducing the tax break, for advertising on children's television programs.	YES-Investing in people (the complete educational, training agenda) and new methods of solving our problems
Expand school lunch and breakfast program/child nutrition.	
Provide grants to local communities to improve the quality of child care program [set quality or licensing standards]. (Dodd)	YES-creating the balance between family and work; also new methods of solving our problems (the urban agenda, development banks, HeadStart, etc.)

Improve technology training for teachers (Murray); Increase school access to communications networks, hardware and software (Rockefeller/Bingaman/Murray)	YES-making technology available to every child, rich or poor
Protect Internet privacy for children (FTC); Cjild-safe labelling of Internet sites (Murray); Develop V-chip type technology to block all non-child-safe Internet sites.	YES --Using government to protect our kids from the new influences in society (pornography, safe and drug free schools, guns and tobacco and other values issues)(under Preparing our children, our families and communities for the 21st Century)
Guarantee community Right-to-know about toxic exposures. (Baucus/Boxer)	
Child safety locks on guns. (Kohl)	YES -using government to protect our kids
• **Safer Streets.**	
Gun standards to combat "junk guns" would extend the same safety and quality standards currently used for import. (Boxer)	YES -Reducing crime through more police, fewer guns, and a change in values represented by programs such as community policing
Child safety locks on guns. (Kohl)	YES-using government to protect our kids
Provide incentives to local communities to create After school Safe Havens.	YES -reducing crime and protecting our kids
Provide assistance for local communities to keep schools open until 5pm with optional programs for kids with parents who work -- also eases child care problems. Gives kids an alternative to the street and gives working parents peace-of-mind to know their children are in a safe, supervised environment. (Boxer)	YES -reducing crime and protecting our kids (under Preparing our children, our families and communities for the 21st Century)
Juvenile anti-gang initiative; Juvenile sentencing option for non-violent offenders; Expanded drug courts and drug treatment. (Daschle)	YES -reducing crime through a change in values (under preparing our children, our families and communities for the 21st Century)

• **Cleaner Communities.**	
Make polluters pay for clean-up. [need specifics]	YES -making a clean environment consistent with economic growth (Clean air standards)
Protect kids from toxic poisons by cleaning up all SuperFund sites within 4 miles of any child's home by 2005. Today 10 million children live within 4 miles of a major toxi waste stie.	YES -using government to protect kids and also making a clean environment (consistent with economic growth?)
Guarantee community Right-to-know about toxic exposures. (Baucus/Boxer)	MAYBE -under making a clean environment (but this is not necessarily "consistent with economic growth")
3. Making Retirement More Secure.	
Extend Social Security solvency by increasing rate of return on investments and instituting other reforms. [need better description]	YES -restoring discipline (Balancing the budget now, later by securing Medicare and Social Security for the next generation) (under Making Government Work Again)
Protect pensions from being used to prop up company stock - Color Tile. (Boxer)	
Provide women who stay at home or work part-time with access to pension benefits. (Moseley-Braun)	
IRA payroll deduction for worker whose employers do not provide pension benefits. (Daschle/Kennedy/Bingaman)	
Make pensions portable. (Bingaman)	
Protections against spousal impoverishment for long-term care.	
Crackdown on Pharmacuetical price gouging on drugs. (Pryor) Prescription drug coverage for Medicare beneficiaries. (Rep Engel)	
Health insurance coverage for early retirees abruptly dropped by insurers. (Daschle)	YES -expanding healthcare coverage to kids, the unemployed (under Preparing our children, our families and communities 21st

<u>Others</u> Incentives for states that <u>lower legal blood alcohol levels</u>. Increase allies <u>burden sharing</u> of defense costs.	