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Department of  
Agriculture

Office of the  
Secretary

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Weekly Reports from the  
Secretary of Agriculture  
to the White House

January 12, 1995-December 20, 1995





THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

January 12, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of January 9, 1995**

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KEY DEPARTMENTAL NEWS

**Department Responds to California Flooding**

USDA is responding aggressively to the flooding disaster in California in coordination with the Federal Emergency Management Agency. On January 13, I will travel to San Francisco, California to join federal and state officials to survey flood damage and to ensure that USDA is helping where needed. In California, assessments of damages and needs will continue to be updated as the storm systems remain active and rains continue to fall.

The USDA Food and Consumer Services has a Disaster Assistance Response Team on site to provide assistance in determining needs and to help set up food assistance centers, if they become necessary. USDA is also ready to supplement state stocks of commodities currently stored in California for use in USDA feeding programs by shipping additional commodities when state food stocks are depleted.

The Department's Emergency Loan Program, administered through the USDA Rural Economic and Community Development Service (RECD), is prepared to process emergency loans in the 24 counties that have been declared disaster areas and in the 23 counties contiguous to the disaster areas. Staff are providing information on emergency loans available as a result of the Presidential disaster declaration on January 10, as well as RECD loan servicing options for current borrowers.

Direct impacts to California agriculture are currently being assessed. Winter wheat crops and some small grains are threatened by flooding on about 40,000 acres. If the water recedes fast enough, the crop should survive. Erosion, however, is expected to be severe. Wine grapes have sustained water damage from debris, loss of vines, and damage to trellis and irrigation systems. Milk production is down and many peach and nectarine orchards are flooded and in jeopardy. Fruit, vegetable, and ornamental

crops are also affected. USDA will be actively informing agricultural producers of the assistance available for crop losses through federal crop insurance and the non-insured assistance programs. Emergency relief programs also administered by the USDA Consolidated Farm Services Agency include the Emergency Conservation and Livestock Feed programs.

The Emergency Watershed Protection Program, administered by the USDA Natural Resources Conservation Service, will provide relief from imminent hazards to life and property. Assessment efforts are hampered by access in the affected areas and continued high water and rains.

### **USDA Transition Continues**

During the past week, I have continued to meet with Secretary of Agriculture designate Dan Glickman to discuss Senate confirmation hearings, which are expected to take place at the end of January. Secretary designate Glickman has begun a series of meetings with individual Senators and Members of the Senate Agriculture Committee in preparation for the hearings.

### **USDA Proposes New Definition for "Fresh" Label on Poultry**

On January 11, I announced that USDA will issue a proposed rule to prohibit the use of the term "fresh" to describe poultry that has been previously frozen. Under the proposed rule, poultry could not be labeled "fresh" if it had ever been chilled below 26 degrees F, the temperature at which poultry becomes hard to the touch. In addition, poultry previously held at temperatures between 0 degrees F and 26 degrees F would have to be labeled "previously frozen." The proposal would change current policy, which allows raw poultry to be labeled as "fresh" if its internal temperature is or has previously been between 0 degrees F and 40 degrees F. The proposed rule is scheduled for publication in the *Federal Register* on January 17, with the comment period ending on March 20.

## **THE WEEKS AHEAD**

### **USDA Works To Promote Agricultural Trade**

On January 13-23, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will visit Egypt, Saudi Arabia, the United Arab Emirates, and several other Middle Eastern countries to meet with trade officials and promote U.S. agricultural exports.

## **Joint Commission on Grains Schedules Meeting**

On January 24-25, the Canada-United States Joint Commission on Grains will meet in Minneapolis, Minnesota. This is the third in a series of meetings to discuss problems dealing with grain trade between the two countries.

## **Events Will Commemorate E. coli Outbreaks**

On January 18, the victims' organization STOP (Safe Tables Are Our Priority), with support from the Safe Food Coalition, will hold events in eight cities across the nation to commemorate the second anniversary of the E. coli 0157:H7 outbreak in California and Washington. This commemoration will culminate in a final event in Washington, D.C. on February 2. The Department hopes to have a new proposed rule to improve the food safety inspection system published in the near future. (*See Regulatory Action*)

## **USDA Plans For Food Safety Announcement**

USDA is waiting for Office of Management and Budget clearance for publication of a proposed rule to mandate that all of the nation's federally inspected meat and poultry plants adopt science-based process control systems, called Hazard Analysis and Critical Control Points (HACCP). (*See Regulatory Action*)

## **CONGRESS**

### **Congressional Hearings**

On January 19, the House Interior Appropriations Subcommittee has scheduled a hearing on rescissions to the FY94/95 USDA Forest Service budget. USDA Under Secretary for Natural Resources Environment Jim Lyons and Forest Service Chief Jack Ward Thomas will testify.

On January 18, the House Appropriations Subcommittee on Interior will hold a hearing on downsizing government. USDA Forest Service Chief Jack Ward Thomas will testify.

### **Key Congressional Visits and Activities**

Today, the Senate Agriculture Committee held an organizational meeting.

On January 17, the House Agriculture Committee will hold a seminar for new Members of Congress to acquaint them with meat and poultry inspection issues. The USDA Food Safety and Inspection Service staff will hold additional sessions on this subject in the future.

Today, USDA Rural Housing and Community Facilities Service Acting Administrator Michael Dunn met with Congressman Bob Wise concerning funding problems with the Department's Section 502 Single Family Housing Program. Congressman Wise has expressed concern over the effect that recent increases in interest rates have had on program funding levels.

On January 19, USDA Congressional Relations and Rural Housing and Community Development Service representatives will meet with the staff of the Senate Committee on Banking, Housing, and Urban Affairs to discuss rural housing program issues, especially reauthorization of the Section 515 rural housing program.

Discussions continue over whether to extend the federal crop insurance sales closing date of January 15. U.S. Senators have written USDA in support of an extension, and the Department is considering administrative options to address the Senators' concerns.

Congressman Kika de la Garza has written USDA regarding Mexican market access for Texas citrus. Mexico currently prohibits the entry of citrus fruits from most areas of Texas because of the issue of Mexican fruit flies.

Hawaii's Congressional delegation has written USDA to request that the final rules pertaining to the importation of New Zealand bees into the United States and the transit of New Zealand bees through Hawaii be postponed until Hawaii and New Zealand officials complete pest and disease surveys. The delegation also requested that the USDA Animal and Plant Health Inspection Service convene a panel of experts to address their concerns about using Hawaii as a transshipment site for New Zealand bees en route to Canada.

Senator Robert Kerrey contacted the USDA Food Safety and Inspection Service about the status of studies conducted by Texas A&M University regarding washing versus trimming of meats.

The North American Free Trade Agreement implementing legislation required USDA to prepare an annual report to Congress by January 31. The report will cover the impact of the Agreement on the inspection of "any meat, poultry, other food, animal, or plant that is imported into the United States in commercially significant quantities." The USDA Food Safety and Inspection Service is taking the lead in preparing this document. In order to ensure that a full calendar year data is included, it may be necessary to seek an extension on the deadline.

USDA Under Secretary for Natural Resources and Environment Jim Lyons will meet next week with several Members of Congress to discuss USDA Forest Service reinvention and other issues.

On January 19, USDA Foreign Agricultural Service Administrator Gus Schumacher and U.S. Agricultural Minister-Counselor to Japan Jim Parker will brief Senate Agriculture Committee and Agriculture Appropriations Subcommittee staffs on export opportunities for U.S. food and processed agricultural products in Japan.

### REGULATORY ACTION

On January 17, the *Federal Register* will publish USDA's proposed rule that would prohibit the term "fresh" to be used to describe poultry that has been previously frozen. (*See Key Departmental News/USDA Proposes New Definition for "Fresh" Label on Poultry*)

The proposed rule intended to provide food-based menu systems as an alternative for schools to use in meeting the Dietary Guidelines is awaiting Office of Management and Budget clearance. In addition, the USDA Food and Consumer Service will soon complete planning for the mandatory public meeting to receive further comment on food-based menu systems. These plans will be published in the *Federal Register*.

Pending Office of Management and Budget approval, USDA plans to announce the publication of its proposed rule to mandate that all of the nation's federally inspected meat and poultry plants adopt science-based process control systems, called Hazard Analysis and Critical Control Points (HACCP). The HACCP systems would identify potential food safety hazards arising in slaughter plants and build on science-based preventative controls. The proposed rule is likely to be the subject of intense interest of Congress, as well as industry, consumer, and producer organizations.

The U.S. Department of Transportation (DOT) has initiated a rulemaking proceeding to determine if the maximum driving and on-duty requirements of the Federal Motor Carrier Safety Regulations should be waived for farmers and retail farm suppliers transporting crops or farm supplies within a 50-mile radius of their distribution point or farm. DOT has requested the Department's assistance in developing information on this issue.

USDA may soon publish a regulation concerning the transit of New Zealand honey bees through Hawaii and the mainland states. (*See Congress/Key Congressional Visits and Activities*)

### PRESS

#### **Press Contacts With USDA**

*Parade* magazine plans to publish a story in late January on the subject, "How Safe Is Your Food?" USDA Acting Under Secretary for Food Safety Mike Taylor was interviewed, as well as Food and Drug Administration and Environmental Protection Agency officials.

USDA may receive negative press from its January 10 report on the Animal Welfare Act. (See *Week In Review/USDA Issues Report on Animal Welfare Act*)

ABC's 20/20 contacted a USDA Animal and Plant Health Inspection Service investigator in North Carolina for information about roadside zoos in the state that have been the subject of complaints from animal rights organizations.

*Time* requested an interview and USDA Animal and Plant Health Inspection Service inspection reports of Disney's animal facilities in Orlando, Florida and Anaheim, California.

Fox television in New York requested information about airline violations of the Animal Welfare Act over the past two years.

*Associated Press* may do a story about the Mexican peso devaluation's effect on agricultural trade.

CBS's *60 Minutes* is considering a story about a USDA Office of Inspector General audit, which found that the USDA Forest Service may have abused the historic aircraft exchange program to acquire airtankers for firefighting.

The *Houston Chronicle* in Houston, Texas is working on a story about Electronic Benefits Transfer (EBT) of USDA Food Stamp Program benefits. The newspaper was given background on the Department's EBT investigations in Maryland.

USDA Assistant Inspector General for Investigations Craig Beauchamp was recently interviewed by *Common Cause* magazine for a February story on the Food Stamp Program. Information was provided concerning the USDA Office of Inspector General investigations of food stamp trafficking and fraud in the Electronic Benefits Transfer delivery of food stamp benefits.

*Safety and Health* magazine requested information about potential occupational hazards in slaughterhouses, particularly brucellosis. The National Safety Council is also interested in any studies about other potential disease threats and guidelines to protect workers from possible infection.

A writer with *Jack Anderson's* syndicated newspaper column contacted the USDA National Agricultural Library for historical information about the Department.

Significant press coverage is expected for events across the country on January 18 and February 2 to commemorate the outbreak of food-borne disease in California and Washington two years ago. (See *The Weeks Ahead/Events Will Commemorate E. coli Outbreaks and Regulatory Action*)

## **Uruguayan Beef Jerky Recalled**

USDA Food Safety and Inspection Service (FSIS) officials recently learned that, since February 1994, a plant in Idaho has received about 130,000 pounds of beef jerky from Uruguay which had entered the United States without being presented for import inspection. The FSIS recall committee recommended a Class III recall, which is assigned when no public health hazard is anticipated. There have been several Congressional calls on this matter.

## **Discussion Held On Risk Assessment**

On January 4, USDA Acting Chief Economist Keith Collins attended a White House meeting to discuss risk assessment and cost-benefit analysis. The meeting focused on the general principles of risk assessment legislation that would be acceptable to the Administration. USDA is the first federal agency subject to risk assessment legislation. The Department's reorganization act requires creation of an Office of Risk Assessment and Cost-Benefit Analysis that must conduct a risk assessment for rules with more than \$100 million in economic effects and which are directed at human health, safety, and the environment. The statutory requirements meet the general principles acceptable to the Administration and are far less inhibiting than the legislation proposed in the Republican's Contract With America.

## **B. Major Speeches**

On January 10, I addressed the Agriculture Roundtable in Washington, D.C.

### **SECRETARIAL WORK ON PRESIDENTIAL INITIATIVES**

#### **Welfare/Food and Nutrition Reform**

On January 13, USDA Under Secretary for Food and Consumer Services Ellen Haas will attend the President's Working Session on Welfare Reform, to focus on the role of federal nutrition programs in the context of welfare reform. In addition, she will attend a pre-working session meeting with representatives of The White House Domestic Policy Council and the Department of Health and Human Services. On January 11, Under Secretary Haas briefed Assistant to the President for Domestic Policy Carol Rasco on USDA's analysis of the effects of the Personal Responsibility Act and issues related to reforming nutrition programs.

On January 18, USDA Food and Consumer Service Deputy Administrator Mary Ann Keefe will participate in The White House Conference on Aging. Program operators, volunteers, senior citizens, and the medical community will examine the effects of hunger and poor nutrition among our elderly populations and the role of food assistance programs in improving nutrition and health.

The USDA Food, Nutrition, and Consumer Services will host a January 20 Minority Roundtable on Food and Nutrition on January 20 in New York, New York. Discussion will focus on the Department's agenda to improve the health and nutrition of all Americans, with special attention to the dietary needs of minority populations.

January 30-February 1, USDA Food and Consumer Service Food Stamp Program Administrator William Ludwig and Deputy Administrator Yvette Jackson will attend the Big Six Error Reduction Conference in San Antonio, Texas. Representatives from six states will meet to discuss food stamp payment accuracy strategies.

#### **ACTING SECRETARY'S SCHEDULE FOR NEXT WEEK**

Today, I am participated in the annual meeting of the President's Council on Sustainable Development in Chattanooga, Tennessee.

On January 13, I will travel to Northern California to review USDA assistance to flood victims in that state.

On January 19, I will address the Soybean, Corn, and Small Grain Conference in Raleigh, North Carolina.

#### **ACTING SECRETARY'S SCHEDULE FOR NEXT MONTH**

My schedule for next month is being developed.



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
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January 19, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of January 16, 1995**

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**KEY DEPARTMENTAL NEWS**

**USDA Releases Analysis of Personal Responsibility Act**

On January 17, the Department released an analysis of the Personal Responsibility Act, which was completed by the USDA Food, Nutrition, and Consumer Services and the USDA Economic Research Service. The report, *Nutrition, Health, and Economic Consequences of Block Grants for Federal Food Assistance Programs*, is a comprehensive and quantified analysis of the nutritional and economic impacts of the Act. The analysis found that these proposed changes would: 1) adversely affect the nutrition and health status of low-income families; 2) result in an inability to respond to changing economic circumstances; 3) reduce retail food sales by between \$4.25 billion and \$10.5 billion; 4) increase unemployment in the agricultural production, processing, and distribution sectors; and 5) substantially reduce federal funding to the vast majority of states.

The report has been the subject of wide media coverage, including articles in *The New York Times*, *The Washington Post*, *Associated Press*, *Reuters*, and *USA Today*. The Department also briefed the House Agriculture Committee staff on the report. Concerns were raised regarding the magnitude of the economic effects on the food and agricultural sectors. This report is expected to be addressed in the upcoming hearings on the Contract With America and the Personal Responsibility Act. (*See Congress*)

**Evaluation Team Returns From Mexico**

A USDA team from the Foreign Agricultural Service and Economic Research Service returned from Mexico after conducting an investigation of the effects of the devaluation of the Mexican peso. The devaluation will likely affect agricultural trade in two ways, through a price effect and an income effect. Devaluation of the peso makes U.S. goods more expensive for Mexican consumers (and Mexican goods less expensive for U.S. consumers).

Decreased income growth in Mexico will mean that Mexican consumers will likely make smaller purchases of income-sensitive commodities, such as meats, fruits, and vegetables. Preliminary analysis suggests that the devaluation of the peso will likely cause a drop in U.S. agricultural exports to Mexico in 1995, particularly for livestock products and fruits and vegetables. U.S. grain exports will likely see little change. Mexican exports to the United States, principally counterseasonal fruits and vegetables, will likely increase slightly. A report is being prepared.

### **Secretary Designate Continues Confirmation Hearing Preparation**

Secretary of Agriculture designate Dan Glickman continues to meet with Members of the Senate Agriculture Committee in preparation for his confirmation hearings, tentatively scheduled for the end of January or early February. Senator Richard Lugar has indicated that the confirmation hearings will be a priority for the Senate Agriculture Committee.

### **THE WEEKS AHEAD**

#### **Department To Host Team Nutrition Teleconference**

On January 24, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will join USDA Food and Consumer Service staff in a nationwide teleconference with state Child Nutrition Directors on the Department's Team Nutrition Initiative. The group will discuss the School Meals Initiative for Healthy Children regulation, the training and technical assistance efforts being planned to help schools implement the new rule, the Children's Nutrition Campaign, and other Team Nutrition activities.

#### **Crop Insurance Reform Roll-Out**

On January 25, USDA will announce a major milestone in implementing President Clinton's reform of the federal crop insurance program in response to 1993's devastating Midwest flood. The Federal Crop Insurance Reform Act, signed by the President last October, replaces the costly and unpredictable *ad hoc* crop disaster relief packages of past years with an expanded insurance system.

Now, after promulgating the rules, training the agents, and working out the details, USDA is ready to announce that a national signup for the new program is ready to begin. Farmers can now start to purchase the newly-created "catastrophic" crop insurance policies for 1995 crops from their local USDA offices or private insurance agents. Farmers are required, by law, to sign up for insurance as a condition to

participate in USDA price support programs or the Conservation Reserve Program (CRP), or to obtain loans from the former Farmers Home Administration. USDA is urging all farms to "GET THE FACTS" and take advantage of the new opportunities and choices available under the new Crop Insurance Reform.

### **Initial 1995 DEIP Program Announcement Expected**

On January 20, the USDA Foreign Agricultural Service expects to announce an allocation for the Dairy Export Incentive Program (DEIP) covering the first half of 1995. Program levels will roughly approximate 1994 levels. Significant progress, reflected in the addition of new commodity destinations and the decision to operate the program on a regional basis, marks the first step in the Administration's commitment to a more market-oriented operation of its export subsidy programs.

### **USDA Participates in Environmental Justice Meeting**

On January 20, USDA Assistant Secretary for Administration Wardell Townsend will participate in the National Interagency Public Meeting on Environmental Justice in Atlanta, Georgia.

## **USDA INITIATIVES**

### **USDA Food Safety Initiative**

USDA officials continue to work closely with Office of Management and Budget (OMB) officials on review and approval of the proposed rule to mandate that the nation's federally inspected meat and poultry plants adopt a science-based process control system, called Hazard Analysis and Critical Control Points (HACCP). The Department is working closely with OMB to address concerns regarding this important food safety proposal, as well as to take into consideration concerns regarding regulations in general. (*See Week In Review/USDA Remembers West Coast E. coli Outbreak*)

## **CONGRESS**

### **Congressional Hearings**

Today, the Senate Labor and Human Resources Committee held a hearing on the Job Corps program. A USDA employee testified in his individual capacity and was critical of the Administration's position and the Department of Labor.

Today, the House Appropriations Subcommittee on Interior held a hearing on FY94/95 budget recissions/downsizing government. USDA Under Secretary for Natural Resources and Environment Jim Lyons and USDA Forest Service Chief Jack Ward Thomas testified.

On January 24, the House Resources Subcommittee on National Parks, Forests, and Public Lands will hold a hearing on a National Forest land transfer to Native Americans. USDA Forest Service Deputy Chief Bill McCleese will testify.

The House Resources Subcommittee on National Parks, Forests, and Public Lands will also hold a January 24 hearing on several National Forest issues.

On January 25, the Senate Governmental Affairs Committee will hold a hearing on welfare reform and food and nutrition programs. USDA Food and Nutrition Service Administrator Bill Ludwig will testify.

On January 25, the House Economic and Educational Opportunities Committee will hold a hearing on the Personal Responsibility Act. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify.

On January 26, the House Resources Subcommittee on National Parks, Forests, and Public Lands will mark up pending legislation for National Forest lands.

On February 2, the House Agriculture Committee will hold hearings on changes and revisions in the food stamp program, as proposed in the Contract With America. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas and USDA Inspector General Roger Viadero will testify.

On February 4, the House Resources Subcommittee on National Parks, Forests, and Public Lands will mark up pending legislation.

On February 7, the Senate Agriculture Committee will hold a hearing on tax policy reforms and their relation to agriculture.

On February 14, the Senate Agriculture Committee will hold a hearing on reducing the regulations impacting agriculture.

On February 15, the Senate Budget Committee will hold hearings on budget issues relative to farm entitlements.

On February 16, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations. USDA Inspector General Roger Viadero will testify.

## Key Congressional Visits and Activities

The USDA study published on January 17, *Nutrition, Health, and Economic Consequences of Block Grants for Federal Food Assistance Programs*, has been distributed to Members of Congress. The Department has received a positive response about the report from several Members and special interest groups. (See *Key Departmental News/USDA Releases Analysis of Personal Responsibility Act*)

On January 20, the USDA Food Safety and Inspection Service will brief House and Senate Agriculture staffs on the issue of washing versus trimming of beef carcasses and the status of studies concerning these two methods.

A USDA Forest Service study examining timber management, ecosystem management, below-cost sales, and timber cost efficiency was delivered to several Members of Congress today. The study makes no policy recommendations and was proposed by USDA Under Secretary for Natural Resources and Environment Jim Lyons before a Senate subcommittee hearing last year.

USDA Under Secretary for Rural Economic and Community Development Bob Nash met recently with Senator Max Baucus to discuss the possibility of attracting a large electronics firm to Butte, Montana. The business could employ up to 4,000 people.

USDA Marketing and Regulatory Programs officials met with Congressman Bill Thomas' staff to discuss how the USDA Animal and Plant Health Inspection Service establishes trade standards and resolves disputes under the General Agreement on Tariffs and Trade and the North American Free Trade Agreement.

USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen recently briefed Congressmen Tim Johnson and David Minge on the progress of the Packer Concentration Study. Staffs representing Congressmen Pat Williams' and Earl Pomeroy's office also attended the briefing.

On January 24, USDA Under Secretary for Natural Resources and Environment Jim Lyons will meet with Congressman Pat Roberts to discuss the legislative agenda for the 104th Congress.

The USDA Forest Service will deliver the draft Alaska Region-Pacific Northwest Research Station's Anadromous Fish Habitat Assessment documents to the House and Senate Appropriations Subcommittees on Interior and Related Agencies by the end of January. It is expected that copies of the report will be requested by the media, timber industry representatives, salmon fishing industry representatives, and the environmental community.

On January 10, Senator Tom Harkin issued a press release that was critical of the USDA Food Safety and Inspection Service (FSIS) for not statistically verifying the validity of information on nutrition labels. Senator Harkin requested that the General Accounting Office (GAO) conduct a report on this issue. The GAO report determined that without statistical assessments of nutrition labels, FSIS would not be able to evaluate the overall effectiveness of its policies and procedures. The report recommended that USDA and the Department of Health and Human Services work together to develop a strategy for an overall assessment of the accuracy of information provided on all food labels.

Senator Alfonse D'Amato has introduced legislation that would permanently authorize the Section 515 Multi-family housing program. The bill has been co-sponsored by Senators Christopher Bond and Paul Sarbanes. The Department has submitted a draft legislative proposal for interagency review and approval which would reauthorize the program. Since authority for the Section 515 program has expired, USDA is currently reviewing Senator D'Amato's legislation to provide its views and position.

### REGULATORY ACTION

The Small Farmer Outreach Training and Technical Assistance Program interim rule was recently published in the *Federal Register* with a comment period through February 27. The rule is intended to make small farmers and socially disadvantaged farmers and ranchers aware of USDA programs which may be of assistance to them.

### PRESS

#### **Press Conferences/Statements**

On January 12, USDA issued a news release announcing the increase in joint projects that the Department's research laboratories have engaged in with private companies in 1994. One major project is to develop a spraying system for poultry processing to reduce microbial contamination. The USDA Agricultural Research Service entered into 91 industrial partnerships in 1994, compared with 71 in 1993.

#### **Press Contacts With USDA**

*Associated Press* is researching a story about Puerto Rico's importation of improperly labeled U.S. poultry. This news agency is also working on a follow-up story to the January 16 *Wall Street Journal* article, which discussed a memorandum from the Secretary's office regarding the continuation of work on a zero-tolerance policy for poultry inspection.

*The Fresno Bee* in Fresno, California is likely to run a story about the amount of funds that the USDA Agricultural Research Service spends annually on research.

National Council of Farmer Cooperatives President Wayne Boutwell is requesting that *National Review* publish his rebuttal of a previous article in the magazine stating that USDA spends \$63 million annually to benefit farmers.

California's *Camarillo Star* and *Los Angeles Times* asked how the state's flooding conditions have impacted the Medfly program. USDA responded that program trapping, larval survey, and sterile Medfly release were suspended for several days due to the weather. It is too early to determine whether the wet conditions will alter the duration of eradication activities.

*American Nurseryman* magazine asked for a county and state breakdown of the pine shoot beetle quarantine. (See *Week In Review/USDA Expands Pine Shoot Beetle Quarantine*)

The *Philadelphia Inquirer* has requested information on all cooperative research and development agreements and technology transfer efforts administered by the Northeastern Forest Experimental Station. The newspaper is doing a long-term project on federally funded research and technology projects.

*NBC News* is working on a story on the impacts of declining timber volumes on rural development in Arizona.

The Department expects significant media coverage in conjunction with the upcoming second anniversary of the West Coast outbreak of foodborne illness caused by *E. coli* 0157:H7. (See *Week In Review/USDA Remembers West Coast E. coli Outbreak*)

### **Significant Freedom of Information (FOIA) Requests**

*ABC News Intercontinental* in London, England requested the investigative file on New Mexico State University and Coulston Research, Inc., doing business as White Sands Research Center. The two facilities are under investigation by USDA for alleged violations of the Animal Welfare Act.

The Foundation on Economic Trends requested information on *E. coli* 0157:H7, such as recent contaminations, methods of detection, injuries incurred, and types of meats involved.

## WEEK IN REVIEW

### **A. Important Events**

#### **USDA Offers Assistance to California Flood Victims**

On January 13, I visited flood-ravaged Northern California with federal and state officials to assess damage and ensure that USDA is responding to victim's needs. During the trip, I visited a Red Cross feeding site in Sebastopol, met with local wine grape producers in the Napa Valley, and met with wheat producers in Sacramento County. The main focus was to describe the assistance, both short- and long-term, that the Department can provide to those affected by the floods. My visit generated both broadcast and print media coverage. *(See attached article)*

#### **Meeting Held on Reducing Rural Programs**

The General Accounting Office requested a consultation with the National Rural Development Partnership (NRDP) on the consolidation and elimination of 110 federal rural economic development and infrastructure programs. The NRDP held a workshop in January 9 to formulate a response to this request. The NRDP response did not mention specific programs to consolidate or eliminate, but defined six criteria for Congress to follow when attempting to restructure federal rural development programs.

#### **South Canyon Fire Report Released**

The Occupational Safety and Health Administration (OSHA) completed its investigation of the July 2, 1994 South Canyon Fire, which claimed the lives of 14 firefighters. OSHA is expected to present its findings and recommendations in a joint briefing to USDA and the Department of the Interior officials.

#### **USDA Expands Pine Shoot Beetle Quarantine**

On January 18, the USDA Animal and Plant Health Inspection Service announced that Adams and Jay Counties in Indiana had been quarantined due to pine shoot beetle problems. This brings the total to 118 counties quarantined in Michigan, Illinois, Indiana, Ohio, Pennsylvania, and New York. Written comments on this interim rule will be accepted through March 10.

## USDA Food Safety Education Continues

The USDA Food Safety and Inspection Service (FSIS) and USDA Food and Nutrition Service are working to distribute food safety materials to about 10,000 sponsors of the Summer Food Service Program, which provides summer meals to nearly 2 million children. Included in the mailing are FSIS publications regarding foodborne illness and food safety.

## USDA Remembers West Coast *E. coli* Outbreak

This week, USDA Acting Under Secretary for Food Safety Mike Taylor issued a statement in remembrance of the West Coast *E. coli* 0157:H7 outbreak two years ago. The positive steps taken by the Department to reduce the chances of such an outbreak again and to improve the meat and poultry inspection system were identified in the release. These efforts included strict enforcement of zero tolerance for visible fecal contamination of beef and poultry carcasses as well as mandated safe handling and cooking labels on every package of raw meat and poultry. *(See USDA Initiatives/USDA Awaits Approval of Food Safety Announcement)*

## B. Travel

On January 12, I traveled to Chattanooga, Tennessee to participate in a President's Council on Sustainable Development meeting. Following this meeting, I flew to California.

On January 13, I then reviewed USDA assistance to flood victims in Northern California. *(See Week In Review/USDA Offers Assistance to California Flood Victims)*

Today, I traveled to Raleigh, North Carolina to address the Soybean, Corn, and Small Grain Conference, sponsored by the North Carolina Soybean Producers Association.

## C. Major Speeches

I addressed the Soybean, Corn, and Small Grain Conference today in Raleigh, North Carolina.

## D. Controversies

On January 12, in a case entitled Pacific Rivers Council v. Thomas, a U.S. District Court in Idaho enjoined all future and ongoing timbering, road building, grazing, and mining on six National Forests in the state pending completion of Endangered Species Act consultation for listed salmon species. This ruling may influence the Solicitor General's decision to seek Supreme Court review. The deadline for that decision is February 6.

Food distributors in New York City's (Bronx) Hunts Point market are alarmed by plans to build a medical waste processing plant near the market. The plan, which has been tentatively approved by the City, would allow American Medical Waste Systems, Inc. to build the facility. The City's Department of Environmental Protection has issued a conditional declaration that the project has no significant environmental impact, and it is reviewing comments on the proposal.

On January 17, the state of Montana, at the request of Governor Marc Racicot, filed a lawsuit in U.S. District Court against the Department of the Interior's National Park Service and USDA's Animal and Plant Health Inspection Service (APHIS). The lawsuit seeks to enjoin USDA from revoking the state's brucellosis-free status based on the presence of Yellowstone National Park bison within the state and seeks to enjoin the Department of the Interior from managing bison in a manner which fosters brucellosis within the Park bison and in a manner which causes such animals to enter Montana. APHIS has not taken steps to remove Montana's brucellosis-free status. On January 23, interested state, federal, and private entities will meet in Bozeman, Montana to discuss the state's brucellosis-free status and the agreed upon goal of eradication of brucellosis from the Yellowstone ecosystem.

### **SECRETARIAL WORK ON PRESIDENTIAL INITIATIVES**

#### **National Performance Review Phase II Activity in USDA**

USDA is organizing to actively participate in the Phase II of the National Performance Review (NPR). A team of 10 high-level political appointees will be charged with giving leadership to this effort in the Department. USDA plans to have its work on Phase II of the NPR completed by April 1.

#### **National Service**

During his visit to the Kentucky Highlands Empowerment Zone on January 13, Vice President Gore recognized the work of six USDA/AmeriCorps rural development team members working in Monticello, Kentucky and other areas. USDA AmeriCorps volunteers also helped with sandbagging efforts in California to help stem flood waters.

#### **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

A USDA Rural Business Enterprise grant for \$95,000 has been approved for Port of Garfield, Washington for renovation of a building to keep light manufacturing businesses in the area and create 42 new jobs. This rural area has been impacted by the cutback in timber harvesting.

On January 11, I appointed 20 members of the Intergovernmental Advisory Committee, the group responsible for overseeing implementation of the President's Forest Plan in Washington, Oregon, and Northern California. The committee will hold its first meeting in early spring. Twelve additional advisory committees are being formed to facilitate involvement and cooperation at the Provincial level. The 13 advisory committees will have 300 members, representing governments, interest groups, and the public. Meetings will be conducted in accordance with the Federal Advisory Committee Act, and will include an opportunity for public involvement at each activity.

#### **President's Council on Sustainable Development**

On January 17-20, the USDA Natural Resources and Environment mission area hosted a meeting of the Natural Resources Task Force (NRTF) of the President's Council on Sustainable Development. Participants in the meeting drafted a report that includes policy recommendations and synthesized results of the NRTF Regional Teams' workshops.

#### **ACTING SECRETARY'S SCHEDULE FOR NEXT WEEK**

My schedule includes meetings throughout the week to ensure continued active reorganization plans, Departmental briefings for the Secretary designate, roll-out of crop insurance program signup, and review of various Department programs and activities.

On January 27, I will travel to San Diego, California to address the annual meeting of the National Alliance of Independent Crop Consultants and to participate in the Third Annual Progress Review of the 5-Year National Research and Action Plan for Development of Management and Control Methodology for Silverleaf Whitefly.

#### **ACTING SECRETARY'S SCHEDULE FOR NEXT MONTH**

My schedule for next month is being developed.

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#### BC-WEATHER-AID

Agriculture Department promises California aid

WASHINGTON, Jan 13 (Reuter) - Acting Agriculture Secretary Richard Rominger Friday promised to release USDA food stocks and provide emergency loans to help Californians cleaning up flood damage.

Rominger, who is visiting his home state to assess the damage, said in a statement released in Washington that USDA is ready to ship additional food to California when its stocks there are depleted.

"All states have USDA food stocks on hand to operate programmes such as the school lunch programme, and they can begin using that food right away," Rominger said.

"A top priority for USDA is ensuring that people don't go hungry as a result of a natural disaster," he added.

Rominger said damage assessments would continue as the flood waters recede, but the full extent would not be known for weeks or months.

Rominger became acting Agriculture Secretary Jan. 1 pending confirmation of former Kansas Democratic Congressman Dan Glickman.

The White House has nominated Glickman to succeed Mike Espy, who resigned in a scandal involving alleged favours to Arkansas-based poultry giant Tyson Foods Inc.

Rominger said USDA staff were providing information on each available to victims under the Emergency Loan Programme following President Clinton's disaster declaration this week.

Farmers would be eligible for Emergency Conservation Programme funds for debris removal, land restoration and fence repair, and also for emergency livestock feed assistance, he said.

He urged farmers to contact their local Extension Service office for information and announced a toll-free number, 800-462-9029, for other residents and business owners to apply for disaster assistance.

Rominger did not say how much he expected the assistance to cost or quantify USDA's estimates of damage to crops.

Reports indicate that wine grapes have been hit by debris, loss of vines and damage to trellis and irrigation systems, Rominger said.

Milk production is also down.

Rominger also anticipated damage to peach and nectarine orchards, strawberries, newly planted broccoli fields, cauliflower, avocados, lemons and field-grown cut flowers.

Winter wheat crops and some small grains in the six Northern Valley counties are threatened by flooding, he said.

REUTER



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

January 26, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of January 23, 1995**

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**KEY DEPARTMENTAL NEWS**

**USDA Participates In Administration Fly-Out Promoting President's Proposals**

USDA officials are participating in the post-State of the Union Fly-Out to highlight the President's proposal for a Middle Class Bill of Rights and an Education and Job Training Tax Deduction. On January 27, I will be in San Diego, California to speak at the National Alliance of Independent Crop Consultants annual meeting. My remarks will detail the importance of the President's plans for Middle Class Americans.

While in California, I will also be interviewed on *KABC* radio's *Michael Jackson Show*, the largest talk radio show in Los Angeles. I will then speak to AmeriCorps members working in the San Bernadino National Forest. Following my visit to the National Forest and with AmeriCorps members, I will hold a news conference about the importance of AmeriCorps and the civic responsibility themes that President Clinton stressed in his State of the Union address.

Today, USDA Assistant Secretary for Administration Wardell Townsend spoke at Northern Arizona University, a predominantly Native American school in Flagstaff, Arizona. On January 27, USDA Acting Deputy Under Secretary for Rural Economic and Community Development Mike Dunn will travel to Des Moines, Iowa to conduct an editorial board meeting with the *Des Moines Register*. While in Iowa, he also will stress the importance of the President's message before a zone meeting of the National Association of County Supervisors. This group is composed of Midwestern county supervisors.

## **1995 Farm Program Signup Dates and Crop Insurance Requirements Announced**

On January 25, the signup period was announced for producers to participate in the 1995 commodity production adjustment and price support programs. The signup period begins on January 30 and closes on April 28 at USDA Consolidated Farm Service Agency county offices nationwide. As a result of the enactment in the 103rd Congress of the Administration's Federal Crop Insurance Reform Act, agricultural producers must purchase at least the catastrophic level of crop insurance coverage, if it is available, in order to participate in most USDA farm programs. Because the deadlines for purchasing crop insurance are sooner than the deadlines for farm program signup, the Department and producer and crop insurance organizations are engaging in an extensive public education and outreach media campaign to ensure that agricultural producers are aware of the importance of purchasing crop insurance.

The crop insurance reform program boldly revamped the way the federal government responds to agricultural disasters. Rather than maintaining two separate programs -- the federal crop insurance program and ad hoc disaster assistance -- weather-related agricultural losses will be covered by the new federal crop insurance program, which is now streamlined and affordable to all producers as a tool for effective risk management. *(See Press Conferences/Statements)*

## **EPA Announces Enforcement Action Against USDA Animal Disease Center**

On January 24, the Environmental Protection Agency (EPA) announced that it has issued complaints against USDA and its prime contractor for federal hazardous waste rule violations at USDA's Plum Island Animal Disease Center in Greenport, New York. EPA is seeking a civil penalty for these violations, which took place between 1984 and 1993, including the Department's failure to notify EPA of its waste handling activities, treatment of hazardous waste without a permit, and failing to make a hazardous waste determination. USDA has since discontinued all long-term (greater than 90 day) hazardous waste storage and ceased the treatment of hazardous waste at the Plum Island facility.

## **USDA Issues End-Use Certificate Regulations**

Final regulations governing USDA's end-use certificate program, designed to track the importation of Canadian-produced wheat into the United States and its end use, were announced today by USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos. The North American Free Trade Agreement Implementation Act required that end-use certificates be established for wheat and barley imported

into the United States from any foreign country that required end-use certificates as of April 8, 1994 for imports from the United States. Because Canada is the only country that imposed such certificates for barley, only Canadian-produced wheat will be affected by these regulations. The National Association of Wheat Growers hailed the Administration's decision to begin requiring end-use certificates.

### THE WEEKS AHEAD

#### **USDA To Begin Annual Survey on Farm Costs and Returns**

USDA is ready to conduct its annual survey measuring the financial condition of American agriculture and the cost of producing agricultural commodities. From February to April, USDA interviewers will ask farmers and ranchers nationwide to participate in the *Farm Costs and Returns Survey (FCRS)*. The *FCRS* is the only survey that examines both on-farm and off-farm employment among family farms. Policymakers use the survey results to assess the effects of foreign trade, the environment, energy, and other issues on producers.

#### **Increased Exports to China**

China has become a major buyer this season of a great range of bulk commodities, such as wheat, corn, cotton, and vegetable oil. Most significantly, it has gone from being a major corn exporter to a corn importer. Whether this is a one-time occurrence or the first sign of a long-term trend will be among the questions USDA General Sales Manager Christopher Goldthwait will examine in a visit to China the week of February 6. He will meet a variety of Chinese buyers and government officials and will raise other issues, such as bilateral sanitary and phytosanitary concerns.

#### **National Associations Feature USDA Speakers**

USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will address the annual meeting of the National Association of Wheat Growers in Dallas, Texas. He will speak on policy issues related to the outlook for wheat and other agricultural commodities.

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will speak to both the National Cattlemen's Association and the National Cattlemen's Association in Nashville, Tennessee. Her remarks will focus on the School Meals Initiative for Healthy Children, USDA nutrition education initiatives, and the Department's analysis of the Republican block grant proposals. USDA Under Secretary for Natural Resources and Environment Jim Lyons and USDA Acting Under Secretary for Food Safety Mike Taylor will also address the National Cattlemen's Association annual meeting.

## USDA INITIATIVES

### **USDA Food Safety Initiative**

USDA anticipates the announcement next week of its proposal to require that the nation's federally inspected meat and poultry plants adopt a science-based process control system, called Hazard Analysis and Critical Control Points (HACCP). The Department has worked closely with the Office of Management and Budget to address concerns regarding this important food safety proposal. HACCP is a process control system designed to identify and prevent microbial and other hazards in food production. The announcement of this proposal reflects significant reform of the meat and poultry inspection system, and the Administration's commitment to improve that system.

### **Farm Program Signup Dates and Crop Insurance Requirements Announced**

On January 25, USDA announced the signup period for producers to participate in the 1995 commodity production adjustment and price support programs. Producers have from January 30 until April 28 to sign up at a USDA Consolidated Farm Service Agency county office near them. *(See Key Departmental News/1995 Farm Program Signup Dates and Crop Insurance Requirements Announced)*

## CONGRESS

### **Congressional Hearings**

Today, the House Resources Subcommittee on National Parks, Forests, and Public Lands marked up pending legislation for National Forest lands.

Today, the House Resources Committee held a hearing on federal efforts to introduce Canadian gray wolves into Yellowstone National Park.

On January 31, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on potential rescissions. USDA has not been asked to testify.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a January 31 hearing on mining law revisions.

On February 1, the House Agriculture Committee will conduct hearings on fraud, waste, and abuse in the food stamp program. USDA Inspector General Roger Viadero will testify.

On February 2, the House Resources Subcommittee on National Parks, Forests, and Public Lands has scheduled a tentative hearing regarding a land exchange in Colorado and the Modoc National Forest boundary adjustment.

On February 4, the House Resources Subcommittee on National Parks, Forests, and Public Lands will mark up pending legislation.

On February 7, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on tax policy reforms and their relation to agriculture.

On February 8, the Senate Governmental Affairs Committee will hold a hearing on the revision of the regulatory process.

On February 14, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on reducing the regulations impacting agriculture.

On February 15, the Senate Budget Committee will hold hearings on budget issues relative to farm entitlements.

On February 16, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations. USDA Inspector General Roger Viadero will testify.

On February 22, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations for the USDA Food Safety and Inspection Service. USDA Acting Under Secretary for Food Safety Mike Taylor will testify.

On February 23, the House Appropriations Subcommittee on Agriculture and Rural Development is tentatively planning a hearing on FY96 Agriculture Appropriations for the entire USDA.

### **Key Congressional Visits and Activities**

Senator Daniel Inouye has requested a meeting to address USDA Animal and Plant Health Inspection Service's providing additional inspectors at Honolulu International Airport.

On January 31, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will meet with Senators Max Baucus and Conrad Burns, Congressman Pat Williams, and Governor Marc Racicot to discuss the problem of brucellosis-infected bison straying from Yellowstone National Park. A lawsuit supported by Governor Racicot was recently filed against the Department of the Interior and USDA relative to this issue.

On January 25, USDA Foreign Agricultural Service officials briefed the Senate and House Agriculture Committees on the Mexican peso devaluation situation and its effects on U.S. agricultural trade. Of particular importance were the findings of USDA's Peso Devaluation Assessment Team, which recently returned from Mexico. (*See Week In Review/Work Progresses On Mexican Peso Situation*)

During the coming week, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will meet with several Congressional leaders regarding food nutrition programs.

### REGULATORY ACTION

Today's *Federal Register* contained the final regulations for USDA's end-use certificate program. The final rule will become effective 30 days after publication. (*See Key Departmental News/USDA Issues End-Use Certificate Regulations*)

Next week, USDA expects to announce the Hazard Analysis and Critical Control Points (HACCP) food safety initiative. (*See USDA Initiatives/USDA Food Safety Initiative*)

On January 27, the USDA Food, Nutrition, and Consumer Services will publish a proposed rule in the *Federal Register* relative to providing food-based menu systems as an alternative method for schools to use in meeting the Dietary Guidelines. In addition, the USDA Food and Consumer Service expects to hold a Congressionally mandated public meeting on February 17 to receive further comment on the food-based menu systems, and the proposed rule.

On January 25, the USDA Food Safety and Inspection Service presented the nation's 250-member dry sausage industry with procedures to validate that the processes used in making sausage products are adequate to kill the deadly *E. coli* 0157:H7 bacterium. In addition, the Department announced plans to sample fermented sausage products for the bacterium.

On January 24, the USDA Commodity Credit Corporation published proposed regulations in the *Federal Register*, asking for comments on 1995 annual production adjustment program provisions for wheat, feed grains, rice, upland cotton, and extra-long-staple cotton, and on the implementation of cost-reduction options.

On January 18, the USDA Foreign Agricultural Service published in the *Federal Register* a proposed rule to amend the Export Enhancement Program (EEP) and the Dairy Export Incentive Program (DEIP). Comments will be accepted through March 20. The publication of this proposed rule was part of the Administration's commitment during the consideration of the General Agreement on Tariffs and Trade to expedite and improve the DEIP- and EEP-approved processes.

The USDA Food, Nutrition, and Consumer Services will soon publish a notice in the *Federal Register* announcing both the final FY94 and initial FY95 per-meal reimbursement rates for the Nutrition Program for the Elderly.

## PRESS

### Press Conferences/Statements

On January 25, USDA Federal Crop Insurance Corporation Manager Ken Ackerman and I held a media roundtable with agricultural reporters to discuss crop insurance requirements and the 1995 signup period for producers. After the roundtable, I conducted an audiobridge briefing with farm broadcasters and satellite interviews with television stations in states affected by the signup period announcement. (*See Key Departmental News/1995 Farm Program Signup Dates and Crop Insurance Requirements Announced*)

### Press Contacts With USDA

*Associated Press* has indicated interest in a story about the speed of poultry inspection policy reform during former Secretary Espy's term.

*U.S. News & World Report* is researching a story about the Administration's efforts to diversify the workforce and whether upper management personnel are rewarded for succeeding in the diversification effort. The magazine is also working on a story about a proposed gold and copper mine two miles from the Yellowstone National Park. There has been significant public interest in the proposed mine, especially from environmental interests.

*National Public Radio* may air a story soon about USDA office closings in Missouri.

*New York Times* may run a story soon about the USDA Market Promotion Program.

*CBS's 60 Minutes* is researching the USDA sugar program for a potential story.

Several news agencies, including *Associated Press*, *Reuters*, *Farm Journal*, *CNN*, *New Yorker Magazine*, and *Bloomberg News Service*, called USDA to inquire about the status of proposed food safety regulations, specifically the proposed rule on a Hazard Analysis and Critical Control Points (HACCP) system. Several reporters also called to follow up on inaccurate reports in the American Association of Meat Processors trade journal that testing had been dropped from the USDA food safety proposal.

*Canadian Broadcasting Corporation* is expected to air a program on January 31 about import inspection at the Sweetgrass, Montana USDA inspection station.

On January 30, USDA Under Secretary for Natural Resources and Environment Jim Lyons will be interviewed by *Community Greening Review* regarding USDA's Urban Greening Program.

*CBS's 48 Hours* has contacted several USDA Rural Economic and Community Development County Supervisors about different accounts pending before the USDA Loan Resolution Task Force.

*Federal Times* is working on a story concerning the impact of welfare reform proposals on the federal workforce. A followup story will probably be published after Congressional hearings on welfare reform.

### **Significant Freedom of Information (FOIA) Requests**

*Associated Press* requested correspondence between USDA and House Speaker Gingrich.

### **WEEK IN REVIEW**

#### **A. Important Events**

#### **USDA Continues To Help California Flood Victims**

USDA continues to assist victims of California's devastating floods after my visit to the state on January 13. The Department is working with state authorities and other federal agencies on emergency responses. The USDA Consolidated Farm Services Agency office in California is providing the Department with daily situation reports for the affected areas.

#### **Work Progresses On Mexican Peso Situation**

On January 20, USDA issued a news release announcing that the long-term outlook for U.S. agricultural exports to Mexico is positive, despite the decline during the past month in the value of the Mexican peso. The peso's decline against the U.S. dollar is expected to cause a short-term decline in U.S. agricultural exports to Mexico.

On January 20, USDA Foreign Agricultural Service Administrator August Schumacher met with government officials in Mexico about the peso crisis and other issues. He reported progress on sanitary and phytosanitary measures that often result in restrictions on U.S. exports to Mexico. Mexican officials also indicated that Mexico may increase several tariff-rate quotas on agricultural products to curb inflation.

## **Food Program Allocations Announced**

On January 19, USDA announced revised FY95 allocations of \$259 million to 24 countries to cover commodity financing extended under Title I of the Food for Peace Program (P.L. 480) and commodity donations under the Food for Progress program, funded by Title I appropriations.

## **Minority Business Development Plan Completed**

The USDA Office of Small and Disadvantaged Business Utilization has completed the Department's Minority Business Development Plan for FY95 and the final progress report for FY94. The Department's minority business procurement goals increased from 5 percent in FY93 to 6 percent in FY94. The annual plan and quarterly reports are required under Executive Order and are submitted to the Department of Commerce, which has the legislative responsibility of reporting federal agency achievements in support of minority business.

## **Supreme Court Rules for Seed Company and Plant Variety Protection Act**

In a case closely watched by the agricultural industry, the Supreme Court ruled on January 18 that, when a seed variety has patent-like protection under the Plant Variety Protection Act (PVPA), a farmer may resell only the seeds he has saved for replanting his own acreage. The court decision protects owners of novel seed varieties against unauthorized sales of their seed for replanting.

## **USDA Looks at Wisconsin's Brucellosis-Free Status**

Wisconsin animal health officials are investigating a possible strain of brucellosis infection in a bison herd. An animal that reacted positive to a brucellosis test was disclosed recently when a number of animals in a herd were being tested for interstate movement. There is no record of vaccination. Culture results are pending at the USDA Animal and Plant Health Inspection Service's National Veterinary Services Laboratories. If this strain of brucellosis is confirmed, it will be the first infection since 1983, and Wisconsin's brucellosis-free status will be in jeopardy.

## **November Agricultural Exports Set Record**

According to recently released statistics, exports of U.S. agriculture, fish, and forest products totaled \$5.5 billion in November, an 18 percent increase compared with November 1993. The November 1994 export value for agricultural products alone set an all-time record for a single month at \$4.7 billion.

## **USDA Hosts Minority Roundtable On Food and Nutrition**

On January 20, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas chaired a Minority Roundtable on Food and Nutrition in New York City. At the meeting, New Jersey and New York community leaders discussed the Department's agenda to improve the health and nutrition of all Americans, with particular attention to the special dietary needs of minority populations. The meeting received good news coverage.

## **New York City Food Stamp Operations Audited**

The USDA Office of Inspector General (OIG) recently concluded an audit of New York City's Food Stamp Program. The audit found that the City's computer system lacked an automatic cut-off, required by federal regulations to prevent households from receiving benefits beyond their certification periods. The Department estimates that over \$3 million in food stamp benefits were wrongly issued in FY92 (the period covered by the audit). The USDA Food and Consumer Service is awaiting an official draft audit report from OIG.

## **B. Travel**

On January 19, I traveled to Raleigh, North Carolina to address the Soybean, Corn, and Small Grain Conference.

## **C. Major Speeches**

On January 19, I addressed the Soybean, Corn, and Small Grain Conference, sponsored by the North Carolina Soybean Producers Association in Raleigh.

## **D. Controversies**

The USDA Minnesota Rural Economic and Community Development State Director recently met with disputing parties on the Lincoln-Pipestone Water System expansion. This southwest Minnesota project is opposed by neighboring South Dakota groups, who claim that it would damage the area aquifer. An Environmental Impact Statement has been requested. The Minnesota and South Dakota Congressional delegations have been interested in this case.

House Government Reform and Oversight Committee Chairman William Clinger held a meeting today with the Executive Council of the Pennsylvania Association of Conservation Districts to discuss allegations that conservation district members were not included in the decision-making process regarding USDA office closings and the locating of new combined offices. The USDA Rural Economic and Community

Development (RECD) acting state director held numerous meetings on the proposed office consolidations and closings, none of which were attended by conservation district representatives. The USDA RECD state director for Pennsylvania attended the meeting.

### SECRETARIAL WORK ON PRESIDENTIAL INITIATIVES

#### **Empowerment Zones and Enterprise Communities Update**

On January 31, USDA Under Secretary for Rural Economic and Community Development Bob Nash will join Vice President Gore to tour areas within the Rio Grande Valley Empowerment Zone in Texas.

#### **National Service/AmeriCorps**

USDA AmeriCorps members in northern California continue to do flood relief work. In addition, the USDA AmeriCorps program on the Rogue River National Forest received praise in a Medford, Oregon *Mail-Tribune* editorial recently. On January 27, I will speak to USDA AmeriCorps members working in California.

#### **Welfare Reform**

On January 28, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will attend the President's working session on welfare reform. Governors, Members of Congress, and others will join the Administration to discuss the prospects for change in the coming legislative session and beyond.

### ACTING SECRETARY'S SCHEDULE FOR NEXT WEEK

On January 27, I will address the annual meeting of the National Alliance of Independent Crop Consultants in San Diego, California. While in California, I will conduct a news conference to discuss the President's proposal for a Middle Class Bill of Rights and an Education and Job Training Tax Deduction. I will also be interviewed on a Los Angeles radio talk show. (*See Key Departmental News/USDA Participates In Administration Fly-Out Promoting President's Proposals*)

### ACTING SECRETARY'S SCHEDULE FOR NEXT MONTH

My schedule for next month is being developed.



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

February 2, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of January 30, 1995**

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**KEY DEPARTMENTAL NEWS**

**USDA Unveils Sweeping Food Safety Proposal**

On January 31, USDA Acting Under Secretary for Food Safety Mike Taylor, USDA Food Safety and Inspection Service officials, and I announced the release of a proposed regulation which would make fundamental changes in federal meat and poultry inspection. These proposed reforms demonstrate the Administration's strong commitment to making meat and poultry safer. The proposal would transform a system based primarily on sight, touch, and smell into one that incorporates scientific testing and systematic prevention of contamination. By directly targeting pathogens, USDA believes the proposal fills a gap in the current inspection system.

Under the proposal, the nation's nearly 6,200 federally inspected meat and poultry slaughter and processing plants would be required to adopt science-based process control systems, called Hazard Analysis and Critical Control Points (HACCP). The HACCP systems would identify potential food safety hazards in plants and build in science-based preventive controls. For the first time, targets would be set for reducing the incidence of contamination of raw meat and poultry products with harmful bacteria and plants would be required to conduct bacterial testing to ensure that they are meeting the targets.

On January 31, House and Senate staff were briefed on the proposed regulation, which is the subject of significant public, media, and Congressional interest. In general, consumer and scientific groups have expressed support for the proposal. While supportive of HACCP, industry groups are concerned that the proposal will add another layer of regulations onto the existing system. *(See attached article)*

## **USDA Budget To Be Released Next Week**

The Department has scheduled three briefings on February 6 to release information on USDA's FY96 budget. There will be a Congressional staff briefing, followed by news media and interest group briefings. USDA subcabinet officials will then meet with specific interest groups for further discussion of proposals in each of their areas. I will be making opening comments on the President's overall budget at the news media and interest group briefings.

On February 6, USDA also will release its *Budget Summary* document, which contains budget tables as well as discussion about the Department's budget proposals. In addition, we anticipate that the Department's budget justification material will be submitted to the appropriate Congressional committees later during the week.

### **THE WEEKS AHEAD**

#### **USDA Participates In Delegation To Newly Independent States**

USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Gene Moos will travel to Belarus, Ukraine, Georgia, and Armenia, February 4-12, as part of an interagency delegation. The group will meet government officials in these countries to discuss economic, food, and technical assistance needs.

#### **USDA Officials Attend National Meetings**

On February 7, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend the annual meeting of the National Association of Conservation Districts. He will participate in town hall meetings on the farm bill and on urban and community conservation needs. The annual meeting presents an opportunity to meet with the Department's partners in the districts and state conservation agencies. Deputy Under Secretary for Natural Resources and Environment Tom Hebert also will attend. In addition, on February 10, Under Secretary Lyons will meet with Idaho Governor Philip Batt regarding natural resource issues.

On February 7, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the National Dry Bean Council on the School Meals Initiative for Healthy Children and the Children's Nutrition Campaign.

### **USDA INITIATIVES**

USDA announced its food safety proposal on meat and poultry inspection on January 31. (See *Key Departmental News/USDA Unveils Sweeping Food Safety Proposal*)

## CONGRESS

### **Congressional Hearings**

Today, the House Resources Subcommittee on National Parks, Forests, and Public Lands held a hearing regarding a land exchange in Colorado and the Modoc National Forest boundary adjustment.

On February 3, the House Science Committee will hold a hearing on risk assessment and cost-benefit analysis for new regulations. USDA Acting Chief Economist Keith Collins will testify.

On February 7, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on tax policy reforms and their relation to agriculture. USDA Acting Chief Economist Keith Collins will testify.

February 7-14, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a series of hearings on reforming the present welfare system. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify on February 8.

On February 8, the Senate Governmental Affairs Committee will hold a hearing on the revision of the regulatory process.

On February 10, the House Resources Subcommittee on Resource Conservation and Forestry will hold hearings on salvage timber sales. USDA will be testifying.

On February 14, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on reducing the regulations impacting agriculture. USDA will be testifying.

The Senate Indian Affairs Committee will hold a hearing on February 14 on the FY96 as it relates to Native American programs and USDA. USDA will be testifying.

On February 15, the Senate Budget Committee plans to hold hearings on budget issues relative to farm entitlements. USDA will be testifying.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold a February 15 hearing on protecting private property rights as they relate to agriculture. USDA will be testifying.

On February 16, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations for the USDA Office of Inspector General. USDA Inspector General Roger Viadero will testify.

On February 22, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations for the USDA Food Safety and Inspection Service. USDA Acting Under Secretary for Food Safety Mike Taylor will testify.

On February 23, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations for USDA.

On February 28, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations for the Department's Agricultural Research Service (ARS) and Economic Research Service (ERS). ARS Administrator R. D. Plowman and ERS Acting Administrator John Dunmore will testify.

On March 1, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 Agriculture Appropriations for USDA's Agricultural Marketing Service (AMS) and Grain Inspection, Packers and Stockyards Administration (GIPSA). AMS Administrator Lon Hatamiya and GIPSA Administrator James Baker will testify.

### **Key Congressional Visits and Activities**

On January 31, USDA Food Safety and Inspection Service Associate Administrator Tom Billy briefed Members of Congress on its food safety proposal on meat and poultry inspection. *(See Key Departmental News/USDA Unveils Sweeping Food Safety Proposal)*

Representatives from USDA's Office of Energy and Office of Congressional Relations met on January 31 with staff from the offices of Senators Tom Daschle, Paul Wellstone, and Bob Kerrey regarding the joint White House, Department of Energy, and USDA initiative on biomass.

On January 30, USDA Economic Research Service officials briefed Senate Agriculture Committee staff on the nutrition, health, and economic consequences of block granting federal food assistance programs.

The USDA Loan Resolution Task Force has received inquiries from several Members of Congress regarding pending cases.

As part of an ongoing campaign by agricultural officials in Western states, Congressman Fred Upton and several State Veterinarians have written to encourage the immediate appointment of a permanent USDA Animal and Plant Health Inspection Service (APHIS) Administrator and to request that APHIS retain all preharvest food safety responsibilities.

The General Accounting Office (GAO) has been asked by Senator Byron Dorgan to examine progress on the USDA packer concentration study and provide an informal analysis and advisory to him and other Members of Congress. USDA will meet soon with GAO to review this request.

On January 30, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen sent a letter to the several Congressional delegations and Governors in Western states regarding brucellosis-infected bison straying from Yellowstone National Park.

Congressman John Boehner introduced legislation this week to repeal the Perishable Agricultural Commodities Act.

### REGULATORY ACTION

Today, USDA published in the *Federal Register* a final rule to update voluntary poultry grading standards in response to advancements within the poultry industry and changes in consumer preferences. The final rule will become effective on March 6.

On January 31, USDA announced major proposed changes in federal meat and poultry inspection. (See *Key Departmental News/USDA Unveils Sweeping Food Safety Proposal*)

On February 13, USDA will publish in the *Federal Register* a notice inviting applications for FY95 Rural Technology and Cooperative Development grants.

On February 1, the USDA Foreign Agricultural Service published in the *Federal Register* new regulations for the Market Promotion Program, which is designed to develop and expand markets for U.S. agricultural exports. The revised regulations are intended to reform and streamline the program's operation.

On January 31, USDA published in the *Federal Register* a notice that cost-share payments made under the Stewardship Incentive Program (SIP) are primarily for conserving soil and water resources, protecting or restoring the environment, improving forests, and providing habitat for wildlife. This notice advises the public and participants in the SIP of a USDA determination that may allow certain program payments to be excluded from gross income.

On January 31, USDA announced the final 1995 rice Acreage Reduction Program (ARP) level. The 1995 rice ARP was approved at the 5 percent level, staying with the preliminary reduction level announced on December 1, 1994. This move, in effect, requests that U.S. rice producers reduce their acreage by 5 percent in 1995.

## PRESS

### **Press Conferences/Statements**

On January 31, USDA Acting Under Secretary for Food Safety Mike Taylor and I conducted a news conference and satellite media tour for television stations across the country to announce the comprehensive pathogen reduction and Hazard Analysis and Critical Control Points (HACCP) regulatory program. (*See Key Departmental News/USDA Unveils Sweeping Food Safety Proposal*)

USDA officials will participate in the annual Kansas Ag Days, February 6-10. Scheduled to participate via satellite are USDA Under Secretary for Food and Consumer Services Ellen Haas, Under Secretary for Rural Economic and Community Development Bob Nash, Acting Under Secretary for Food Safety Mike Taylor, Under Secretary for Farm and Foreign Agricultural Services Gene Moos, Foreign Agricultural Service Administrator Gus Schumacher, Consolidated Farm Service Agency Acting Administrator Randy Weber, and Natural Resources Conservation Service Chief Paul Johnson.

### **Press Contacts With USDA**

*NBC News* is researching a story about the USDA Office of Inspector General report on timber theft from National Forests.

There has been significant press regarding the issue of brucellosis-infected bison straying into neighboring states from Yellowstone National Park.

*Associated Press*, *Gannett News Service*, *The Washington Post*, and *Wall Street Journal* inquired about the tick removal program mentioned by the President in the State of the Union address.

*Associated Press* has requested budget information on USDA marketing agreement and order programs. The news service also asked about the recent regulation allowing the importation of four plants in growing media.

*Scripps-Howard* has asked about USDA's position regarding Congressman John Boehner's bill to repeal the Perishable Agricultural Commodities Act. USDA has not taken an official position.

*ABC's 20/20* was provided with inspection reports for three animal dealers which allegedly deal in dead animals from Mexico.

*Common Cause* magazine interviewed USDA Food and Consumer Service staff on issues relating to food stamp fraud and errors. The article is expected to appear in the March issue.

### **Significant Freedom of Information (FOIA) Requests**

*Associated Press* has requested copies of memorandums from the USDA Office of the Secretary to the USDA Food Safety and Inspection Service.

*The Los Angeles Times* has requested USDA correspondence from Congressmen Newt Gingrich, Richard Armey, Tom Delay, and Richard Gephardt and Senators Bob Dole, Christopher Dodd, Tom Daschle, and Alfonse D'Amato.

*Wall Street Journal* asked for responses to previous FOIA inquiries from *Food Chemical News* and *Associated Press*, dealing with USDA meetings on zero tolerance for poultry and the poultry inspection system.

### **WEEK IN REVIEW**

#### **A. Important Events**

##### **Canada-U.S. Joint Commission on Grains Holds Meeting**

January 24-26, the U.S.-Canada Joint Commission on Grains held its third meeting in Minneapolis, Minnesota, in which it concluded the educational phase of its work and now has moved to discussing specific proposals to resolve grain disputes. Topics focused on transportation subsidies and marketing practices. The next meeting of the Commission will be in Winnipeg, Canada, February 6-8.

##### **USDA Faces Newly Discovered Plant Pest**

The tomato looper was recently discovered in a greenhouse in Ohio, and poses significant potential problems to U.S. flower and vegetable crops if USDA quarantine efforts are unsuccessful. The USDA Animal and Plant Health Inspection Service issued an emergency action notification, which prohibits the movement of any plants from this or other facilities that may have received host material.

## USDA Reviews Census Data

USDA Economic Research Service analysis of new Census Bureau population estimates shows that the nonmetro rate of population growth from July 1992 to July 1994 nearly equaled the metro rate (2.0 percent versus 2.1 percent). The nonmetro growth was a result of births exceeding deaths by 394,000 and net in movement of 681,000 persons. The net in movement was widespread and is consistent with an improved nonmetro employment picture over the period. These latest data represent a continuing recovery, first evident over the 1990-92 period.

## B. Travel

On January 27, I traveled to San Diego, California to address the National Association of Crop Consultants and conduct follow-up media briefings to discuss the President's proposal to help middle class Americans and the importance of AmeriCorps. *(See attached article)*

## C. Major Speeches

I addressed the National Association of Crop Consultants in San Diego, California on January 27.

## D. Controversies

On January 26, a federal district court suspended until March 15 an injunction which would prohibit all ongoing and future timber, grazing, mining, and road projects on six USDA National Forests in Idaho. This case, known as Pacific Rivers Council v. Thomas, was directed at stopping work on National Forests that might affect salmon species listed under the Endangered Species Act (ESA), pending completion of consultation. The USDA Forest Service is working with the National Marine Fisheries Service to receive a biological opinion on the affected National Forest Land Management Plans in order to seek removal of the injunction. The Department of Justice will determine by February 6 whether to seek review by the Supreme Court in an almost identical case to determine whether a pre-existing Forest Plan requires consultation under ESA once a species is newly listed. These cases demonstrate continuing problems with the ESA consultation process, which has been interpreted by the courts to require repeated and fragmented consultations on the Forest Plans.

On January 31, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos and I met with Australian Ambassador Don Russell to discuss the Dairy Export Incentive Program (DEIP). Recent decisions by the United States to utilize DEIP in several Asian markets has caused protests by the Australians.

## SECRETARIAL WORK ON PRESIDENTIAL INITIATIVES

### **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

On January 30, a USDA news release announced appointments to the Northwest Forest Plan Intergovernmental Advisory Committee. The 20 members from local, state, tribal, and federal governments will provide a forum for interaction between the various groups involved in implementing the Administration's Forest Plan.

### **Empowerment Zones and Enterprise Communities Update**

Memorandums of Agreement for designated Empowerment Zones and Enterprise Communities (EZ/EC) are being developed by USDA. Issues being faced include tax-exempt bond financing and staffing. Outreach efforts with other federal agencies involved with the EZ/EC program are continuing.

### **National Performance Review Phase II Activity at USDA**

On February 1, I participated in a live one-hour radio bridge with *AgriTalk*, which broadcasts to over 100 radio stations nationally, to discuss the second phase of USDA reorganization and the agricultural implications of the President's initiatives to help Mexico defuse its peso crisis.

### ACTING SECRETARY'S SCHEDULE FOR NEXT WEEK

On February 3, I will travel to Knoxville, Tennessee to address the North American Farmers Direct Marketers Conference. I will then travel to St. Louis, Missouri the same day to speak before the American Corn Growers Association annual convention.

On February 6, I will be the keynote speaker at the Crop Insurance Industry annual meeting in Tarpon Springs, Florida. This group consists of three major trade associations involved with crop insurance. I will return that afternoon to hold briefings on the USDA budget.

### ACTING SECRETARY'S SCHEDULE FOR NEXT MONTH

My March schedule is being developed.

# USDA Plans To Modernize Meat Inspection

W. Post 7/1 A1

By Carole Sugarman  
Washington Post Staff Writer

The Department of Agriculture yesterday announced a plan to bring modern science to meat and poultry inspection by requiring processing plants to conduct daily tests for contamination with salmonella bacteria, the leading cause of foodborne illness.

The long-awaited proposal represents a major change in the current visual inspection system, which is widely regarded as antiquated and ineffective. The department described the changes as "the most significant food safety reform" since passage of the meat and poultry inspection laws in 1907 and 1957.

Foodborne disease is a significant public health problem in the United States, according to the USDA. Nearly 5 million cases of illness and more than 4,000 deaths may be associated with meat and poultry products each year, the department said.

The new proposal mandates scientific testing for bacteria, temperature requirements and antimicrobial treatments. It also places more responsibility on industry to produce safe meat and poultry. Each of the nation's 6,200 slaughterhouses and processing plants would have to operate under a plan that identifies and eliminates sources of bacterial contamination.

"The food safety strategy we are outlining today will for the first time directly target and reduce the harm-

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# USDA Proposes Daily Testing For Salmonella at Meat Plants

MEAT, From A1

ful bacteria that make people sick," said Michael R. Taylor, USDA acting undersecretary for food safety, at a news conference yesterday.

Although approximately 7,000 USDA inspectors examine more than 6 billion poultry carcasses and 125 million livestock carcasses each year, there is a "critical gap" in the current system's ability to protect public health, the department said.

The first meat inspection law, passed in 1907, called for carcass-by-carcass examination. Even though scientists have since learned that most of the bacteria that make people sick cannot be detected through sight, smell or touch, the "poke and sniff" inspection system has continued.

The proposal would not eliminate the current system, however, at least in the near future. Instead, it would require plants to test meat regularly for harmful bacteria and take other steps to improve sanitation.

The proposal consists of an interim plan that would go into effect within 90 days of publication of a final regulation, and a longer-range plan that the industry would have up to three years to implement. After the proposal's publication in the Federal Register on Friday, the public will have 120 days to submit comments.

The food industry is already signaling its opposition to at least one element of the interim plan, the requirement that plants conduct daily salmonella testing on random samples of meat. The testing would track the

incidence of contamination with the bacteria to see if it is below USDA target levels. For example, in a target based on current averages in the industry, poultry plants would have to ensure that less than 25 percent of their broilers were contaminated with salmonella. Salmonella bacteria are killed by high-temperature cooking.

While industry members do not necessarily object to the idea of microbial testing, they do not want test results to trigger regulatory action against individual plants.

Slaughterhouses would have to treat carcasses with at least one antimicrobial wash before cooling and follow stricter rules regarding the chilling of meat after slaughter.

The longer-range plan requires that all plants implement a scientifically based system called Hazard Analysis and Critical Control Point (HACCP, pronounced "hassup"), a process that identifies where microbial hazards are most likely to occur and institutes preventive measures.

The USDA estimates that the proposal would cost industry \$733.5 million over the initial three years, and \$231 million each year after.

Consumer groups, the inspectors' union and some scientific associations praised the proposal. Industry groups supported the move to a scientifically based system but chastised the USDA for not suggesting the current inspection system be eliminated.

In a statement, the National Broiler Council said the USDA "must end the practice of layering new programs on top of existing ones."

*1/28/95 THE SUN (SAN BERNARDINO)*  
**Agriculture chief praises  
 AmeriCorps in area visit**

**By DAVID WAHLBERG**  
 Sun Staff Writer

**LYTLE CREEK** — Dion Trujillo led acting U.S. Agriculture Secretary Richard Rominger along a nature trail that Trujillo and other AmeriCorps members had built.

"We're learning about a lot of new things, like forestry and biology," said Trujillo, 28, of Rialto.

"That's what (AmeriCorps) is all about," Rominger said. "Learning while you're working."

Rominger visited the Lytle Creek Ranger Station on Friday to tout AmeriCorps, the federal service program created by President Clinton that has come under Republican criticism in recent weeks.

AmeriCorps members build

hiking trails, design nature centers, repair fire-ravaged areas and plant vegetation for a year. In return, they get \$4,725 education grants. About 20,000 people are participating around the country.

Rominger, who tentatively replaced former Agriculture Secretary Mike Espy this month after Espy resigned, addressed about 80 AmeriCorps members gathered in a circle outside the ranger station.

"I feel like I left Washington, but I came home to the best of government," he said.

More than 400 people applied for the 80 AmeriCorps jobs in the San Bernardino National Forest, he said.

"I don't think anyone can call

See AMERICORPS/A2

# Americorps: Trujillo offers praise

Continued from A1

that coercive volunteerism," he said.

Newt Gingrich and other Republican Congress leaders have criticized the program on those grounds.

"All of you have taken government and made it your own," Rominger said. "You've turned a concept into some solid, practical action."

The trail that Trujillo's crew

built outside the ranger station will display various plants of the national forest, from desert brush to mountain wildflowers.

"It's going to be a nice little place to visit and learn from," said Scott Gorman, 22, a crew member from Pomona. "We're going to be able to take our kids back here someday and say, 'We did this.'"

Lauren Whitechurch, 29, an AmeriCorps member from San Bernardino, said he joined the program to learn more about for-

estry.

"It's a chance to learn about the environment and what we can do to help."

Both Anglin, who belongs to an AmeriCorps crew in Palm Springs, said she signed up because she was tired of babysitting and telemarketing.

"This gives me a chance to work outside," said Anglin, 19. "I love the outdoors."

Rominger said he hopes AmeriCorps gains enough bipartisan support to continue.

"It's people pulling together to tackle community problems," he said. "This is what government should really be about."



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

February 9, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of February 6, 1995**

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**KEY DEPARTMENTAL NEWS**

**USDA FY96 Proposed Budget Stresses Investments and Savings**

On February 6, the USDA FY96 proposed budget was presented in three separate briefings to Congressional staff, press, and interest groups. I stressed the fiscal responsibility represented in the \$62.3 billion budget, including the savings of hundreds of millions of dollars through Department reorganization, while also making investments in the country's future. USDA subcabinet members also held constituency briefings concerning their respective budgets. In conjunction with House efforts throughout the week, USDA officials have actively participated in outreach efforts to various media markets to talk about the President's budget. *(See attached news release)*

**Agricultural Trade with China**

On February 7, USDA announced that China is eligible for an additional 1 million metric tons of wheat under USDA's Export Enhancement Program (EEP). This allocation supplements the June 29, 1994 initial allocation of 3 million tons of wheat for China. The initial allocation was virtually exhausted on January 11. Wheat purchases under this EEP announcement are expected, but quantities will depend on price and bonus levels. Sales of wheat will be made to buyers in China through normal commercial channels at competitive world prices. The export sale will be facilitated with cash bonus payments to U.S. exporters. This will enable U.S. exporters to compete at commercial prices in these markets.

On February 8, sales of 630,000 tons of U.S. corn to China were cancelled. This cancellation was a commercial decision by the end user in China and does not relate to the ongoing dispute over intellectual property rights. The Chinese buyer believes that U.S. and international corn prices will decline and therefore, purchases can occur at a lower price in the future.

China recently announced its intention to purchase 2.1 million bales of U.S.-produced cotton, which has an expected value of nearly \$1 billion. These cotton exports will represent nearly 10 percent of all cotton grown in the United States.

### **Administration Takes Stand On Block Grants**

At a House Agriculture Subcommittee hearing on February 8, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas announced that the Administration is opposed to proposals to block grant the food stamp program. Under Secretary Haas said that a block grant for food stamps would not achieve the nutrition and health outcomes and benefits that are in the national interest, would be extremely costly to U.S. food and farm economies, and would result in widely different treatment among states. USDA expects to present proposals to improve the food stamp program as a part of the Administration's 1995 Farm Bill proposals.

### **THE WEEKS AHEAD**

#### **USDA Prepares For Forest Health Meeting**

On February 13 and 14, USDA will lead an interagency meeting to discuss a strategy to expedite preparation of salvage timber sales and actions addressing forest health issues. (*See Secretarial Work on Presidential Initiatives: Forest Plan/Pacific Northwest Economic Adjustment Initiative*)

#### **USDA Reports**

On February 13 and 14, the USDA Economic Research Service (ERS) will release *Rice Situation and Outlook*, and *Cattle and Sheep Situation and Outlook*, respectively.

The ERS *Agricultural Income and Finance Situation and Outlook* will be released on February 15 and will reveal that total farm business debt grew 4.3 percent in 1994 to \$148.1 billion, the highest level since 1986. While farmer debt repayment capacity is lower, no major lender stress is anticipated.

On February 15, ERS will also publish *Commercial U.S. Feed Grain Farms: Financial Performance, 1987-91*. The report will note that profitable commercial U.S. feed grain farms were larger, achieved higher yields, and relied more heavily on leasing than the average commercial feed grain farm. Unprofitable or financially stressed farms tended to have lower yields, to rely on cash rental of land, and to be run by younger operators. The number of financially vulnerable commercial feed grain farms declined between 1988 and 1991.

On February 17, the USDA National Agricultural Statistics Service will publish *Cattle on Feed*, estimating numbers of cattle in seven major cattle-producing states.

## USDA INITIATIVES

### **USDA Assistance To Mexico**

USDA Economic Research Service analysts are in Mexico through February 10 to review and offer technical assistance in light of the country's economic problems. The group's focus is to explore cooperative work which could strengthen Mexico's policy analysis capabilities, to update information and analysis on changes in agricultural policies, and to review the macroeconomic conditions and the impact of the peso devaluation.

## CONGRESS

### **Congressional Hearings**

Through February 14, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a series of hearings on reforming the present welfare system.

A hearing was held today by the House Transportation and Infrastructure Subcommittee on Water Resources and Environment on the Federal Water Pollution Control Act.

On February 10, the House Small Business Committee will hold a hearing on compliance with the Regulatory Flexibility Act. USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify.

The House Resources Subcommittee on Resource Conservation and Forestry will hold a February 10 hearing on salvage timber sales. USDA Forest Service Chief Jack Ward Thomas will testify. Chief Thomas will announce interagency efforts to expedite Administration actions relative to this issue.

On February 14, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on reducing regulations which impact agriculture.

The Senate Indian Affairs Committee will hold a hearing on February 14 on the FY96 USDA budget request as it relates to Native American programs.

On February 15, the Senate Budget Committee plans to hold hearings on budget issues relative to farm entitlements. USDA will be testifying.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold a February 15 hearing on private property rights. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

The Senate Energy and Natural Resources Committee will hold a February 15 hearing on USDA Forest Service FY96 budget proposals. USDA officials will testify.

On February 16, I will testify before the Senate Budget Committee about the Department's budget.

On February 16, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Office of Inspector General. USDA Inspector General Roger Viadero will testify.

The House Transportation and Infrastructure Subcommittee on Water Resources and Environment will hold a hearing on February 16, 21, 24, and March 7 on the Federal Water Pollution Control Act. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify on February 21 and March 7.

On February 22, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Food Safety and Inspection Service. USDA Acting Under Secretary for Food Safety Mike Taylor will testify.

On February 23, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for USDA.

On February 28, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the Department's Agricultural Research Service (ARS) and Economic Research Service (ERS). ARS Administrator R. D. Plowman and ERS Acting Administrator John Dunmore will testify.

On March 1, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for USDA's Agricultural Marketing Service (AMS) and Grain Inspection, Packers, and Stockyards Administration (GIPSA). AMS Administrator Lon Hatamiya and GIPSA Administrator James Baker will testify.

On March 2, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA National Agricultural Statistics Service (NASS) and the USDA Cooperative State Research, Education, and Extension Service (CSREES). NASS Acting Administrator Donald Bay and CSREES Acting Administrator William Carlson will testify.

On March 7, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Animal and Plant Health Inspection Service (APHIS). APHIS Acting Administrator Lonnie King will testify.

On March 8, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on USDA Natural Resources Conservation Service (NRCS) FY96 agriculture appropriations. NRCS Chief Paul Johnson will testify.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on March 8 on FY96 agriculture appropriations for the USDA Rural Economic and Community Development Service, the USDA Rural Utilities Service, the USDA Rural Housing and Community Development Service, and the USDA Rural Business and Cooperative Development Service. USDA will be testifying.

### **Key Congressional Visits and Activities**

The USDA Office of the General Counsel has issued an opinion which allows the USDA Rural Housing and Community Development Service to obligate Section 515 Multiple Family Housing Program funds. Members of Congress will be notified of the decision to move forward with this USDA program, which the 103rd Congress failed to reauthorize.

On February 6, USDA Agricultural Marketing Service Administrator Lon Hatamiya met with Senator Barbara Boxer to discuss reform of the Perishable Agricultural Commodities Act (PACA). The Department is currently preparing a legislative report strongly opposing legislation recently introduced in the House of Representatives which would abolish PACA. This report will emphasize the importance of PACA and the benefits it has provided.

The USDA Animal and Plant Health Inspection Service informed Hawaii's Congressional delegation about a decision to allow honeybees and honeybee semen from New Zealand to transit the United States, subject to certain conditions. This has been a contentious issue in Hawaii.

### **REGULATORY ACTION**

The Department has been actively participating in The White House Regulatory Working Group on a variety of regulatory issues. This has included assisting in the development of the Administration's response to the risk assessment provisions in H.R. 9, which would substantially impact the Department. In addition, materials relative to the impact of the regulatory moratorium contained in H.R. 450 on USDA programs and customers have been developed. With the House Government Reform and Oversight Committee scheduled to

mark up H.R. 450 on February 10, USDA staff have been informing committee members and constituent groups of key USDA regulatory actions that would be impacted by the moratorium, which include marketing orders, pest and disease control efforts, and food safety measures.

USDA Acting Under Secretary for Food Safety Mike Taylor is participating in the Vice President's regulatory reinvention initiative. In addition to publishing the Hazard Analysis and Critical Control Points (HACCP) proposed rule to reform the meat and poultry inspection system, the USDA Food Safety and Inspection Service (FSIS) will soon announce its intention to completely review FSIS regulations through the publication of an Advance Notice of Proposed Rulemaking, including a variety of possible deregulatory actions.

This week, the Department of the Interior is expected to issue its final rules and record of decision on grazing fees and rangeland reform. The USDA Forest Service is scheduled to issue its final rule in June.

On February 2, the USDA Food Safety and Inspection Service announced that the deadline for public comment on a proposed rule to require that poultry products containing mechanically separated poultry declare this ingredient as such on product labels is extended until March 6.

On February 10, USDA will publish in the *Federal Register* final amendments to the Federal Pesticide Recordkeeping Program regulations as part of a negotiated settlement of a lawsuit filed by the National Coalition Against the Misuse of Pesticides.

The USDA Animal and Plant Health Inspection Service is adopting a rule to allow high-temperature forced air as a treatment for Mexican grapefruit and mango imports.

USDA today announced the final common provisions for the 1995 farm programs applying to wheat, feed grains, upland cotton, and rice crops.

## PRESS

### **Press Conferences/Statements**

On February 7, USDA Budget Director Steve Dewhurst and I spoke to farm broadcasters across the country and select radio talk shows in Illinois and North Dakota about the budget. As requested by The White House, USDA Under and Assistant Secretaries and I are continuing to give targeted radio interviews regarding the Administration's proposed FY96 budget. (*See Key Departmental News: USDA FY96 Proposed Budget Stresses Investments and Savings*)

## **Press Contacts With USDA**

*CBS' 48 Hours* is developing a story about welfare abuse, which will include a segment on food stamp fraud.

*Associated Press, Reuters,* and other news services have inquired about Secretary designate Dan Glickman's confirmation process.

USDA has received significant coverage of its Hazard Analysis and Critical Control Points (HACCP) food safety proposed rule. *Parade* magazine will publish an article on this subject in late February and *Business Week* is also considering a story.

*Dallas Morning News* asked about a USDA Office of Inspector General investigation of the USDA Rural Economic and Community Development office in Texas.

The *Omaha World Herald* contacted the USDA National Agricultural Library for historical information on past farm bills.

*The Washington Post, NBC News, Associated Press,* and several other news agencies requested information on black vultures killing livestock in Virginia.

*CNN* interviewed USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas on February 2 regarding the Personal Responsibility Act and the effects of potential block grants on nutrition programs.

## **Significant Freedom of Information (FOIA) Requests**

*CNN* requested correspondence between USDA and House Speaker Newt Gingrich.

The *Wall Street Journal* has requested copies of financial disclosure forms filed by USDA subcabinet members and agency officials.

## **WEEK IN REVIEW**

### **A. Important Events**

#### **Ohio and Virginia Counties Quarantined for Gypsy Moth Infestations**

On February 6, USDA announced that seven Ohio counties and four areas of Virginia were added to already quarantined sections of the northeastern United States because of European gypsy moth infestations. The quarantine is to prevent the spread of this harmful forest pest.

## **Canada, Mexico Disease Outbreaks Cause U.S. Concerns**

An outbreak of Asian gypsy moth infestations in Canada and Avian Influenza (AI) in Mexico has caused concern among various agricultural interests. To ensure that a more aggressive Asian gypsy moth eradication program is carried out in Canada, a technical meeting was held on February 7 between officials from Canada and the USDA Animal and Plant Health Inspection Service (APHIS). APHIS also sent a group to Mexico this week to assess AI control measures. The Department has recommended heightened biosecurity measures for the Mexican poultry industry be implemented to minimize spreading of the AI virus. These problems could potentially develop into international trade disputes.

## **USDA Continues To Help California Flood-Damaged Areas**

Watershed restoration projects in California's flood-damaged counties are underway through the USDA Natural Resources Conservation Service's Emergency Watershed Protection Program. Work typically required after flooding includes protection of eroding streambanks, preparing environmental evaluations, and clearing waterways of debris and sediment. *(See Secretarial Work on Presidential Initiatives: National Service/AmeriCorps Update)*

## **Salmon Return After USDA Work In California**

Salmon have returned to a scenic stream in Shasta County, California for the first time in five years, partly because of sedimentation work done by the USDA Natural Resources Conservation Service. In January, late fall-run salmon were found in Middle Creek, a tributary to the Sacramento River. This is an indication of improvement of the area's habitat.

## **USDA Officials Named**

Michael Dunn has been named Deputy Under Secretary for Operations and Management for the USDA Rural Economic and Community Development mission area. Maureen Kennedy was named Acting Administrator of the USDA Rural Housing and Community Development Service.

## **Grants Help Minorities Gain Education in Food and Agricultural Sciences**

Thirty-seven (37) grants were recently awarded by USDA's new Higher Education Multicultural Scholars Program to 102 students to assist them in pursuing a food and agricultural sciences education. This program provides funds to colleges and universities for scholarships for outstanding minority undergraduate students. It requires 25 percent matching funds, ensuring a shared commitment by recipient institutions.

## **Food Stamp Program Data Released**

The USDA Food and Consumer Service recently released monthly food assistance program participation and cost figures for November 1994. A food stamp participation figure for households was included for the first time, along with the standard information on individual participation. Nationwide participation dropped slightly to 10.96 million households and 26.89 million individuals.

## **USDA Working With States On Bison Issue**

On February 7, the USDA Animal and Plant Health Inspection Service sent a letter to Montana's State Veterinarian to officially recognize the state's success with ongoing efforts to retain its brucellosis-free status. The letter emphasized the importance of continuing these efforts and of the need to continue making progress towards the agreed-upon goal of brucellosis elimination from the Greater Yellowstone ecosystem. Copies of the letter were sent to Governors, Congressional delegations, and State Veterinarians in Wyoming, Idaho, and Colorado and to State Veterinarians in states concerned over brucellosis spreading through importation of Montana livestock.

## **USDA Crop Insurance Reform Implementation Progressing**

With crop insurance coverage now mandatory for farm program participation, and with program signup underway, USDA Consolidated Farm Service Agency officials continue to meet with private industry companies, insurance agent representatives, and commodity groups on relevant issues. Because the notification and signup deadlines faced by farmers are relatively short, producer groups and industry representatives have suggested adjusting the new sales closing dates for crop insurance signup. The Department is reviewing the possibility of extending signup deadlines, since this is the first year for implementation of the new crop insurance program.

## **USDA Releases Marbled Murrelet Assessment**

The USDA Forest Service recently completed a habitat conservation assessment for the marbled murrelet, a bird on the threatened species list in Washington, Oregon, and California. This technical research document will also be used by the Department of the Interior's Fish and Wildlife Service in the development of the recovery plan for the species and in the revision of Alaska's Tongass Land Management Plan. A technical seminar on the results of the assessment was held for interest groups today.

## **B. Travel**

On February 3, I traveled to Knoxville, Tennessee to address the North American Farmers' Direct Marketing Conference and to St. Louis, Missouri to speak before the American Corn Growers Association.

### C. Major Speeches

On February 8, I addressed the Joint Council on Food and Agricultural Sciences and the National Agricultural Science and Education Users in Washington, D.C.

On February 3, I addressed the North American Farmers' Direct Marketing Conference and the American Corn Growers Association.

### D. Controversies

On February 16, oral argument is scheduled in the Washington, D.C. Circuit Court of Appeals on the Environmental Protection Agency's (EPA) rule which phases in a 30 percent renewable oxygenate content requirement in reformulated gasoline. EPA promulgated the final rule on June 30, 1994, and a lawsuit challenging it was filed by the American Petroleum Institute and the National Petroleum Refiners Association. The court stayed the rule on September 30, 1994, and the rule cannot take effect unless the court rules against the petitioners. Even though the rule is not in effect, the use of ethanol, a renewable oxygenate which is made from corn, has increased. Methanol, the chief competition for ethanol, has seen a four-fold increase in price in the past year, making ethanol more economical. The ethanol and corn industries continue to strongly support the rule to ensure ethanol's continued availability as an alternative energy source.

On February 3, a petition was filed asking the Supreme Court to review the July 7, 1994 ruling of the U.S. Court of Appeals in Pacific Rivers Council v. Thomas. This case concerns another aspect of the continuing controversy surrounding the USDA Forest Service's attempts to manage national forests in compliance with the Endangered Species Act (ESA). The petition seeks review of the decision, which held that, upon listing of an endangered species under the ESA, the Forest Service was required to reinstate consultation with the National Marine Fisheries Service concerning forest plans in Oregon. The petition also seeks review of the court's decision that certain activities on Oregon national forests should be enjoined, pending completion of the plan consultation. The respondents have 30 days to file a brief in opposition to the granting of review. If the Supreme Court decides to review the case, arguments are expected to take place in the fall.

## SECRETARIAL WORK ON PRESIDENTIAL INITIATIVES

### **National Service/AmeriCorps Update**

The USDA Natural Resources Conservation Service has completed flood damage assessments for the Morongo Indian Reservation with the help of AmeriCorps team members. Damaged debris basins are resulting in massive mud flows, which threaten homes on the reservation. *(See Week In Review: USDA Continues To Help California Flood-Damaged Areas)*

### **Native American Assistance**

USDA Under Secretary for Natural Resources and Environment Jim Lyons was recently designated as the Department's representative to the Domestic Policy Council's Working Group on Native American Affairs. Director of Native American Programs Woody Patawa will serve as the staff representative to the Working Group.

USDA officials recently met with a Navajo Nation representative in Window Rock, Arizona to discuss the availability of USDA Rural Utilities Service funding for telecommunications projects on the Navajo Reservation.

USDA Animal and Plant Health Inspection Service (APHIS) has drafted a policy directive regarding the delivery of agricultural services and programs to Native Americans and tribal governments. APHIS aims to enhance day-to-day working relationships and ensure the rights of sovereign tribal governments. This directive also established the APHIS Native American Working Group.

### **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

The White House has directed the USDA Natural Resources and Environment mission area to take the lead in convening an interagency team to develop a strategy to expedite preparation of salvage timber sales and actions to address forest health issues in the West. A meeting is scheduled for February 13-14 with agency heads of the USDA Forest Service, the Environmental Protection Agency, and the Department of the Interior's Fish and Wildlife Service, Bureau of Land Management, and National Marine Fisheries Service to discuss this issue.

## ACTING SECRETARY'S SCHEDULE FOR NEXT WEEK

On February 10, I will address the board of directors for the American Sheep Industry in Washington, D.C.

On February 13, I will attend the President's Export Council and Domestic Policy Council meetings in Washington, D.C.

On February 14, I will meet in Washington, D.C. with Bulgarian President Zhelyu Zhelev to discuss further development of bilateral trade, economic, and investment cooperation.

**ACTING SECRETARY'S SCHEDULE FOR NEXT MONTH**

My schedule for March is being developed.

# NEWS

United States  
Department of  
Agriculture

OFFICE OF  
Communications

NEWS DISSEMINATION  
Room 506-A  
Washington, D.C. 20250

Release No. 0100.95

Tom Amontree (202) 720-4623

## USDA'S 1996 BUDGET REFLECTS SAVINGS, RESPONSIBLE INVESTMENTS IN OUR FUTURE AND NO INCREASE IN OUTLAYS

WASHINGTON, Feb. 6, 1995--The Administration's proposed FY 1996 budget for the U.S. Department of Agriculture emphasizes fiscal responsibility: saving hundreds of millions of dollars through reorganization while at the same time making important investments in our country's future. The budget proposes \$62.3 billion in outlays for FY 1996, the same level as the current estimate for FY 1995.

"USDA is at the forefront of the Administration's commitment to a more responsible government, a government that works better and costs less," said Acting Secretary Richard Rominger. "The Department's FY 1996 budget was developed with the goal of spending less and investing more. This budget reflects USDA's commitment to downsizing and streamlining, providing an abundant and wholesome food supply at reasonable prices, and sustaining a solid economy that provides opportunity for growth and prosperity for our farmers and ranchers and others living in rural America."

The USDA reorganization and streamlining efforts add up to \$535 million in savings for FY 1996. The Department's total savings from this massive effort are expected to reach \$4.1 billion and reduce staffing by more than 13,000 by 1999. Under reorganization, USDA agencies were consolidated from 43 to 29. In addition, USDA is closing more than 1,200 field offices and establishing more efficient service centers for one-stop shopping for our customers.

The budget projects reduced commodity program spending for FY 1996. Outlays for Commodity Credit Corporation domestic activities would decline by \$1.5 billion from FY 1995, to a level of \$9.1 billion. This figure reflects expectations of a return to normal yields and the implementation of crop insurance reform.

The USDA budget invests in new export sales opportunities which are expected to emerge under the provisions of the General Agreement on Tariffs and Trade (GATT) Uruguay Round Agreement. The budget includes higher program levels for certain export promotion activities consistent with the Administration's commitment to increase the program levels of USDA export promotion and related programs.

The Administration's dedication to protecting the environment is reflected in increased funding for conservation programs. USDA is investing more funds for the enrollment of additional acres into the Conservation Reserve Program (CRP) and 300,000 acres in the Wetlands Reserve Program. CRP has saved soil, expanded wildlife habitat and populations, improved air and water quality, enhanced wetlands, and encouraged tree plantings. The payoff for CRP is a reduction in deficiency payments, a strengthening of farm income and a balancing of the supply and demand of agricultural commodities.

-more-

USDA's investment in rural development is a major cornerstone of the Administration's initiatives with the goal of providing access to basic services for all Americans. In the FY 1996 budget, rural economic programs would increase by \$1.6 billion in program level spending, with substantial increases for water and waste disposal grants. This increase is consistent with USDA's Water 2000 initiative, which seeks to ensure that by the year 2000 there is a plan in place to provide every household in rural America with running water.

In keeping with the Administration's goal to make government more efficient, USDA closed selected research stations based on streamlining goals and invested in USDA's Integrated Pest Management (IPM) initiative. This initiative promotes the development of alternative pest management strategies and delivers on the Administration's commitment to help agricultural producers implement IPM practices on 75 percent of total crop acreage by the year 2000.

The Department's FY 1996 budget request for food assistance invests in, and preserves, the nutritional safety net for needy Americans, especially children. The requested increase for USDA's Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) will provide assistance to more than 400,000 eligible participants. Participation in WIC increases average length of pregnancy and birth weight while reducing the incidence of very low birth weight babies and infant mortality. As a result, Medicaid-eligible women who participate in the WIC program generally have lower health care costs in the first 60 days after birth. The Medicaid savings for newborn babies and their mothers average between \$1.77 and \$3.13 for every dollar spent on WIC.

USDA backs up its commitment to improve the nation's meat and poultry inspection system by an increase of \$56 million in program level to support pathogen reduction efforts. USDA's recent announcement of sweeping new food safety proposals, including a science-based system for producing safe food called the Hazard Analysis and Critical Control Points (HACCP), will revolutionize the meat and poultry inspection system. The goal is to continue to reinvent the inspection system by incorporating science-based concepts to make our food supply safer.

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THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

February 16, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of February 13, 1995**

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### KEY DEPARTMENTAL NEWS

#### **Strategy To Be Announced On Protecting Anadromous Fish**

By February 21, the USDA Forest Service and the Department of the Interior's Bureau of Land Management are scheduled to make a final decision on an interim strategy for protecting upstream-migrating (anadromous) fish on 15 National Forests in the western United States. The strategy, known as PACFISH, will set new standards for uses of National Forest lands that impact on the habitat for the anadromous fish. *(See USDA Work on Presidential Initiatives: Forest Plan/Pacific Northwest Economic Adjustment Initiative)*

#### **USDA Active On Regulatory Issues**

In anticipation of floor action next week, USDA is actively working with other Administration offices regarding the regulatory moratorium bill, H.R. 450, as well as the risk assessment and other provisions in H.R. 9. A USDA employee is working full time with the Administration's regulatory response team. The Department has received a number of Congressional inquiries regarding the impact of the proposed moratorium on Departmental programs. USDA officials will conduct a briefing for the House Agriculture Committee and other Congressional staff to explain the scope of the moratorium and its impact on Departmental programs.

#### **Agricultural Outlook Forum Set**

On February 22-23, USDA will hold its annual Agricultural Outlook Forum in Arlington, Virginia, where it will present its long-term agricultural projections. I will deliver the keynote address on February 22. Other speakers include Council of Economic Advisors Chair Laura D'Andrea Tyson and House Agriculture Committee Chairman Pat Roberts.

## **USDA Reports**

On February 21, the USDA Economic Research Service (ERS) will release *The American Diet: Health and Economic Consequences*, which discusses the fact that poor diets are associated with four leading causes of death in the United States (heart disease, cancer, stroke, and diabetes). ERS will publish on February 22 *Agricultural Trade Update*, which will present trade statistics for December 1994, completing the calendar year, and *Outlook for U.S. Agricultural Exports*, which will provide the latest update of the FY95 forecast.

## **USDA Continues Stand On Block Grants**

On February 13, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas briefed members of the Domestic Policy Council on federal nutrition security efforts and the impact of block grant proposals on nutrition and health. This subject continues to receive Congressional, press, and constituent inquiries.

### **USDA WORK ON PRESIDENTIAL INITIATIVES**

#### **National Service/AmeriCorps Update**

On February 14, the 87 USDA AmeriCorps members who work in California's San Bernadino National Forest attended a speech given by President Clinton.

A USDA AmeriCorps worker in Helena, Arkansas recently helped the city find a lighting system to improve public safety at night. The employee researched the most cost-efficient lighting system and met with city officials and the local power company to propose a plan. The new street lights will be installed this month.

#### **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

On February 20, the USDA Forest Service and the Department of the Interior's Bureau of Land Management are expected to make a final decision on an interim strategy to protect anadromous fish on 15 National Forests in the western United States. The strategy, known as PACFISH, will amend 15 forest plans and impose standards for review of all future projects. Within 30 to 60 days after going into effect, the Forest Service will screen all ongoing activities on these forests to determine whether a project would pose an unacceptable risk to anadromous fish. Projects determined to pose such a risk would be subjected to the new PACFISH standards, which may require change or suspension of the projects. Industry and environmental interests are expected to take great interest in these decisions.

Implementation of the PACFISH strategy should facilitate ongoing court-ordered forest plan consultations with the National Marine Fisheries Service under the Endangered Species Act (ESA). However, the Pacific Rivers Council v. Thomas case, currently on appeal to the Supreme Court, may affect the potential of the Forest Service PACFISH strategy to reduce court-ordered shutdowns of ongoing projects.

Also, the USDA Rural Business and Cooperative Development Service is working with Departmental field staff in Washington, Oregon, and California to assure use of program resources for the Forest Plan. Efforts include outreach and training, automation of applications and procedures, and the use of "jump" teams to assist USDA customers with the application review process.

### **Helping Native Americans**

On February 14, USDA Consolidated Farm Service Agency Acting Associate Administrator Randy Weber and Acting Deputy Administrator for Farm Credit Lou Anne Kling met with the Intertribal Agriculture Council board of directors to discuss tribal concerns with the 1995 Farm Bill and USDA service delivery to Native American reservations.

### **Helping Minorities in Business**

The USDA Office of Small and Disadvantaged Business Utilization is working to increase federal procurement funds awarded to businesses owned and operated by women. Efforts include quarterly roundtable discussions and strategy sessions, a procurement conference, and a business exposition targeted toward women-owned businesses.

## **CONGRESS**

### **Congressional Hearings**

House Republicans are considering an oversight hearing of USDA's implementation of the Department's Reorganization Act.

Today, I testified before the Senate Budget Committee about the Department's budget and entitlement spending. The primary focus of the hearing was on Senator Richard Lugar's proposal to drastically cut farm programs by \$11 billion over five years.

The Senate Indian Affairs Committee held a hearing today on the USDA FY96 budget request for federal Native American programs.

The House Appropriations Subcommittee on Agriculture and Rural Development held a hearing today regarding FY96 agriculture appropriations for the USDA Office of Inspector General. USDA Inspector General Roger Viadero testified.

The House Transportation and Infrastructure Subcommittee on Water Resources and Environment held a hearing today on the Federal Water Pollution Control Act. Additional hearings will be held on February 21 and 24 and March 7 and 9. USDA Deputy Under Secretary for Natural Resources and Environment Tom Hebert will testify on February 21 and Under Secretary for Natural Resources and Environment Jim Lyons will testify on March 7.

On February 22, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Food Safety and Inspection Service. USDA Acting Under Secretary for Food Safety Mike Taylor will testify.

On February 23, the House Agriculture Subcommittee on General Farm Commodities will hold a hearing on the federal tax code and its effect on farmers, ranchers, and rural communities.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a February 23 hearing on FY96 agriculture appropriations for USDA.

On February 28, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the Department's Agricultural Research Service (ARS) and Economic Research Service (ERS). ARS Administrator R. D. Plowman and ERS Acting Administrator John Dunmore will testify.

On March 1, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for USDA's Agricultural Marketing Service (AMS) and Grain Inspection, Packers, and Stockyards Administration (GIPSA). AMS Administrator Lon Hatamiya and GIPSA Administrator James Baker will testify.

On March 2, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA National Agricultural Statistics Service (NASS) and the USDA Cooperative State Research, Education, and Extension Service (CSREES). NASS Acting Administrator Donald Bay and CSREES Acting Administrator William Carlson will testify.

On March 7, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Animal and Plant Health Inspection Service (APHIS). APHIS Acting Administrator Lonnie King will testify.

On March 8, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on USDA Natural Resources Conservation Service (NRCS) FY96 agriculture appropriations. NRCS Chief Paul Johnson will testify.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on March 8 on FY96 agriculture appropriations for the USDA Rural Economic and Community Development Service, the USDA Rural Utilities Service, the USDA Rural Housing and Community Development Service, and the USDA Rural Business and Cooperative Development Service. USDA will be testifying.

On March 9, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a hearing on the Perishable Agricultural Commodities Act (PACA). USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify.

On March 14, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Consolidated Farm Service Agency (CFSA). USDA CFSA Acting Administrator Grant Buntrock will testify.

On March 15, the Senate Agriculture Appropriations Subcommittee will hold a hearing on FY96 agriculture appropriations for the USDA Farm and Foreign Agricultural Services agencies.

### **Key Congressional Visits and Activities**

Today, USDA Consolidated Farm Service Agency Acting Associate Administrator Randy Weber briefed the House Agriculture Subcommittee on General Farm Commodities on farm programs.

Senator Charles Grassley and Congressman Peter DeFazio have requested a General Accounting Office audit to review the use of government aircraft to transport senior civilian and military personnel. This audit affects USDA aircraft, such as those used by the Forest Service for fighting wildfires.

The Montana Congressional delegation has inquired about USDA Food Safety and Inspection Services practices at a meat processing plant in Sweetgrass, Montana. On January 24, the plant's management filed suit against USDA, challenging the Department's reassignment of an inspector to the facility.

USDA Foreign Agricultural Service Administrator Gus Schumacher and USDA General Sales Manager Christopher Goldthwait will brief House and Senate Agriculture Committee staff on the market outlook in China and Russia. (*See Week In Review: Russian Debt Could Affect Trade Potential*)

On February 9, USDA officials met with Senator Daniel Inouye's staff to discuss USDA Animal and Plant Health Inspection Service staffing at Honolulu International Airport. A meeting also was held with staff from Hawaii's Congressional delegation to discuss USDA's decision to allow honeybees and honeybee semen from New Zealand to transit to the United States through Hawaii, subject to certain conditions. Senator Inouye wrote to express concern about the final rule.

The House Agriculture Committee is conducting a series of dairy briefings primarily for House staff prior to the farm bill debate. These weekly sessions started on February 9 and will run for seven weeks. USDA staff participated in today's session on regional differences in the dairy industry.

On February 17, USDA Economic Research Service economists will brief House and Senate Agriculture Committee staffs on economic issues associated with food safety.

After meeting with Members of Congress, USDA Rural Housing and Community Development Service Acting Administrator Mike Dunn reported that there is strong interest in privatizing USDA loan servicing activities. There is also Congressional interest in eliminating USDA's Direct Single Family Housing loan program in favor of a guaranteed loan program, which presently serves a population with higher income levels.

Congressman Ernest Istook has written USDA for the names of all employees who were hired under the Ramspect Act since November 1994.

The USDA Office of General Counsel believes that H.R. 450 will, in general, impact the Department's marketing order regulations, animal and plant health pest and disease control regulations, and food safety regulations. (*See Key Departmental News: USDA Active On Regulatory Issues*)

### REGULATORY ACTION

The Federal Crop Insurance Reform Act of 1994 specified sales closing dates affecting applications for catastrophic insurance coverage (CAT) for producers. Due to the date of the Act's passage, the impact on program development, and the need to communicate requirements to maintain eligibility for certain USDA program benefits, the specified sales closing dates may not afford producers full opportunity to purchase insurance coverage which meets their risk management needs and thus maintain such program eligibility. Therefore, the Department has made special provisions for producers to file late CAT applications.

Late-filed CAT applications will be accepted for 30 calendar days after the sales closing date for non-program crops and through April 28 for price support and production adjustment program crops.

The USDA Consolidated Farm Service Agency will soon be notifying the Department's state and county offices about a signup period during which Conservation Reserve Program (CRP) participants may request to be released from their contracts without penalty. The signup period will be February 27-March 15. Work is progressing on a proposed rule for the next CRP signup, which will utilize funds gained from this "early out" to modify and extend existing contracts and enroll new land into the CRP, consistent with the Department's December 14, 1994 press release.

On February 8, USDA published a *Federal Register* notice advising the public of an environmental assessment and finding of no significant impact for the shipment and field testing of an unlicensed veterinary biologics product, an oral rabies vaccine, that is being used in Texas. (*See Week In Review: Field Test for Rabies Approved*)

USDA is expecting to publish a *Federal Register* notice to expand the list of noxious weed seeds listed in the Federal Seed Act. This would allow the USDA Animal and Plant Health Inspection Service to prohibit the entry of any agricultural shipment containing federal noxious weed seeds.

Beginning March 7 in Oakland, California, the USDA Food Safety and Inspection Service (FSIS) will begin a series of information briefings on the Department's recent proposal to reduce and control microbial contamination and other hazards in meat and poultry products. The comment period on the proposal, called Hazard Analysis and Critical Control Points (HACCP), will end on June 5. Briefings will also be held in the following locations: Dallas, Texas (March 14); Chicago, Illinois (March 16); Atlanta, Georgia (March 21); New York, New York (March 23); and Arlington, Virginia (March 30). FSIS will also hold scientific and technical conferences and a public hearing. This information will be published soon in the *Federal Register*.

On February 13, the final rule on Telecommunications System Planning and Design Criteria and Procedures were published in the *Federal Register*. All USDA Rural Utilities Service rural telephone borrowers will be affected by this final rule.

USDA will hold a public meeting in Washington, D.C. on February 17 to solicit additional comment on the Department's proposed rule for food-based menu planning systems. This proposal is part of the Department's effort to significantly update, improve, and modify the school lunch program.

## PRESS

### **Press Conferences/Statements**

On February 15, USDA and the Texas Department of Health held a press conference to kick off an oral rabies vaccination project in Texas. (*See Week In Review: Field Test for Rabies Approved*)

### **Press Inquiries**

*Dallas Morning News* is researching a story on food stamp fraud.

*ABC's Prime Time Live* and *NBC's Dateline* are researching stories about the Electronic Benefits Transfer program for food stamps and its success in eliminating fraud and abuse.

*Reuters*, *Knight-Ridder*, and *CBS Radio Network* inquired about how Avian Influenza (AI) is transmitted and how it might affect humans. The USDA Animal and Plant Health Inspection Service responded that AI is not harmful to humans. A recent outbreak of AI in Mexico has caused concerns among U.S. agricultural interests.

*The Washington Post* inquired about the proposed closing of the USDA cotton classing office in Altus, Oklahoma.

USDA Acting Under Secretary for Food Safety Mike Taylor was interviewed by the *San Francisco Chronicle* on February 15 and the *Los Angeles Times* today regarding the Hazard Analysis and Critical Control Points (HACCP), USDA's proposed regulation to improve food safety. (*See Regulatory Action*)

## SIGNIFICANT FOIA REQUESTS

*Associated Press* requested copies of USDA correspondence to and from Senators Sam Nunn, Paul Coverdell, Howell Heflin, and Richard Shelby.

*Congressional Quarterly* asked for copies of USDA correspondence with House Speaker Newt Gingrich.

*The Los Angeles Times* requested copies of USDA communications from Members of Congress regarding three companies in Georgia.

*The Kansas City Star* has requested a list of residue violations over the past five years.

## WEEK IN REVIEW

### **Field Test for Rabies Approved**

On February 13, the USDA Animal and Plant Health Inspection Service announced approval of a field test for an oral rabies vaccine on coyotes in Texas. In July 1994, Texas declared a state health emergency after an increase in confirmed canine rabies cases. The purpose of the project is to stop the northward spread of South Texas canine rabies, which is particularly dangerous to domestic animals and humans. A joint press conference with USDA and Texas Department of Health officials was held on February 15 to precede an air drop of vaccine-laden bait for coyotes, which is the primary species responsible for spreading canine rabies in South Texas.

### **Water Quality Projects Announced**

On February 10, the USDA Consolidated Farm Service Agency announced the approval of 65 Water Quality Incentive Projects (WQIPs) funded at \$12.2 million in 28 states. WQIPs are targeted to selected small watersheds to implement changes in agricultural management systems that will enhance or protect water quality. The incentive payments enable farmers to improve pesticide and nutrient management, reduce excess animal waste application, and improve irrigation water management, among other practices. Several USDA agencies will play a role in providing technical and financial assistance to farmers and ranchers participating in the projects to improve water quality by source reduction of agricultural pollutants.

### **Russian Debt Could Affect Trade Potential**

Russia is in arrears under the 1993 Paris Club rescheduling for failure to pay the USDA Commodity Credit Corporation (CCC) \$13.5 million of principal payments. The interest on the debt was paid on January 13, but the principal amount is still outstanding. CCC is working with the Russian bank to resolve the issue. In addition, CCC recently received notice of defaults totalling about \$983,000 from two U.S. banks for installments due on 1992 commodity deliveries for both the former Soviet Union and Russian programs. The credit situation could have a chilling effect on hopes to increase U.S. agricultural exports to Russia.

### **School Health Meeting Held**

Today, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas co-chaired the National Coordinating Committee on School Health in Washington, D.C. This was the first meeting of the newly expanded leadership of the Department of Health and Human Services, the Department of Education, and USDA and is one of the many efforts jointly undertaken by the three departments to improve the health and educational prospects of school-aged children.

## **1995 Peanut Support Level Announced**

On February 15, the USDA Commodity Credit Corporation announced that the national average support level for 1995 quota peanuts will be \$678.36 per short ton, unchanged from the 1994 crop. The national average support level for additional peanuts will be \$132 per ton, also unchanged from 1994. The rate for 1995-crop quota peanuts remains at the 1994 support level.

### **ACTING SECRETARY'S SCHEDULE FOR NEXT WEEK**

On February 19, I will travel to Boston, Massachusetts to address a Harvard Business School roundtable on the subject of agricultural trade with Russia.

On February 21-22, I will participate in the President's Council on Sustainable Development retreat in Atlanta, Georgia.

On February 22, I will give the keynote address for USDA's annual World Agricultural Outlook Forum in Arlington, Virginia.

I will address the California Pear Growers Association in Rohnert Park on February 24 and the Agricultural Council of California in Monterey on February 28.

### **ACTING SECRETARY'S SCHEDULE FOR NEXT MONTH**

On March 2, I will travel to Kearney, Nebraska to address the Nebraska Governor's Agricultural Conference.

On March 6, I will address the National Conference on Water Quality in Kansas City, Missouri.

### **SUB-CABINET SCHEDULE**

On February 17, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will address the United States Beet Sugar Association board of trustees in Palm Springs, California. The board is made up of chief executive officers of beet sugar processing firms which represent 55 percent of total domestic sugar production.

On February 21-22, USDA Under Secretary for Natural Resources and Environment Jim Lyons and I will attend the President's Council on Sustainable Development retreat in Atlanta, Georgia.

On March 2, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will attend the USDA Animal and Plant Health Inspection Service Animal Damage Control Manager's Conference in Lakewood, Colorado.

On February 23-24, USDA Under Secretary for Food Safety Mike Taylor will address the International Livestock Congress in Houston, Texas. On February 27, Under Secretary Taylor will meet with USDA Food Safety and Inspection Service (FSIS) union inspectors in El Paso, Texas and on March 1-2, he will talk to FSIS regional office employees in Des Moines, Iowa.



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

February 23, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of February 20, 1995**

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### KEY DEPARTMENT NEWS

#### **USDA Continues Stand Regarding Block Grant Proposal**

USDA Under Secretary for Food and Consumer Services Ellen Haas has been invited to appear on *CNN Morning News* on February 24 to discuss the effect of block grant proposals on child nutrition programs, which would dramatically undermine the ability of the federal government to promote nutrition and protect the health of the nation, particularly during periods of economic downturn. On February 27, she will participate in a press conference with Democratic Governors regarding this important issue. USDA is completing an analysis of the proposal's state-by-state impact, and Under Secretary Haas has been meeting with Members of Congress.

#### **USDA Opposes Regulatory Moratorium**

On February 22, I sent a letter to Congressman William Clinger and Congresswoman Cardiss Collins expressing USDA's opposition to H.R. 450, which is being considered today and tomorrow by the House of Representatives. The letter highlighted the Department's proposed food safety (HACCP) regulation and the impact of the proposed moratorium on USDA's marketing and plant and animal health programs. USDA also released a press statement concerning the impact of the moratorium on the Department.

In addition, Acting Under Secretary for Food Safety Mike Taylor wrote to Congresswoman Louise Slaughter and Congressman Robert Torricelli about the impact of the proposed moratorium on the HACCP rulemaking. Congresswoman Slaughter offered an amendment to exempt the HACCP rulemaking from the

moratorium, which was defeated by the full House. The Department held a briefing on the impact of the moratorium on USDA for House Agriculture Committee staff on February 22, and will provide a similar briefing for the Senate Agriculture Committee next week.

The Department also continues to be active on the risk assessment and takings provisions in H.R. 9, both of which are expected to be considered by the full House next week.

### **Rescissions and Supplementals**

On February 22, the House Agriculture and Interior Appropriation Subcommittees marked up rescission and supplemental bills for USDA programs. A total of \$241.5 million would be rescinded from agriculture programs, including \$28.8 million from USDA Forest Service programs. The Department is preparing an analysis of the impacts of the rescissions, which will be provided to the Office of Management and Budget. In addition to the rescissions, the Agriculture Subcommittee approved \$19 million in supplementals for food safety and farm service salaries and expenses. The President's proposal to increase the limitation on the Market Promotion Program, part of the Administration's "greenbox" initiative, was not approved.

### **Canada-U.S. Joint Commission on Grains Meeting**

The Canada-U.S. Joint Commission on Grains has been holding its fifth meeting in New Orleans, Louisiana this week, where it continues its work on issues such as grain handling standards, storage and transportation activities, end-use certificates, the U.S. Export Enhancement Program, the Canadian Wheat Board, and domestic support programs. In September, the Commission will issue recommendations for long-term solutions to grain trade problems in its final report.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **Empowerment Zone/Enterprise Community (EZ/EC) Update**

The USDA Rural Business and Cooperative Development Service recently approved the transfer of earmarked Rural Business Enterprise Grant funds for EZ/EC projects in Pennsylvania, Arkansas, and Virginia. These three states have been notified, and the normal Congressional notification procedures will be followed. These are the first projects approved under the EZ/EC initiative. The USDA Rural Utilities Service has received two recent funding requests from designated communities in North Carolina.

## **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

On February 27, USDA, White House Office of Environmental Policy, and Departments of Commerce, Interior, and Justice officials will meet to attempt to develop means to reinvent the Endangered Species Act (ESA) consultation process as required under Section 7 of the ESA. The meeting's focus will be to seek a solution to the current difficulties with the consultation process that will eliminate the layers of bureaucracy and duplication and simplify the necessary procedures.

The Intergovernmental Advisory Committee, which oversees the implementation of the Administration's Forest Plan in Washington, Oregon, and northern California, has scheduled its first meeting for March 28-29 in Portland, Oregon.

## **Helping Native Americans**

According to data recently released by USDA, the program to purchase frozen ground beef for distribution to certain Native Americans on reservations has been a success. In FY94, over 475,000 pounds of beef worth about \$800,000 was purchased for the program. While there were hurdles to overcome, such as distributing directly to individuals and families, the USDA Food and Consumer Service and the USDA Agricultural Marketing Service continue to work to move this program in a positive direction. For FY95, USDA anticipates buying more than 1.2 million pounds of beef to distribute to Native Americans on reservations.

## **CONGRESS**

### **Congressional Hearings**

Today, the House Agriculture Subcommittee on General Farm Commodities held a hearing on the federal tax code and its effect on farmers, ranchers, and rural areas.

The House Appropriations Subcommittee on Agriculture and Rural Development held a hearing today on FY96 agriculture appropriations for the USDA Food Safety and Inspection Service. USDA Acting Under Secretary for Food Safety Mike Taylor testified.

On February 24, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment will hold a hearing on the Federal Water Pollution Control Act. Additional hearings will be on March 7 and 9. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify on March 7.

On February 28, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the Department's Agricultural Research Service (ARS) and Economic Research Service (ERS). ARS Administrator R. D. Plowman and ERS Acting Administrator John Dunmore will testify.

On March 1 and 8, the Senate Governmental Affairs Committee will hold hearings on proposals that would revise the federal regulatory process. USDA will be testifying.

On March 1, the Senate Energy Subcommittee on Forest and Public Lands will hold a hearing on S. 391, the Federal Lands Forest Health Protection Act. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

On March 1, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for USDA's Agricultural Marketing Service (AMS) and Grain Inspection, Packers, and Stockyards Administration (GIPSA). AMS and GIPSA Administrators Lon Hatamiya and James Baker, respectively, will testify.

On March 2, the Senate Environment and Public Works Subcommittee on Fisheries and Wildlife will hold a hearing on the Pacific Rivers Council injunction on federal activities in the Columbia River Basin. USDA will be testifying.

On March 2, the House Resources Committee will hold a hearing on trends in federal lands ownership and management.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on March 2 regarding FY96 agriculture appropriations for the USDA National Agricultural Statistics Service (NASS) and the USDA Cooperative State Research, Education, and Extension Service (CSREES). NASS Acting Administrator Donald Bay and CSREES Acting Administrator William Carlson will testify.

On March 7, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Animal and Plant Health Inspection Service (APHIS). APHIS Acting Administrator Lonnie King will testify.

On March 8, the Senate Energy Subcommittee on Forest and Public Land Management will hold a hearing on the Endangered Species Act. USDA will testify.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a March 8 hearing on USDA Natural Resources Conservation Service (NRCS) FY96 agriculture appropriations. NRCS Chief Paul Johnson will testify.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on March 8 on FY96 agriculture appropriations for the USDA Rural Economic and Community Development Service and its agencies. USDA will be testifying.

On March 9, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a hearing on the Perishable Agricultural Commodities Act (PACA). On February 17, I sent a letter to House Agriculture Committee Chairman Pat Roberts expressing strong opposition to H.R. 669, which would repeal PACA. USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify at the hearing. (*See Week In Review: Administration Reaffirms Commitment To PACA*)

On March 14, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Consolidated Farm Service Agency (CFSA). USDA CFSA Acting Administrator Grant Buntrock will testify.

On March 15, the Senate Agriculture Appropriations Subcommittee will hold a hearing on FY96 agriculture appropriations for the USDA Farm and Foreign Agricultural Services mission area.

On March 16, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 agriculture appropriations for the USDA Rural Economic and Community Development mission area. USDA Rural Utilities Service Administrator Wally Beyer, USDA Rural Housing and Community Development Service Acting Administrator Michael Dunn, and Rural Business and Community Development Acting Administrator Dayton Watkins will testify.

On March 21, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on the FY96 agriculture appropriations for the USDA Foreign Agricultural Service (FAS). USDA FAS Administrator Gus Schumacher will testify.

On March 22, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 agriculture appropriations for the USDA Natural Resources and Environment mission area. USDA will be testifying.

The House Appropriations Subcommittee on the Interior will hold a March 22 hearing on the FY96 appropriations for the USDA Forest Service. USDA will be testifying.

On March 22, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on the FY96 agriculture appropriations for the USDA Office of General Counsel and the USDA National Appeals Division. USDA General Counsel James Gilliland and USDA National Appeals Division Acting Director Fred Young will testify.

### **Key Congressional Visits and Activities**

Today, the Senate Governmental Affairs Committee marked up S. 219, a bill to ensure economy and efficiency of federal government operations by establishing a moratorium on regulatory rulemaking actions. H.R. 450 is the House version of this legislation. On February 22, USDA held a briefing for the House Agriculture Committee on the affects of H.R. 450, the Regulatory Transition Act of 1995, on USDA food safety, marketing, and other programs. USDA is planning to present a similar briefing next week for the Senate Agriculture Committee. *(See Key Department News: USDA Opposes Regulatory Moratorium)*

Senator Jesse Helms plans to introduce legislation to consolidate the USDA Foreign Agricultural Service with the U.S. Information Agency and the Agency for International Development under a new entity, the Foreign Commercial Service.

Congressman Steve Gunderson will be submitting questions to the USDA Food Safety and Inspection Service (FSIS) in lieu of a hearing. The questions will solicit FSIS' view on current programs and the future direction of the meat inspection program. The same questions will be sent to consumer groups, industry representatives, and the scientific community.

Next week, the House Agriculture Committee is expected to mark up welfare reform legislation.

On February 16, USDA Rural Housing and Community Development Service Acting Administrator Michael Dunn met with Chemical Bank representatives about Congressional interest in contracting out servicing functions for the agency's loan portfolio.

Congresswoman Barbara Cubin and Senators Craig Thomas and Alan Simpson have written USDA recently expressing concern about the effects of reduced timber harvest levels from Wyoming's national forests. A meeting between Congresswoman Cubin, USDA Rocky Mountain Regional Forester Elizabeth Estill, and USDA National Forest Systems Deputy Chief Gray Reynolds is scheduled for March 7.

## REGULATORY ACTION

Today, the final rule on electric system construction policies and procedures was published in the *Federal Register*. Among other things, this final rule codifies policies and procedures applicable to USDA Rural Utilities Service electric borrowers when purchasing materials.

USDA published a February 16 *Federal Register* notice for a proposed rule on investments, loans, and guarantees by USDA electric borrowers. The proposal will clarify USDA Rural Utilities Service policies and requirements, reduce uncertainty by borrowers, and improve compliance.

The USDA Grain Inspection and Packers and Stockyards Administration is ready to publish proposed rules in the *Federal Register* to amend U.S. standards for corn and beans.

On March 1, USDA plans to publish a notice in the *Federal Register* aimed at improving anadromous fish populations and habitat, commonly referred to as PACFISH. The public announcement will occur on February 27. Advance notification will be given to key Congressional leaders and Governors.

USDA is seeking comments on a proposal to revise three separate standards for grades of Florida grapefruit, oranges, tangelos, and tangerines. This proposal was published in the *Federal Register* on February 22.

As recommended by the National Pork Producers Delegate Body, USDA is proposing to increase assessments on live hogs and imported pork and pork products to fund the pork research and promotion program. The notice of the proposed increase appeared in the *Federal Register* on February 15.

## PRESS INQUIRIES

### **Press Conferences/Statements**

On February 27, USDA Under Secretary for Food and Consumer Services Ellen Haas will participate in a news conference regarding the effect of block grant proposals on child nutrition programs. (See *Key Department News: USDA Opposes Regulatory Moratorium*)

### **Press Contacts With USDA**

On February 24, USDA Under Secretary for Food and Consumer Services Ellen Haas is scheduled to appear on *CNN Morning News* regarding the effect of block grant proposals on child nutrition programs. (See *Key Department News: USDA Opposes Regulatory Moratorium*)

On February 26, the *Kansas City Star* is expected to run a story about the USDA Conservation Reserve Program.

The *Minnesota Star Tribune* is working on a story about the USDA Market Promotion Program. The *New York Times* is expected to publish an article on this subject soon.

*U.S. News and World Report* is expected to publish a story next week about the 1995 Farm Bill, USDA export programs, and proposed block grants for nutrition and feeding programs.

*The Washington Post* inquired about inspection of animal liver for human consumption. In addition, Twentieth Century Fox in Los Angeles, California requested information about poultry inspection and slaughter in preparation for a dramatic story about two FBI agents. The fictional piece about federal meat and poultry inspection is expected to be run this spring.

USDA Acting Under Secretary for Food Safety Mike Taylor has been requested for an interview on *National Public Radio's Diane Rehm Show*.

#### FOIA REQUESTS

*NBC News* requested copies of correspondence regarding Senator Tom Daschle and B&L Aviation.

The *Los Angeles Times* requested a copy of former Secretary Espy's travel records.

*Roll Call* has requested copies of correspondence between USDA and Senator Lauch Faircloth.

The National Association of State Departments of Agriculture has requested comments received by USDA regarding the proposed amendments to the pesticide recordkeeping program and documents relating to a lawsuit against the Department by the National Coalition Against the Misuse of Pesticides.

#### WEEK IN REVIEW

##### **Administration Reaffirms Commitment To PACA**

On February 17, USDA issued a news release reaffirming this Administration's commitment to the Perishable Agricultural Commodities Act (PACA) and stated that the Administration would oppose any legislative effort to eliminate PACA. The Act was enacted in 1930 to remedy delinquent payment problems between the various

commercial links from field to retail counters. I also wrote to House Agriculture Committee Chairman Pat Roberts expressing opposition to H.R. 669, legislation which repealed the Act. On March 9, the House Agriculture Committee will hear testimony on the bill. USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify.

### **Report Highlights Proactive Effort by U.S. Beef Industry**

The first results of USDA's *Cattle on Feed Evaluation (COFE)* report showed a proactive effort by the U.S. beef industry to change management practices to assure product quality and safety. This APHIS evaluation showed that beef producers have responded to increased concerns about food safety, product quality, and the environment by improving management practices through voluntary quality assurance and environmental monitoring programs.

### **Settlement Reached In BNL Case Against USDA**

USDA has received negative press coverage regarding the February 16 U.S. Court of Federal Claims settlement between the Banca Nazionale del Lavoro (BNL) and the USDA Commodity Credit Corporation (CCC). Under the settlement, on February 21, USDA paid BNL \$400 million of its \$450 million in claims against CCC. BNL had filed the lawsuit over two years ago, demanding that CCC honor its claims as assignee of USDA export credit guarantees in connection with sales of U.S. agricultural commodities to Iraq between 1988 and 1990. This settlement resolves all accrued and unaccrued claims. This settlement does not relieve Iraq of its indebtedness, and any future recovery on these loans will be for the benefit of CCC. The settlement was approved by the Attorney General and developed in cooperation with the Department of Justice.

### **Argument Held On EPA Renewable Oxygenate Content Rule**

On February 16, the Washington, D.C. Circuit Court of Appeals held oral argument on the merits of the Environmental Protection Agency's (EPA) rule which phases in a 30 percent renewable oxygenate content requirement in reformulated gasoline. EPA promulgated the final rule on June 30, 1994, and a lawsuit challenging it was filed by the American Petroleum Institute and the National Petroleum Refiners Association. The court stayed the rule on September 30, 1994. During the oral argument, the judges questioned the government on a number of aspects of the rule. The Department of Justice has indicated that it estimates that the Court may issue a ruling on the case within 30 to 45 days.

## **USDA Expects Record U.S. Exports In FY95**

At the USDA Agricultural Outlook Forum in Arlington, Virginia on February 22, I announced that U.S. agricultural exports are expected to reach a record \$48.5 billion in FY95, up \$3.5 billion from last November's forecast. These export numbers translate into new jobs and greater opportunities for producers and rural communities in virtually every state. Exports are expected to be bolstered by expanding foreign demand for U.S. bulk commodities, as well as meats, fruits, vegetables, and other high-value consumer foods. Today, USDA Foreign Agricultural Service Administrator Gus Schumacher was interviewed by farm broadcasters from Illinois, Iowa, and California about this important forecast.

### **ACTING SECRETARY'S SCHEDULE**

On February 24, I will address the California Pear Growers Association in Rohnert Park and on February 28, I will speak before the Agricultural Council of California in Monterey.

On March 2, I will travel to Kearney, Nebraska to address the Nebraska Governor's Agricultural Conference.

On March 6, I will address the National Conference on Water Quality in Kansas City, Missouri.

On March 8, I will address the National Farmers Union in Milwaukee, Wisconsin.

### **SUB-CABINET TRAVEL**

USDA Inspector General Roger Viadero will be in Denver, Colorado the week of March 6 for the USDA Forest Service Law Enforcement Conference.

USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn will travel to Des Moines, Iowa for the White House Conference on Aging Rural Mini-conference, March 10-11.

USDA Under Secretary for Natural Resources and Environment Jim Lyons will be in Nebraska, March 6-7, to attend meetings with Governor Ben Nelson and the Western Governors' Association.



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

March 2, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of February 27, 1995**

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**KEY DEPARTMENT NEWS**

**USDA Announces Major Initiative To Combat Food Stamp Trafficking**

On March 1, I joined USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas and USDA Inspector General Roger Viadero in announcing a comprehensive strategy for fighting fraud and retailer trafficking and promoting integrity in the \$27 billion Food Stamp Program. USDA's proposal, which includes both legislative and administrative components, is the result of a collaborative effort between the Department's Food, Nutrition, and Consumer Services, which oversees the program, and the USDA Office of Inspector General, which is responsible for investigating program violations.

Since only authorized retailers can redeem coupons for cash, the Department's initiative focuses on combatting trafficking at the retailer level. The initiative is a practical, comprehensive three-tier attack on trafficking, involving pre-authorization screening, post-authorization controls, and stiffer penalties. Pre-authorization screening will establish a six-month waiting period before stores that initially failed to meet authorization criteria can reapply. This will reduce the participation of retailers who temporarily stock a store to meet minimum requirements solely to be authorized. As part of post-authorization controls, if a retailer abuses the privilege of participating in the Food Stamp Program, that privilege will be revoked. The proposal also proposes tougher penalties on retailers and double penalties against recipients convicted of abusing the system.

On March 1, Under Secretary Haas and Inspector General Viadero met with editorial boards of the *Los Angeles Times*, *Des Moines Register*, *Detroit Free Press*, and the *Columbus, Mississippi Dispatch* about this major anti-fraud initiative. The announcement continues to receive significant media, Congressional, and constituent interest.

## **USDA To Hold Food Safety Proposal Technical Conferences and Public Hearing**

The USDA Food Safety and Inspection Service (FSIS) will hold scientific/technical conferences and a public hearing, all part of public outreach activities associated with the Department's pathogen reduction Hazard Analysis and Critical Control Points (HACCP) proposal. The HACCP proposal's comment period closes on June 5. The April 12-13 Chicago, Illinois conference will focus on *New Technology to Improve Food Safety*. The May 1-2 conference in Philadelphia, Pennsylvania will focus on *The Role of Microbiological Testing in Verifying Food Safety*. In Washington, D.C., there will be a May 18-19 conference regarding *An Evaluation of the Role of Microbiological Criteria in Establishing Food Safety Performance Standards in Meat and Poultry Products*. A public hearing will also be held on May 30-31 in Washington, D.C. In addition to the conferences, FSIS is hosting information briefings across the country, beginning on March 7 in Oakland, California.

## **Agriculture Talks Scheduled With Canada and Taiwan**

The next meeting of the U.S.-Canada Joint Commission on Grains will be in Ottawa, Canada on March 14-16. In September, the Commission will issue recommendations for long-term solutions to grain trade problems in a final report. Today, consultations were held with Canada regarding dairy, poultry, and egg trade issues. The talks were requested by U.S. Special Trade Representative Mickey Kantor and constitute the first step in a formal dispute settlement process under the North American Free Trade Agreement. A specific U.S. complaint is about high tariffs imposed on these products as a result of Canada's Uruguay Round implementation.

A U.S. interagency working group, including USDA Foreign Agricultural Service representatives, is preparing for upcoming trade and investment consultations with Taiwan on March 6-7. The meetings are the first in what should become annual bilateral discussions on trade and investment between the United States and Taiwan.

## **USDA Moves To Improve School Meals**

Efforts to improve school meals nationwide continue with a new component beginning the week of March 27. Prominent chefs from leading restaurants are volunteering to help develop healthy school meals that appeal to children through a variety of activities that will take place in school cafeterias and classrooms. After the events, action packets with a promotional video and directory of chefs will be distributed to 23,000 school districts. This initiative, among others planned, is part of the training component of the School Meals Initiative for Healthy Children.

## USDA WORK ON PRESIDENTIAL INITIATIVES

### **Welfare Reform**

On March 1, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas, USDA Inspector General Roger Viadero, and I held a news conference unveiling a major initiative to combat fraud and trafficking in the USDA Food Stamp Program. There was significant media attendance and coverage. (*See Key Department News: USDA Announces Major Initiative To Combat Food Stamp Trafficking*)

On March 1, Under Secretary Haas joined the First Lady and Senators Tom Daschle, Patrick Leahy, Charles Robb, and John Rockefeller at a Washington, D.C. school for an event designed to heighten awareness of opposition to the proposal to block grant the school meal program and other federal nutrition programs.

### **Department Continues Work To Counter Budget Rescissions**

On March 1, I conducted an audio briefing with Iowa, Indiana, and Mississippi reporters on the impact of budget rescissions on USDA's rural development and Women, Infants, and Children (WIC) programs. I also included comments about this important issue during my speech at the annual Nebraska Governors' Agriculture Conference. USDA Under and Assistant Secretaries are briefing the media and constituents about the impact of rescissions on specific programs. USDA is working closely with The White House in its media and constituent plans to convey the Administration's message on the rescission package.

### **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

On March 10, the USDA Forest Service will release its FY94 Timber Sale Program Annual Report, which will be provided to Agency field managers, Congress, and the public. This Congressionally mandated report provides financial, economic, and employment information about the Agency's timber sale program. The report will indicate that 4.8 billion board feet of FY94 National Forest timber harvest produced \$885 million in gross revenue and netted \$214 million after expenses. In addition, 76,000 jobs and employment income of \$2.7 billion were supported by the harvest.

The USDA Forest Service and the Department of the Interior's Bureau of Land Management released its final decision on February 24 to protect upstream-migrating (anadromous) fish on 15 National Forests in the western United States. The strategy, known as PACFISH, amended 15 forest plans and established anadromous fish habitat protection standards for future projects. The strategy also should facilitate ongoing

court-ordered forest plan consultations with the Department of the Interior's National Marine Fisheries Service under the Endangered Species Act, which will allow the federal government to seek to vacate an injunction prohibiting timber sales, road building, mining, and grazing on six national forests in Idaho. Notice of the decision was published in the *Federal Register* today.

### **White House Conference On Aging**

On March 7, the USDA Human Nutrition Research Center on Aging at Tufts University will host a pre-conference program in Boston, Massachusetts. The theme of the program will be *The Case for Recommended Dietary Allowances for the Elderly*, and will report on accumulating scientific evidence supporting the need to revise present Recommended Dietary Allowances.

## **CONGRESS**

### **Congressional Hearings**

Today, the Senate Environment and Public Works Subcommittee on Fisheries and Wildlife held a hearing on USDA Forest Service and Department of the Interior National Marine Fisheries Service efforts to comply with the Pacific Rivers court decision which required that the two agencies develop forest and fisheries management plans specifically related to salmon. USDA Under Secretary for Natural Resources and Environment Jim Lyons and USDA Forest Service Chief Jack Ward Thomas testified.

The House Resources Committee held a hearing today on trends in federal lands ownership and management.

On March 3, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a FY96 appropriations hearing for the USDA National Agricultural Statistics Service (NASS). NASS Acting Administrator Donald Bay will testify.

On March 7, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Animal and Plant Health Inspection Service (APHIS). APHIS Acting Administrator Lonnie King will testify.

On March 7 and 9, the House Transportation and Infrastructure Subcommittee on Water Resources and the Environment will hold a hearing on the Federal Water Pollution Control Act. USDA Natural Resources and Environment Deputy Assistant Secretary for Conservation Tom Hebert will testify on March 7.

On March 8, the Senate Small Business Committee will hold a hearing on the Regulatory Flexibility Amendments Act. USDA will be testifying.

The Senate Governmental Affairs Committee will hold a March 8 hearing on proposals that would revise the federal regulatory process. USDA will be testifying.

The Senate Energy Subcommittee on Forest and Public Land Management will hold a March 8 hearing on the Endangered Species Act. USDA will testify.

On March 8, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on USDA Natural Resources Conservation Service (NRCS) FY96 appropriations. NRCS Chief Paul Johnson will testify.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on March 8 on FY96 appropriations for the USDA Rural Economic and Community Development Service and its agencies. Acting Under Secretary for Rural Economic and Community Development Michael Dunn will testify.

Senate Agriculture Committee Chairman Richard Lugar announced five hearings to kick off the 1995 Farm Bill debate. The hearings are as follows: March 9--*Farm Programs: Are Americans Getting What They Pay For?* (Senator Lugar has asked National Economic Council Chair Laura Tyson to testify); March 14--*Conservation, Wetlands, and Federal Farm Policy*; March 16--*The Taxpayer's Stake in Federal Farm Policy*; March 31--*Agricultural Credit in the New Century* (USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify); and April 4--*Market Effects of Federal Farm Policy*.

The House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a March 9 hearing on the Perishable Agricultural Commodities Act (PACA). USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify. (*See Week In Review: PACA Returns \$44 Million To Produce Industry*)

The House Resources Subcommittee on Energy and Mineral Resources will hold a hearing on March 9 regarding mineral royalties.

On March 10, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a FY96 appropriations hearing for the USDA Office of General Counsel and USDA National Appeals Division. General Counsel Jim Gilliland and USDA National Appeals Acting Director Fred Young will testify.

On March 13 and 20, the House Endangered Species and Wetlands task forces will hold joint field hearings on the Endangered Species Act and wetlands issues. USDA will be testifying.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a March 14 hearing on FY96 appropriations for the USDA Consolidated Farm Service Agency (CFSA). CFSA Acting Administrator Grant Buntrock will testify.

On March 15, the Senate Agriculture Appropriations Subcommittee will hold a hearing on FY96 appropriations for the USDA Farm and Foreign Agricultural Services mission area.

On March 16, the House Natural Resources Subcommittee on National Parks, Forests, and Public Lands will hold a hearing on proposed regulations to resolve disputes over rights-of-way involving federal lands. USDA will be testifying.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a March 16 hearing on FY96 appropriations for the USDA Rural Economic and Community Development mission area. USDA Rural Utilities Service Administrator Wally Beyer, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn, and Rural Business and Community Development Acting Administrator Dayton Watkins will testify.

On March 18, the House Private Property Rights task force will hold a field hearing in Scottsdale, Arizona on private property rights. USDA will be testifying.

On March 21, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on the FY96 appropriations for the USDA Foreign Agricultural Service (FAS). USDA FAS Administrator Gus Schumacher will testify.

On March 22, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 appropriations for the USDA Natural Resources and Environment mission area. USDA will testify.

The House Appropriations Subcommittee on the Interior will hold a March 22 hearing on the FY96 appropriations for the USDA Forest Service. USDA Under Secretary for Natural Resources and Environment Jim Lyons and Forest Service Chief Jack Ward Thomas will be testifying.

On March 22, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Cooperative State Research, Education, and Extension Service (CSREES). USDA CSREES Acting Administrator William Carlson will be testifying.

On March 23, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Food, Nutrition, and Consumer Services. USDA Food and Consumer Services Administrator Bill Ludwig will testify.

On March 24, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Office of Administration. USDA Assistant Secretary for Administration Wardell Townsend and USDA Chief Financial Officer Anthony Williams will testify.

On March 28, the House Natural Resources Subcommittee on National Parks, Forests, and Public Lands will hold a hearing on draft legislation to establish a process for designating heritage areas. USDA will be testifying.

On March 29, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on the FY96 appropriations for the USDA Food Safety and Inspection Service and Marketing and Regulatory Programs agencies. USDA Under Secretary for Food Safety Michael Taylor will testify.

On March 30, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold an oversight hearing on federal crop insurance reform and implementation. USDA Risk Management Manager Ken Ackerman will testify.

#### **Key Congressional Visits and Activities**

On February 28, USDA Deputy Administrator of Food Stamps Yvette Jackson briefed House and Senate staff on the Department's food stamp fraud legislative proposal. On March 1, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas and USDA Acting Assistant Secretary for Congressional Relations Scott Shearer met with Congressman Kika de la Garza concerning the proposal. On March 7, the House Agriculture Committee will mark up H.R. 4, a bill to reduce illegitimacy, reduce welfare dependence, and control welfare spending. The Committee will focus on the USDA Food Stamp Program. *(See Key Department News: USDA Announces Major Initiative To Combat Food Stamp Trafficking)*

I sent a letter to Congressional leaders on March 1 expressing the Department's strong opposition to H.R. 925, the Private Property Protection Act of 1995. The letter described the bill's potential impact on USDA programs and the potentially significant new direct spending the bill might require. The Department has been receiving various Congressional inquiries regarding the bill and has been contacting key Congressional offices to express the Administration's opposition to this legislation.

Congressman Tim Holden has requested a briefing for plant operators in his district regarding USDA Food Safety and Inspection Service (FSIS) inspections at meat and poultry plants. Congressman Holden's constituents have complained that the FSIS inspectors are inconsistent in their application of regulations. FSIS officials also will meet with Congressman Gary Condit's staff on March 13 regarding similar issues.

USDA officials recently held a meeting with Congressman Kika de la Garza to discuss his concerns about operation of the Enterprise Zone in his district. Congressman de la Garza mentioned that there may be questions regarding the selection process, including awarding an Enterprise Zone in Mississippi.

USDA is providing information to Senator Larry Craig in response to his request about 1994 fire salvage timber sales and Freedom of Information Act (FOIA) requests for Idaho's Boise and Payette National Forests. He is apparently concerned that FOIA requests may have been used by some interests to delay 1994 salvage sales.

On February 27, USDA Under Secretary for Food Safety Michael Taylor met with Senators Thad Cochran and Dale Bumpers to discuss the Department's proposed rule on "fresh" poultry labeling. Both Senators indicated that they would like the comment period extended. The comment period will close on March 20.

Senators Conrad Burns and Max Baucus may introduce legislation to eliminate the Far West Spearmint marketing order.

On March 7, the Senate Governmental Affairs Committee will mark up S. 219, a bill which would impose a moratorium on regulatory rulemaking actions. On March 6, USDA officials will brief Senate Agriculture Committee staff regarding the bill's impact on USDA programs.

March 29, 30, and 31, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment will mark up legislation reauthorizing the Clean Water Act.

### REGULATORY ACTION

On March 10, USDA will hold a public hearing to obtain views on future changes to the U.S. Tariff-Rate Import Quota Licensing Regulation on dairy products.

A *Federal Register* notice which changes the security requirements for USDA solid waste disposal loans will be published soon. The goal is to provide better service to communities seeking to resolve solid waste disposal problems on a regional level.

USDA recently relaxed rules to allow importation of four additional genera of plants established in growing media. The Professional Plant Growers Association, consisting of greenhouse producers, has filed a motion seeking a preliminary court injunction to prohibit the USDA Animal and Plant Health Inspection Service from implementing these rule changes.

## PRESS INQUIRIES

### **Press Conferences/Statements**

On March 1, USDA officials held a press conference to unveil a major initiative to combat food stamp fraud and trafficking. (*See Key Department News: USDA Announces Major Initiative To Combat Food Stamp Trafficking*)

### **Press Contacts With USDA**

*ABC News* is researching a story about USDA's Market Promotion Program (MPP). The story is expected to be critical of MPP.

*ABC News' Your Money, Your Choice* series is working on a story about the USDA livestock emergency feeding program. In November 1994, the *Salt Lake Tribune* published a critical story about the program, portraying it as a costly program which subsidizes ranchers and leads to the marginalization of public and private lands.

*The Washington Post* is working on a story analyzing farmers' opinions of USDA farm programs.

The *Minneapolis Star Tribune* contacted the USDA Rural Utilities Service regarding a proposed Environmental Impact Study on an area that may include portions of a water project in Minnesota. There is concern that the project will adversely impact an aquifer in South Dakota. This project has attracted significant attention from the respective Congressional delegations.

*The Casper Tribune*, a statewide Wyoming newspaper, inquired about whether a new intertribal bison cooperative plan to quarantine bison near Yellowstone National Park to ensure that they are brucellosis-free before transfer to reservations would violate USDA Animal and Plant Health Inspection Service regulations.

*Vegetarian Times* inquired about the proposed regulatory moratorium and whether it will result in the cattle face branding regulation again being enforced.

*NBC News-London* asked for information about transportation and handling standards for veal calves.

*Time* requested an interview with a USDA Food Safety and Inspection Service Area Supervisor who was named in a Tyson employee's lawsuit against the company. The Area Supervisor declined the interview because he may be called as a witness.

## WEEK IN REVIEW

### **Russian Minister of Agriculture Visits USDA**

Today, Russian Minister of Agriculture and Food Aleksandr Nazarachuk met with USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos to discuss a joint cooperation agreement and agricultural trade issues. Minister Nazarachuk also met with other Administration and Congressional officials.

### **Protective Measures For Anadromous Fish Announced**

On February 24, the USDA Forest Service and the Department of the Interior's Bureau of Land Management made a final decision on an interim strategy for protecting upstream-migrating (anadromous) fish on 15 National Forests in the western United States. *(See USDA Work on Presidential Initiatives: Forest Plan/Pacific Northwest Economic Adjustment Initiative)*

### **Late Application Procedure Established For Crop Insurance**

On February 24, USDA announced the establishment of a late application procedure for some crop insurance coverage and the streamlining of sign-up procedures. These actions were necessary because of the delay in Congressional adoption and implementation of the new crop insurance reform program. The late application procedure will be in effect for 1995 only.

### **Federal Tax Refund Offset Program Anticipates \$30 Million In 1995 Collections**

It is anticipated that the Department's 1995 collections under the Tax Refund Offset Program will exceed \$30 million. Collections to date exceed \$6.3 million from 16,400 offsets. Participating USDA agencies referred more than 190,000 accounts with a value of over \$653 million to the Internal Revenue Service for offset against tax refunds due delinquent debtors.

### **U.S. Timber Industry Threatened By Canadian Asian Gypsy Moth Infestation**

On February 27, the USDA Animal and Plant Health Inspection Service sent a letter of protest to Canadian officials, who had indicated that they did not plan to use aerial spraying to control an Asian gypsy moth outbreak in British Columbia, near the U.S. border. Infestation from the Asian gypsy moth can spread quickly.

## **Funds Available For USDA Multiple Family Housing Program**

The USDA Rural Housing and Community Development Service (RHCDS) has been informed by the Office of Management and Budget (OMB) that some funds for the Section 515 Multiple Family Housing Program will be able to be allocated to the states. Today, OMB sent an apportionment schedule to the agency that provides a weekly apportionment of funds based on its interpretation of FY94 spending patterns. This apportionment schedule will provide small levels of obligation in the first three months (March through May). RHCDS intends to prioritize spending on rehabilitation projects.

### **ACTING SECRETARY'S SCHEDULE**

Today, I traveled to Kearney, Nebraska and addressed the annual Nebraska Governor's Agriculture Conference. I also traveled to Clay Center, Nebraska to visit USDA's Meat Animal Research Center and their ongoing research efforts targeted at food safety improvements.

On March 6, I will address the National Conference on Water Quality in Kansas City, Missouri.

On March 7, I will address the Board of Directors of the National Association of State Departments of Agriculture in Washington, D.C. I will also address the Sparks Companies Annual Washington Policy Conference that day.

On March 8, I will address the National Farmers Union annual meeting in Milwaukee, Wisconsin.

### **SUB-CABINET TRAVEL**

On March 6-7, USDA General Counsel James Gilliland will be in Raleigh, North Carolina to address the North Carolina Agricultural Forum.

On March 6-7, USDA Under Secretary for Natural Resources and Environment Jim Lyons will be in Grand Island, Nebraska to meet with Governor Ben Nelson and attend a meeting of the Western Governors' Association. On March 21, Under Secretary Lyons will attend the Texas and Southwestern Cattle Raisers Association meeting in San Antonio; on March 27-28, he will address the North American Wildlife and Natural Resources Conference in Minneapolis, Minnesota.

On March 7-10, USDA Inspector General Roger Viadero will be in Denver, Colorado for the USDA Forest Service Law Enforcement Conference.

On March 10-11, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn is scheduled to attend the White House Conference on Aging Mini-Conference in Des Moines, Iowa.

On March 13, USDA Chief Financial Officer Anthony Williams will conduct a site visit to the National Finance Center in New Orleans, Louisiana.

WASHINGTON (Reuter) - The Clinton administration announced a sweeping plan Wednesday to clamp down on the growing problem of food stamp fraud and trafficking and ensure that government food assistance "goes to the needy, not to the greedy."

The government's new offensive proposes strict new eligibility criteria for retailers dealing in food stamps, calls for immediate suspension from the program of store owners who violate the program and recommends markedly harsher punishment on violaters including broad authority to seize assets or profits obtained from food stamp fraud.

The plan was announced by top officials of the Department of Agriculture -- the agency responsible for carrying out the \$27 billion Food Stamp Program, the nation's largest and most far-reaching anti-hunger program.

Acting Secretary of Agriculture Richard Rominger said the new crackdown would ensure "that this vital food assistance gets to the needy and not to the greedy."

President Clinton said in a statement that, "We are saying to the Congress that we expect the Food Stamp Program to continue to get food to people who need it, but that we will not tolerate criminals who defraud the system and seek to profit from the hunger of others."

The 31-year-old program helps feed more than 27 million poor Americans including over 14 million children. Currently some 11 million low-income households with average annual incomes of around \$5,800 receive food stamp benefits that average about \$68 per person per month.

The program has come under fire recently due to the worsening amount of fraud and abuse. The government has estimated it loses up to \$1 billion a year in program fraud and wastes another \$1.8 billion in food stamp overpayments.

The plan takes aim at the street trafficking of food stamps where most fraud occurs. In food stamp trafficking, people sell, buy or trade food stamp coupons for cash or other non-food items, including liquor, drugs and weapons.

Much of the trafficking involves unauthorized retailers or fake stores acting as fronts to launder food stamps and cash.

The three-part proposal calls for tougher screening and tighter requirements to keep fake or illegitimate stores from becoming authorized food stamp dealers.

It seeks authority for closer monitoring of authorized retailers and immediate suspension from the program of those found violating it. It also proposes stiffer penalties for program violaters, including broader forfeitures and doubling the penalties of those recipients engaged in fraud.

The administration's initiative, which involves both legislative and administrative changes, comes as the House Agriculture Committee prepares to vote on its own proposals next week to reform the Food Stamp Program as part of the Republicans' promise to overhaul the nation's welfare system.

The plan also comes just days after House Republican leaders backed away from a controversial move to give states authority to run the program through block grants.

The Clinton administration has sharply criticized moves to roll the huge program back to the states, saying such action would jeopardize the health of children and families.

REUTER

*USA Today*  
3/2/95 p. 4A

## Clinton cracks down on food stamp fraud

The Clinton administration announced a broad strike against food stamp fraud Wednesday to ensure the \$27 billion a year program serves the needy, not the greedy. The crackdown imposes tougher requirements on authorized food stamp dealers and tightens screening to prevent people from buying, selling or trading food stamps for cash or other non-food items like drugs and guns. An estimated \$1 billion a year in taxpayer money is lost to food stamp fraud. "We are ensuring that the food stamp program will earn the public trust, and continue to help the people who need it," President Clinton said in a statement.



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

March 9, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of March 6, 1995**

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**KEY DEPARTMENT NEWS**

**Budget Rescissions Fight Continues**

USDA has continued to highlight the detrimental effect of Congressional budget rescissions on Department programs. *(See USDA Work On Presidential Initiatives: USDA Budget Rescission Response)*

**USDA Assists In Battle Over Welfare Reform Block Grants**

USDA Sub-Cabinet members and I continue to fight Congress' attempt to block grant federal child nutrition and food stamp programs. *(See USDA Work On Presidential Initiatives: Welfare Reform)*

**USDA To Hold National Food Safety Forum**

On May 23-25, the USDA Food Safety and Inspection Service will host a national forum at the University of Maryland to develop a research agenda and discuss strategies for improving the role of animal production in preventing foodborne illness. The meeting of animal producers, processors, consumer groups, university based scientists, and the veterinary community is a major effort to improve food safety at the animal production level. The Department is also organizing a government-wide committee of food safety experts to coordinate federal animal production and food safety efforts.

## **School Meals Commodity Procurement Workshop Scheduled**

On March 15, the USDA Agricultural Marketing Service will sponsor a workshop in Atlanta, Georgia to explore the feasibility of small and minority-owned farms' participation in school lunch commodity procurement. USDA AMS Administrator Lon Hatamiya and USDA Food and Consumer Services Deputy Administrator Mary Ann Keeffe will participate with Alabama, Florida, Georgia, Mississippi, and South Carolina farmers and cooperatives.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **USDA Budget Rescission Response**

The USDA Sub-Cabinet and I continue our efforts to educate our constituencies about the detrimental impacts of Congressional budget rescissions on Department programs. On March 7, I addressed the National Association of State Departments of Agriculture (NASDA) and participated in a news conference with NASDA members, highlighting the targeted \$240 million in proposed USDA rescissions. I also discussed this issue with Kansas, Texas, Missouri, and Nebraska Farm Bureau members, who attended briefings at USDA headquarters on March 7. In addition, I included the Administration's rescission message at the Sparks Companies Washington Policy Conference on March 7. On March 6, I traveled to Kansas City, Missouri, where I discussed the impact of the proposed rescissions at the National Conference on Water Quality.

On March 6-7, USDA issued three national news releases which focus on how the Congressional rescission package unfairly targets rural families and needy children. Talking points have been distributed to USDA officials and a series of briefings have been held with Congressional Members and agricultural interests to discuss the adverse effects of rescissions on the Department's programs.

### **Welfare Reform**

USDA Sub-Cabinet members and I continue to highlight the importance of the Department's food assistance and nutrition programs and the Administration's opposition to proposals that would replace federal programs with block grants to the states. On March 7, I spoke to the National Association of State Departments of Agriculture (NASDA), emphasizing that federal food assistance programs work because national nutrition standards are established, required, and verified. Today, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas joined President Clinton at Patrick Henry Elementary School in Alexandria, Virginia to dramatize the negative impact that the proposed child nutrition block grant will have on the national school lunch program. During the past week, Under Secretary

Haas was interviewed on *ABC Evening News*, *McNeil Lehrer Show*, *National Public Radio's Diane Rehm Show*, and *Fox Morning News* regarding the proposals. On March 6, Under Secretary Haas spoke about this issue before the NASDA and Public Voice for Food and Health Policy's Food Policy conferences.

In addition, USDA assisted with a White House Office of Public Liaison briefing today regarding the Administration's position and the impact of rescissions on Women, Infants, and Children (WIC) and rural development programs. The USDA Food, Nutrition, and Consumer Services has prepared an analysis of the block grants proposals, which is being distributed to key constituencies consistent with the provisions of the Anti-Lobbying Act.

### **Regulatory Reform**

Today, Office of Management and Budget Office of Information and Regulatory Affairs Administrator Sally Katzen joined the USDA Sub-Cabinet meeting to discuss President Clinton's directive to cut obsolete regulations and red tape, to create grassroots partnerships, and negotiate with Department customers regarding regulatory reform. The Department is initiating a comprehensive plan to carry out these efforts.

### **Information Superhighway**

Today, I joined Secretary of Commerce Ron Brown in a news conference to help launch the Administration's GET CONNECTED initiative, a national public education campaign to increase awareness of the benefits of the information superhighway. In the news conference, we released census study findings that underscore the need for this education effort.

### **National Service/AmeriCorps**

On March 1, the USDA Office of National Service quarterly report was submitted to the Corporation for National and Community Service. The report describes the Department's three AmeriCorps teams' (anti-hunger, nutrition, and empowerment; public lands and environment; and rural development) accomplishments. The Department has approximately 1,200 AmeriCorps members who are serving in 38 states in urban and rural projects fighting hunger, protecting the environment, and rebuilding rural America. From September 12 to November 31, 1994, USDA AmeriCorps workers provided over 360,000 hours of community service.

On March 13, Alaska Governor Tony Knowles will administer the oath to new AmeriCorps members at the Tongass National Forest. These new AmeriCorps members will work with the Southeast Alaska Guidance Association, a local youth organization headquartered in Juneau.

## Forest Plan/Pacific Northwest Economic Adjustment Initiative

On March 1, the Department of the Interior National Marine Fisheries Service issued two biological opinions regarding the protection of endangered Pacific Northwest salmon stocks. The opinions concerned operations of the Columbia River hydropower system and eight National Forests in Idaho and Oregon. The biological opinion for the National Forests relied on the joint USDA Forest Service-Department of the Interior Bureau of Land Management strategy to protect upstream-migrating fish on 15 National Forests in the western United States (a strategy known as PACFISH) and added additional guidelines for projects. The PACFISH and biological opinion requirements are likely to affect the amount and timing of future timber sales and other land uses.

On March 8, an Idaho court dissolved the injunction in Pacific Rivers Council v. Thomas which had halted all new or ongoing timber sales, range activities, mining operations, and road projects on National Forests in Idaho. An Oregon district court issued a similar injunction on October 20, 1994 against certain timber sales and road projects in two National Forests in Oregon. The federal government will be notifying the Oregon district court of the biological opinions and will be seeking dissolution of that court's injunction.

On March 1, the Exxon Valdez Oil Spill Trustee Council, which oversees restoration of Alaska's Prince William Sound, reached a cooperative agreement to protect important restoration habitat. The agreement provides for habitat protection and continued management of economic resources by the Eyak Corporation, an Alaskan native village corporation based in Cordova. The agreement also includes a number of potential timber exchange opportunities and possible purchases of timber rights.

## CONGRESS

### Congressional Hearings

Senate Agriculture Committee Chairman Richard Lugar announced five hearings to kick off the 1995 Farm Bill debate. The hearings are as follows: today--*Farm Programs: Are Americans Getting What They Pay For?*; March 14--*Conservation, Wetlands, and Federal Farm Policy*; March 16--*The Taxpayer's Stake in Federal Farm Policy*; March 31--*Agricultural Credit in the New Century* (USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify); and April 4--*Market Effects of Federal Farm Policy*.

Today, the House Transportation and Infrastructure Water Resources and Environment Subcommittee had a hearing on the Federal Water Pollution Control Act.

The House Resources Subcommittee on Energy and Mineral Resources will hold a hearing on March 9 regarding mineral royalties.

On March 10, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a FY96 appropriations hearing for the USDA Office of General Counsel and USDA National Appeals Division. General Counsel Jim Gilliland and USDA National Appeals Acting Director Fred Young will testify.

On March 11, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment will hold a field hearing in Utica, New York on nonpoint source pollution. USDA will be testifying.

On March 13 and 20, the House Endangered Species and Wetlands task forces will hold joint field hearings on the Endangered Species Act and wetlands issues. USDA will be testifying.

On March 14, the Senate Agriculture Committee will hold a hearing on conservation, wetlands, and federal farm policy. USDA Natural Resources Conservation Service (NRCS) Chief Paul Johnson and USDA Consolidated Farm Services Agency (CFSA) Acting Administrator Grant Buntrock will testify.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a March 14 hearing on FY96 appropriations for the USDA Consolidated Farm Service Agency (CFSA). CFSA Acting Administrator Buntrock will testify.

On March 15, the Senate Agriculture Appropriations Subcommittee will hold a hearing on FY96 appropriations for the USDA Farm and Foreign Agricultural Services mission area. USDA will testify.

On March 16, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a hearing on the Perishable Agricultural Commodities Act (PACA). As an oversight hearing, the Subcommittee will likely focus on H.R. 669 and H.R. 1103, bills which repeal and amend PACA, respectively. USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify.

On March 16, the House Natural Resources Subcommittee on National Parks, Forests, and Public Lands will hold a hearing on proposed regulations to resolve disputes over rights-of-way involving federal lands. USDA will testify.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a March 16 hearing on FY96 appropriations for the USDA Rural Economic and Community Development mission area. USDA Rural Utilities Service Administrator Wally Beyer, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn, and Rural Business and Community Development Acting Administrator Dayton Watkins will testify.

On March 18, the House Private Property Rights task force will hold a field hearing in Scottsdale, Arizona on private property rights. USDA will testify.

On March 21, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on the FY96 appropriations for the USDA Foreign Agricultural Service (FAS). USDA FAS Administrator Gus Schumacher will testify.

On March 22, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 appropriations for the USDA Natural Resources and Environment mission area. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

The House Appropriations Subcommittee on the Interior will hold a March 22 hearing on the FY96 appropriations for the USDA Forest Service. USDA Under Secretary for Natural Resources and Environment Jim Lyons and Forest Service Chief Jack Ward Thomas will testify.

On March 22, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Cooperative State Research, Education, and Extension Service (CSREES). USDA CSREES Acting Administrator William Carlson will testify.

On March 23, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Food, Nutrition, and Consumer Services. USDA Food and Consumer Services Administrator Bill Ludwig will testify.

On March 24, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Office of Administration. USDA Assistant Secretary for Administration Wardell Townsend and USDA Chief Financial Officer Anthony Williams will testify.

On March 28, the House Natural Resources Subcommittee on National Parks, Forests, and Public Lands will hold a hearing on draft legislation to establish a process for designating heritage areas. USDA will testify.

On March 29, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 appropriations for the USDA Food Safety and Inspection Service and Marketing and Regulatory Programs agencies. USDA Acting Under Secretary for Food Safety Michael Taylor will testify.

On March 30, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold an oversight hearing on federal crop insurance reform and implementation. USDA Risk Management Manager Ken Ackerman will testify.

On April 5, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 appropriations for research, education, and economics, including USDA's Agricultural Research Service, Cooperative State Research, Education, and Extension Service, Economic Research Service, and National Agricultural Statistics Service. USDA will testify.

### **Key Congressional Visits and Activities**

USDA officials have held a series of meetings with Congressmen Ed Pastor, Bob Wise, and others regarding the Department's Section 515 Multiple Family Housing Program and the effects of proposed rescissions.

On March 2, Senators James Jeffords, Patrick Leahy, and William Cohen introduced the Northeast Dairy Compact bill, which has been approved by six New England states. Federal legislation is required before the Compact can be implemented.

Senator Daniel Inouye has written concerning USDA Animal and Plant Health Inspection Service preclearance inspections at Honolulu International Airport, requesting that the Department exempt Hawaii from the recent rule allowing bees from New Zealand to be transshipped through the United States.

On March 15, the Senate Governmental Affairs Committee is scheduled to consider legislation which revises the regulatory process.

On March 29-31 and April 3-7, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment is scheduled to consider legislation to reauthorize the Clean Water Act and pending legislation.

Twelve Senators wrote to recommend that USDA support safe alternative methods of removing surface contamination from beef carcasses. On March 8 and 10, USDA Food Safety and Inspection Service officials briefed House and Senate Agriculture Committee staffs on steam vacuuming, a new technology that can be used as a pre-evisceration process intervention to assist in meeting the standard of zero contamination on carcasses from feces and ingesta.

## REGULATORY ACTION

The USDA Food Safety and Inspection Service will extend the comment period on the proposed rule for the use of the term "fresh" on the labeling of raw poultry products, which was published in the *Federal Register* on January 17. The comment period will be changed to close on May 19.

On March 10, the USDA Foreign Agricultural Service will hold a public hearing to review import regulations under which the Department issues licenses required to import most cheeses and certain non-cheese dairy products. The hearing is part of USDA's examination of the need to update regulations and incorporate Uruguay Round commitments on dairy products.

The USDA Animal and Plant Health Inspection Service is drafting a notice consistent with the Uruguay Round implementing legislation that requires the Department to publish the following in the *Federal Register* by June 1 of each year: sanitary and phytosanitary standards under consideration by various international standard-setting activities; the agenda of U.S. participation; and the agency responsible for representing the United States with respect to the standards.

## PRESS INQUIRIES

### Press Conferences/Statements

Today, Secretary of Commerce Ron Brown and I conducted a news conference to launch the Administration's GET CONNECTED initiative, which stresses the importance of the information superhighway. The campaign was launched through two news conferences linked via satellite in Washington, D.C. and southern California. (See *USDA Work On Presidential Initiatives: Information Superhighway*)

### Press Contacts With USDA

*The Washington Post* is researching a story about the Administration's progress in reorganizing and reinventing the federal government. USDA has provided information about its reorganization progress.

*San Antonio News Express* requested statistical information on the number of cattle imports and exports between the United States and Mexico before and after the peso's devaluation.

The *Chicago Tribune* contacted the USDA National Agricultural Library for statistics on U.S. rural health.

## WEEK IN REVIEW

### **USDA Moves On Mexican Disease Outbreak**

The USDA Animal and Plant Health Inspection Service is increasing disease surveillance activities to protect the U.S. poultry industry from the highly pathogenic avian influenza virus currently present in several of Mexico's commercial poultry flocks. The Department is working with states and the poultry industry to increase slaughter and farm disease surveillance activities for poultry in states and areas bordering Mexico or at risk. USDA is also enhancing its monitoring and response capabilities in order to deal quickly with any possible U.S. outbreak of the disease.

### **Action Planned On Boll Weevil Eradication and Cotton Prices**

Cotton acreage in the Southeast has more than tripled in the past seven years because of the USDA boll weevil eradication program's success. This rapid expansion has created a critical need for harvesting and ginning equipment, much of which is being shipped east from Mid-South and Texas weevil-infested areas. The infested areas are not currently under the USDA boll-weevil eradication program, and weevils could be transported into noninfested areas on the used equipment.

USDA plans to initiate a boll-weevil eradication program in Texas' Lower Rio Grande Valley after an Environmental Assessment (EA) is completed by the USDA Animal and Plant Health Inspection Service (APHIS). APHIS conducted two public hearings in Weslaco concerning the site-specific EA, at which no major weaknesses in the EA were identified. The first weevil treatment may start on March 16.

The May 1995 New York Futures contract, used by cotton buyers for product still in grower or merchant hands, reached over \$1.04 per pound on March 1. This is the highest cotton price since the Civil War. The high cotton prices have encouraged many growers to forward contract portions of their 1995 expected plantings.

### **Mexico Requires Methyl Bromide Fumigation**

Mexico recently announced that it will require all grain imports to be fumigated with methyl bromide to devitalize weed seeds and grain kernels. The USDA Grain Inspection and Packers and Stockyards Administration believes that this new requirement is not based on sound scientific principles and, if implemented, will severely impede trade between the United States and Mexico. The Department is looking into ways to address this issue.

## **New York City Food Stamp Audit Completed**

The USDA Office of Inspector General has concluded an audit of New York City's Food Stamp Program (FSP). One of the Department's objectives was to determine the extent and fiscal impact of issuing FSP benefits to households after their assigned certification periods had expired. USDA found that the City's computer system lacked an automatic cut-off, which is required by federal regulations to prevent households from receiving benefits beyond their certification period. USDA may determine that a negligence billing of about \$3.4 million be made against New York.

## **Consultations Held On Canadian Tariffs**

U.S. and Canadian officials recently met in Ottawa, Canada to discuss the legal basis under the North American Free Trade Agreement for Canada's high tariff equivalents on various agricultural products. No decisions were made at the meeting, and the USDA Foreign Agricultural Service does not expect further action until after sugar consultations are held in Washington, D.C. on March 17.

## **USDA To Evaluate Antimicrobial Compound For Poultry Processing**

On March 6, the USDA Food Safety and Inspection Service announced that it will monitor and evaluate in-plant trials of the use of the antimicrobial compound chlorine dioxide in poultry processing water. The Food and Drug Administration recently approved the compound as effective against poultry foodborne pathogens. The Department recently published a Hazard Analysis and Critical Control Points (HACCP) regulatory proposal that would require the nation's 6,200 federally inspected poultry and meat slaughter and processing plants to include an antimicrobial treatment in their operations to reduce pathogens that cause foodborne illness.

## **Multi-Family Housing Program Draws Fire**

The Office of Management and Budget (OMB) weekly apportionment of USDA Section 515 Multiple Family Housing Program funds is being criticized due to the impact this will have on housing directed to non-profits, targeted groups, and diversity set-asides. According to the OMB schedule, funds for these activities will not be available until late this year. Members of Congress, the Housing Assistance Council, the Rural Housing Coalition, and others have expressed concern about the impact the weekly apportionment could have on Empowerment Zone/ Enterprise Community applicants that expected to make use of the Section 515 program.

## **ACTING SECRETARY'S SCHEDULE**

Today, I also joined Secretary of Commerce Ron Brown in a news conference to launch the Administration's GET CONNECTED initiative. (*See USDA Work On Presidential Initiatives: Information Superhighway*)

On March 13 and 15, respectively, I will welcome members of the Alabama Farmers Federation and the Virginia Farm Bureau, who will be visiting USDA for briefings on rescissions, reorganization, and the 1995 Farm Bill. On March 13, I will also address the U.S. Wheat Associates in Washington, D.C.

On March 16, I will be honorary chair of the National Agriculture Day Congressional Reception.

## **SUB-CABINET SCHEDULE**

Through March 10, USDA Inspector General Roger Viadero is in Denver, Colorado for the USDA Forest Service Law Enforcement Conference. On March 16-17, he will be in Baltimore, Maryland to discuss food stamp issues with local officials.

On March 13, USDA Chief Financial Officer Anthony Williams will conduct a site visit to the National Finance Center in New Orleans, Louisiana.

On March 14, USDA Under Secretary for Food, Nutrition and Consumer Services Ellen Haas will speak to the National Partnership to Improve the American Diet at the National Action Conference on Healthy Eating for Children in Washington, D.C.

On March 14, USDA Under Secretary for Natural Resources and Environment Jim Lyons will give the keynote address at an American Rivers'-sponsored symposium in Washington, D.C. Under Secretary Lyons will attend the Texas and Southwestern Cattle Raisers Association meeting in San Antonio, Texas on March 21; he will address the North American Wildlife and Natural Resources Conference in Minneapolis, Minnesota on March 27-28.

## Statement

by  
Acting Secretary Richard Rominger  
on  
The Support of President Clinton's Agriculture Budget  
By The American Farm Bureau Federation

WASHINGTON, March 9, 1995 -- Acting Agriculture Secretary Richard Rominger today issued the following statement thanking American Farm Bureau Federation President Dean Kleckner for his support of the Administration's agriculture budget:

"As President Clinton fights to strengthen American agriculture through opening up new markets and proposing a responsible agriculture budget, we welcome the support of the American Farm Bureau Federation President Dean Kleckner during a hearing in the Senate Agriculture Committee today.

"Mr. Kleckner today was asked to express whether he supported the Administration's agriculture budget or a Congressional proposal and he said he would choose President Clinton's direction. We welcome this support and want to assure the agriculture community across the nation that this Administration is dedicated to agriculture and the family farm while bringing fiscal responsibility to USDA."

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Farming Today \_ Wednesday, March 8, 1995

By United Press International

-upi-

Rominger hits GOP agriculture cuts

Acting Agriculture Secretary Richard Rominger says the cuts proposed by Republican congressional leaders in food aid programs actually would cost the country more than they would save.

Rominger told the Mid-Year Legislative Conference of the National Association of State Departments of Agriculture yesterday (Tuesday) in Arlington, Va., that the Republican plan "gives new meaning to the phrase 'women and children first'."

He said the GOP plans would eliminate benefits for nearly 50,000 people in the supplemental nutrition plan for women, infants and children known as WIC; halt efforts to meet what he called "urgent health and safety needs" in rural housing projects; and endanger access by poor rural residents to the "information superhighway."

"USDA has found other ways to save money," he told the state commissioners. "Our reorganization \_ the most extensive in our history \_ is part of President Clinton's commitment to a streamlined government that works better and costs less."

He said that because the cuts would create other problems that government then would have to meet at a higher cost, "This congressional package may look like it saves money. But in terms of the real, long-term wellbeing of our country, it is penny-wise and pound-foolish."

-upi-



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

March 16, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of March 13, 1995**

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**KEY DEPARTMENT NEWS**

**USDA Assists Flood-Damaged California**

USDA is working with California to supply much-needed assistance to rural residents, farmers, ranchers, and individuals affected by flooding. Approximately 45,000 acres of agricultural land have been damaged, with an estimated loss of about \$400 million. On March 14, I joined other Administration, state, and local officials in touring the flood damage. I was interviewed by the *Fresno Bee* and the California Farm Bureau radio service, where I talked about USDA assistance that would be provided.

The major affected crops are lettuce, broccoli, and cauliflower, which account for about \$200 million worth of the total agricultural damage. Strawberry, artichoke, and almond production have also been severely impacted. Crop insurance is unavailable for many of the crops which have been damaged. However, growers may receive assistance under the new Non-Insured Assistance Program (NAP) if they suffered qualifying losses. NAP assistance to individual growers is triggered by an area-wide loss, a determination which is made by the State Consolidated Farm Service Agency (CFSA) Committee. The NAP was created by the Federal Crop Insurance Reform Act of 1994. Due to the late date of Congressional enactment, the Department is still in the process of issuing regulations to implement NAP. The Department expects to have the NAP regulations in place shortly so that growers who have suffered qualifying losses from these floods receive prompt assistance.

With 39 of California's 58 counties declared Presidential disaster areas, USDA Natural Resources Conservation Service teams are trying to bring assistance through the Emergency Watershed Program. So far, 41 damage survey reports have been completed and damage is estimated at about \$3 million. This figure is expected to increase after the waters in Salinas Valley, Carmel Valley, and Pajaro Valley subside enough for the Department to survey damage. The Department is providing the California Congressional delegation with daily update reports.

### **Confirmation Hearing Scheduled**

On March 21, the Senate Agriculture Committee will begin confirmation hearings on the President's nomination for Secretary of Agriculture, Dan Glickman.

### **USDA Moves To Expedite Salvage Timber Sales**

On March 15, USDA and the Department of the Interior moved to expedite salvage timber sales nationwide by accelerating consultations required under the Endangered Species Act. *(See USDA Work On Presidential Initiatives: Forest Plan/Pacific Northwest Economic Adjustment Initiative)*

### **Florida Tomato Growers Charge Mexico With Dumping**

The Florida tomato industry is asking for federal intervention into what it considers to be "massive dumping" of Mexican vine-ripe tomatoes on the U.S. market. Florida and Mexico supply nearly all U.S. fresh market tomatoes in the winter months. The Office of the U.S. Trade Representative (USTR) is looking into the factors behind the heavy shipments of Mexican tomatoes in February and held a meeting today with USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen and other Department officials. The dramatic decline in the Mexican peso's value may be a factor in the import surge, but many Florida growers blame the North American Free Trade Agreement for the increased Mexican competition.

### **Water 2000 Plan To Be Finalized**

USDA's Water 2000 Initiative plan, which will bring potable water to over 400,000 rural households (affecting over 1 million rural Americans), is in its final stages. The plan proposes to create partnerships with state governments, private sector entities, local organizations, and community developers to make the vision a reality. The plan will be spearheaded by the USDA Rural Utilities Service and pushed locally by USDA Rural Community and Economic Development State Directors.

### **Impact On Texas Aquifer**

A U.S. District Court in Texas has ordered the Department of the Interior Fish and Wildlife Service to work with USDA to determine the nature and extent of USDA activities that could affect the water level in the Edwards Aquifer, a 3,600-square-mile underground body of water serving the agricultural needs in and around San Antonio. Springs flowing from the aquifer serve as the habitat for several threatened or endangered species under the Endangered Species Act (ESA), the survival of which may depend on the water level.

The Court found that the Fish and Wildlife Service had violated the ESA by failing to adopt and implement plans to protect the listed species dependent on the aquifer. The Court retained continuing jurisdiction over the matter to ensure compliance with its order. Plaintiffs then issued a notice of intent to sue 40 federal departments and agencies on April 15, 1994, including USDA. USDA activities which are implicated by this litigation consist primarily of financial and technical support for agricultural production and rural development. The Court's order may lead plaintiffs to sue USDA. The Department is reviewing this litigation in order to determine the appropriate next steps.

### **Fraud Against Child Nutrition Programs Leads To Suspension/Debarment**

The USDA Food and Consumer Service continues to move expeditiously to complete suspension and debarment proceedings against several dairies and other companies involved in fraud against the Department's child nutrition programs.

### **USDA WORK ON PRESIDENTIAL INITIATIVES**

#### **USDA Budget Rescission and Block Grant Response**

USDA officials continue to educate our constituencies regarding the detrimental impacts of Congressional budget rescissions and proposals to block grant federal nutrition and food assistance programs. Today, I addressed the National Corn Growers Board of Directors; on March 15, I issued a news statement; and on March 13, I addressed the issue at the U.S. Wheat Associates Executive Board and the Alabama Farmers Federation. I also discussed the impact of rescissions and block grants at the joint USDA-Department of Commerce "Get Connected" initiative press conference on March 9.

On March 14, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas emphasized the rescission message before the Conference on Healthy Eating for Children, sponsored by the National Partnership to Improve the American Diet. USDA Acting Assistant Secretary for Marketing and Regulatory Programs Pat Jensen delivered the message at the Western Dairy Conference and in several local newspaper interviews in Visalia, California on March 9. During the past week, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn held a radio teleconference with seven Iowa radio stations.

The Department also distributed information to over 200 consumer and agricultural groups about the rescission proposal's impact on the Women, Infants, and Children (WIC) and Section 515 Rural Housing programs. *Washington Hispanic*, the Latino newspaper serving Washington, D.C., Maryland, and Virginia, published a front-page story on March 10 about the impact of rescissions on women and children.

## **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

On March 15, the USDA Forest Service, the Department of the Interior Bureau of Land Management (BLM), and the National Marine Fisheries Service agreed to expedite sales of salvage timber nationwide by accelerating agency consultations on timber sales on lands administered by BLM and the Forest Service. The new process, which shortens the time period for salvage timber sales from 220-475 days to 160-340 days, allows for consultation to occur simultaneously with timber sale preparation. Today and March 17, USDA Under Secretary for Natural Resources and Environment Jim Lyons is in Portland, Oregon to attend meetings with Governor John Kitzhaber, industry groups, and USDA and Department of the Interior Regional Directors to discuss this issue.

## **Reorganization/Reinventing Government**

USDA continues to make the Department more customer-friendly. Farmers in counties where USDA offices have been closed may have to make long distance telephone calls to reach newly consolidated offices that now serve them. The USDA Consolidated Farm Service Agency is establishing a toll-free number to allow producers to call one national number and select a specific office. In May, this service will be enhanced to recognize the telephone number of the caller and automatically route the call to the appropriate county office.

USDA recently announced a major restructuring of its rural development programs, which will give field staff increased flexibility to address social and economic conditions faced by rural communities. The restructuring, known as the Rural Performance Partnership Initiative, would change funding for 14 separate rural development programs now administered by USDA Rural Economic and Community Development offices into three broad funding categories.

## **National Service/AmeriCorps**

USDA AmeriCorps members are making a big difference in communities across the country. Tina King, an AmeriCorps volunteer in London, Kentucky, recently coordinated efforts to build a new house for Bertress Feltner, a 70-year-old disabled man whose house was in such disrepair that it would cost more to make the house liveable than to build a new one. When King found out that Mr. Feltner was not eligible for a USDA housing loan because of his inability to repay, she looked for alternate funding sources. She approached Daniel Boone Development, which had obligated most of its money for houses for the needy. But the organization did provide enough for one more new house--one that will soon belong to Mr. Feltner.

## **USDA Continues Work On Biomass Issues**

USDA's Office of Energy, Rural Utilities Service, and Consolidated Farm Service Agency are working with the Department of Energy (DOE) on biomass as a fuel for electric generation plants. DOE has a \$120-million grant program which has solicited applications from electric generation companies for demonstration projects to show that biomass can be a competitive fuel source for electric power generation. The projects must prove that biomass can lead to sustainable (nonsubsidized) electric power generation. The Department views biomass as a rural development initiative and will have a representative on the team choosing the successful grantees.

### **CONGRESS**

#### **Congressional Hearings**

Senate Agriculture Committee Chairman Richard Lugar has begun holding hearings in preparation for the 1995 Farm Bill debate. The hearings are as follows: today--*The Taxpayer's Stake in Federal Farm Policy*; March 31--*Agricultural Credit in the New Century* (USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify); and April 4--*Market Effects of Federal Farm Policy*.

Today, the House Agriculture Resource Conservation, Research, and Forestry Subcommittee held a hearing on USDA Consolidated Farm Service Agency (CFSA) information gathering techniques. CFSA Administrator Grant Buntrock testified.

The House Agriculture Subcommittee on Risk Management and Specialty Crops held a hearing today on the Perishable Agricultural Commodities Act (PACA). USDA Agricultural Marketing Service Administrator Lon Hatamiya testified.

The House Natural Resources Subcommittee on National Parks, Forests, and Public Lands held a hearing today on proposed regulations to resolve disputes over rights-of-way involving federal lands.

The House Appropriations Subcommittee on Agriculture and Rural Development held a hearing today on FY96 appropriations for the USDA Rural Economic and Community Development mission area. USDA Rural Utilities Service Administrator Wally Beyer, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn, and Rural Business and Community Development Acting Administrator Dayton Watkins testified.

On March 17, the Senate Judiciary Committee will hold a hearing on S. 343, a bill to reform the regulatory process. USDA will testify.

On March 18, the House Private Property Rights task force will hold a field hearing in Scottsdale, Arizona on private property rights.

On March 20, the House Endangered Species and House Wetlands task forces will hold joint field hearings in Boerne, Texas on the Endangered Species Act and wetlands issues.

On March 21, the Senate Agriculture Committee will begin confirmation hearings on the President's nomination for Secretary of Agriculture, Dan Glickman.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a March 21 hearing on the FY96 appropriations for the USDA Foreign Agricultural Service (FAS). USDA FAS Administrator Gus Schumacher will testify.

On March 22, the Senate Energy and Natural Resources Committee will hold a hearing on changing the royalty structure for hard-rock mining on federal lands.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a March 22 FY96 appropriations hearing for USDA Natural Resources and Environment agencies. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify. The Subcommittee will hold a hearing to discuss USDA Food Safety and Inspection Service FY96 appropriations. USDA Acting Under Secretary for Food Safety Mike Taylor will testify.

The House Appropriations Subcommittee on the Interior will hold a March 22 hearing on the FY96 appropriations for the USDA Forest Service. USDA Under Secretary for Natural Resources and Environment Jim Lyons and Forest Service Chief Jack Ward Thomas will testify.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a March 22 hearing on FY96 appropriations for the USDA Cooperative State Research, Education, and Extension Service (CSREES). USDA CSREES Acting Administrator William Carlson will testify.

On March 23, the House Agriculture Livestock, Dairy, and Poultry Subcommittee will hold a hearing on the state of the U.S. dairy industry and the dairy title of the 1990 Farm Bill. USDA Acting Chief Economist Keith Collins will testify.

The House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on March 23 regarding FY96 appropriations for the USDA Food, Nutrition, and Consumer Services. USDA Food and Consumer Services Administrator Bill Ludwig will testify.

On March 24, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Office of Administration. USDA Assistant Secretary for Administration Wardell Townsend and USDA Chief Financial Officer Anthony Williams will testify.

On March 28, the House Natural Resources Subcommittee on National Parks, Forests, and Public Lands will hold a hearing on draft legislation to establish a process for designating heritage areas. USDA will testify.

On March 29, the House Agriculture Subcommittee on General Farm Commodities will hold a hearing on the effects of federal acreage idling programs on domestic agriculture. USDA Acting Chief Economist Keith Collins will testify.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a March 29 FY96 appropriations hearing for the USDA Food Safety and Inspection Service and Marketing and Regulatory Programs agencies. USDA Acting Under Secretary for Food Safety Michael Taylor and USDA Acting Assistant Secretary for Marketing and Regulatory Programs Pat Jensen will testify.

On March 30, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold an oversight hearing on federal crop insurance reform and implementation. USDA Risk Management Manager Ken Ackerman will testify.

On April 5, the Senate Energy and Natural Resources Committee will hold a hearing on the National Forest Management Act planning process and regulatory changes. USDA will testify.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold an April 5 hearing on FY96 appropriations for the USDA Research, Education, and Economics mission area. USDA Acting Under Secretary for Research, Education, and Economics Floyd Horn will testify.

### **Key Congressional Visits and Activities**

Today, Senator Frank Lautenberg and Congressman Donald Payne held a press conference announcing plans to introduce legislation which would eliminate USDA.

On March 13, the staffs of Senators Paul Simon and Tom Daschle met with USDA Office of Energy and interest group officials regarding ethanol.

USDA Rural Utilities Service Administrator Wally Beyer has accepted an invitation from Senator Pat Leahy to participate in a forum in Vermont on March 20 on the future of telecommunications, its importance in rural areas, and future initiatives.

The final reinvention report for the Natural Resources and Environment mission area is expected to be submitted to Congress on March 31.

On March 17, the USDA Office of the Chief Economist will brief the Senate Environment and Public Works Committee staff on the Administration's concerns with Senate risk assessment and cost-benefit legislation.

On March 21, the Senate Governmental Affairs Committee is scheduled to consider legislation which revises the regulatory process.

On March 29-31 and April 3-7, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment is scheduled to consider legislation to reauthorize the Clean Water Act and pending legislation.

### REGULATORY ACTION

The Department of Transportation has initiated a rulemaking proceeding to address a Congressional mandate to investigate and determine if the hours of service requirements may be waived for farmers and retail farm supply drivers. The waiver would apply only when drivers are transporting crops or farm supplies for agricultural purposes within a 50-mile radius of their distribution point or farm. This is an important issue to agricultural interests.

USDA's record of decision based on the final environmental impact statement for its animal damage control program was published in the *Federal Register* on March 13. The decision was based on extensive analysis by USDA's Animal and Plant Health Inspection Service (APHIS) and Forest Service and the Department of the Interior Bureau of Land Management.

The USDA Forest Service Northern, Pacific Northwest, and Intermountain Regions are preparing an environmental assessment to meet National Environmental Policy Act requirements for the interim management direction for the conservation of inland fish habitat with special significance to bull trout. The notice will be published in the *Federal Register*.

The USDA Forest Service final policy on baiting is expected to be published in the *Federal Register* on March 22. The policy recognizes state agencies as having primary responsibility for protection and management of state fish and wildlife laws and regulations affecting the taking of resident game animals. However, it clearly provides for federal regulation through closure order where needed on a case-by-case basis. The adoption of the final policy will lift a ban on baiting for bears in Wyoming.

## PRESS INQUIRIES

### **Press Conferences/Statements**

On March 15, a USDA news conference was held to highlight the 10th anniversary of the Beagle Brigade, a team of dogs trained to locate illegally imported fruits, vegetables, and meats at airports across the country. We received extensive coverage, including an article in *The Washington Post* today.

### **Press Contacts With USDA**

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will participate in Senator Tom Harkin's cable television show, which will be distributed to over 50 Iowa cable television stations. The show will be taped on March 17, but air date is unknown. The discussion will focus on the USDA School Lunch Program.

*New Scientist* requested information on USDA's involvement with the outbreak of highly pathogenic avian influenza in Mexico.

*CBS' 48 Hours* requested information about the Animal Welfare Act and animal exhibitors. The specific request was about USDA regulations for the psychological well-being of nonhuman primates in zoos.

*McCall's* and *Outside* magazines requested information on the USDA Animal and Plant Health Inspection Service Beagle Brigade. The beagles on this team are trained to sniff out prohibited fruits, vegetables, and meats at major airports. (See *Press Inquiries: Press Conferences/Statements*)

*The Oregonian* is doing a story about the cost of recovering salmon and their habitat.

*The Washington Post* and *Los Angeles Times* are working on a story about Republican proposals to increase salvage timber sales. (See *USDA Work On Presidential Initiatives; Forest Plan/Pacific Northwest Economic Adjustment Initiative*)

## FOIA REQUESTS

The *Los Angeles Times* has requested the following: a copy of the completed USDA Office of Inspector General report on the USDA Forest Service Timber Theft Investigative Bureau (TTIB); previous reports on the TTIB or timber theft reports dating back to January 1, 1985; and data on activities of the TTIB since November 1, 1994.

## WEEK IN REVIEW

### **Lawsuit Filed Over Timber Sale Cancellation/Company Fined For Violations**

The Alaska Pulp Corporation (APC) recently filed a lawsuit before the U.S. Court of Federal Claims seeking a declaratory judgment that the April 14, 1994 termination by the USDA Forest Service of its 50-year timber sale contract on the Tongass National Forest in Alaska was improper. The contract was terminated on the grounds that APC committed a material breach of the contract by indefinitely closing its pulp mill in Sitka, Alaska. APC also maintains that groups outside of the government and Administration officials pressured the Department to use the company's indefinite suspension of operations at its pulp mill as a pretext to terminate its contract.

In addition, the Ketchikan Pulp Corporation (KPC) has agreed to pay \$4.25 million in fines to settle several Clean Water Act violations assessed against its pulp mill operation at Ward Cove, Alaska. In September 1992, the Department of Justice filed a civil lawsuit against KPC citing over 240 violations of federal pollution laws. KPC holds a 50-year timber sale contract on the Tongass National Forest.

### **Federal Government Challenges County Supremacy Ordinances**

The U.S. Department of Justice has filed a lawsuit in the U.S. District Court in Nevada to challenge county supremacy ordinances passed in Nye County. Nye County is one of several western U.S. counties that have advanced the proposition that state government, rather than federal, owns all public lands in the state pursuant to the Constitution's Equal Footing Doctrine. Accordingly, Nye County has asserted that federal agencies have no authority to regulate activities on this public land and some individuals are disregarding federal management. The lawsuit seeks a judgment declaring the Nye County ordinances and any supporting laws unconstitutional and void and an order enjoining their enforcement against federal officers and employees. Enforcement of federal laws on federal lands has been an increasingly important and contentious issue in the West, particularly with regard to U.S. forest land.

### **USDA Official Visits Mexico To Assess Economic Situation**

On March 8, USDA Foreign Agricultural Service General Sales Manager Christopher Goldthwait visited with a wide variety of government, banking, and food industry officials in Mexico to assess the status of the Department's GSM-102 guaranteed loan program. While all agreed that the year ahead will be difficult for the Mexican economy and banks, government officials stated in unequivocal terms their

determination to see that all banks meet foreign exchange obligations. As for the GSM-102 program, Goldthwait indicated that no changes are recommended in the program status at this time. USDA will continue to monitor the Mexican situation. I will be holding a meeting this week to further review USDA credit programs and agricultural trade issues with Mexico.

### **First U.S. Corn Sold To North Korea**

A U.S. supplier recently reported the first-ever commercial sale of U.S. grain to North Korea. The shipment of 54,000 tons of U.S. No. 3 or better yellow corn was shipped from Seattle, Washington.

### **Canadian Potato Import Restrictions Averted**

USDA's Foreign Agricultural Service and Animal and Plant Health Inspection Service recently averted a potentially significant restriction on U.S. potato exports to Canada. The Department convinced Canada to issue a ministerial order (which took effect on March 13) allowing shipments of processing potatoes to resume. This issue was of immediate concern to the Maine Potato Board and Maine Congressional delegation.

### **New York To Withdraw From USDA Market News Activities**

New York will discontinue its market news program, impacting floral market news coverage in the state. This reflects a continuing trend of state cooperators in the national federal-state market news program cutting market news funding and staffing to meet other state budget requirements. California, Washington, and Massachusetts have strongly signaled their intentions to make such program reductions. The national market news program is being severely impacted, as this program relies on data reflecting marketing in each state to develop a full picture of U.S. marketing activity.

### **USDA Favored In Food Stamp Litigation**

The U.S. Appeals Court for the First Circuit recently ruled in favor of the Department in Strickland v. USDA and Maine. The lawsuit challenged a USDA regulation, which includes depreciation as a cost of doing business when calculating a household's income for food stamp purposes. The decision reversed a May 16, 1994 U.S. District Court decision. It is unknown if the plaintiffs will appeal.

### **Housing Program Prioritizes Funds**

USDA Section 515 Multiple Family Housing funds were obligated for new construction on February 22 in the amount of \$2.9 million, prior to Office of Management and Budget (OMB) weekly apportionments. As of March 15, OMB has apportioned about \$13.9 million for the program. Of this amount, about \$10.8

million has been obligated for critical health and safety problems. The USDA Rural Housing and Community Development Service has established priorities for the continued obligation of funds: health and safety of existing units; inventory properties and deferred maintenance; new construction in states with no repair/rehabilitation needs; and all other loans. The House of Representatives passed a bill today which would rescind all FY95 funds for this important rural housing program.

### ACTING SECRETARY'S SCHEDULE

Today, I will serve as honorary chair of the National Agriculture Day Congressional reception.

On March 20, I will address the National Wildlife Federation in Washington, D.C.

### SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

Through March 17, USDA Under Secretary for Natural Resources and Environment Jim Lyons will be in Portland, Oregon to attend Northwest Forest Plan meetings. On March 21, he will attend the Texas and Southwestern Cattle Raisers Association meeting in San Antonio, Texas. On March 27-28, Under Secretary Lyons will address the North American Wildlife and Natural Resources Conference in Minneapolis, Minnesota. *(See USDA Work On Presidential Initiatives: Forest Plan/Pacific Northwest Economic Adjustment Initiative)*

Through March 17, USDA Inspector General Roger Viadero will be in Baltimore, Maryland to discuss food stamp issues with local officials.

On March 22, USDA Assistant Secretary for Administration Wardell Townsend will travel to Greensboro, North Carolina to speak at the North Carolina Agricultural and Technical State University Small Farmers Recognition Luncheon.

On April 6, Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will travel to Kansas City, Missouri for the annual meeting of the Livestock Conservation Institute.



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D. C.  
20250-0100

March 23, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: ACTING SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of March 20, 1995**

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### KEY DEPARTMENT NEWS

#### **Confirmation Hearing Held On Secretary Nominee**

On March 21, the Senate Agriculture Committee held a confirmation hearing regarding Secretary of Agriculture nominee Dan Glickman. The Senate Agriculture Committee may vote on confirming Mr. Glickman tonight. The confirmation proceedings will continue on March 28 with a Senate Energy and Natural Resources Committee hearing, which is expected to focus on USDA Forest Service and natural resources issues. Secretary nominee Glickman will testify. The Senate hopes to complete the confirmation process before the Easter recess. Video features and radio excerpts based on the hearing proceedings were broadcast by the Department.

#### **USDA Approves Trial Tests of New Steam Vacuuming Technology**

The USDA Food Safety and Inspection Service (FSIS) will announce approval of an application to test a new steam vacuuming technology to assist in meeting the standard of zero tolerance contamination on carcasses from feces and ingesta. Under certain conditions, steam vacuuming can remove visible feces, ingesta, other contaminants, and associated bacteria as effectively as knife trimming. FSIS will announce that this process will be tested under commercial conditions which will assist in identifying the technology's potential to improve food safety by effectively removing visible contamination and producing product with reduced bacterial counts. The agency is also reviewing other industry requests to pilot test the use of the technology in other company sites.

#### **USDA Continues Assistance To California Flood Victims**

USDA continues to provide assistance to flood victims in California. The state has requested authority to establish an emergency commodity distribution program for Monterey and Santa Cruz County victims. Household food packages will be distributed to low-income families during a two-week period (March 24-April 6).

Distribution will be limited to those families able to return to their homes in these areas. California has requested that the Department pay all costs associated with the emergency plan. The USDA Food and Consumer Service has approved the commodity distribution plan with the normal limitations on allowable costs.

USDA has approved 23 California counties for the Emergency Conservation Program (ECP), and an additional seven counties are expected to submit requests for this assistance. The ECP provides emergency funds for restoring farmland damaged by natural disasters. Department field staff are also assessing damage and providing information on all programs available to assist farmers. The California USDA Consolidated Farm Services Agency (CFSA) office estimates that there are \$10 million in total ECP needs. Nationally, \$9.5 million of unrestricted ECP funds are available. In addition, \$500,000 of ECP Midwest Flood funds remain, which could be allocated to California.

The USDA Natural Resources Conservation Service (NRCS) is informing California of disaster assistance available through the Emergency Watershed Protection program. However, flooding continues to prevent surveys of many central coastal areas and has halted projects initiated in response to January floods. All but one of NRCS's flood protection projects survived the recent rains.

The USDA Office of the Chief Economist and USDA World Agricultural Outlook Board have prepared preliminary estimates of the effects of the flooding on crop production and national retail vegetable prices. Commodities suffering severe losses include lettuce, broccoli, cauliflower, almonds, strawberries, and artichokes. California produces most of the country's supply of these commodities. Prices for these crops are expected to rise in the short run, especially for lettuce.

### **U.S.-Canada Joint Commission On Grains To Meet**

On March 29-31, the U.S.-Canada Joint Commission on Grains will hold its seventh meeting in Washington, D.C. to continue deliberations on grain trade issues. Prior to this round of meetings, the U.S. Commissioners are planning to consult with USDA, the Office of the U.S. Special Trade Representative, and key Members of Congress.

### **Mexico Establishing Import Restrictions**

Mexico recently announced that beginning April 8, all meat product imports must be declared salmonella-free before entering the country. USDA Foreign Agricultural Service (FAS) officials will meet with Mexican counterparts soon to discuss this issue and a number of other sanitary and phytosanitary (S&P) topics. In addition, Mexico's quarantine authority plans to implement new quarantine regulations. Beginning on April 3, all grain shipments to Mexico must be fumigated with methyl bromide to devitalize

weed seeds and grain kernels. If fumigation is done at origin, shipments will be subject to inspection and refumigation at the border if weed seeds are detected. On March 20, Acting Assistant Secretary Patricia Jensen sent a letter objecting to these import restrictions to the Mexican government.

FAS and the USDA Animal and Plant Health Inspection Service are also working to avert a potentially significant restriction on U.S. potato exports from Maine to Canada. This issue is a major concern of the Maine Congressional Delegation and Maine Potato Board.

### **Preliminary Results of Farmers' Market Survey**

The USDA Agricultural Marketing Service is summarizing results of a recent survey of farmers' market managers using data provided voluntarily by almost 800 farmers' market managers throughout the United States. Preliminary results indicate that 40 percent of the markets responding to the questionnaire participate in the Women, Infants, and Children (WIC) nutrition programs and an additional 16 percent plan to participate. Other results illustrate the importance of farmers' markets to the local agricultural community; over 70 percent of the respondents said that growers using their market generally operated farms within 50 miles of the site. Farmers' markets also serve as an important marketing outlet for small agricultural producers. Almost 60 percent of the responding managers stated that farmers used their facility as their only marketing outlet. The study will be published soon and will help in developing new rural and urban farmers' markets and in assessing the importance of farmers' markets to small and medium size growers.

### **USDA WORK ON PRESIDENTIAL INITIATIVES**

#### **USDA Delivers On President's Economic Message**

On March 28, I will travel to two North Carolina locations and highlight the President's Economic Conference. I will focus on announcing the President's Empowerment Zone/Enterprise Community sites located in the state. USDA General Counsel Jim Gilliland plans to travel to Jackson, Mississippi and Birmingham, Alabama.

#### **USDA Action On Budget Rescission and Block Grant Efforts**

USDA continues to deliver the Administration's message on proposed budget rescissions and block granting welfare programs through meetings with Members of Congress, constituent groups, and the media. On March 20, USDA Acting Under

Secretary for Rural Economic and Community Development Michael Dunn met with Senator Thad Cochran to discuss the Senate's consideration of the House-passed rescission package. He informed Senator Cochran of the negative effects the rescissions would have on rural and community development and the Department.

The USDA Food, Nutrition, and Consumer Service (FCS) has prepared an analysis of the House welfare reform package. The analysis is being distributed to Members of Congress and the public. Additional information on the impact of the welfare reform package on the nutrition programs in individual states is also being prepared. FCS has prepared a Healthy Kids Hotline detailing the impact on the nutrition and health of the nation. This material is being distributed to over 1,600 members of the consumer, health, agriculture, and food industry communities.

On March 29, FCS staff will meet with representatives of the Association of State and Territorial Health Officials to discuss the future of the Women, Infants, and Children (WIC) program. The meeting will provide an opportunity to promote ongoing dialogue with the health care community in light of pending block grant and health care reform proposals.

USDA Rural Economic and Community Development Acting State Directors have been provided background, press materials, and talking points. These materials are being distributed in their respective states and are receiving good local media coverage.

### **National Rural Conference On Agenda**

USDA has been assisting with the National Rural Conference plans. There will be six regional rural forums which will culminate with the Conference led by President Clinton in Ames, Iowa on April 25.

### **National Service/AmeriCorps**

Most of Crittenden County, Arkansas lacks safe drinking water or adequate plumbing. USDA Natural Resources Conservation Service AmeriCorps member Willie Chapel has identified socially disadvantaged households and others in the County without safe drinking water. As a result, one water line has already been established and final inspection was completed on March 14. Thus far, three projects have been funded, partially through the USDA Rural Economic and Community Development State Office, and eight additional requests for safe water and installation of plumbing are being processed. In addition, 11 AmeriCorps members have conducted door-to-door surveys in Mound Bayou, Mississippi, which is in the Mid-Delta Empowerment Zone community. The information obtained is a critical part of a proposal to prepare a \$400,000 grant package to provide water and sewer facilities.

## **Empowerment Zone/Enterprise Community (EZ/EC) Update**

On March 17, USDA announced the first grant to one of the Administration's Enterprise Communities, Lock Haven, Pennsylvania. The \$75,000 USDA Rural Business Enterprise grant will fund a technology center, which will provide technology training to local businesses, industries, and individuals. It will also help local companies work with local educational institutions to meet changing workplace technology needs. The grant will be used to buy computers and will leverage over \$150,000 in local government operating funds.

## **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

The Intergovernmental Advisory Committee, the federal committee responsible for overseeing implementation of the President's Forest Plan in Washington, Oregon, and northern California, has scheduled its first meeting for March 28-29 in Portland, Oregon. The Committee reports to the Regional Interagency Executive Committee. The advisory committees were created to provide a forum for nonfederal participants to contribute to the implementation of the President's Forest Plan in the Pacific Northwest.

## **Helping Native Americans**

The Intertribal Agriculture Council has proposed a two-year, \$357,000 outreach program to assist Native American farmers and tribal governments with USDA programs. To date, the USDA Natural Resources Conservation Service and several other USDA agencies have expressed interest in the program. Program managers are working with their agencies to ascertain funding availability for this effort.

## **Environmental Justice Plan**

The Department is in the process of completing its Environmental Justice Strategy pursuant to the Presidential Initiative on Environmental Justice in Minority Populations and Low-Income Populations. The final Environmental Justice Plan is expected to be completed by March 29.

## **CONGRESS**

### **Congressional Hearings**

Senate Agriculture Committee Chairman Richard Lugar has begun holding hearings in preparation for the 1995 Farm Bill debate. The hearings are as follows: March 31--*Agricultural Credit in the New Century* (USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify); and April 4--*Market Effects of Federal Farm Policy*.

Today, the House Agriculture Livestock, Dairy, and Poultry Subcommittee held a hearing on the state of the U.S. dairy industry and the dairy title of the 1990 Farm Bill. USDA Acting Chief Economist Keith Collins and USDA Agricultural Marketing Service Deputy Administrator Kenneth Clayton testified.

The House Appropriations Subcommittee on Agriculture and Rural Development held a hearing today on FY96 appropriations for the USDA Food, Nutrition, and Consumer Services. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas and USDA Food and Consumer Service Administrator Bill Ludwig testified.

On March 24, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Office of Administration. USDA Assistant Secretary for Administration Wardell Townsend and USDA Chief Financial Officer Anthony Williams will testify.

On March 28, the Senate Energy and Natural Resources Committee will hold a hearing on USDA Forest Service policies with Secretary nominee Dan Glickman testifying as part of the confirmation process.

On March 28, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold an oversight hearing on federal crop insurance reform and implementation. USDA Risk Management Manager Ken Ackerman will testify.

The House Natural Resources Subcommittee on National Parks, Forests, and Public Lands will hold a March 28 hearing on draft legislation to establish a process for designating heritage areas. USDA will testify.

On March 29, the House Agriculture Subcommittee on General Farm Commodities will hold a hearing on the effects of federal acreage idling programs on domestic agriculture. USDA Acting Chief Economist Keith Collins will testify.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a March 29 hearing on FY96 appropriations for the USDA Food Safety and Inspection Service and Marketing and Regulatory Programs agencies. USDA Acting Under Secretary for Food Safety Michael Taylor and USDA Acting Assistant Secretary for Marketing and Regulatory Programs Pat Jensen will testify.

On March 30, the Senate Energy and Natural Resources Subcommittee will hold a hearing on proposals to change the royalty structure for hard-rock mining on federal lands.

On April 4, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the federal land exchange process.

On April 5, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the Office of the Secretary. Secretary nominee Dan Glickman has been requested to testify if he is confirmed and sworn in as Secretary.

On April 5, the Senate Energy and Natural Resources Committee will hold a hearing on the National Forest Management Act planning process and regulatory changes. USDA will testify.

On April 6, the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold a hearing to discuss agricultural wetlands issues in the 1995 Farm Bill. USDA Deputy Under Secretary for Natural Resources and Environment Tom Hebert will testify.

On April 18 and 20, respectively, the House Agriculture Subcommittee on General Farm Commodities will hold farm bill field hearings in Grand Island, Nebraska and Sioux City, Iowa.

The House Agriculture Subcommittee on Dairy, Livestock, and Poultry will hold an April 18 farm bill field hearing in Eau Claire, Wisconsin. On April 19 and 20, respectively, the Subcommittee will farm bill field hearings in St. Paul, Minnesota and Tulare, California.

The House Agriculture Subcommittee on Resource, Conservation, Research, and Forestry will hold a farm bill field hearing on April 18 in Akron, Colorado.

On April 21, the House Agriculture Committee will hold a farm bill field hearing in Stockton, California.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold an April 5 hearing on FY96 appropriations for the USDA Research, Education, and Economics mission area. USDA Acting Under Secretary for Research, Education, and Economics Floyd Horn will testify.

### **Key Congressional Visits and Activities**

In July 1994, the Department proposed to debar Pamela Gleichman, a multiple family housing developer, from participation in USDA programs. The basis for the debarment included counts related to willful misrepresentation of financial statements in conjunction with USDA Section 515 multi-housing program loan applications, failure to report all indebtedness, and failure to properly maintain and use reserve accounts as required by loan agreements. Rather than contest the debarment proceedings, Gleichman proposed a settlement through counsel. The USDA-approved settlement obligated her to withdraw from participating in Section 515 projects for

three years and sell or transfer all current management contracts for such projects within 180 days of the signing of the settlement agreement (signed August 24, 1994). On February 3, Gleichman, at the request of Senator William Cohen, met with former USDA Under Secretary for Rural Economic and Community Development Bob Nash. Her request, that USDA cancel the settlement agreement and terminate the debarment proceedings, was rejected. To date, Gleichman has failed to present a meaningful proposal to satisfy the settlement agreement requirement that she transfer or sell ownership of the management contracts. USDA has given her until today to do so and has served notice that debarment proceedings will be reinstated, in due course, if a concrete proposal is not forthcoming at that time. Senator Cohen has again interceded and has requested a meeting with me. Senator Cohen's request is for "information" about the case. However, it is clear from staff contacts that he is highly interested in helping Gleichman (a Cohen campaign contributor) with the termination or substantial modification of the settlement agreement.

On March 20, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn met with Congressman Doug Bereuter to discuss USDA reorganization and the distribution of programs among the rural economic and community development services, as well as the Section 515 multi-family housing program.

On March 16, Dr. Don Luchsinger, Acting Deputy Administrator for Veterinary Services at the USDA Animal and Plant Health Inspection Service, met with the staff of Senator Conrad Burns to discuss the status of brucellosis in Yellowstone National Park bison and proposals to change the plan that has been developed to address this issue.

In April, the USDA Animal and Plant Health Inspection Service will hold a legislative school for Congressional staff regarding the agency's mission and responsibilities.

On March 21, USDA Forest Service Chief Jack Ward Thomas and others met with Senator Patty Murray about expediting timber salvage sales, reducing the rescission package for timber sale preparation, and other issues.

Several Members of Congress have written on behalf of Animal Welfare Act (AWA) licensees and registrants opposed to the USDA Animal and Plant Health Inspection Service proposal to charge user fees for animal care inspections and other regulatory services. The proposal is currently undergoing review within the Department.

Today, the Senate Environment and Public Works Committee marked up S. 503, a bill to amend the Endangered Species Act of 1973 to impose a moratorium on the listing of species as endangered or threatened and the designation of critical habitat. The bill did not pass.

On March 29-31 and April 3-7, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment will mark up legislation to reauthorize the Clean Water Act and pending legislation.

### KEY REGULATORY ACTION

Noninsured Assistance Program (NAP) crop insurance regulations are scheduled to be submitted to the Office of Management and Budget for clearance this week.

The final rule on payment programs for shorn wool, wool on unshorn lambs, and mohair is in USDA clearance. This amendment implements changes mandated by the Omnibus Budget Reconciliation Act of 1993, which phases out the USDA Wool and Mohair Program.

### PRESS INQUIRIES

#### Press Contacts With USDA

*New York Times* is working on an article on the issues surrounding running water in West Virginia, including USDA's Water 2000 program.

*Time* is preparing an article on the impact of budget cutbacks on North Dakota, including USDA office closures.

Acting Assistant Secretary Patricia Jensen was interviewed for the nationally syndicated Jack Anderson column on the interagency agreement with the National Park Service to eradicate brucellosis from bison in Yellowstone National Park. It has taken these agencies 28 years to reach agreement. Until the National Park Service finalizes its Environmental Impact Statement for a bison management plan, efforts to eradicate brucellosis are hindered.

The *Journal of Commerce* requested information concerning the influx in imports of Mexican cattle and reduction of U.S. beef exports to Mexico.

The *Arkansas Daily Gazette* requested information about the current outbreak of highly pathogenic avian influenza occurring in Mexico.

The *Los Angeles Times* requested information on Mexican avocado imports from the State of Michoacan in Mexico.

The *Miami Herald* asked for and received statistical information regarding the number of Animal Welfare Act licensees and registrants in Florida, the number of Florida animal care inspectors, and the animal care budget for the entire United States.

## FOIA REQUESTS

The National Legal and Policy Center has requested the following information: copies of USDA correspondence to and from former Congressman Tony Coelho; copies of correspondence relating to Tyson Foods; correspondence relating to poultry policy; and correspondence relating to Food and Drug Administration Commissioner David Kessler.

## WEEK IN REVIEW

### **Small Farmer Town Hall Meetings Held In Florida**

USDA and Florida A&M University held three town hall meetings in Florida recently for small, limited resource, and minority farmers. The meetings began a dialogue among USDA, state, and local officials and small, limited resource, and minority farmers. The group explored avenues to resolve problems faced by such farmers.

### **Export Enhancement Program Packages Announced For Poultry/Rice**

On March 17, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos announced a multi-country package of initiatives under the Department's Export Enhancement Program (EEP) to encourage sales of 20,500 metric tons of U.S. frozen poultry during the 1995 marketing year. The poultry initiatives are aimed at markets in Asia, the Middle East, and Africa. A multi-regional package of EEP initiatives was also announced to boost sales of 220,000 tons of U.S. rice to East Europe, the Former Soviet Union, the Middle East, and Africa.

### **Wetlands Reserve Program Funding Approved**

USDA has approved the allocation of funding to states with a backlog of ecologically sound and cost effective wetland reserve program offers from landowners. Over \$43 million is being provided to 16 states. These funds will enable the Department to begin securing about 70,535 acres of wetland and adjacent buffer area from approximately 538 landowners.

### **Group Meets To Evaluate 1890s Institution Grant Submissions**

A panel from USDA and other agencies has been meeting this week to evaluate 185 proposals for FY95 competition of the 1890s Institution Capacity Building Grants Program. Comprised of federal scientists and administrators with higher education teaching and research experience and knowledge of the 1890s university system, the panel will make recommendations for \$8.8 million available for grants this year. In September, up to 50 awards will be given to advance the teaching and research capacity of the 1890s land-grant institutions and Tuskegee University.

## **ACTING SECRETARY'S SCHEDULE**

On March 26, I will travel to Dana Point, California to address the California Agribusiness Executive Seminar.

On March 28, I will travel to two North Carolina locations highlight the President's Economic Conference. I will focus on announcing the President's Empowerment Zone/Enterprise Community sites located in the state. On March 29, I am scheduled to attend the President's Economic Summit in Atlanta, Georgia.

## **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On April 3-4, USDA Assistant Secretary for Administration Wardell Townsend will visit the USDA National Computer Center in Kansas City, Missouri.

On March 27 and 28, USDA Under Secretary for Natural Resources and Environment Jim Lyons will address the North American Wildlife and Natural Resources Conference in Minneapolis, Minnesota.

USDA General Counsel Jim Gilliland will travel to Jackson, Mississippi and Birmingham, Alabama next week to highlight the President's Economic Summit.



THE SECRETARY OF AGRICULTURE  
WASHINGTON, D.C.  
20250-0100

March 30, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: DEPUTY SECRETARY RICHARD ROMINGER**  
**SUBJECT: Report for the Week of March 27, 1995**

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**KEY DEPARTMENT NEWS**

**Secretary Nominee Confirmed By Senate**

Today, the Senate unanimously voted to confirm Dan Glickman as Secretary of Agriculture. A small swearing-in ceremony was held at USDA this afternoon, and the new Secretary will address Department employees tomorrow morning with a celebration in the USDA patio with cake and various activities. Secretary Glickman's speech will be carried to employees via USDA in-house television. Extensive media coverage is expected.

**Rural Conference On Schedule**

USDA continues to assist with the National Rural Conference plans. Dates, locations, and topics have been determined for the six regional rural forums, which will culminate with the Conference led by President Clinton in Ames, Iowa on April 25. Members of Congress are being notified about this agenda.

**USDA Pushes For Pest Suppression and Eradication Projects**

On March 28, the USDA Animal and Plant Health Inspection Service (APHIS) announced steps that must be taken to increase biosecurity and disease surveillance relative to the potential spread to the United States of a highly pathogenic avian influenza (AI) outbreak in Mexico. The actions were recommended by the recently formed USDA AI Working Group to enhance surveillance nationwide to ensure early detection of this disease if it occurs in the United States.

## **Forest Plan/Pacific Northwest Economic Adjustment Initiative**

On March 29, USDA awarded a \$1.2 million intermediate relending loan to California Statewide Certified Development Corporation, a non-profit organization in Davis, to enable the recapitalization of its existing revolving loan fund and to finance new loans to small businesses. This award will provide funding for up to 10 small businesses in high unemployment rural areas in the Pacific Northwest.

The PACFISH strategy for management of salmon and steelhead-producing watersheds on USDA Forest Service and Department of the Interior Bureau of Land Management (BLM) lands will become effective on BLM-administered lands on April 3. PACFISH became effective on Forest Service-administered lands on March 9.

On March 23, the Ninth Circuit Court of Appeals temporarily stopped the USDA Forest Service from proceeding with logging, road building, or other associated activity on two independent timber sales and two Ketchikan Pulp Company timber sales on Alaska's Tongass National Forest. The court also enjoined the Department offering or awarding further timber sales which are the result of USDA's cancellation of the Alaska Pulp Corporation's 50-year contract, pending the outcome of the company's appeal, which challenges the adequacy of the Forest Service's National Environmental Policy Act analysis. The injunction is a serious blow to Alaska's remaining timber program and will stop about 100 million board feet of existing sales and 125 million board feet of timber which was expected to be offered through FY95.

## **Helping Native Americans**

Efforts are underway to enhance USDA's recruitment of Native American employees. USDA Forest Service Native American Program Manager Bob Tippeconnic will present information at the April 5 meeting of recruitment managers and employment officers on the recently established Native American Summer Intern Program with American University in Washington State. On March 29, representatives from the American Indian Higher Education Consortium and the USDA Office of Personnel met to discuss a partnership to promote recruitment of Native Americans at the Department. In addition, USDA Rural Housing and Community Development Service Acting Administrator Maureen Kennedy will address the Indian Housing Authorities National Conference in Honolulu, Hawaii on April 10.

## **Welfare Reform**

A USDA-funded video is being completed to encourage older Americans, who have a relatively low Food Stamp Program participation rate, to apply for benefits. The American Association of Retired Persons is interested in obtaining copies of the video to distribute nationwide to its volunteers.

The Omnibus Budget Reconciliation Act of 1993 required USDA to conduct demonstration projects to test the effects of allowing households that are eligible for the Food Stamp Program to accumulate up to \$10,000 in savings without effecting future eligibility to receive food stamps. These savings must be kept in a separate account and be used for the following purposes: improve education, training, or employment potential of a household member; purchase a house; change the household's residence; or make major home repairs. Pilot projects will be implemented soon.

### **Early Warning System Initiative Update**

The USDA Rural Utilities Service (RUS) recently gained support for the Early Warning System initiative at the Rural Telecommunications Symposium in San Antonio, Texas. A number of symposium participants came forward with tower information and offers to participate in the program, which will provide early weather disaster warning in rural areas. On April 4-6, RUS representatives will make the same presentation at another meeting in Atlanta, Georgia.

## **CONGRESS**

### **Congressional Hearings**

Today, the Senate Energy and Natural Resources Subcommittee held a hearing on proposals to change the royalty structure for hard-rock mining on federal lands.

The House Committee on Resources held a hearing today on exchange of national forest system lands in Alaska. USDA Under Secretary for Natural Resources and Environment Jim Lyons testified.

The House Judiciary Subcommittee on Immigration and Claims held a hearing today on the verification and eligibility of immigrants for employment and benefits. USDA Food and Consumer Services Administrator Bill Ludwig testified.

Senate Agriculture Committee Chairman Richard Lugar has begun holding hearings in preparation for the 1995 Farm Bill debate. The remainder of the hearings are as follows: March 31--*Agricultural Credit in the New Century* (USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify); and April 4--*Market Effects of Federal Farm Policy*.

On April 1, the House Endangered Species Act and Wetlands task forces will hold a joint field hearing at New Bern, North Carolina on the Endangered Species Act and wetlands issues. The Endangered Species Task Force has also scheduled a hearing in California on April 17.

On April 5, the House Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the Department. Secretary Dan Glickman will testify.

The Senate Energy and Natural Resources Committee and Senate Forestry, Conservation, and Rural Revitalization Subcommittee will hold an April 5 joint hearing on the National Forest Management Act planning process and regulatory changes. USDA Forest Service Chief Jack Ward Thomas and USDA National Forest System Deputy Chief Gray Reynolds will testify. Another joint hearing has been scheduled for April 26 to review the administrative costs of managing national forests.

The Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold an April 5 hearing on FY96 appropriations for the USDA Research, Education, and Economics mission area. USDA Acting Under Secretary for Research, Education, and Economics Floyd Horn will testify.

On April 6, the Senate Judiciary Committee will hold a hearing on private property rights issues.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold an April 6 hearing to discuss agricultural wetlands issues and the 1995 Farm Bill. USDA Deputy Under Secretary for Natural Resources and Environment Tom Hebert will testify.

On April 18 and 20, respectively, the House Agriculture Subcommittee on General Farm Commodities will hold farm bill field hearings in Grand Island, Nebraska and Sioux City, Iowa.

The House Agriculture Subcommittee on Dairy, Livestock, and Poultry will hold an April 18 farm bill field hearing in Eau Claire, Wisconsin. On April 19, 20, 24, and 26, respectively, the Subcommittee will hold farm bill field hearings at the following locations: St. Paul, Minnesota; Tulare, California; Syracuse, New York; and Okeechobee, Florida.

The House Agriculture Subcommittee on Resource, Conservation, Research, and Forestry will hold a farm bill field hearing on April 18 in Akron, Colorado.

On April 21, 25, and 26, respectively, the House Agriculture Committee will hold farm bill field hearings at the following places: Stockton, California; Lubbock, Texas; and Dodge City, Kansas.

On April 26, the Senate Appropriations Subcommittee on Agriculture and Rural Development will hold a hearing on FY96 appropriations for the USDA Food, Nutrition, and Consumer Services. USDA Assistant Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify.

On April 27, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a farm bill field hearing in Memphis, Tennessee. The House Agriculture Subcommittee on General Farm Commodities will hold April 27 and 28 farm bill field hearings in Vicksburg, Mississippi and Woodward, Oklahoma. The House Agriculture Subcommittee on Risk Management and Specialty Crops will hold farm bill field hearings on April 27 and 28 in Belle Glade, Florida and Albany, Georgia.

### **Key Congressional Visits and Activities**

On March 29, Congressmen Dan Miller, Charles Schumer, and Dick Armey joined in advocating elimination of the sugar support program. They were joined by 24 of their colleagues. Congressman Schumer has indicated that this will be the first of many USDA programs that he and others will advocate be abolished.

On April 6, the USDA Animal and Plant Health Inspection Service will hold a public hearing on non-indigenous species in Honolulu, Hawaii. The state's Congressional delegation had requested the hearing since non-indigenous species are important to the well-being of Hawaii's ecosystem.

On April 20, Congressman Ralph Regula is tentatively scheduled to visit the Pacific Southwest Region to learn more about California's salvage and forest health situation.

Senator Barbara Boxer met with USDA Acting Under Secretary for Food Safety Michael Taylor and pressed for immediate implementation of USDA's "fresh" labeling poultry rule. She expressed strong dissatisfaction with the Department's decision to extend the comment period and has introduced legislation which would immediately codify the proposed regulation.

A U.S. District Court Judge has ruled that a USDA inspector can return to a meat processing plant in Sweetgrass, Montana in response to a suit filed by the plant management against USDA. The suit challenged the Department's reassignment of the inspector to the facility. The Montana Congressional delegation had inquired about USDA Food Safety and Inspection Service practices at the plant.

Today, March 31, and April 3-7, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment will mark up legislation to reauthorize the Clean Water Act and pending legislation.

## KEY REGULATORY ACTION

On March 27, USDA announced Animal Welfare Act regulations to require animal dealers, exhibitors, and operators of auction sales to certify that they are in compliance with regulations before applying for a license renewal. This final rule becomes effective April 14.

The draft environmental impact statement (EIS) for the Mad River water withdrawal and Sugarbush South Snowmaking and Trail Improvement Project in Vermont was released on March 24 for a 45-day public comment period. Governor Howard Dean, the state's Congressional delegation, local residents, environmental groups, and sportsmen groups are expected to give general support to the preferred alternative.

## PRESS INQUIRIES

### Press Contacts With USDA

*CBS' 60 Minutes* will likely air a story on the USDA sugar support program in the next two weeks. The story is expected to be critical. (See Congress: Key Congressional Visits and Activities)

*ABC News* is working on a story about the USDA Export Enhancement Program (EEP), which will apparently focus on the use of EEP for pork as well as Senator Lauch Faircloth's involvement in the program. *ABC News* also requested information concerning an interim rule regarding swine brucellosis indemnity.

*The Washington Post* is working on an article about timber salvage policy. *USA Today* is writing an article about the home rule movement in the West and the effects of timber volume reductions on communities in that region. *New York Times* is also researching a story about home rule.

On March 29, USDA Under Secretary for Natural Resources and Environment Jim Lyons met with the *Chicago Tribune* and *Chicago Sun-Times* editorial boards to discuss USDA Forest Service land transfer and partnership issues.

*Associated Press*, *The Winston-Salem Journal*, and a Greensboro, North Carolina television station requested information about possible USDA involvement in the bankruptcy of a Kentucky poultry processor.

*The Miami Herald* requested information about Florida Animal Welfare Act violators.

*Los Angeles Times* requested USDA meat and poultry plant review reports on the Sacramento area.

USDA Acting Under Secretary for Food Safety Michael Taylor was interviewed for a May article in *AARP Magazine* about meat and poultry safety.

*Spy Magazine* requested information on sanitary conditions in poultry plants.

On April 23-25, the National Association of Agricultural Journalists will hold its annual meeting in Washington, D.C. USDA officials will meet with the journalists. The organization has also requested to meet with the President to discuss the Administration's farm policy and views on the 1995 Farm Bill.

### **FOIA REQUESTS**

A Denver, Colorado attorney requested information about individuals, entities, and corporations who failed to comply with the highly erodible land conservation (conservation compliance) provisions of the 1985 Farm Bill.

### **WEEK IN REVIEW**

#### **Settlement Reached Over Parolee Case**

On March 24, the USDA Forest Service and State of California reached an agreement which rescinds the Department's order that the State shut down the Devil's Garden camp as a result of the placement of a paroled rapist there. The settlement allows the parolee to remain in the Modoc National Forest camp under strict supervision and restraints until his parole discharge date of March 31, 1997. In the future, only the lowest risk parolees and inmates will be allowed to be sent to the camp without prior written approval of the forest supervisor.

#### **U.S. Agricultural Exports Remain Strong In January**

Recently released January trade statistics show U.S. agricultural, fish, and forest product exports at \$5.1 billion, an 18-percent increase over the January 1994 level. Agricultural exports alone totaled \$4.5 billion, up 20 percent from last year's levels. With exports to Mexico running 50 percent ahead of last year's levels during the first three months of FY95--even with poor performance of exports to Mexico in January--year-to-date exports to Mexico are still up by 21 percent.

#### **Canada Files Antidumping Complaint Against U.S. Sugar**

Revenue Canada has initiated an investigation into alleged injurious dumping and subsidization of U.S. refined sugar, with other countries also named in the investigation. Questionnaires on the situation will be sent to the U.S. government and the states of North Dakota and Minnesota with a requested response date of April 24. Canada has also asked for consultations with the United States in May.

## **Mexico Will Not Enforce Grain Fumigation Requirement**

USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen reports that Mexican officials indicate that Mexico will not enforce its recently announced regulation that would have required all imported grains to be fumigated with methyl bromide to devitalize weed seeds and grain kernels. This is the outcome of discussions between Mexico, Canada, and the United States and will help U.S. grain exporters continue sales to Mexico. The regulation will now be discussed through the North American Plant Protection Organization.

### **DEPUTY SECRETARY'S SCHEDULE**

Next week, I have no major travel or speaking engagements planned.

### **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On March 31, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn will speak at the National Rural Development Partnership Conference in Washington, D.C.

Through March 31, USDA Inspector General Roger Viadero will be in New York City to speak to a Hispanic group and meet with federal law enforcement officials. On April 11-14, Inspector General Viadero will be in Atlanta, Georgia to attend the Southeast Region Retailer Integrity Summit.

On April 3, USDA Acting Under Secretary for Food Safety Michael Taylor will address McDonald's restaurant owners and operators in Washington, D.C.

On April 3, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will be the keynote speaker for the National Nutrition Education and Training Conference in Baltimore, Maryland.

On April 3-4, USDA Assistant Secretary for Administration Wardell Townsend will visit the USDA National Computer Center in Jefferson City, Missouri.

On April 6-7, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will be in Kansas City, Kansas to deliver the keynote address at the Livestock Conservation Institute meeting. On April 18, Acting Assistant Secretary Jensen will participate in the National Rural Summit in Texas; on April 19-21, she will be in Hong Kong to participate in the USDA Foreign Agricultural Service Asian Attache Conference.