



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

April 6, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of April 3, 1995

KEY DEPARTMENT NEWS

Swearing-In Ceremonies

On April 5, I was sworn in by Vice President Gore to serve as the 26th Secretary of Agriculture during a ceremony in the Old Executive Office Building's Indian Treaty Room. I have met with reporters from *The Wichita Eagle*, *Kansas City Star*, *Associated Press*, other Kansas network and press reporters, *Reuter*, *Futures World News*, *Knight-Ridder*, and *Bloomberg Business News*.

On March 31, I appeared on *Fox Morning News* and spoke with *C-SPAN* reporters. I also participated in a live interview from The White House with *KSCJ* radio from Sioux City, Iowa. In addition, I held live satellite interviews with 12 stations in Texas, Iowa, Illinois, and California. On April 4, I spoke to 25 farm broadcasters and national reporters via conference call and was also interviewed by *Progressive Farmer* magazine and the nationally syndicated show, *Ag Day*. The Kansas Farm Bureau magazine is also scheduled to publish a profile of me. Today, I was interviewed by *KCCN* radio in North Dakota, and tomorrow I will be interviewed by *KMIF* television and *WHO* radio in Iowa.

USDA To Make Wetlands Determinations Only Upon Request

Today, I announced that the USDA Natural Resources Conservation Service will place a moratorium on wetlands delineations and certifications until Congress completes action on the 1995 Farm Bill and the National Academy of Sciences completes work on a wetlands study. However, the Department noted it will continue such action upon the request of farmers. The announcement noted that this moratorium reflected the President's commitment to ensure programs are focused on results, not rules, and that unnecessary intrusions into the lives of ordinary Americans are eliminated. This issue has been the subject of intense interest in Congress, and the Department received favorable reaction from Congress and agricultural interests.

Dispute Arises Over Grazing On Federal Land

The USDA Wilderness District Ranger at the Gila National Forest in New Mexico has asked a cattle company to remove 562 cattle from its grazing allotment by April 24 due to insufficient forage and poor resource conditions. The permittee, Diamond Bar Cattle Company, has indicated it may take legal action against the Forest Service in response to this decision. Senator Pete Domenici has followed this issue closely and brought it to my attention during a March 28 hearing before the Senate Energy and Natural Resources Committee. USDA Deputy Under Secretary for Natural Resources and Environment Adela Backiel met with Senator Domenici today to discuss this issue. The USDA Forest Service has also received a letter from the Governor of New Mexico requesting that the decision on the company be postponed until hearings are held by Members of the New Mexico Congressional delegation.

USDA To Be Represented At UN Commission on Sustainable Development

On April 12-13, USDA Deputy Under Secretary for Natural Resources and Environment Adela Backiel will attend the United Nations Commission on Sustainable Development meeting. Major forestry issues to be addressed include consideration for a high-level intergovernmental panel on forests, continuation of work on criteria and indicators of sustainable forest management, timber certification and labelling schemes, forestry donor coordination, and further implementation of the Rio Forest Principles at national levels.

USDA To Hold Seminars On Nutrition Issues

On April 11, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will launch a seminar series entitled *Nutrition Issues for the 21st Century*. White House Office of Science and Technology Policy Associate Director for Science M.R.C. Greenwood will be the keynote speaker at the first series' seminar, which are being sponsored by the Center for Nutrition Policy and Promotion and USDA.

Meeting Scheduled On Canadian Border Regulatory Review

On April 11-12, USDA Animal and Plant Health Inspection Service officials will attend a meeting in Seattle, Washington with Agriculture Canada, the California and Washington Departments of Agriculture, U.S. Customs, and the Immigration and Naturalization Service to discuss U.S.-Canadian border issues, particularly the movement of illegal produce from Canada into the United States.

USDA Sets Regional Meetings on Farm Credit Programs

The first of six regional meetings on USDA's farm credit programs will be held in Cincinnati, Ohio, April 10-12. The meeting will cover farm credit policy and program issues, as well as discussion of how the USDA Consolidated Farm Service Agency (CFSA) should be organized in the field to better deliver USDA's farm credit programs in a farmer-friendly manner.

California Disaster Update

USDA Consolidated Farm Services Agency (CFSA) offices throughout California are assessing damage from the recent storms. Thus far, over 1,200 Emergency Conservation Program (ECP) applications have been received in 34 counties. In addition, several counties are reporting a great deal of activity regarding USDA's crop insurance and Noninsured Assistance Programs (NAP). Staff from the Crop Insurance Regional Service Office in Sacramento attended a National Crop Insurance Services meeting in Monterey County, one of the hardest-hit areas, to assist the local office on NAP coverage. The State Department of Food and Agriculture reported that over \$600 million in agricultural losses have been identified.

CFSA also received three requests for emergency feeding assistance last week for Northern Monterey County. In response to the request, a total of 12 truckloads of commodities, including shortening, cheese, corn syrup, pinto beans, canned meats, fruits, vegetables, juices, dairy products, rice, macaroni, and cereal products were shipped from the CFSA multifoed warehouse in Exeter to Monterey. California arranged to deliver the loads after the commodity availability was handled by CFSA's Kansas City Commodity Office.

The USDA Office of Communications contributed articles to the most recent edition of *Recovery Times*, a publication produced jointly by USDA and the Federal Emergency Management Agency. USDA is updating a disaster aid fact sheet in both English and Spanish for distribution in California.

Deputy Secretary Richard Rominger has been meeting with USDA officials to resolve concerns regarding the ability to provide assistance to impacted California areas.

USDA WORK ON PRESIDENTIAL INITIATIVES

Helping Native Americans

The USDA Office of Intergovernmental Affairs is working with the Intertribal Agriculture Council and other USDA agencies to organize support for a two-year outreach effort to bring Native Americans in direct working relationship with the Department. The working draft of *Forest Service National Resource Book on American*

Indian and Alaska Native Relations was distributed to USDA Forest Service units across the country to Native American tribes and to other land and resource management agencies to help USDA line officers and employees gain a clear understanding of how to implement Native American and Alaska Native policies. It should provide an understanding of tribal governments and help the Forest Service develop more effective relationships with tribes. The final resource book will be issued in 1996.

Integrated Pesticide Management

USDA Acting Deputy Under Secretary for Research, Education, and Economics Karl Stauber traveled to Naples, Florida recently where he spoke at an Integrated Pesticide Management (IPM) workshop. He emphasized USDA's commitment to the President's initiatives for middle class Americans. He also spoke on the Department's commitment to the IPM initiative. About 45 members of the press were in attendance, including *CNN*, *Houston Post*, *Toronto Globe*, and the *Los Angeles Times*.

CONGRESS

Congressional Hearings

The Senate Judiciary Committee held a hearing on private property rights issues today.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry held a hearing today to discuss agricultural wetlands issues and the 1995 Farm Bill. USDA Deputy Under Secretary for Natural Resources and Environment Tom Hebert and USDA Natural Resources Conservation Service Chief Paul Johnson testified.

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.

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 April 4, I met with Members of the House Agriculture Committee to discuss the 1995 Farm Bill, the agriculture budget, and related issues.

Senator Robert F. Bennett and Congresswoman Enid Waldholtz's offices contacted the Wasatch-Cache National Forest in Utah regarding rescissions of the FY95 Interior appropriations which includes \$351 million earmarked for the Salt Lake Ranger District Office. Their interest was generated due to concerns voiced by the University of Utah, which would be involved in a land exchange with the Forest Service for a building site.

USDA received a letter from 36 members of the California Congressional delegation regarding the "fresh" poultry labeling issue. The Members conveyed their disappointment with USDA's decision to extend the "fresh" proposed rule comment period for 60 days until May 19. The Department extended the comment period to receive additional information about specific issues raised during the comment period.

On March 29, USDA food safety officials met with a staff member from Congressman Norman Sisisky's office and several Virginia ham producers. The producers have complained of inconsistent application of inspection from USDA Food Safety and Inspection Service officials.

The House Agriculture Committee is scheduled to begin work on a meat and poultry inspection bill in May and plans to have the bill ready for House floor consideration in June. USDA is developing responses to extensive questions on this subject which were submitted by Subcommittee Chairman Steve Gunderson.

On March 29, USDA Economic Research Service representatives briefed Congresswoman Marcy Kaptur on recent developments in U.S. agricultural trade and competitiveness of tomato and hog producers in her district.

On March 30, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas met with Congressman Charles Schumer regarding the Administration's legislative proposal to combat fraud in the Food Stamp Program.

Today, USDA Food and Consumer Service staff were scheduled to meet with Congressman Jerrold Nadler to discuss the Summer Food Service Program. Rabbis from Yeshivas in Congressman Nadler's district want their schools to participate in the program as open sites, so low-income children in the area can participate without having to file income applications. Because the Yeshivas primarily have offered meals only to those enrolled in school, USDA has previously considered the sites to be enrolled sites, requiring documentation of income eligibility for each participant.

Members of Congress and other concerned individuals continue to write concerning APHIS' proposal to charge user fees for animal care inspections and other regulatory services. The proposal remains under review.

KEY REGULATORY ACTION

The USDA Forest Service is issuing a proposed rule, which would guide implementation of the National Forest Management Act. The proposed rule will be published in the *Federal Register* on April 10, and guides agency resource planning procedures on National Forest System Lands.

USDA is seeking comments on a proposed rule to amend the federal marketing order for almonds grown in California, which was published in today's *Federal Register*. Comments will be accepted through May 8.

USDA has submitted a proposed rule regarding Single Family Rural Housing Loans to the Office of Management and Budget (OMB) for review. This action is proposed to improve the delivery of the program to the public. USDA has also submitted a final rule to OMB for clearance regarding Rural Housing Loans. The intended effect of this regulation is to, among other things, make the program more acceptable to lenders and the secondary market for mortgage loans.

PRESS INQUIRIES

Press Contacts With USDA

There has been significant press and media attention after my swearing-in ceremonies at The White House and USDA. (See *Key Department News: Swearing-In Ceremonies*)

On April 10, USDA Under Secretary for Natural Resources and Environment Jim Lyons will meet with editorial boards in the Pacific Northwest regarding the status of the President's Forest Plan, forest health, and salvage timber sales. On April 13, he will meet with *Seattle Post Intelligence* and *Seattle Times* reporters to discuss similar issues.

NBC's Dateline is researching a story about farmers on federal land who are required to set aside land to qualify for federal farm programs. An Executive Order halting this practice was issued in the late 1980s, but has not been updated. *NBC* is also researching a critical story about the USDA peanut price support program.

The Washington Post visited national forests in Idaho and the Pacific Northwest to research and write a story about timber salvage, fire, and ecosystem restoration.

The Toiyabe National Forest in Nevada received an inquiry from *Environmental News Network* on term-grazing permits.

Rocky Mountain News is developing a story about summer employment in the USDA Forest Service. They are also working on a story about wildfire danger and readiness in Colorado.

Time is working on a story about the impact of salvage logging on the Southern Appalachians.

Fox News has requested an interview with USDA Acting Under Secretary for Food Safety Michael Taylor and has requested permission to interview an inspector in a plant in New York City.

On April 4, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas taped an interview with Rev. Larry Jones for *Feed the Children*, an Oklahoma City, Oklahoma cable television show. The program covered nutrition programs and welfare reform.

Today, Under Secretary Haas was interviewed by *ABC News* on the impact of school lunch program block grants and the nutrition and health of the nation's children.

On April 4, Under Secretary Haas submitted a letter to *The Washington Post* in response to a March 30 column by Robert Novak regarding the impact of Republican block grant proposals on the National School Lunch Program. Haas rebutted the column's arguments by explaining the impact of block grants on children's nutrition and health.

The Arkansas Democrat-Gazette, *St. Louis Post-Dispatch*, *Metro Radio Networks of St. Louis*, *Feedstuffs*, and *Channel 4 (St. Louis' ABC affiliate)* all requested information about the avian influenza (AI) meeting held in St. Louis, Missouri on March 28. More

than 100 members of government and industry from at least 13 states attended three informational exchange meetings on March 28 in St. Louis, Missouri, Palm Springs, California, and Atlanta, Georgia to discuss concerns and options for prevention and control of the highly pathogenic AI, a serious disease present in at least 60 commercial poultry flocks in Mexico.

Gannett is seeking an interview with USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn concerning the ERT Company, which received financial support from the USDA Alternative Agricultural Research and Commercialization Center.

FOIA REQUESTS

The Democratic National Committee requested copies of correspondence to and from California Governor Pete Wilson.

Gannett News requested copies of correspondence to and from Senator Daschle. *Gannett* also made a request for former Secretary of Agriculture Mike Espy's travel records, including information about a contract bid from a Mississippi company that ultimately was not awarded the contract.

Wall Street Journal requested copies of correspondence to and from Speaker Newt Gingrich.

Associated Press requested information about improprieties under the serial fire fighting program.

WEEK IN REVIEW

Food Safety Message Delivered To Retailers

USDA Acting Under Secretary for Food Safety Michael Taylor told 350 owners and operators of McDonald's restaurants at an April 3 meeting in Washington that USDA will work with the Food and Drug Administration (FDA) to encourage state and local regulatory authorities to adopt and implement FDA's Food Code, a compilation of federally recommended retail food safety measures for retail food service operators. Taylor cited the food safety programs adopted by McDonald's and other retail food service operators as examples of industry responsibility and leadership. The McDonald's program includes the adoption of Hazard Analysis and Critical Control Points (HACCP) for the company's restaurants and its suppliers, routine testing for harmful bacteria, and strict cooking standards and procedures.

USDA-Department of Defense Agreement Helps Collect Debts

USDA is working on a Memorandum of Agreement (MOA) with the Department of Defense that will allow USDA to identify and locate current or former federal employees who are delinquent on debts owed to USDA. The Department plans to establish a separate MOA with the U.S. Postal Service. Throughout the life of this program, collections have exceeded \$1.2 million.

Lawsuit Filed Regarding Electronic Benefits Transfer

On March 31, the U.S. District Court for the District of Columbia issued a temporary restraining order against the U.S. Department of the Treasury in Transactive Corporation v. United States. Transactive, a computer services company, protested an Invitation for Expressions of Interest (IEI) issued by Treasury on March 9. Treasury issued the IEI to select a fiscal agent for the implementation of Electronic Benefits Transfer (EBT) technology in a variety of federal benefit programs, including the Food Stamp Program, in the Southern Alliance of States (SAS) project. While not a party to this action, USDA is closely monitoring it because of the potential effect on national implementation of EBT in the Food Stamp Program.

National Forest Bombing Update

On April 3, a press conference was held in Reno, Nevada to announce a \$10,000 USDA Forest Service and \$15,000 Justice Department reward being offered for information leading to the apprehension and conviction of the person or persons who planted a bomb at the Carson City Ranger District Office on the Toiyabe National Forest the night of March 30 or early March 31. On March 31, the Carson City Ranger District Office in the Toiyabe National Forest in Nevada was bombed. A bomb threat was also received at the Forest Supervisor's office in Sparks, Nevada. There were no injuries in the bombing, but there was considerable damage to the building. Additionally, an outhouse was bombed at a campground in Lamoille Canyon south of Elko, Nevada. The Elko County Sheriff has completed an initial investigation and the U.S. Attorney's Office has been notified.

Meeting Held Regarding Mine On National Forest

Today, USDA Under Secretary for Natural Resources and Environment Jim Lyons met with U.S. Army Corps of Engineers, U.S. Department of the Interior, and White House Council of Environmental Quality officials regarding a proposed mine on National Forest Lands in Montana. The gold, silver, and copper mine (New World Mine) would be located on the Gallatin National Forest, three miles from the Yellowstone National Park boundary. The USDA Forest Service is in the process of developing an Environmental Impact Statement, which is scheduled for release this summer. The proposal is highly controversial and Interior Secretary Bruce Babbitt has publicly opposed the project.

Farm Credit Funding Availability Declines

In the past week, Arkansas, Georgia, and New Jersey were added to a list of 29 states which have run out of USDA Consolidated Farm Service Agency direct farm operating loan funding for non-beginning farmers. During the past week, a transfer of available funds was carried out to redistribute available funds among the states. A total of \$1.7 million of Guaranteed Farm Operating National Reserve funds and \$700,000 of Guaranteed Farm Ownership National Reserve funds were redistributed.

SECRETARY'S SCHEDULE

On April 7, I will address the National Cattlemen's Association Board of Directors annual spring meeting in Washington, D.C.

I am preparing to host a series of six regional, rural forums during the week of April 17-24 which will culminate in the National Rural Conference in Ames, Iowa, hosted by President Clinton on April 25. The theme of the forum and national conference will be "making rural America work better for rural Americans."

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Deputy Secretary Richard Rominger will be in the Washington, D.C. office the week of April 10-14.

On April 11, Deputy Secretary Rominger will participate in launching a seminar series entitled *Nutrition Issues for the 21st Century* in Washington, D.C. (See Key Department News: *USDA To Hold Seminars On Nutrition Issues*)

On April 17, Deputy Secretary Rominger will participate in the USDA Rural Forum in California; he will then join President Clinton and me at the National Rural Conference in Ames, Iowa on April 15.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On April 11-14, USDA Inspector General Roger Viadero will attend the Southeast Region Retailer Integrity Summit in Atlanta, Georgia; on April 25-28, he will travel to Kansas City, Missouri to speak at an Association of Government Accountants seminar and visit the Office of Inspector General regional office.

On April 25, USDA Acting Under Secretary for Food Safety Michael Taylor will address a meeting of reporters from the *Farm Journal* in Washington, D.C.

On April 11, USDA Assistant Secretary for Administration Wardell Townsend will attend a USDA/1890 Taskforce meeting at Virginia State University in Petersburg, Virginia.

On April 10-14, USDA Under Secretary for Natural Resources and Environment Jim Lyons is tentatively scheduled to travel to Portland, Oregon and Seattle, Washington on the second anniversary of the President's Pacific Northwest Forest Summit to review the status of the President's Forest Plan, forest health, and salvage timber sales. He will also meet with tribal nations to discuss natural resource issues that affect Native Americans in the Northwest.

On April 17, Under Secretary Lyons will attend the Regional Rural Forum in California; on April 26-28, he is scheduled to travel to Los Angeles and San Francisco, California to attend meetings with the President's Council for Sustainable Development, to meet with the Urban Resources Partnership, and to meet with ski area operators and industry representatives.

On May 2-4, USDA Chief Financial Officer Anthony Williams will be in Ontario, California for the Southern California Board of Trustees meeting; on May 4-5, he will be in New Orleans, Louisiana for the National Finance Center meeting.

On April 11, USDA Acting Assistant Secretary for Research, Education, and Economics Floyd Horn will be attending a W.O. Atwater lecture in Atlanta, Georgia; he will also attend the National Rural Conference sessions at the University of California-Davis on April 17, at Fort Valley in Georgia on April 20, and possibly the session in Edwardsville, Illinois on April 24.

On April 17 and 18, respectively, USDA Acting Assistant Secretary Patricia Jensen will participate in the National Rural Conference sessions in California and Texas.

On April 12-22, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos has planned a trip to Asia to promote international trade.



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April 13, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of April 10, 1995

KEY DEPARTMENT NEWS

USDA Prepares For National Rural Conference

USDA continues to prepare for the National Rural Conference and its series of six regional rural forums during the week of April 17-24. The forums and National Conference will focus on the challenges facing rural America and the importance of strengthening the rural economy and rural communities as the country prepares for the 21st Century. The forums will use a three-hour town hall meeting format and will include site visits, presentations by local individuals, and meetings with local USDA employees. During the forums, I will listen to the concerns of rural Americans and begin a dialogue which will help USDA and the Administration work together to develop solutions to create jobs and improve rural communities.

Today and tomorrow, I will be interviewed by targeted television stations during one-hour satellite tours to promote the Conference and forums. Today, I also convened a roundtable discussion with Iowa reporters. On April 11, I was interviewed by the *Des Moines Register* and tomorrow, I will also give an interview to *WOI* radio in Ames, Iowa.

USDA To Establish Task Force To Study Forest Service Policies and Programs

On April 11, I directed USDA Under Secretary for Natural Resources and Environment Jim Lyons to establish a task force to evaluate the statutes, regulations, policies, and programs that guide the activities of the USDA Forest Service, including those that are implemented by other agencies but affect activities on National Forest System lands. The task force was directed to consider how these authorities relate to each other, how they conflict, and where conflicts occur. In addition, they are to recommend measures which would reduce conflicts and redundancies and improve

cost efficiency. During my confirmation hearings, I affirmed my commitment to improve the Forest Service's ability to fulfill its mission in the most efficient and effective manner possible. *(See USDA Work On Presidential Initiatives: Forest Plan/Pacific Northwest Economic Adjustment Initiative)*

National Meeting To Focus On USDA Food Safety Proposal

On April 17-19, the National Advisory Committee on Microbiological Criteria Foods will meet in Arlington, Virginia to discuss the USDA-proposed pathogen reduction and Hazard and Critical Control Points (HACCP) proposal, the Department's proposed rule which would significantly reform meat and poultry inspection systems, as well as USDA's "fresh" labeling poultry rule.

Kickoff Scheduled For South Carolina Food Stamp Improvement Project

On May 1, the South Carolina Department of Social Services, the Social Security Administration, and USDA will launch a major outreach effort to elderly and disabled persons while streamlining the certification process of the Food Stamp Program. The South Carolina Food Stamp Improvement Project should result in more elderly and disabled persons receiving food stamps. Also, as part of this effort, the South Carolina state agency should experience reduced administrative costs.

Animal Health Meeting in Mexico

On April 24-27, the United States-Mexico Animal Health (technical working group) meeting will be held in Taxco, Mexico to discuss progress on technical animal health issues between the two countries. Significant phytosanitary and sanitary issues have arisen between the United States and Mexico on animal health issues, as well as on other agricultural commodity trade issues.

USDA WORK ON PRESIDENTIAL INITIATIVES

National Rural Conference

USDA continues to assist with the President's National Rural Conference, which will be held in Ames, Iowa on April 25. *(See Key Department News: USDA Prepares For National Rural Conference and Press Inquiries: Press Contacts With USDA)*

Forest Plan/Pacific Northwest Economic Adjustment Initiative

On April 12, I issued a directive to USDA Under Secretary for Natural Resources and Environment Jim Lyons to establish a task force to evaluate the statutes, regulations, and policies that guide activities of the USDA Forest Service. *(See Key Department News: USDA To Establish Task Force To Study Forest Service Policies and Programs)*

USDA Pacific Northwest Regional Forester John Lowe recently announced the creation of a Jobs-In-The-Woods Watershed Restoration Coordinator. This position will serve as the regional focal point for questions or concerns regarding the Jobs-In-The-Woods component of the President's Northwest Forest Plan. The program creates family-wage job opportunities in timber-dependent communities while completing important watershed restoration work. The Regional Forester also directed three Regional Staff Directors to assure timely assistance and consistent advice regarding matching up restoration projects with priority community needs.

USDA Continues Rescission Message

Members of the USDA Sub-Cabinet, Deputy Secretary Richard Rominger, and I continue to carry the Administration's message on proposed budget rescissions through meetings with Members of Congress, constituent groups, and the media.

Empowerment Zone/Enterprise Community (EZ/EC) Update

A USDA Rural Economic and Community Development Community Facilities loan of \$750,000 will be made available soon for a County Agricultural Complex in the Jackson, Florida Enterprise Community. This will be the initial EZ/EC award for this Community, as well as the first Community Facility under the EZ/EC process.

CONGRESS

Congressional Hearings

On April 17, the House Transportation and Infrastructure Committee will hold a field hearing in Elwood, Illinois regarding H.R. 714, a bill to establish the Midewin National Tallgrass Prairie, the largest prairie preserve east of the Mississippi River. USDA Eastern Regional Forester Floyd Marita will testify.

On April 17, 24, 26, and 28, respectively, the House Resources Committee Endangered Species Task Force will hold field hearings on the Endangered Species Act of 1973 at the following locations: Bakersfield, California; Vancouver, Washington; Riverside, California; and Stockton, California.

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 19, the House Resources Committee Wetlands Task Force will hold a field hearing in Sacramento, California on wetlands issues.

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.

The Senate Energy and Natural Resources Committee will hold an April 26 oversight hearing to determine how the management of the national forests is hampered by inconsistent and costly requirements under current statutes.

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.

On April 27, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a farm bill field hearing in Portageville, Missouri.

On May 2, the Senate Appropriations Subcommittee on Interior will hold a hearing on FY96 USDA Forest Service appropriations. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

On May 3, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 agriculture appropriations. I am scheduled to testify.

During the second week in May, I am tentatively scheduled to testify before the House and Senate Agriculture Committees on the Administration's 1995 Farm Bill proposal.

Key Congressional Visits and Activities

Senator Bill Bradley is expected to offer an amendment to the Budget Reconciliation legislation that would terminate the excise tax exemption for ethanol.

On April 20, Congressman Ralph Regula and other Congressional Members are tentatively scheduled to visit the USDA Forest Service Pacific Southwest Region to learn more about the salvage and forest health situation in California.

On April 10, the USDA Consolidated Farm Service Agency risk management staff briefed the Senate Agriculture Committee staff on California flood assistance.

The USDA Forest Service has developed its Draft Environmental Impact Statement on gypsy moth eradication and plans to provide it to affected House and Senate Committees between May 4 and 12.

The House Agriculture Subcommittee on Risk Assessment and Specialty Crops recently held a meeting with impacted interests to discuss legislative changes to the Perishable Agricultural Commodities Act (PACA). Another meeting is scheduled for May 2 between the various parties in an effort to reach an agreement between the conflicting interests. The USDA Agricultural Marketing Service has been asked to provide the Department's position and proposals. Previously, the Department expressed strong support for the PACA, noting the importance of addressing some key issues, including insolvency of the fund.

KEY REGULATORY ACTION

Today, the proposed regulation for National Forest System Land and Resource Management Planning was published in the *Federal Register* and will be open for public comment for a 90-day period, ending July 7. The proposed rule emphasizes streamlined processes, reduces regulatory direction, strengthens relationships with the public, other federal agencies, state, local, and Native American tribal governments, and clarifies the agency's planning and decision-making process. It also provides for increased citizen participation, shorter time periods for forest plan revisions, increased coordination between national forests, and clarification on what decisions are being made by local USDA Forest Service officials.

On April 7, the *Federal Register* published a final rule revising Food Stamp Program regulations associated with the medical expense deduction. The requirement to publish the final rule was part of a stipulation reached with plaintiffs in the Graeser lawsuit. Plaintiffs sued the Department for its alleged failure to implement changes to the medical expense deduction contained in the Mickey Leland Memorial Domestic Hunger Relief Act of 1990.

The Food Stamp Program's (FSP) proposed rule implementing USDA's expanded authority to share information provided by participating firms with other state and federal agencies will soon be published in the *Federal Register*. This rule will enhance the Department's ability to reduce illegal activity and fraud in the retailer part of the FSP. This proposed rule has been reviewed and cleared by the Social Security Administration and the Internal Revenue Service.

PRESS INQUIRIES

Press Contacts With USDA

On April 10, I was interviewed by *WHB* radio of Kansas City, Missouri. At the request of the White House, I also was interviewed by *KTIG* radio in Springfield, Illinois and *KIMT-TV* from Mason City, Iowa. The television stories are slated to run a week prior to the National Rural Conference. (See *Key Department News: USDA Prepares For National Rural Conference*)

I was interviewed by *C-SPAN* for a profile story, which will likely air next week.

On April 6, I granted interviews to *Congressional Quarterly* and *CNBC-TV* from Washington, D.C.

Time is researching a story about salvage logging in Southern Appalachia.

Larry King Live may do a program on the Department's proposed meat and poultry inspection reforms, Hazard Analysis and Critical Control Points (HACCP). *Fox News Network* continues plans for a three-part news segment on the HACCP proposal to air in May. *Knight-Ridder* is also working on an extensive piece on the HACCP proposal and meat and poultry inspection.

ABC News is preparing to broadcast an investigation of USDA's Market Promotion Program (MPP).

The Christian Science Monitor is preparing a story on the USDA Animal and Plant Health Inspection Service policy toward brucellosis-infected elk populations in Wyoming and Department work to resolve the brucellosis problem in the Greater Yellowstone National Park ecosystem.

The Washington Post and *Virginia Farm Bureau News* requested information about the size of vulture flocks in Montgomery County, Virginia, and how USDA can assist producers with livestock losses associated with the birds.

Associated Press inquired about the status of a petition submitted by Mexico to the Department to allow Mexican avocados to be imported into certain states in the United States from a specified area in Mexico. The petition has raised significant phytosanitary concerns in the California and Florida avocado growing regions and with the states' Congressional delegations.

FOIA REQUESTS

Associated Press filed a Freedom of Information Act (FOIA) request for all documents relating to USDA Forest Service communications with the Federal Aviation Administration and Senator Tom Daschle since 1985 in regard to B&L Aviation.

WEEK IN REVIEW

Tax Refund Offset Program Proves Successful

To date, collections made under the 1995 Tax Refund Offset Program exceed \$15.9 million from 41,162 offsets. Participating USDA agencies referred over 190,000 accounts with a value of over \$653 million to the Internal Revenue Service for offset against tax refunds due delinquent debtors. It is anticipated that 1995 collections will be over \$30 million.

USDA Represented At UN Commission on Sustainable Development

On April 12 and today, Interior Secretary Bruce Babbitt and USDA Deputy Under Secretary for Natural Resources and Environment Adela Backiel led the U.S. delegation to the United Nations Commission on Sustainable Development meeting. Major forestry issues that were to be addressed include consideration for a high-level intergovernmental panel on forests, continuation of work on criteria and indicators of sustainable forest management, timber certification and labelling schemes, forestry donor coordination, and further implementation of the Rio Forest Principles at national levels.

Banished Youth Found On National Forest

The location of two teenagers who were banished to an isolated island in Alaska as punishment for attacking a pizza delivery man were recently located on the Tongass National Forest. No permit had been issued for their occupancy on the Forest. The USDA Forest Service, in consultation with the USDA Office of General Counsel and the U.S. Attorney's Office, is working with Native American groups to seek resolution to this controversial issue.

Inner-City Fire Crews Prove Successful

Last week, training was conducted for new members of the Panthers' and Aztecs' fire crews, made up mostly of African-American and Hispanic inner-city youth in California. Both crews worked over 75 days during the 1994 fire season and will assist during the Angeles National Forest 1995 fire season. Operation of these crews is less expensive than Los Angeles County crews and provides a diverse applicant pool for temporary hiring needs. The USDA Forest Service is gaining a reputation as a friend of inner-city residents of this area. Over \$1.5 million in firefighter pay was attributed to be directed to the inner-city during the first two fire seasons. The program allows the USDA Forest Service to add crews for initial attack when its own resources are drawn down due to off-Forest assignments.

White House Staffer To Speak At USDA Conference On Technology

The USDA Food Safety and Inspection Service (FSIS) announced this week that Angela Phillips Diaz, President Clinton's Executive Secretary for the National Science and Technology Council, will be among its key speakers at the FSIS scientific conference on New Technology to Improve Food Safety. The conference will be on April 12-13 in Chicago, Illinois, and is part of USDA outreach on its proposed Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) regulation.

Guam's AFDC Benefit Shortfall May Impact Food Stamp Program

The USDA Food and Consumer Service (FCS) has recently learned that Guam faces possible funding shortfalls for FY95 Aid to Families with Dependent Children (AFDC) benefits. As a result, Guam may elect to substantially reduce those benefits, effective June 1. Substantial AFDC benefit reductions would likely increase Food Stamp Program (FSP) benefits for many public assistance households. The FCS Western Regional Office is monitoring the situation and has asked Guam to submit estimates of the likely amount of FSP benefit increases to result from anticipated AFDC benefit reductions.

Fraudulent Liquid Formula Alert Not Expected To Impact WIC

On April 6, the Food and Drug Administration issued an alert advising consumers against using counterfeit-labeled Similac with iron Ready to Feed liquid formula in 8-ounce plastic cans. This product had been illegally distributed and is labeled with a fictitious code number and expiration date. Impact on the USDA Women, Infants, and Children (WIC) program may be minimal in that state agencies generally authorize the use of ready to feed formula in only special situations, such as for homeless participants or in situations where water is contaminated.

WIC Conference Held In Washington

On April 11, I gave the keynote address at the National Association of Women, Infants, and Children (WIC) Directors Conference in Washington, D.C. Of special concern was the future of the WIC program and the status of block grant proposals. This group strongly supports the Administration's position opposing a block-granted WIC Program.

High Level Ukrainian Delegation Visits USDA

On April 10, Ukraine First Deputy Prime Minister Petro Trofimovich Sabluk and a delegation of government and private agricultural officials met with USDA officials to discuss agriculture cooperation between the two countries. The focus of the meeting with me was to request support for agricultural policy reforms that the Ukrainian government is implementing as it moves toward a more market-oriented economy.

Agreement Reached On Cattle Grazing Issue

The deadline for the Diamond Bar Cattle Company to remove over 500 cattle from the Diamond Bar Allotment on the Wilderness District Ranger of the Gila National Forest in New Mexico due to insufficient forage has been extended from April 10 to April 30. The new date was agreed upon after a meeting on April 6 between USDA Under Secretary for Natural Resources and Environment Adela Backiel, USDA Forest Service officials, and staff from the offices of Senator Pete Domenici and Congressman Joe Skeen.

SECRETARY'S SCHEDULE

During April 17 - 24, I will host a series of regional forums around the country focusing on the future of rural America. The dates and locations of the forums are as follows: University of California at Davis (April 17); McMurry College at Abilene, Texas (April 18); Berks County Agricultural Center at Leesport, Pennsylvania (April 19); Fort Valley State College at Fort Valley, Georgia (April 20); Livestock Exchange at Bismarck, North Dakota (April 21); and Southern Illinois University at Edwardsville (April 24).

On April 25, I will join President Clinton in leading the National Rural Conference at Ames, Iowa.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On April 17, Deputy Secretary Richard Rominger will join me at the Rural Forum in California; on April 25, Deputy Secretary Rominger will join President Clinton and me at the National Rural Conference.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On April 17, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend the Rural Conference in Davis, California. On April 26-28, Under Secretary Lyons will travel to Los Angeles and San Francisco, California to attend the President's Council for Sustainable Development meetings, to meet with the Urban Resources Partnership, and to meet with ski area operators and ski industry representatives.

On April 25-26, USDA Assistant Secretary for Administration Wardell Townsend will be in Linthicum, Maryland to participate in the USDA Partnership Roundtable Conference.

On April 24-28, USDA Inspector General Roger Viadero will be in Kansas City, Missouri to speak at an Association of Government Accountants seminar and visit the Office of Inspector General regional office.

On April 25, USDA Acting Under Secretary for Food Safety Michael Taylor will address a meeting of the *Farm Journal* in Washington, D.C.

On April 18-19, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will participate in the Rural Conference in Reading, Pennsylvania. On April 24, Under Secretary Haas will be in New York City for the national kick-off of USDA's Great Nutrition Adventure; on May 3, she will be in Berkeley, California for another Great Nutrition Adventure event.

Through April 22, USDA Under Secretary for Farm and Foreign Agricultural Services Eugene Moos and Deputy Under Secretary James Schroeder are traveling to Korea, the Philippines, and Hong Kong to meet with U.S. and host country agriculture officials on matters of market development and trade policy.

On April 17 and 18, respectively, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will participate in the Rural Conferences in California and Texas. On April 19-21, she will be in Hong Kong to participate in the USDA Foreign Agriculture Service Asian Attache conference. She will address the role of sanitary and phytosanitary issues in international trade.

On April 17-24, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn will be attending the Rural Conferences in California, Texas, Pennsylvania, Georgia, North Dakota, and Illinois; he will also participate in the National Rural Conference in Ames, Iowa on April 25.



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

April 20, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of April 17, 1995

KEY DEPARTMENT NEWS

USDA Employees Unaccounted For and Injured in Oklahoma Explosion

The USDA-Animal and Plant Health Inspection Service (APHIS) had 14 employees working in the A.P. Murrah Federal Building in Oklahoma, City, Oklahoma and 1 employee temporarily assigned there for training. Ten employees were in the building at the time of explosion. Three employees were evacuated from the building with only minor injuries. Seven employees remain unaccounted for; no deaths have been confirmed. USDA-APHIS is providing assistance and counseling for employees. Flags are being flown at half-mast, and increased security is in place at all USDA buildings. I issued a statement today regarding this tragedy.

National Rural Conference Approaches

USDA continues to prepare for the National Rural Conference to be held on April 25th in Ames, Iowa. In preparation for the conference, I have been joined by various Members of Congress in hosting a series of regional rural forums across the country this week, including California, Texas, Pennsylvania, Georgia, North Dakota, and Illinois, which will be held on April 24. Deputy Secretary Rominger co-hosted the forum in California, and USDA sub-cabinet officers have also been participating in these forums. Approximately 200 - 300 persons have attended each forum, which have been tremendously successful in generating dialogue about the future of rural America. Media coverage has been significant and favorable.

Deputy Secretary Rominger and I will join President Clinton at the National Rural Conference in Ames, Iowa next week.

USDA To Make CRP Announcement

I will announce three new Conservation Reserve Program (CRP) policies at the rural forum in North Dakota tomorrow. First, CRP participants whose contracts will expire on September 30, 1995, will have the opportunity to extend those contracts for one year.

Mississippi; and Woodward, Oklahoma.

On April 20, 24, and 26, respectively, the House Agriculture Subcommittee on Dairy, Livestock & Poultry will hold farm bill field hearings in: Tulare, California; Syracuse, New York; and Okeechobee, Florida.

On April 21, 25, and 26, respectively, the House Agriculture Committee will hold farm bill field hearings in: Stockton, California; Lubbock, Texas; and Dodge City, Kansas.

On April 24, the Senate Agriculture Committee will hold a 1995 Farm bill field hearing at Memphis, Tennessee.

On April 24, 26, and 28, respectively, the House Resources Committee Endangered Species Task Force will hold field hearings on the Endangered Species Act of 1973, as amended, at the following locations: Vancouver, Washington; Riverside, California; and Stockton, California.

On April 26, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold a general oversight hearing regarding the impact of current statutory requirements, including the Endangered Species Act and National Environmental Policy Act, on the management of national forests. As requested by Subcommittee Chairman Craig, Forest Service Chief Jack Ward Thomas will testify for the Administration and will be accompanied by representatives from other Departments and agencies.

On April 26, the Senate Appropriations Subcommittee on Agriculture & Rural Development will hold a hearing on FY '96 agriculture appropriations for the Food, Nutrition & Consumer Service. Ellen Haas, Under Secretary for Food & Consumer Services, will testify.

On April 27, the House Agriculture Subcommittee on Department Operations, Nutrition & Foreign Agriculture will hold a farm bill field hearing in Portageville, MO.

On April 27 and 28, respectively, the House Agriculture Subcommittee on Risk Management & Specialty Crops will hold farm bill field hearings in: Belle Glade, Florida; and Albany, Georgia.

On May 2, the Senate Appropriations Subcommittee on Interior (Gorton, R-WA) will hold a hearing on the FY '96 appropriations for the USDA-Forest Service. Jim Lyons, Under Secretary for Natural Resources & the Environment, will testify.

On May 3, I will testify before a hearing held by the Senate Appropriations Subcommittee on Agriculture, Rural Development & Related Agencies on FY '96 agriculture appropriations.

I am expected to testify before the House Agriculture Committee on the Administration's farm bill proposal during the second week in May.

Senate Agriculture Committee Chairman Lugar has indicated that no Committee hearings on the Administration's 1995 Farm Bill views will be held until the Senate Budget Committee has completed its work on a budget resolution. Budget Committee Chairman Domenici is expected to release a "Chairman's mark" on May 1.

Key Congressional Visits and Activities

The Senate Agriculture Committee is continuing its discussions on conservation issues related to the 1995 Farm Bill. The Committee is expected to begin its consideration of farm credit programs next week.

Responses to the 57 questions from House Agriculture Subcommittee on Dairy, Livestock, and Poultry Chairman Steve Gunderson regarding meat and poultry inspection are undergoing interagency and Administration clearance. A letter was sent to Congressman Gunderson requesting an extension on the deadline for responding to April 21.

On April 22, Earth Day, Senator Slade Gorton (R-WA) will host a "Timber Family Hearing" at the Tyee Hotel in Olympia, WA. Congresspersons Jennifer Dunn, Rick White, and Randy Tate will also participate. There may be a large demonstration of protestors opposed to the Senator's support of the Taylor-Dicks salvage amendment to the Rescission Bill. Senator Gorton also plans to announce the release of a legislative proposal to amend the Endangered Species Act (ESA) sometime after the ESA Task Force hearing in Vancouver, WA, on April 24.

An interim response was provided to Congressman John Mica, Chairman, Subcommittee on Civil Service Committee on Government Reform and Oversight, regarding the Department's HIV/AIDS education program. Congressman Mica is interested in the materials used for the USDA HIV/AIDS training, as well as the Administration policy which requires the training.

Under Secretary Ellen Haas will meet with Senator Thad Cochran (R-MS) on April 25 to discuss welfare reform and the FY 95 rescission bill.

Twenty members of Congress have written requesting APHIS to change its current regulations to require domestic cattle infected with tuberculosis or brucellosis be branded on the tailhead rather than the jaw and to allow freeze branding as an alternative identification method. These changes are currently under review.

Senator Baucus plans to introduce a bill to eliminate the Far West Spearmint Oil Marketing Order.

KEY REGULATORY ACTION

School Meals Initiative for Healthy Children

The School Meals Initiative for Healthy Children final rule is expected to begin

Departmental clearance this week and will then be forwarded for interagency clearance.

Conservation Reserve Program Rules Being Prepared

The Department is preparing an interim rule to implement the early release of Conservation Reserve Program (CRP) acreage, which the Department hopes to publish in the Federal Register next week. The Department is also developing a proposed rule regarding the enrollment of replacement acreage this fiscal year to replace the acreage released early and new acreage to be enrolled after October 1, 1995, which the Department plans to publish in the Federal Register by June 1. (See **Key Department News -- USDA To Make CRP Announcement**).

End-Use Certificate Program Regulatory Review Workplan

The USDA-Consolidated Farm Service Agency is preparing a Regulatory Review Workplan to submit to the Office of Management and Budget which would amend the End-Use Certificate Program regulations to strengthen compliance by requiring the importer and any subsequent buyers of Canadian-origin wheat to immediately notify all purchasers that such wheat must be stored identity-preserved until delivered to an end user.

Proposed Policy and Procedures for Authorizing Hydropower Projects

The USDA-Forest Service is in the process of revising its policy and procedures for administering authorizations and processing proposals for hydropower projects on National Forest System land.

PRESS INQUIRIES

Press Contacts With USDA

During the week of April 24, Fox News Network will visit a federally inspected slaughter plant in Manhattan, New York to film HACCP control points during the week of April 24 as part of a three-part series in May. The reporter has also requested an interview with the USDA-Food System and Inspection Service Administrator Mike Taylor.

CBS "48 Hours" is working on a story in Nye County, Nevada, concerning the federal lands, grazing and home rule. An interview has been requested with the USDA-Forest Service.

Time magazine is researching a story about salvage logging in Southern Appalachia.

C-SPAN interviewed me for a profile piece which will air most likely in the next week.

NBC "Dateline" is researching a story about farmers who farm on federal land, are required to set aside land in order to qualify for federal farm programs, and then are paid not to plant on that public land.

NBC is researching a critical story about the peanut program.

CBS's "60 Minutes" will likely air a critical story on the USDA sugar program in the next two weeks. NBC's "Dateline" is also researching a story about the USDA sugar program.

ABC News is working on a story about the USDA Market Promotion Program. It is expected to be critical. ABC News is also working on a story about the USDA Export Enhancement Program which may focus on pork exports and Senator Lauch Faircloth's involvement in the program.

CBS "48 Hours" is producing a story about costly federal programs, and will likely run a piece on USDA's million dollar delinquent borrowers.

Both ABC "Primetime Live" and NBC "Dateline" are researching stories about the Electronic Benefits Transfer (EBT) Program for food stamps and its success in eliminating fraud and abuse.

The New York Times will interview USDA Forest Service Chief Jack Ward Thomas about the national situation surrounding the home rule issue.

FOIA REQUESTS

USDA-Food and Consumer Services is preparing a response to a FOIA request regarding the debarment decisions against Dairy Fresh, copies of debarment letters, information on the lawsuit filed by individuals associated with Dairy Fresh, a copy of a certification statement for bidders on milk contracts and any proposed or final consent orders relating to Dairy Fresh.

Gannett News Service has made a FOIA request for former Secretary of Agriculture Mike Espy's travel records. Gannett is also researching a contract bid from a Mississippi company that ultimately was not awarded the contract and is questioning why the Mississippi company was considered in the bidding process.

The Ashley National Forest in Utah has received several FOIA requests pertaining to the issuance of USDA-Forest Service grazing permits. One commenter sent letters to the Ashley and the Fishlake National Forest (UT) that requested numerous documents (studies, etc.) about the allotments being analyzed.

WEEK IN REVIEW

Laryngotracheitis Outbreak Reported in Georgia Prevents Poultry Exports

A recent laryngotracheitis (LT) outbreak in the State of Georgia is preventing poultry meat produced in that state from being exported to major markets including Russia and Japan. In response to an inquiry from Congressman Deal (R-GA), USDA-Animal and Plant Health Inspection Service (APHIS) officials explained that the export ban is the result of the sanitary standards of those countries. APHIS is planning to meet with

Russian officials to discuss these standards.

California's Request to Delay Infant Formula Contract Denied

On April 12, USDA-Food and Consumer Services Western Regional Office (WRO), denied a request from the California Department of Health Services for a five-week delay in implementing a new WIC infant formula rebate contract. The State did not sufficiently justify the need for a delay. Every month of delay costs the program \$1.2 million in rebates which could be used to serve needy participants.

Severe Weather May Cause Crop Damage

The extreme weather variability of recent weeks continued across the major wheat producing areas. The week began with record minimums in the teens in the Texas panhandle causing concern for the more advanced wheat fields. By late in the week temperatures reached into the upper 80's before falling to near freezing over the weekend. While it is too early to draw conclusions, some damage is expected. The primary area of concern about possible damage extended from the Southwest Kansas-Southeast Colorado region into the Northwestern Texas Panhandle. Meanwhile, parts of the lower Delta, from southeast Texas to southeast Mississippi, experienced some flooding as rainfall totals locally exceeded 7 inches.

ITC Finds No Injury in Tomato Investigation

On April 17, the International Trade Commission (ITC) voted 5-0 that tomato imports have not caused injury or threat of injury to the domestic tomato industry for the period under investigation -- January to April, 1995. The ITC vote was in response to a petition filed on March 29 by the Florida Tomato Exchange (FTE) which alleged that increased imports of fresh tomatoes from Mexico during this period are injuring the U.S. industry. Based on the ITC vote, there will be no relief (higher duties or tariff-rate quotas) recommended for this period.

GIPSA/Canadian Grain Commission (CGC) Sign MOU

On April 11, 1995, the USDA-Grain Inspection and Packers and Stockyards Administration (GIPSA) and CGC signed an agreement authorizing the CGC to perform official inspection and weighing services on U.S. grain in Canada on GIPSA's behalf. Under the memorandum of understanding, the CGC and its personnel will provide grain sampling, stowage examination, grain inspection, grain weighing and other related services on American grain shipped by vessel through the St. Lawrence Seaway system at various locations in Canada.

California Files Action Against the Dairy Promotion and Research Order

On April 6, Henry J. Voss, Secretary of the Department of Food and Agriculture of the State of California, (who resigned from office on April 18, 1995) and the California Milk Producers Advisory Board filed an administrative petition to modify or be exempted

from the provisions of the National Dairy Promotion and Research Order. The petitioners seek review of the legality regarding two agreements between the National Dairy Promotion and Research Board and the United Dairy Industry Association (UDIA) and Dairy Management, Inc. (DMI).

SECRETARY'S SCHEDULE

On April 21 and 24, respectively, I will host regional rural forums in Bismarck, North Dakota; and Edwardsville, Illinois.

On April 25, I will join President Clinton at the National Rural Conference in Ames, Iowa.

On April 26, I will join Vice President Gore at an Empowerment Zone/Enterprise Community (EZ/EC) event in Texas. Acting Undersecretary for Rural Economic and Community Development Dunn will also be attending.

On April 29, I will attend the White House Correspondents Dinner.

On May 1, I will meet with the National Association of Farm Broadcasters.

On May 2, tentatively, I will host a breakfast with Senate Agriculture Appropriations subcommittee members.

On May 3, I will meet with Canadian Agriculture and Agri-Food Minister Ralph Goodale.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On April 25, Deputy Secretary Rominger will attend the National Rural Conference in Ames, Iowa.

On April 27-28, Deputy Secretary Rominger will participate in meetings of the President's Council on Sustainable Development.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

Under Secretary for Food, Nutrition and Consumer Services Ellen Haas will be in New York City on Monday, April 24, for the national kick-off of USDA's Great Nutrition Adventure; and in Berkeley CA on May 3rd for another Great Nutrition Adventure event. (See Key Department News -- USDA's Great Nutrition Adventure Begins)

On April 24, Deputy Under Secretary for Natural Resources and Environment Tom Hebert will address the Association of State Wetlands Managers in Tampa, FL. He will discuss swampbuster, the 1995 Farm Bill, and, in general, policy changes to make swampbuster more flexible.

Acting Under Secretary for Food Safety Michael Taylor will address the National Association of Agricultural Journalists on April 25. Other top USDA officials will likely participate in the groups annual meeting, which occurs April 23-25.

On April 26, Under Secretary for Natural Resources and Environment Jim Lyons will meet with the Mayor Riordan of Los Angeles and representatives of the local Urban Resources Partnership to discuss general issues regarding the new partnership in the city.

On April 26-28, Under Secretary Lyons will attend meetings of the President's Council for Sustainable Development.

On April 26 - 28, Deputy Under Secretary for Natural Resources and Environment Adela Backiel will be a member of the U.S. delegation to the meetings of the United Nations Commission on Sustainable Development (UNCSD). The meetings will address a variety of major forestry issues.

The National Association of Farm Broadcasters will hold their annual spring meeting May 1-2, in Washington, D.C. Acting Under Secretary Taylor is scheduled to participate.

On May 4, Under Secretary Haas will host an outreach meeting on the Regulatory Reinvention Initiative in Oakland, CA.



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

April 27, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of April 24, 1995

KEY DEPARTMENT NEWS

Seven USDA Employees Still Missing After Bombing In Oklahoma

On April 25, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen and I joined President Clinton and other Administration officials at the memorial service for victims and families of victims of the April 19 bombing of the Alfred Murrah Federal Building in Oklahoma City. Seven USDA Animal and Plant Health Inspection Service (APHIS) employees are still unaccounted for. On April 26, USDA employees observed a moment of silence for the victims. On May 4, Acting Assistant Secretary Jensen and APHIS Acting Administrator Lonnie King, who was the subject of an article in *The Washington Post* today (*copy attached*), have been asked to and will attend a private and confidential memorial service with the families of Department employees living in Oklahoma City. At this time, it is requested that there be no press or public involvement in the service.

APHIS Associate Administrator Terry Medley and his two children represented the Department at the President's morning radio address last Saturday, which focused on the effects of the bombing on children. In addition to responding to press and Congressional inquiries, APHIS has established a network of information contacts in Oklahoma City, Washington, D.C., and in the field to coordinate information, media calls, and messages of condolence and support for the survivors. An APHIS representative is on-site to assist survivors, who have received hundreds of requests for media interviews. Information about trauma counseling and disaster relief is being provided to survivors and their families. All Oklahoma City APHIS employees have been given administrative leave until further notice, and the USDA Oklahoma APHIS Animal Damage Control office and the Oklahoma State Veterinarian have offered their offices for conducting Department programs.

As a result of the bombing, several senior citizens were evacuated from and have not been able to re-enter their homes. Many left without taking their food stamp coupons. To provide immediate assistance, the USDA Food and Consumer Service has authorized these households to receive a replacement for the coupons.

A day after the bombing (April 20), USDA Washington, D.C. headquarters received a bomb threat. Washington, D.C. area Department buildings were evacuated; police teams swept the buildings before determining that no bomb was present.

USDA Forest Service Employee Killed

Sometime between last night and this morning, a USDA Forest Service employee was killed while on official duty on the Payette National Forest in Idaho. Two juveniles who escaped from a detention center near Mountain Home, Idaho have been taken into custody. The employee was a Forest Service construction engineer conducting a bridge inspection for the Forest. The youths were arrested shortly thereafter in Weiser, where they confessed to the shooting. It appears the shooting was related to a robbery and not connected to any anti-federal campaign. The FBI is investigating.

Department Moves To Protect Employees

Recent media reports have highlighted the increased level of antagonism in the West toward federal employees, especially those employed by land management agencies such as the USDA Forest Service and the Department of the Interior Bureau of Land Management. As an offshoot of the sage brush rebellion, the "County Supremacy Movement" has in recent years promoted theories that the federal government has no legal right or jurisdiction to manage public lands.

County ordinances of two types have been passed by more than 50 Western jurisdictions challenging the title of the federal government to public lands and requiring federal management actions to obtain local approval. These ordinances have no legal basis and the Department of Justice has recently filed a lawsuit seeking to invalidate a county ordinance adopted in Nye County, Nevada.

As part of this movement, federal employees have been harassed, threatened with arrest, and intimidated during the conduct of their duties, sometimes with the active help of local officials supporting county supremacy. Local ranchers have in some cases refused to pay federal grazing fees or maintained that federal managers may not decrease grazing levels. Federal property has been vandalized and Forest Service buildings have been bombed, as recently as March 31.

The practical effect of this dispute is that the Forest Service has reduced or eliminated some management activities on National Forests out of fear that employees may be in danger. The Forest Service issued guidance to employees advising them of measures to be used in the event they are confronted by local officials. These measures received media attention, particularly in recent articles in *Los Angeles Times* (April 5) and *New York Times* (April 25).

USDA Report To Review NAFTA Progress

On May 3, the USDA Economic Research Service will release *NAFTA: An International Agriculture and Trade Report*, which will outline details of the North American Free Trade Agreement (NAFTA), review trade data, and analyze longer term prospects for trade. Trade data for 1994 indicated that Canada, Mexico, and the United States all benefitted from expanded intra-regional agricultural trade. However, because of peso devaluation and the Mexican austerity program, U.S. exports to Mexico for next year are expected to slow while imports from Mexico increase. In the longer run, U.S. farm exports to Mexico are expected to be stronger than before the NAFTA accord, but less than they would have been without the devaluation.

USDA Representative To Attend Third African-African American Summit

On May 2-6, USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith will join Secretary of Commerce Ron Brown in leading the U.S. Presidential delegation to the Third African-African American Summit in Dakar, Senegal. The delegation will consist of senior business executives, Members of Congress, state and local government officials, and senior federal government officials. The Summit is a private initiative to assist in the human, economic, and business development of African countries.

USDA To Be Briefed On Wetlands Study

On May 3, USDA Natural Resources Conservation Service and other federal officials with wetlands jurisdiction will receive an advance briefing by the National Academy of Sciences on its evaluation of the wetland identification techniques contained in the 1987 and 1989 federal wetland delineation manuals. Official release of the findings is expected to occur later in May. Federal agencies will evaluate the recommendations to determine if any changes in the manuals or agency procedures are warranted.

USDA WORK ON PRESIDENTIAL INITIATIVES

National Rural Conference

On April 25, Deputy Secretary Richard Rominger and I joined President Clinton and Vice President Gore at the 1995 National Rural Conference at Iowa State University at Ames. The Conference received national and local media coverage, including live coverage by *C-SPAN*. The Department made the entire Conference available to reporters and USDA employees nationally via satellite. USDA Rural Economic and Community Development state offices across the country hosted gatherings where employees and constituents listened to the Conference.

The Conference and six regional forums brought larger-than-anticipated turnouts and drew participants from across the respective regions. Although the focus of each forum varied, a number of themes recurred: the importance of fair international trade; rising production costs and lower payments to farmers; increased integration and concentration in the agricultural economy; increased small farmers' and businesses' expenses; concern that excessive taxes will prevent farmers' children from farming; the necessity of rural development programs; the need for flexibility in planting programs; simplification of farm program regulations; and research as the key to U.S. agriculture's future. In addition, there was a great deal of praise and gratitude for USDA employees and their dedication to serving rural America.

Empowerment Zones/Enterprise Communities Update

On April 26, USDA Acting Under Secretary for Rural Economic and Community Development Mike Dunn and I joined Vice President Al Gore in visiting the Rio Grande Valley Empowerment Zone in Southeast Texas. Vice President Gore and Acting Under Secretary Dunn led a town hall meeting in Weslaco and visited a sewing factory in Edcouch.

National Service/AmeriCorps

USDA AmeriCorps members participated in various urban and rural community projects nationwide to commemorate National Day of Service on April 25. Members joined with Navajo Nation AmeriCorps members and VISTA volunteers to clean up a site on a New Mexico ranch for disadvantaged youth, where a petting zoo designed by a USDA AmeriCorps member will be constructed. In Des Moines, Iowa, 25 members joined with 150 colleagues at a housing project to clean the apartments of elderly and handicapped persons, landscape the grounds, and reorganize the library and thrift shop. This week, AmeriCorps/USDA members also celebrated the 25th anniversary of Earth Day with activities such as extensive tree planting, presentations of new, interpretive trail guides, and the introduction of educational displays about hazardous waste collection.

Pacific Northwest Economic Adjustment Program/Forest Plan

On April 26, the USDA Forest Service Pacific Southwest Region announced over \$1.9 million in 1995 Community Economic Revitalization Team (CERT) grants to communities in Northern California. Most of the grants are directed at developing recreation opportunities and preparing plans for long-term economic development.

The Supreme Court has denied the government's petition to review the Ninth Circuit's adverse ruling in Pacific Rivers Council (PRC) v. Thomas. The federal government asked the Court to review and reverse the PRC ruling, which interpreted the Endangered Species Act (ESA) to require further consultations on Forest Plans for

newly listed species. These consultations impose a substantial procedural burden on federal agencies and do not add meaningful protection for listed species. The denial has implications for several ongoing ESA cases in the Ninth Circuit. There are 67 Forest Plans within the Ninth Circuit and many of them are vulnerable to challenge because of new ESA listings or new information about listed species since Forest Plan approval. There has been a high degree of Congressional interest in these cases and the denial may spark proposals for remedial legislation.

Welfare Reform

On May 4, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will host a Food Stamp Roundtable in Oakland, California, where government officials, hunger advocates, and retailers will discuss USDA plans to reinvent the Food Stamp Program. The Roundtable is part of outreach activities associated with the President's Regulatory Reinvention Initiative.

CONGRESS

Congressional Hearings

Today, the Senate Energy and Natural Resources Committee held a hearing on S. 537 and H.R. 402, bills to amend the Alaska Native Claims Settlement Act.

Today, the House Agriculture Subcommittee on General Farm Commodities held a 1995 Farm Bill field hearing in Vicksburg, Mississippi. On April 28, the Subcommittee will hold a field hearing in Woodward, Oklahoma.

Today, the House Agriculture Subcommittee on Risk Management and Specialty Crops held a Farm Bill field hearing in Belle Glade, Florida.

Today, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture held a farm bill field hearing in Portageville, Missouri.

On April 28, the House Resources Committee Endangered Species Task Force will hold a field hearing on the Endangered Species Act of 1973 at Stockton, California.

On May 2, the House Government Reform and Oversight Subcommittee on National Economic Growth, Natural Resources, and Regulatory Affairs will hold a hearing on H.R. 994, the Regulatory Sunset and Review Act. USDA General Counsel Jim Gilliland will testify.

The Senate Appropriations Subcommittee on Interior will hold a May 2 hearing on FY96 USDA Forest Service appropriations. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

On May 3, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 agriculture appropriations. I am scheduled to testify.

On May 10, the House Small Business Subcommittee on Procurement, Exports, and Business Opportunities will hold a hearing on the role and effectiveness of various federal government programs in helping small businesses find export opportunities.

On May 10 or 11, the House and Senate Agriculture Committees are tentatively scheduled to hold hearings on the Administration's 1995 Farm Bill proposal. I would be expected to testify.

Key Congressional Visits and Activities

The USDA Food Safety and Inspection Service (FSIS) has received phone calls and correspondence from Members of Congress expressing concerns about the effect the pathogen reduction and Hazard Analysis and Critical Control Points (HACCP) regulatory proposal will have on small businesses. FSIS is considering holding Congressional briefings on this matter soon.

USDA recently received a letter from 25 Members of Congress regarding cattle ranchers' concerns about their losses of an estimated \$100 million annually, since the European Union prohibited imports of U.S. beef produced with growth hormones.

KEY REGULATORY ACTION

Various final rules for the administration of USDA farm programs have been published or are in the final stages of the clearance process. Final rules have been drafted for the Catastrophic Risk Protection Endorsement and General Administrative Regulations, which will implement key provisions of the crop insurance program. The final rules are now in the concurrence process. Other final rules regarding 1995 quota and support programs are awaiting Office of Management and Budget clearance and are expected to be published in the *Federal Register* soon.

USDA published proposed revisions to voluntary and mandatory egg and egg products inspection regulations in the April 24 *Federal Register*. The proposal will clarify and update egg and egg products inspection regulations and bring them in line with new technology and current production and processing practices. Comments will be received through June 23.

On May 3, 1995, USDA Food and Consumer Service and Office of Inspector General staffs will attend a meeting in Oklahoma City to continue discussion with the Wewoka Public Schools (WPS) and the Oklahoma Department of Education to reach agreement on a financial claim which resulted from an audit of the National School Lunch Program. The OIG audit found that WPS failed to provide for adequate safeguards over federal program funds, resulting in a claim of \$518,827 against the school. Congressman Bill Brewster is seeking a waiver of the claim.

PRESS INQUIRIES

Press Contacts With USDA

The *Los Angeles Times* is working on a story about the USDA Market Promotion Program.

United Press International is investigating a story on the USDA Conservation Reserve Program (CRP).

The Wall Street Journal is working on an article about food stamp fraud.

Kansas City Star contacted the USDA National Agricultural Library for information on medically underserved areas of the United States.

U.S. News and World Report has requested information about exotic animal slaughter, particularly emus.

FOIA REQUESTS

Associated Press has requested several USDA Office of Inspector General audit reports.

Safe Tables Our Priority (STOP) has requested correspondence and records between former USDA Food Safety and Inspection Service (FSIS) Administrator Russell Cross and FSIS officials regarding food pathogen issues.

The Kansas City Star has requested inspection reports for the Kansas City Zoological Gardens for the past three years.

WEEK IN REVIEW

February Agricultural Exports Surge Despite Weak Sales To Mexico

The USDA Foreign Agricultural Service recently reported that February 1995 trade statistics placed the value of U.S. agricultural, fish, and forest product exports at \$5.8 billion, a 31-percent increase over the February 1994 level, despite a 22-percent

February decline in exports to Mexico. February's shipments raise the FY95 year-to-date total for agricultural, fish, and forest product exports to \$27.4 billion, 20 percent higher than the same period last year.

Korea Offers To Settle Meat Industry Conflict

Korea has agreed to resolve complaints in the U.S. red meat industry's Section 301 petition if the United States will refrain from initiating World Trade Organization dispute settlement procedures under the Agreement on Sanitary and Phytosanitary Measures. Korea's offer to address U.S. concerns pertaining to shelf life and port inspection delays for vacuum-packed fresh/chilled beef and pork, frozen sausages, and frozen beef patties is particularly important. If an agreement is finalized, the changes would be announced in the April 30 revision of the Korean Food Code.

Cold Weather/Drought Brings Potential Crop Losses

Snow recently covered much of the Northern-Midwest states, delaying planting and seedbed preparations. In addition, the freeze in Oklahoma, Texas, Kansas, and New Mexico, as well as the drought in Texas, has damaged some crops. USDA Consolidated Farm Service Agency officials are visiting these states to view the damage and to evaluate disaster conditions. Likewise, recent cold weather in the Northern states could result in damage to fruit buds. No concrete information will be available, however, until the fruit begins to set.

USDA Food Assistance Provided Overseas

The USDA Commodity Credit Corporation (CCC) recently signed an agreement to provide U.S. Agency for International Development (AID)-funded food assistance in the Newly Independent States of Armenia, Georgia, Azerbaijan, and Tajikistan. Under the agreement, which is similar to the FY94 Women, Infants, and Children (WIC) AID program, AID will advance CCC approximately \$15.7 million to procure both commodity and freight with the goal of maximizing total program funding.

Settlement Proposed On Yellowstone Bison Issue

Department of Justice officials presented a settlement proposal in Federal District Court in Helena, Montana the State of Montana's lawsuit against USDA and the Department of the Interior regarding brucellosis-infected bison in Yellowstone National Park. This has been a contentious issue, and the Memorandum of Understanding for the Greater Yellowstone Interagency Bison Committee is in the final draft stages and should be ready for final approval on April 28.

SECRETARY'S SCHEDULE

Today and April 28, I will meet with Honduras Natural Resources Minister Ramon Bermudez, Argentina Minister of Agriculture Felipe C. Sola, and Uruguay Minister of Agriculture Carlos E. Gasparri.

On April 29, I will attend the White House Correspondents Dinner in Washington, D.C.

On May 1, I will meet with the National Association of Farm Broadcasters in Washington, D.C..

On May 2, I have tentatively scheduled to host a breakfast with Senate Agriculture Appropriations Subcommittee Members.

On May 3, I will meet with Canadian Agriculture and Agri-Food Minister Ralph Goodale in Washington, D.C.

On May 8, I will address the Western States Land Commissioners Association Conference in Washington, D.C.

On May 13, I will deliver the commencement address at Illinois State University in Bloomington.

On May 15, I will give the keynote address at the Cotton USA Seminar of the Americas in Washington, D.C.

On May 20, I will deliver the Ivy Day Address at the University of Pennsylvania in Philadelphia.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Through April 28, Deputy Secretary Richard Rominger is in California participating in meetings of the President's Council on Sustainable Development.

On May 4, Deputy Secretary Rominger will participate in the USDA Office of Inspector General Investigative Managers Conference in New York City.

On May 12, Deputy Secretary Rominger will address the Pennsylvania Farm Bureau in Hershey.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On May 1-5, USDA Inspector General Roger Viadero will be in New York City to attend the USDA Office of Inspector General Investigative Managers Conference. On May 10, Inspector General Viadero will be at Solomon Island, Maryland to speak at the USDA Senior Executive Service Candidate Development Program.

On May 5, USDA Acting Under Secretary for Research, Education, and Economics Floyd Horn may travel to Athens, Georgia for the 25th anniversary celebration of the USDA Russell Agricultural Research Center.

On May 3-5, USDA Assistant Secretary for Administration Wardell Townsend will travel to Huntsville, Alabama and Orlando, Florida, respectively, to speak with Alabama A&M University students and to meet with officials of the Florida Department of Agriculture and visit local USDA offices.

On April 30, USDA Under Secretary for Natural Resources and Environment Jim Lyons will address the Connecticut Forestry and Park Association meeting in Southington. On May 4, Under Secretary Lyons will attend the USDA Forest Service Family Meeting in Missoula, Montana and participate in a lecture at the University of Montana School of Forestry. On May 12, he will meet with New York City partners to discuss the status of the Urban Resources Partnership.

On May 3-5, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen plans to visit the USDA Animal Damage Control National Wildlife Research Center in Fort Collins, Colorado, and to meet with livestock interests in Montana and Minnesota. On May 4, she will attend a private and confidential memorial service in Oklahoma City, Oklahoma.

On April 29, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will attend the White House Correspondents Dinner. On May 3, Under Secretary Haas will travel to Berkeley, California's Jefferson Elementary School to participate in USDA's Great Nutrition Adventure.

W. Post 4/27/95 C1

They Walk, They Talk, ²²¹ They Bleed

To get there, you march down a long, gloomy, marble corridor devoid of human touches. Doors slip by at exact intervals. Nothing distinguishes one office from the next except small signs identifying the occupants and their titles.

Yes, this fits. Cold is how bureaucracy is supposed to look. It's tempting to imagine federal gnomes in here dreaming up costly regulations, wasting forms in triplicate and funding cost-plus contracts with your money, because that is what you imagine federal workers do.

Your escort—security is tight—walks you to Room 312E, which is to say the third floor east, administration building, United States Department of Agriculture. It's an older but attractive edifice along the Mall that exudes government formality, right down to its flower beds on Jefferson Drive.

What a sign hanging outside 312E: *Administrator, Animal and Plant Health Inspection Service.* You think it even sounds make-work. "60 Minutes" would love this office, which, naturally, has a government acronym, APHIS, pronounced *A-fis*.

You enter, and from an inner room emerges not a bureaucrat, not a GS-level, not an anonymous cog in the federal machine, but a human, who has a name and, at the moment, feelings so overwhelming you hesitate to ask about them.

Lonnie King, in dark suit and white shirt, a man of average build with graying hair but a youthful and pleasant face, has served APHIS for 17 of his 51 years, rising to acting administrator.

"Here's a ribbon," he says, "from Oklahoma City."

He tosses a purple one on the table in front of you. He carried it home Sunday, after the memorial service. While he was in Oklahoma, he didn't stop at the Alfred P. Murrah Federal Building. He knew he wouldn't be able to bear the sight. Seven of his people, seven people who aren't faceless gnomes any more than he is, lie in Murrah's rubble heap, unfound through yesterday.

Every time his phone rings, King wonders if, finally, word has come. Officially, he has hope. But he knows they are dead.

"It is a funeral waiting to happen," he says.

Does the public know what APHIS does? What the seven did?

"No," King says. "No."

The 6,500 people who work for him can be found in every state and even overseas. The federal budget says they "protect the animal and plant resources of the nation from destructive pests and diseases." They help farmers, monitor imports, do research. What that means for you is better, more abundant and cheaper food on the

See TWOMEY, C5, Col. 3

TWOMEY, From C1

table, be it at home or in a restaurant.

It is hardly make-work.

The Murrah Building housed King's Oklahoma team of 15, 10 of whom were in the fifth-floor office at 9 a.m. Wednesday, April 19. When word reached Room 312E that morning, King flipped on his office TV and "there was the picture of somebody coming down a ladder."

You probably saw it. There was a dazed, dusty man in a coat and tie being helped out of the shattered fifth floor by a firefighter.

"It was my friend, Brian Espe," King says.

An APHIS man. Two others of his got out, too.

Before that Wednesday, King certainly knew that the reputation of The Federal Employee wasn't what it used to be. "We're not immune to the press and the TV," he says. Comedians, journalists and talk-show hosts have made mincemeat of the type, calling them wasteful, incompetent, dangerous. King took the contempt personally, because it clashed with his view, which was that he was surrounded by people who cared, who showed up every day, not for the paycheck, not to waste, but to serve.

And now, as evidence mounts that someone or several someones—fellow Americans no less—took contempt for the federal government to its highest level, to murder, King wrestles with questions.

"Who thinks of us in those terms?" he says. "Is

it that bad, that we're so hated? Could it happen here? Am I safe?"

In a way, the bombing also was an attack on the region, the capital region, on the 360,004 civilians here who do Uncle Sam's tasks. We often forget that they got those tasks from us, through Congress. It is we who have told them to provide clean air and water, stop the flow of drugs, help farmers, process Social Security checks, promote trade, protect workers and much more.

Do they perform flawlessly? Of course not. Who does?

The irony of the bombing, King says, is that the perpetrator benefited every day from what APHIS does, every time he ate. "He was probably degrading the government with his mouth full," King says, "and dumb enough not to understand."

Yes, Lonnie King is angry.

No talk show, politician or comedian is responsible for a bomb. But when their jokes and ridicule become so great, lunatics can feel more comfortable. To them, a building no longer seems filled with people doing their jobs but with nameless examples of federal oppression.

"I'm not blaming anybody," King says, "but I hope people will stop and think and ask themselves about what's being said."

He leaves you with this:

Monday morning, with seven of their colleagues still buried in the rubble, two of the three APHIS workers who survived went back to work in temporary offices.



Rescue workers continue their unflagging efforts to find the remaining victims of the bombing of the federal building in Oklahoma City, among them seven of Lonnie King's people.



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

May 4, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of May 1, 1995

KEY DEPARTMENT NEWS

Oklahoma City Bombing Update

As of today, the bodies of five USDA Animal and Plant Health Inspection Service (APHIS) employees have been found; two are still missing. On May 17, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen and APHIS Acting Administrator Lonnie King will attend a private memorial service with the families and friends of affected APHIS employees in Oklahoma City (the memorial service was formerly scheduled for May 4).

An APHIS Remembrance Day Committee is planning a service in Riverdale, Maryland, tentatively set for May 24, to honor the victims and survivors. A Remembrance Fund has been established at the Agriculture Federal Credit Union.

USDA received numerous calls from the Oklahoma Congressional delegation concerning prospective Food Stamp Program retailers who either had applications pending or wished to apply for authorization to accept food stamps. The delegation was informed that the USDA Food and Consumer Service (FCS) would have its operation running again soon. In the interim, calls made to the Oklahoma City office were automatically forwarded to the Dallas, Texas regional office. Plans were made to shift actual applications processing to the Dallas office, but FCS was able to reopen the Oklahoma City office last week to resume processing.

Administration's Farm Bill Proposal To Be Released

On May 10, USDA will release the Administration's guidance for the 1995 Farm Bill. Activities to release the document will include a press conference, Congressional and stakeholder briefings, and mailings across the nation. The following day, I am scheduled to testify before the House Agriculture Committee on the Farm Bill. The

report will be divided into the following sections: commodity programs; environmental programs; agricultural trade; rural development; food assistance programs; food safety; and agricultural research.

USDA Receives Inquiries About Iran Embargo

USDA has received a number of calls from exporters and producer groups concerned about the trade embargo against Iran. The potential impact of the embargo on sales contracts entered into prior to the embargo announcement is the most immediate concern. There are at least two major sales outstanding (70,000 metric tons of rice and 100,000 tons of corn) that have yet to be shipped to Iran. The industry is also concerned about the loss of a market valued at \$85 million in 1994 (mostly rice, corn, and vegetable oils) to other countries as well as the potential adverse impact on the United States' reputation as a reliable supplier of food.

Food Safety Conference To Be Held May 18-19

On May 18-19, the USDA Food Safety and Inspection Service will hold its third scientific conference--An Evaluation of the Role of Microbiological Criteria in Establishing Food Safety Performance Standards in Meat and Poultry Products--at the Georgetown University Conference Center in Washington, D.C. The event is part of USDA's outreach on its proposed regulation on Hazard Analysis and Critical Control Points (HACCP) and pathogen reduction.

USDA To Participate In Celebration Of The Land

On May 18, the USDA Natural Resources Conservation Service (NRCS), National Association of Conservation Districts, and National Association of State Conservation Agencies will kick off "Celebration of the Land," an event to celebrate 60 years of natural resource conservation and the dedicated stewardship of farmers, ranchers, partners, employees, and other concerned citizens. USDA Under Secretary for Natural Resources and Environment Jim Lyons, NRCS Chief Paul Johnson, and I will participate in the event here in Washington, D.C.

USDA WORK ON PRESIDENTIAL INITIATIVES

National Rural Conference

On April 28, I held a press briefing in Washington, D.C. on the wrap-up of the rural forums and the National Rural Conference. In-house reporters were included, plus *Bloomberg Business News*, *Omaha World Herald*, *Agri-pulse*, *The Webster Letter*, and *World Perspectives*.

Farmworker Housing Initiative

On May 19, the USDA Rural Housing and Community Development Service will hold a stakeholders' meeting on issues related to farmworker housing. Thirty-five stakeholders have been invited, including non-profit organizations and public bodies.

Empowerment Zone/Enterprise Community Update

On April 27, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn visited the town of Marianna in Jackson County, Florida, an Enterprise Community. RHCDS provided a \$750,000 Community Facility Loan which, when combined with a \$450,000 grant and \$400,000 contribution from the county, will enable the Jackson County Enterprise Community to build a multipurpose building for county agriculture-related functions.

On May 2, USDA Rural Business and Cooperative Development Service Acting Administrator Dayton Watkins visited a Virginia Enterprise Community. The Virginia Eastern Shore Economic Empowerment and Housing Corporation is the recipient of a \$500,000 Rural Business Enterprise Grant, which will be used to provide technical assistance and low-interest loans to assist the formation and development of small and emerging businesses. In addition, Acting Administrator Watkins and staff attended the signing of the Memorandum of Agreement with the Kentucky Highlands Empowerment Zone on May 3.

Pacific Northwest Economic Adjustment Program/Forest Plan

On May 12, the Boise National Forest in Idaho will auction 66 million feet of fire salvage timber, and an additional 200 million feet will be auctioned throughout the summer. This is part of the largest salvage sale in forest history and is highly controversial. The environmental community is expected to protest these sales.

Three environmental groups have filed a lawsuit against 12 USDA Forest Service timber sales in Oregon and Washington. The complaint in Native Forest Council v. U.S. Forest Service alleges that the timber sale National Environmental Policy Act documents must be rewritten due to the revisions of the sales which resulted from the President's Forest Plan. Plaintiffs also allege violation of the Endangered Species Act for failure to consult on cumulative impacts of federal and private activities, which allegedly impact several threatened and endangered species.

CONGRESS

Congressional Hearings

On May 3, I testified before the Senate Appropriations Subcommittee on Agriculture on FY96 funding for USDA.

On May 9, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the federal land exchange process.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a May 9 hearing on the effects of eliminating the Wool and Mohair Program. USDA Acting Chief Economist Keith Collins will testify.

On May 10, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on FY96 agriculture appropriations for the USDA Food, Nutrition, and Consumer Services. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify.

The House Small Business Subcommittee on Procurement, Exports, and Business Opportunities will hold a May 10 hearing on the role and effectiveness of various federal government programs in helping small businesses find export opportunities.

On May 11, I will present the Administration's guidance on the 1995 Farm Bill to the House Agriculture Committee.

The House Resources Subcommittee on Water and Power Resources will hold a May 11 hearing on H.R. 1070, a bill to designate a specific lake in California's Trinity National Forest as "Trinity Lake."

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a May 11 oversight hearing concerning recreation fees on federal lands.

On May 16, the Senate Committee on Agriculture, Nutrition, and Forestry will hold a 1995 Farm Bill hearing on rural development and credit. I am scheduled to testify.

On May 18, the Senate Energy and Natural Resources Committee will hold a hearing which is expected to include testimony on USDA Forest Service reinvention and the Tongass National Forest in Alaska.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a May 18 hearing on a bill to extend the deadline for completion of certain land exchanges involving Big Thicket National Preserve in Texas.

On May 19 and 27, respectively, the House Agriculture Committee will hold field hearings on the Farm Bill at Illinois State University at Normal, and in Boise, Idaho.

On May 23, the Senate Committee on Agriculture, Nutrition, and Forestry will hold a 1995 Farm Bill hearing on federal nutrition programs. I am expected to testify.

On May 24, the Senate Agriculture Subcommittee on Research, Nutrition, and General Legislation will hold a 1995 Farm Bill hearing on research and the future of U.S. agriculture.

On May 25, the Senate Agriculture Subcommittee on Marketing, Inspection, and Product Promotion will hold a Farm Bill hearing on federal farm export programs.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a May 25 oversight hearing regarding the California Spotted Owl Recovery Plan on USDA Forest Service lands in California.

Key Congressional Visits and Activities

Fourteen Senators and six Congressmen have asked USDA to investigate low livestock prices and to take action to help prices recover.

Senator Richard Lugar and Congressman Pat Roberts have written USDA requesting a response to questions about the Department's efforts to resolve delinquent farm loan accounts. They have requested the response within seven days.

USDA Foreign Agricultural Service officials will brief staff Senator Bennett Johnston's staff on Department efforts to establish trade and economic development activities in Vietnam. Senator Johnston's Legislative Director recently visited Vietnam and is interested in how to optimize trade opportunities for U.S. agriculture. On May 3, Senator Patrick Leahy's staff received a similar briefing.

On May 5, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will meet with Senator Bob Dole's staff regarding welfare reform and the 1995 Farm Bill. Under Secretary Haas will hold a similar meeting with Senator Larry Craig on May 11.

On May 3, Senator Conrad Burns introduced legislation that will require the National Park Service to eradicate brucellosis from bison in Yellowstone National Park by December 31. The bill provides for testing, culling, vaccination, and relocation of bison. Relocation would only occur if bison had the disease and were held in quarantine for a specified time.

KEY REGULATORY ACTION

The interim final rule for implementing the Noninsured Assistance Program (NAP) created by the Federal Crop Insurance Reform Act of 1994 is in the clearance process. The Department hopes to have the rule published in the *Federal Register* and available for public comment in the near future. Members of the California Congressional delegation whose districts were impacted by the winter floods have inquired about the status of NAP assistance to their impacted growers.

On May 1, the USDA Foreign Agricultural Service published in the *Federal Register* a final rule amending regulations for the Export Enhancement Program (EEP) and the Dairy Export Incentive Program (DEIP). The regulations will ease program requirements and encourage participation by new-to-export firms.

New income limits for USDA Rural Housing and Community Development Service Direct and Guaranteed Single Family Housing Loan programs are expected to be published soon in the *Federal Register*.

The Office of Management and Budget cleared the Single Family Housing program regulation that makes loan regulations more customer friendly. It is being sent to the *Federal Register* this week for publication.

Today, the USDA Forest Service is expected to publish a notice in the *Federal Register* announcing a change in animal damage management on National Forest System lands. The new policy will designate the USDA Animal and Plant Health Inspection Service (APHIS) as the lead agency for National Environmental Policy Act compliance on animal damage management activities initiated and carried out by APHIS on National Forest System lands.

The draft Environmental Impact Statement for gypsy moth management, which was developed by the USDA Forest Service and Animal and Plant Health Inspection Service, will be released on May 12 for public review and comment. The preferred alternative implements strategies for suppression and eradication of European and Asian strains of gypsy moths.

PRESS INQUIRIES

Press Conferences/Statements

I will hold a news conference as part of the public release of the Administration's 1995 Farm Bill proposal on May 10. (*See Key Department News: Administration's Farm Bill Proposal To Be Released*)

Press Contacts With USDA

I recently responded to a *New York Times* editorial, which stated in part that "farmers are the richest of welfare recipients". My response explained that in real terms the prices of many commodities are much less than they were decades ago.

On May 8, I will be interviewed by *NBC's Dateline* regarding the peanut support program.

USDA Acting Under Secretary for Food Safety Michael Taylor was recently interviewed by *Fox Network News* about the Hazard Analysis and Critical Control Points (HACCP) proposed inspection system. The interview was at a federally inspected meat and poultry processing plant on Long Island, New York. The story is scheduled to be released on May 12 in Manhattan, with feeds to network stations later. (See *Key Department News: Food Safety Conference To Be Held May 18-19*)

On April 28, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas was interviewed by *Parade* magazine about the Women, Infants, and Children (WIC) program.

On April 26, USDA Food Stamp Program Deputy Administrator Yvette Jackson was interviewed by *The Wall Street Journal* on USDA's anti-fraud initiative and about information the Department shares with the Internal Revenue Service.

California Grower magazine interviewed USDA Agricultural Marketing Service Administrator Lon Hatamiya about USDA marketing order programs.

CNN requested information on the status of the USDA Organic Standards Program.

CNN recently interviewed USDA Forest Service Willamette National Forest employees in Oregon about employee safety. The program, originally scheduled for April 28, was not aired.

On April 25, *ABC's Prime Time Live* interviewed the Carson District Ranger in Carson City, Nevada about the bombing of the USDA Forest Service office a few weeks ago. The program, scheduled for April 27, was not aired.

CBS' 48 Hours interviewed the Toiyabe-Humboldt Forest Supervisor in Nevada. The program is expected to be aired today.

WEEK IN REVIEW

USDA Responds To Ethanol Ruling

On April 28, I issued a statement responding to the U.S. Court of Appeals decision, which struck down the Environmental Protection Agency's renewable oxygenate requirement for reformulated gasoline regulation. I expressed disappointment in the ruling and vowed the Administration's intention to "keep fighting for ethanol."

USDA Responds To Concerns About Coverage For Freeze-Damaged Crops

Freezing weather conditions have caused severe damage to agriculture production in the central parts of the country. The early April freeze hit wheat especially hard in Kansas, Oklahoma, and Texas. Initial reports indicate that in many instances the wheat looks fine upon visual inspection, but when the stalk is opened, brown spots are found in the kernels. Farmers expressed concern about the availability of an adequate number of qualified insurance claims adjusters as well as the possibility that crop damage may be underestimated.

In response to these concerns, national and regional USDA Consolidated Farm Services Agency (CFSA) officials met last week in Kansas with crop insurance industry representatives to evaluate the situation, make program adjustments, and provide resources to handle the situation. On April 28, CFSA representatives briefed House Agriculture Committee staff members on crop conditions in the three affected states and the Department's response to producers' concerns.

On May 11, USDA will release a crop production report containing the first 1995 forecast of winter wheat yields and production. This will be based on conditions as of May 1.

Export Enhancement Program Reallocations Announced

On May 1, USDA announced that 1 million metric tons of wheat were reallocated within the Export Enhancement Program (EEP). This increases the allocation of 1 million metric tons to China. It also demonstrates the Administration's commitment to improve farm income and bolster U.S. wheat exports.

Korean Offer To Settle Trade Dispute Does Not Materialize

Despite earlier action by Korea to meet U.S. concerns regarding shelf-life restrictions on U.S. imports and other issues, recent bilateral discussions have yielded limited results. USDA is working with the Office of the U.S. Trade Representative to initiate a World Trade Organization dispute settlement case against Korea.

Japan Eases Inspection Requirement For California Citrus

Japan's Ministry of Agriculture, Food, and Forestry has decided to scale back the sampling rate for imported citrus produced and packed in California's Ventura County from 100 percent to about 20 percent. This should facilitate exports of U.S. oranges and lemons to Japan, most of which originate in California.

Japan Issues New Quarantine Regulations

Japan's Ministry of Agriculture, Forestry, and Fisheries has begun taking quarantine action against U.S. soybean shipments that contain purple mottled and stained soybeans, a disease caused by *Carcospora kikuchii*. Shipments will be rejected at destination if they contain 1 percent or more of purple stained soybeans. The USDA Grain Inspection, Packers, and Stockyards Administration and Foreign Agricultural Service are working with the American Soybean Association to address this issue.

USDA Team Travels To Mexico For Creditworthiness Review

USDA Foreign Agricultural Service and Consolidated Farm Service Agency officials are in Mexico City to assess Mexico's financial situation, focusing on the viability of major banks. This assessment will help to facilitate USDA's consideration of the level and terms of future GSM-102 credit guarantee programs with Mexico.

NAFTA Agriculture Meeting Held

On April 26, the trilateral North American Free Trade Agreement (NAFTA) Committee on Agricultural Trade met to discuss trade issues. This committee is the primary forum in the NAFTA for consultation among the United States, Mexico, and Canada with respect to agricultural trade matters. Issues addressed at this meeting included: the status of the U.S.-Mexico and Mexico-Canada bilateral working groups on grade and marketing standards; the advisory committee on private commercial disputes regarding agricultural goods; and the working group on agricultural subsidies. The committee also discussed issues of concern to individual countries.

Sierra Club Files Lawsuit Against USDA

On April 28, the Sierra Club filed suit against USDA alleging violations of the Endangered Species Act (ESA) for failing to consult with the Fish and Wildlife Service on USDA Consolidated Farm Services Agency and Natural Resources Conservation Service programs, the operation of which is alleged to encourage drawdown of the Edwards Aquifer, a subterranean reservoir near San Antonio, Texas. The plaintiff asserts that USDA has expended substantial public funds in grants,

loans, insurance, and other subsidies to agricultural irrigators, the effect of which has been to jeopardize several threatened and endangered species which exist only in portions of the aquifer. A companion lawsuit against the Department of the Interior for ESA violations has been ongoing for several years.

SECRETARY'S SCHEDULE

On May 8, I will address the joint Western States Land Commissioners Association-Eastern Lands and Resource Council Conference in Washington, D.C. The 23-member Western States Land Commissioners Association represents 31 state land agencies.

On May 10, I will hold a news conference as part of the public release of the Administration's 1995 Farm Bill proposal. (*See Key Department News: Administration's Farm Bill Proposal To Be Released*)

The Cairns Group of Ambassadors, representing Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, Philippines, Thailand, and Uruguay, have requested a meeting with me during the week of May 8. The Ambassadors want to discuss post-Uruguay Round prospects for further agricultural and trade liberalization and the 1995 Farm Bill proposal.

Japanese Vice Minister for International Affairs, Ministry of Agriculture, Forestry and Fisheries Takeki Manabe has requested a May 8 meeting to exchange views on U.S.-Japan agricultural trade relations.

On May 13, I will deliver the commencement address at Illinois State University at Bloomington.

On May 15, I will give the keynote address at the Cotton USA Seminar of the Americas in Washington, D.C.

On May 20, I will deliver the Ivy Day Address at the University of Pennsylvania in Philadelphia.

On June 2, I will address the U.S. Meat Export Federation at the 10th World Meat Congress in Denver, Colorado.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Today, Deputy Secretary Richard Rominger participated in the USDA Office of Inspector General Investigative Managers Conference in New York City.

On May 7, Deputy Secretary Rominger will attend the Food Marketing Institute trade show in Chicago, Illinois. The trade show is partly sponsored by the National Association of State Departments of Agriculture.

On May 8, The Chinese Vice Minister for Agriculture, Education, Science, and Technology will meet with Deputy Secretary Rominger and USDA Under Secretary for Farm and Foreign Agricultural Services Eugene Moos to discuss U.S.-China cooperative agricultural research.

On May 12, Deputy Secretary Rominger will address the Pennsylvania Farm Bureau FARMER (Farmers Allied for Responsive, More Effective Representation) meeting in Hershey, Pennsylvania.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On May 11-12, USDA Assistant Secretary for Administration Wardell Townsend will be participating in a USDA Senior Executive Service orientation at Solomons Island, Maryland.

This week, USDA Inspector General Roger Viadero is in New York City for the Office of Inspector General's annual Investigations Management Conference. On May 10, Inspector General Viadero will speak at a USDA Senior Executive Service orientation at Solomon Islands, Maryland; on May 17, he will speak at the Auditors Training Institute at Ft. Belvoir, Virginia.

On May 6, USDA Under Secretary for Natural Resources and Environment Jim Lyons will meet with USDA Natural Resources Conservation Service leadership and the National Association of Conservation Districts Conservation Partnership in Las Vegas, Nevada. On May 11, Under Secretary Lyons will participate on a panel at the 1995 Cary Conference in Millbrook, New York; on May 12, he will meet with New York partners to discuss the Urban Resources Partnership in New York City.



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

May 11, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of May 8, 1995

KEY DEPARTMENT NEWS

Clinton Administration Farm Bill Guidelines Announced

On May 10, USDA unveiled the Administration's 1995 Farm Bill guidelines with Congressional, press, and constituent briefings. I led the press conference and constituent briefings. The Department broadcast the event live by satellite for television distribution and farm broadcasters. Deputy Secretary Richard Rominger and members of the sub-cabinet also discussed the proposal. In addition, I granted one-on-one interviews, followed by live satellite interviews to stations in key agricultural markets. The sub-cabinet is conducting Farm Bill outreach to the media and constituent groups. Today, I testified about the Administration's guidelines before the House Agriculture Committee.

Key aspects of the "Guidance of the Administration" include a proposal to combine individual crop acreage bases into a total acreage base, phased in over five years. This would give farmers more flexibility in responding to market signals. Also included in the recommendations are proposals to target payments to producers who earn less than \$100,000 in off-farm income and a conservation farm option that would permit producers in priority environment areas to receive assured commodity program payments in exchange for producing under a whole-farm conservation plan.

The guidelines have been praised by many state, regional, and national agricultural interests and farm-state Democrats. The guidelines have been viewed as reaffirming this Administration's commitment to agriculture and rural America. The Republicans' proposed budget measures, which severely cut farm program, feeding, and nutrition programs, sharply contrasted to these proposals, which "do no harm."

Update On Oklahoma

The bodies of all seven USDA Animal and Plant Health Inspection Service (APHIS) employees lost in the Oklahoma bombing have been found. A private memorial service for the families and friends of affected APHIS employees is now scheduled for May 17 in Oklahoma City. USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen and Acting APHIS Associate Administrator Terry Medley will attend.

An APHIS Remembrance Day Committee is planning a memorial service in Riverdale, Maryland on May 24 to honor the victims and survivors. Seven trees will be planted outside the USDA Riverdale headquarters in their memory. A Remembrance Fund has been established, and I sent a letter to all Department employees to encourage their support of this important cause.

In light of the recent tragedy, a number of USDA Rural Housing and Community Development Service and APHIS employees have requested that they be allowed to remove government license plates and decals from vehicles in western states, where militant groups have threatened federal employees. To ensure their safety, the Department has instructed employees to use privately owned vehicles or acquire short-term commercial lease vehicles until necessary approvals and state license tags can be acquired. We are working with the General Services Administration to follow proper procedures and take additional safety measures for employees.

1996 Market Promotion Program Allocations On Hold

The USDA Foreign Agricultural Service is expected to announce 1996 Market Promotion Program (MPP) allocations, after completion of the House and Senate conference on FY95 rescissions and supplemental spending legislation. The Senate bill would provide MPP funding at the Administration-requested level of \$110 million, while the House would fund MPP at its current level of \$85.5 million. The final level of funding will significantly impact the allocations.

USDA To Participate In U.S.-Mexico Binational Commission

On May 16, Deputy Secretary Richard Rominger will participate in the 1995 U.S.-Mexico Binational Commission (BNC) to be held in Washington, D.C. The BNC is an annual, one-day Cabinet-level meeting, initiated to advance U.S.-Mexican relations on a broad range of issues. This will be the first BNC with the new Zedillo government and an opportunity to meet new Mexican agriculture officials. USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen and other Department officials will also attend.

U.S.-China WTO Membership Talks To Resume

After a five month hiatus, China has agreed to return to Geneva next week to resume bilateral discussions on its World Trade Organization (WTO) membership. While there is no indication that the Chinese plan any substantive discussion on schedule or protocol, the meeting will afford U.S. negotiators the opportunity to explore such topics as state trading enterprises, tariffs, and export subsidy levels.

USDA Report To Highlight Agricultural Employment Data

On May 17, the USDA Economic Research Service will release *U.S. Farm and Farm-Related Employment*, which will reveal that farm and farm-related industries provided over 21 million jobs in 1991, or 15.7 percent of total U.S. employment. These industries employed 40,000 fewer workers in 1991 than in 1990. Many of the lost jobs were in farm production and in apparel and textile manufacturing. Some farm-related industries, particularly wholesale and retail trade, gained jobs. Though the overall number of jobs fell, farm and farm-related employment's share of total U.S. employment remained steady.

USDA To Brief Small Plants On Food Safety Proposal

On May 22, the USDA Food Safety Inspection Service (FSIS) will host a meeting in Kansas City, Kansas to discuss with owners and representatives of small meat and poultry plants the Department's proposed Hazard Analysis and Critical Control Points (HACCP) and pathogen reduction regulations. The FSIS food safety proposal was announced on February 3, and the 120-day comment period will close on June 5. FSIS expects to finalize the regulation by the end of the year, with implementation currently proposed to begin within 90 days. About 5,100 state and federal plants, or 56.5 percent of the more than 9,000 total, are considered small plants.

USDA To Announce Agreement To Collect Information On Foodborne Illness

On May 17, the USDA Food Safety and Inspection Service (FSIS) will announce an agreement with the Centers for Disease Control and Prevention and the Food and Drug Administration to authorize sites in California, Oregon, Minnesota, Connecticut, and Georgia to collect information about foodborne illness caused by *E. coli* O157:H7 and Salmonella. Today, CNN interviewed Acting Under Secretary for Food Safety Michael Taylor about the agreement. A press availability about food safety initiatives is also being planned in conjunction with the announcement.

Bone Fragments Found In Chicken Provided To Connecticut Schools

The USDA Food and Consumer Services (FCS) has received complaints from schools in Connecticut and Michigan about bone fragments in chicken food products. This issue is particularly sensitive, since a child in New Britain, Connecticut choked to death after eating chicken on April 27. It is not clear whether the incident is related to the bone complaints. FCS is taking all precautions and working with USDA Food Safety and Inspection Service and USDA Agricultural Marketing Service officials to prevent any potential safety risks until the matter is thoroughly investigated.

USDA WORK ON PRESIDENTIAL INITIATIVES

Pacific Northwest Economic Adjustment Program/Forest Plan

On May 5, the Record of Decision for California's Shasta-Trinity National Forest Land and Resources Management Plan was published in the *Federal Register*. The comment period will end after 30 days. This forest plan is the first of four northern California forest plans to be completed that incorporate the direction of the President's Forest Plan to manage habitat for late-successional and old-growth related species within the range of the Northern Spotted Owl.

Empowerment Zone/Enterprise Community Update

On May 5, the USDA Rural Business and Cooperative Development Service announced a Business and Industry loan and three Intermediary Relending Program loans in Marks, Mississippi. Congressman Bennie Thompson, local officials, and leaders from the Mid-Delta Empowerment Alliance Zone and the North Delta Mississippi Enterprise Community attended the event.

Presidio Environmental Education Center

At an advisory board meeting of Project Food, Land, and People in San Francisco, California on May 4-7, the USDA Natural Resources Conservation Service was involved in reviewing a proposal for an environmental education center at the Presidio. Vice President Gore is interested in opportunities to preserve open space at this site, which is a former military installation now maintained by the National Park Service.

Helping Native Americans

This week, the National Association of Food Distribution Programs on Indian Reservations is holding its annual meeting in San Antonio, Texas. Representatives of 90 Native American tribal organizations and state agencies are attending, as well as staff from USDA Food and Consumer Service Headquarters and Regional Offices.

Welfare Reform

The Department of Health and Human Services has the federal review of Delaware and Massachusetts welfare proposals on a fast track. Delaware's proposal includes waivers to allow stronger sanctions and changes to household concept rules. Massachusetts' proposal includes waivers to allow cash-out of food stamp benefits through wage supplementation, stronger fraud penalties, and changes in household concept rules. Some of the waiver requests will be denied, and criticism is expected.

CONGRESS

Congressional Hearings

Today, I testified before the House Agriculture Committee hearing on the Administration's proposed 1995 Farm Bill. I was joined by Deputy Secretary Richard Rominger and other USDA officials. On May 19 and 27, respectively, the Committee will hold Farm Bill field hearings at Illinois State University at Normal, and in Boise, Idaho.

The House Resources Subcommittee on National Parks, Forests, and Lands held an oversight hearing today on recreation fees on federal lands.

The House Resources Subcommittee on Water and Power Resources held a hearing today to designate a lake in California's Trinity National Forest as "Trinity Lake."

Today, USDA Assistant Secretary for Administration Wardell Townsend was part of a panel testifying before the Senate Committee on Environment and Public Works on the Natural Resource Damage Assessment portion of "Superfund" reauthorization legislation.

On May 16, Karl Stauber will testify before a confirmation hearing of the Senate Agriculture Committee regarding his nomination to serve as USDA Under Secretary for Research, Education, and Economics.

The Senate Committee on Agriculture, Nutrition, and Forestry will hold a Farm Bill hearing on May 16, focusing on rural development and credit. I am scheduled to testify. On May 23, I will also testify before the Committee on the Farm Bill and federal nutrition programs. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will accompany me.

On May 16 and 18, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold hearings on federal programs for dairy promotion, research, nutrition education, the relationship of those programs to export policy following the implementation of the Uruguay Round of the GATT, and other dairy issues. USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify on May 16.

On May 17, the House Small Business Subcommittee on Procurement, Exports, and Business Opportunities will hold a hearing on the role and effectiveness of federal programs in helping small businesses find export opportunities. USDA Foreign Agricultural Service Administrator Gus Schumacher will testify.

The House Resources Committee Private Property Task Force will hold a May 17 hearing on private property rights.

On May 18, the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold a hearing on credit and rural development in the Farm Bill. USDA Acting Deputy Under Secretary for Rural Economic and Community Development Michael Dunn will testify.

The Senate Energy and Natural Resources Committee will hold a May 18 hearing on timber contracts in the Tongass National Forest and the administration of the Tongass Timber Reform Act of 1990. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a May 18 hearing on a bill to extend the deadline for completion of certain land exchanges involving Big Thicket National Preserve in Texas.

On May 23, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing on Federal Milk Marketing Orders.

On May 24, the Senate Agriculture Subcommittee on Research, Nutrition, and General Legislation will hold a Farm Bill hearing on research and the future of U.S. agriculture.

On May 25, the House Resources Subcommittee on National Parks, Forests, and Lands will hold an oversight hearing on the California Spotted Owl Recovery Plan on USDA Forest Service lands in California.

The Senate Agriculture Subcommittee on Marketing, Inspection, and Product Promotion will hold a Farm Bill hearing on May 25 on federal farm export programs.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing on May 25 to receive testimony on milk pricing issues.

On June 1, Senator Thad Cochran plans to hold a field hearing in Jackson, Mississippi on the Women, Infants, and Children (WIC) and the National School Lunch programs.

On June 6, the Senate Agriculture Subcommittee on Forestry, Conservation, and Rural Revitalization will hold a 1995 Farm Bill hearing on resource conservation.

Key Congressional Visits and Activities

On May 10, Deputy Secretary Richard Rominger and other USDA officials briefed Congressional staff on the Administration's 1995 Farm Bill guidelines.

The USDA Office of General Counsel (OGC) has determined that the language in the 1995 Agriculture Appropriations Act implies that crop insurance requirements for Maine potato farmers suffering from a disaster, who did not buy 1994 crop insurance, may be waived, making them eligible for disaster loans. Senator William Cohen and Congressman John Baldacci had indicated they planned to take necessary legislative action to assure the eligibility of the farmers, after OGC's original opinion that the language in the Consolidated Farm and Rural Development Act rendered uninsured farmers ineligible.

On May 23, the House Resources Subcommittee on Water and Power Resources will mark up a bill to designate a certain lake in California as "Trinity Lake".

A joint USDA-U.S. Department of Transportation study regarding interagency aviation inspections is expected to be transmitted to Congress next week. Joint Secretarial approval is needed to present the report to Congress.

On May 9, I sent a letter on behalf of the Administration to the House and Senate Appropriations Conferees expressing concern about the salvage sale provisions included in the House and Senate versions of the FY95 rescission bill.

Senator William Cohen has written USDA about the USDA Animal and Plant Health Inspection Service's (APHIS) response to the presence of a deadly strain of avian influenza in Mexico. APHIS has developed a basic plan for responding to the disease threat, met with state and industry officials to receive feedback, and is working to prepare a declaration of emergency in case the disease enters this country.

On May 5, APHIS officials met with the staff of Senator Daniel Inouye and a representative of the Hawaii Department of Transportation to continue discussions about staffing at Honolulu Airport and the Inter-Island terminal. The need to staff the new terminal has resulted in a staffing shortage at preclearance inspection locations. USDA agreed to shuffle staffing to the extent possible to meet current demands.

USDA APHIS Acting Administrator Lonnie King met with Congressman Norman Dicks to discuss the latest developments on regulations for exporting logs. He also met with Congressman Jim Lightfoot to provide an update on the master plan for National Veterinary Services Laboratories located in Ames, Iowa.

On May 12, USDA Consolidated Farm Service Agency and Office of General Counsel staffs will participate in a panel discussion on the "U.S. Sugar Program," arranged by the House Agriculture Committee.

In a letter last week to House Agriculture Committee Chairman Pat Roberts, USDA Acting Under Secretary for Food Safety Michael Taylor addressed the USDA Food Safety and Inspection Service's (FSIS) policy on washing versus trimming of beef carcasses. Taylor discussed the basis of the Agency's longstanding policy to require the physical removal of all feces, milk, and ingesta from beef carcasses, generally by trimming. Taylor also discussed the Department's recent efforts to foster the adoption of beneficial food safety technologies as a key element of the FSIS food safety strategy.

On May 12, FSIS officials will brief the House Agriculture Committee about small business concerns related to the Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) proposed rule. Many small meat and poultry businesses have contacted Members of Congress and USDA about their concerns, especially those related to costs of the proposal. A similar briefing is scheduled before the Senate Agriculture Committee on that same day. USDA Acting Under Secretary for Food Safety Michael Taylor, FSIS Associate Administrator Tom Billy, and Assistant Deputy Administrator Richard Carnevale will give the briefing. (*See Key Department News: USDA To Brief Small Plants On Food Safety Proposal*)

Today, USDA Food and Consumer Service staff, the Southwest Regional Administrator, and the USDA Inspector General for Audits attended a meeting in Oklahoma City to continue discussion with the Wewoka Public Schools (WPS) and the Oklahoma Department of Education in an effort to reach agreement on a financial claim as a result of an audit of the National School Lunch Program. The audit, conducted by USDA's Office of the Inspector General, found that WPS failed to provide for adequate safeguards over federal program funds, resulting in a claim of \$518,827 against WPS. Congressman Bill Brewster is seeking a waiver of the claim on behalf of WPS.

KEY REGULATORY ACTION

The comment period for the Department of the Interior's Fish and Wildlife Service's proposal for protection of critical Mexican Spotted Owl habitat closed on May 8. The USDA Forest Service will incorporate critical habitat information and recovery plan requirements into the final environmental impact statement on the Southwestern Region's habitat strategy for the Mexican Spotted Owl, which will likely be issued soon.

On May 9, USDA issued a final decision merging five federal milk orders in the southern United States. This decision merges the Georgia, Alabama-West Florida, Greater Louisiana, New Orleans-Mississippi, and Central Arkansas marketing areas into the Southeast marketing area. Producers in the affected area will vote to approve or disapprove the new order in a referendum ballot, which will be sent to them with USDA's decision. The final decision appeared in the May 10 *Federal Register*.

USDA expects to publish in the *Federal Register* next week a proposed National Appeals Division (NAD) regulation, which hears program participant appeals of adverse decisions by various USDA agencies. The proposed regulation contains rules of procedure for NAD appeals and defines those appeals over which NAD has jurisdiction. The NAD is the subject of considerable interest among Members of Congress and the agricultural community.

Today, USDA announced the delay until August 1 of the effective date for changes to "Recordkeeping Requirements for Certified Applicators of Federally Restricted-Use Pesticides."

PRESS INQUIRIES

Press Contacts With USDA

CBS News is exploring the possibility of using grazing and public land use issues as the central focus for a two-hour documentary. To gather background on this controversy, they talked with USDA Agricultural Research Service Range Scientist Anthony Svejcar at the eastern Oregon Agricultural Research Center in Burns, Oregon.

The *Associated Press* and the *Washington Post* are both working on stories that reveal the Administration says the USDA Forest Service can produce approximately 5.4 billion board feet of salvage timber through FY97.

Today, *CNN* interviewed USDA Acting Under Secretary for Food Safety Michael Taylor about the upcoming May 17 announcement of an agreement with the Centers for Disease Control and Prevention and the Food and Drug Administration. Interviews about the proposal are being pursued with *The Washington Post*, *Business Week*, and *U. S. News and World Report*. (See *Key Department News: USDA To Announce Agreement To Collect Information On Foodborne Illness*)

U.S. News and World Report inquired about organic labeling for meat and poultry products and the status language directed by the 1990 Farm Bill.

On May 10, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas and USDA Food and Consumer Services staff held a roundtable with welfare reform reporters to discuss Food Stamp reforms being proposed as part of the 1995 Farm Bill. *New York Times*, *The Washington Post*, *USA Today*, *Reuters*, *The Wall Street Journal*, and *Los Angeles Times* were present.

FOIA REQUESTS

The National Legal and Policy Center has requested correspondence, memoranda, reports, and other documents to and from the USDA Food Safety and Inspection Service and several other parties.

WEEK IN REVIEW

USDA Announces Wetlands Reserve Program Sign-Up

On May 9, I announced that landowners nationwide will have an opportunity to enroll wetland areas in the Department's Wetlands Reserve Program. The sign-up period will last from May 30 to June 30. The Wetlands Reserve Program protects and restores wetlands in areas to provide habitat for migratory birds and other wildlife, helps purify water supplies, and helps absorb flood waters. Enrolled acreage is restored as wetlands, with ownership and control of access remaining with the landowner. The 1995 program is funded at \$92 million and an estimated 118,000 acres are expected to be enrolled.

China Signs New Apple and Sweet Cherry Market Access Agreements

On May 8, I announced that China may soon import apples from Oregon and Idaho and sweet cherries from Washington. New protocols opening the Chinese market to these products were signed on April 20 in San Francisco, California during technical discussions over China's plant protection measures. USDA is still working to negotiate reductions in China's tariff rates on imported fruits.

United States, Canada Release Barley Support Level Under Free Trade Agreement

On May 8, USDA announced the unveiling of the U.S. and Canadian producer support levels for barley calculated under the formulation specified in the U.S.- Canada Free Trade Agreement. The support level is used as a benchmark to determine whether Canadian import licensing restrictions on barley and its products will be eliminated.

California Seeks To Delay WIC Infant Formula Rebate Contract Implementation

Last week, the California Department of Health Services (CDHS) responded to the USDA Food and Consumer Service's (FCS) refusal to extend the deadline for CDHS to implement its new infant formula rebate contract for the state's Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Since January 10, CDHS has been operating under a corrective action plan (CAP) to remedy a failure to properly solicit bids for its WIC infant formula rebate contract. The CAP required the new contract to be in place no later than July 1. The USDA Office of General Counsel is working with FCS to obtain compliance with the CAP.

Trade Advisory Committee Concerned Over Iranian Boycott

The Agricultural Technical Advisory Committee for Trade (ATAC) in Grains, Feed, and Oilseeds, meeting in a scheduled session at USDA on May 1, passed a resolution urging the President to exclude agriculture from the Executive Order prohibiting trade with Iran. The resolution suggests that any agricultural commodity that is readily available from

other international sources should be excluded from the ban. The Committee's regular business included a discussion of issues related to the implementation of Uruguay Round commitments by the European Union and the United States.

U.S.-Canada Grains Commissioners Unable To Agree

The U.S.-Canada Joint Commission on Grains held its eighth meeting on April 25-28 in Calgary, Canada. The prospect that the Commission will be unable to reach consensus recommendations by the June deadline was heightened at the meeting. The meeting focused on options for recommendations to be included in the Commission's preliminary report due on June 12. While there is agreement among the Commissioners on some of the less contentious issues, consensus has not been reached on disciplining Canadian Wheat Board (CWB) practices in third-country markets or extending U.S. Tariff Rate Quotas on Canadian wheat imports. The Commissioners asked that the details of the deliberations not be made public.

While the U.S. Commissioners have expressed a willingness to consider further U.S. disciplines on the use of the Export Enhancement Program (EEP) beyond the World Trade Organization requirements, and have offered several alternative proposals for pricing discipline by the CWB in U.S. and offshore markets, the Canadian Commissioners have proposed only modest disciplines on CWB pricing practices in North America and no new substantive disciplines on pricing practices in third-country markets. The final meeting before release of the preliminary report of the Commission is scheduled for May 23-25 in Washington, D.C.

Steam Vacuum Test Trials Approved

Last week, the USDA Food Safety and Inspection Service (FSIS) approved commercial test trials of a steam vacuum system to be used to remove contamination from meat carcasses in four additional slaughter plants. These commercial tests are related to the Agency's efforts to foster the adoption of beneficial food safety technologies as a key element of the FSIS food safety strategy. These efforts include the development of new guidelines for preparing experimental protocols for in-plant trials of new technologies and procedures, which will be reviewed by the newly formed Technology Assessment and Research Coordination Division in FSIS.

This week, nine plants completed the first phase of approved in-plant trials, in which bacterial samples were collected comparing knife-trimmed carcasses to steam-vacuumed carcasses. FSIS has evaluated the test data to determine if visible contaminants and bacteria were removed at least as effectively by steam vacuuming as knife trimming. With the completion of this first phase, the plants will start the second phase of the study, comparing bacterial samples collected from steam-vacuumed carcasses to samples collected during phase one to see if the effectiveness of the steam vacuum can be maintained over time under actual plant conditions.

SECRETARY'S SCHEDULE

On May 13, I will deliver the commencement address at Illinois State University at Normal.

On May 15, I will give the keynote address at the Cotton USA Seminar of the Americas in Washington, D.C.

On May 16, I will meet with Mexico's Agriculture Minister, who will be in Washington, D.C. to attend the U.S.-Mexico Binational Commission.

On May 17, I will address the Democratic Budget Group in Washington, D.C.

On May 18, I will participate with Under Secretary for Natural Resources and Environment Jim Lyons and USDA Natural Resources Conservation Service Chief Paul Johnson in the commemoration of the Natural Resources Conservation Service's 60th anniversary, "Celebration of the Land," in Washington, D.C.

On May 20, I will deliver the Ivy Day Address at the University of Pennsylvania in Philadelphia.

On May 22, I will meet with the CAIRNS group of Ambassadors about trade issues.

On May 24, I will join Deputy Secretary Richard Rominger, Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen, and other Department officials at a remembrance ceremony for USDA Animal and Plant Health Inspection Service employees who were victims in the Oklahoma City bombing. The ceremony will take place in Riverdale, Maryland.

On May 30-31, I will join Senator Tom Daschle in South Dakota.

On June 2, I will address the U.S. Meat Export Federation at the 10th World Meat Congress in Denver, Colorado. As part of this trip, I am also planning to visit the USDA Roman L. Hruska Meat Animal Research Center in Clay Center, Nebraska.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On May 12, Deputy Secretary Richard Rominger will address the Pennsylvania Farm Bureau FARMER (Farmers Allied for Responsive, More Effective Representation) meeting in Hershey, Pennsylvania.

On May 15, Deputy Secretary Rominger will address the National Wine Institute in Washington, D.C.; he will also meet with Poland's Minister of Foreign and Economic Relations.

On May 16, Deputy Secretary Rominger will participate in the U.S.-Mexico Binational Commission in Washington, D.C. (*See Key Department News: USDA To Participate In U.S.-Mexico Binational Commission*)

On May 24, Deputy Secretary Rominger will join me and other USDA employees in Riverdale, Maryland for a remembrance ceremony for USDA victims in the Oklahoma City bombing.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On May 12, USDA Under Secretary of Natural Resources and Environment will meet with New York partners to discuss the status of the Urban Resources Partnership in New York, New York; on May 13, he will give the commencement address to the Colorado State University, in Fort Collins, CO.

On May 16, Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will participate in the 12th annual U.S.-Mexico Bi-National Commission Meeting in Washington, D.C. (*See Key Department News: USDA To Participate In U.S.-Mexico Binational Commission*); on May 17, she will attend a private memorial service for USDA Animal and Plant Health Inspection Service employees killed in Oklahoma City.

On May 16, Acting Under Secretary for Food Safety Michael Taylor will lead a roundtable discussion with American Meat Institute representatives in Washington, D.C. On May 17, Under Secretary Taylor will participate in a discussion with Food Drug and Law Institute representatives in Washington, D.C.



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

May 18, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of May 15, 1995

KEY DEPARTMENT NEWS

Work Continues After Announcement Of Administration's Farm Bill Guidelines

USDA has received considerable interest from the public, constituent groups, and press and media about the Administration's 1995 Farm Bill guidelines, which were announced last week. The guidelines have been praised by many state, regional, and national agricultural interests and farm-state Democrats. However, a May 17 editorial in *The Washington Post* was critical. (See attached)

As part of preparations for the Farm Bill, USDA has been participating in a number of Congressional hearings. On May 16, I testified before the Senate Agriculture Committee on rural development and credit; on May 23, I will testify before the Committee regarding federal feeding and nutrition programs. At the May 16 hearing, I discussed the difficulties the Department faces in collecting large delinquent farm loans, all of which were made to borrowers during previous Administrations.

USDA mission area work continues in preparation for the Farm Bill debate. The USDA Food, Nutrition, and Consumer Services (FNCS) is continuing to inform the public and key stakeholders regarding the Department's food stamp reform package, which was announced as part of the Administration's Farm Bill guidelines. FNCS has prepared materials that explain the reform package to interest groups and the public. A series of outreach meetings are planned, and USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas has held meetings with members of the welfare reform press to explain the proposals.

At a May 11 Farm Bill hearing, Congressman David Minge raised concerns about the cost of proposed Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) food safety regulations. The USDA Food Safety and Inspection Service offered to meet with Congressman Minge to discuss the proposed regulation.

All of the Administration's Farm Bill documents are being made available for public access on the Internet World Wide Web.

Inland Native Fish Strategy Being Considered

The U.S. Fish and Wildlife Service is considering formal listing of the bull trout under the Endangered Species Act, which would have a significant impact on National Forest management. The USDA Forest Service is developing interim strategies to provide protection and possibly prevent listing, pending the completion of two Environmental Impact Statements. The Environmental Assessment, which studies strategies to accomplish the conservation of both the bull trout and other rare native inland aquatic species, is due May 31. As much as 70-90 percent of the remaining bull trout populations are associated with National Forest System lands in Montana, Idaho, Oregon, Washington, and Nevada.

Report On Conservation Reserve Program To Be Released

On May 24, the USDA Economic Research Service will release *Financial and Structural Characteristics of CRP Enrollees, 1991*, which will reveal that farms with Conservation Reserve Program (CRP) enrollment (about 9 percent of all U.S. farms) were more profitable, more economically efficient, and larger in terms of annual sales and acres operated than non-CRP enrollees.

HACCP Rule Extension Request Under Consideration

This week, the USDA Food Safety and Inspection Service received a letter from 21 meat and poultry industry associations requesting an extension of the comment period on the Department's proposed pathogen reduction and Hazard Analysis and Critical Control Points (HACCP) regulations. The extension request is under consideration. *(See Congress: Key Congressional Visits and Activities)*

USDA WORK ON PRESIDENTIAL INITIATIVES

Empowerment Zones/Enterprise Communities Update

A Rural Business Enterprise Grant has been approved for the Scott County, Tennessee Enterprise Community. Notification has been provided to the Office of the Vice President, with a tentative announcement on June 7. The \$1.45 million grant will be for the development of Helenwood Industrial Park, including land, utilities, roads, and a sewer plant. One company has outlined its intention to expand into Scott County; six small businesses have also expressed interest in locating there. If all locate, it is expected that 378 new jobs would be created.

A \$300,000 Rural Economic Development Grant has been approved for West Florida Electric Cooperative Association Inc. to establish a revolving loan fund, along with additional funding from the Jackson County Board of Commissioners, to purchase land for the Graceville State Work Camp. Nearly 80 new jobs will be created.

USDA Assistance To Native Americans

On May 25, USDA Rural Housing and Community Development staff will attend a Housing Assistance Council retreat in Pierre, South Dakota. The retreat, entitled "Building Indian Housing in Underserved Areas," has in the past helped define and resolve problems in making USDA housing programs available to Native Americans.

USDA Will Participate In Small Business Conference

USDA Consolidated Farm Service Agency and USDA Office of Small and Disadvantaged Business Utilization staff recently met to discuss the Department's involvement in the 1995 White House Conference on Small Business, which will be held June 11-15. Preparations are being made to present an exhibit highlighting contracting opportunities for small, small disadvantaged, and women-owned businesses wishing to compete for USDA Commodity Credit Corporation contracts.

USDA AmeriCorps/National Service

USDA AmeriCorps members nationwide have logged nearly 1 million hours of service to communities around the country since the launch of the National Service program in September 1994. In addition, USDA AmeriCorps members also recruited at least 1,858 unpaid volunteers, who served at least 28,057 hours without compensation. A USDA press release was issued on May 17, which described some of the successes of the USDA AmeriCorps members nationwide.

CONGRESS

Congressional Hearings

The Senate Agriculture Committee continues its 1995 Farm Bill hearings on USDA programs and policies. Upcoming hearings include: May 23, federal feeding and nutrition programs; May 24, research and the future of domestic agriculture; May 25, federal farm export programs; June 6, conservation; and June 13 and 15, commodity policy. I will testify at the May 23 hearing with USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas accompanying me. On May 25, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify.

Today, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry held a hearing on the export market for U.S. dairy products, proposals to make federal dairy policy more export-oriented, and the relationship of the export policy to the future of the dairy price support program following implementation of the Uruguay Round of the GATT. USDA Acting Chief Economist Keith Collins testified.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry held a hearing today on credit and rural development in the Farm Bill. USDA Acting Deputy Under Secretary for Rural Economic and Community Development Michael Dunn testified. On May 24, the Subcommittee will hold a Farm Bill hearing to discuss conservation issues.

The Senate Energy and Natural Resources Committee held a hearing today on timber contracts in the Tongass National Forest and the administration of the Tongass Timber Reform Act of 1990. USDA Under Secretary for Natural Resources and Environment Jim Lyons testified.

The House Resources Subcommittee on National Parks, Forests, and Lands held a hearing today on a bill to extend the deadline for completion of certain land exchanges involving Big Thicket National Preserve in Texas. USDA Forest Service Deputy Chief Mark Reimers testified.

The House Resources Committee Endangered Species Act Task Force held a hearing today on reauthorization of the Endangered Species Act.

On May 19, the House Agriculture Committee will hold a Farm Bill field hearing at Normal, Illinois. USDA National Center for Agricultural Utilization Research Director Peter Johnson will testify.

On May 23, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will mark up a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a May 23 hearing on Federal Milk Marketing Orders. USDA Agricultural Marketing Service Administrator Lon Hatamiya will testify.

The House Resources Subcommittee on Water and Power Resources will mark up a bill on May 23 to rename a lake in California as "Trinity Lake."

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on May 23 regarding the reintroduction of wolves into Yellowstone National Park.

On May 24, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a Farm Bill hearing on the sugar program. On June 5, the Subcommittee will hold a Farm Bill hearing on peanuts. USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify on May 24; USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith will testify on June 5.

On May 25, the House Agriculture Subcommittee on General Farm Commodities will hold a Farm Bill hearing on the cotton and feed grain programs.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing on May 25 to receive testimony on milk pricing issues.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold hearings on May 25 and June 6 regarding the California Spotted Owl Recovery Plan on USDA Forest Service lands in California.

On May 27, the House Agriculture Committee will hold a Farm Bill field hearing at Boise, Idaho.

The Senate Environment and Public Works Subcommittee on Drinking Water, Fisheries, and Wildlife announced a schedule of field hearings regarding the reauthorization of the Endangered Species Act. Field hearings will occur in Roseburg, Oregon on June 1 and Lewiston, Idaho on June 3.

On June 13, the House Government Reform and Oversight Subcommittee on Government Management, Information, and Technology will hold a hearing on streamlined federal field structures.

Key Congressional Visits And Activities

The USDA Food Safety and Inspection Service (FSIS) continues to review its roles, resources, and structure in preparation for carrying out the new Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP)-based food safety environment of the future. USDA Acting Under Secretary for Food Safety Michael Taylor has been meeting with Members of Congress about this review. FSIS has requested meetings with Members of both the House and Senate Agriculture and Appropriations Committees to discuss the agency's review. FSIS officials will also be meeting with key Congressional staff.

Congress is considering a proposal to combine House and Senate versions on regulatory moratorium and legislative veto bills. Congressman David McIntosh has prepared a list of 30 regulations that he believes should be subjected to a moratorium; the only USDA regulation affected would be the proposed pathogen reduction and Hazard Analysis and Critical Control Points (HACCP) regulations.

On May 22, Senator Bill Bradley and Congressman Robert Torricelli are holding a public event in Newark, New Jersey on ways to prevent and treat *E. coli* 0157:H7 food poisoning. Participants will include medical professionals, medical faculty and students, families affected by *E. coli* 0157:H7, and representatives of STOP (Safe Table Our Priority). A USDA Food Safety and Inspection Service representative will give brief remarks.

A request for a Legislative Report was received by the USDA Food Safety and Inspection Service (FSIS) on the Family Food Protection Act of 1995, authored by Congressmen George Brown and Robert Torricelli, which will amend the Federal Meat Inspection and Poultry Products Inspection Acts to provide for improved public health in food safety. (See Key Department News: HACCP Rule Extension Request Under Consideration)

The USDA Office of Inspector General (OIG) has been contacted several times during the past weeks by a staff member of Senator Joseph Lieberman to discuss USDA work related to payment limitations (maximum payments allowed to a legal entity for a variety of farm payments). USDA provided copies of published audit reports on this subject. Senator Lieberman's staff is planning to develop proposed new rules for the 1995 Farm Bill to restructure the payment limitation process, including limiting payments only to individuals.

The Senate Agriculture Committee plans to vote this week on the nomination of Karl Stauber for USDA Under Secretary for Research, Education, and Economics.

KEY REGULATORY ACTION

Today, USDA published interim final regulations in the *Federal Register* on the Noninsured Crop Disaster Assistance Program (NAP), a key component of federal crop insurance reform. NAP, applying to crops for which crop insurance is currently unavailable, provides benefits similar to the *ad hoc* disaster programs implemented in previous years. The NAP will be particularly helpful to California farmers, who were impacted by winter floods.

A housing site development final rule was recently published in the *Federal Register*, stating that the USDA Rural Housing and Community Development Service will no longer review or approve subdivisions, but will review and approve individual sites for its program. This site approval authority will allow USDA to bring into the program many low cost homes in subdivisions that have already been developed.

On May 12, a single family housing rule was published in the *Federal Register*, to improve the delivery of the Department's single family rural housing loan program to the public.

On May 17, the USDA Animal and Plant Health Inspection Service published in the *Federal Register* a proposal to change identification requirements for cattle and bison in national programs to control and eradicate brucellosis and tuberculosis.

The USDA Forest Service will soon publish in the *Federal Register* the revision notice of existing policies for authorizing and administering hydropower projects on National Forest System lands. The proposed directives, among other things, would clarify and streamline USDA policies and procedures for processing proposals and administering authorizations for commercial hydropower projects.

PRESS INQUIRIES

Press Conferences/Statements

Today, Deputy Secretary Richard Rominger joined Michigan Governor John Engler and Vermont Governor Howard Dean at a press conference in Washington, D.C. to announce the release of the first national report of the National Forum on Nonpoint Source Pollution. The report recommends innovative, nonregulatory solutions to the problem of nonpoint source water pollution.

Press Contacts With USDA

On May 22, I will meet with regional bureau chiefs of the *St. Louis Post-Dispatch*, the *St. Petersburg Times*, *Fort Worth Star-Telegram*, and the California-based *McClatchy Newspapers* to discuss the 1995 Farm Bill. (See *Key Department News: Work Continues After Announcement Of Administration's Farm Bill Guidelines*)

A May 17 editorial in *The Washington Post* was critical of the Administration's proposed Farm Bill policy. (See *attached*)

MacNeil/Lehrer News Hour is researching a story about the "home rule" movement.

Newsweek is researching a story about the Alaska Congressional delegation's views about the future of the National Forests and the USDA Forest Service in Alaska. *The New York Times* published an article today on this subject with comments by former President Jimmy Carter.

NBC's Dateline is working on a story about the Tongass National Forest and USDA Forest Service long-term contracts with foreign companies. *Dateline* is also researching two stories related to the Animal Welfare Act: pet theft and animal dealers with suspended licenses; and Predator Friendly Wool, a group which believes that predator damage can be controlled through non-lethal means.

NBC's Dateline and *The Daily Iowan* requested information about a class B animal dealer who was fined \$200,000 and had its license permanently revoked. *The Daily Iowan* also asked for confirmation that 19 dogs were sent to the University of Iowa with forged documents by the dealer.

CNN recently interviewed USDA Acting Under Secretary for Food Safety Michael Taylor and USDA Food Safety and Inspection Service Epidemiology and Emergency Response Program Director Glenn Morris about plans for an interagency study to collect data about diarrheal illness attributed to food. The interview will be broadcast in conjunction with completion of details of the study with the Food and Drug Administration and the Centers for Disease Control and Prevention.

The *Journal Newspapers* of Virginia inquired about Food Lion compliance actions.

A writer for *Science* magazine contacted the USDA Agricultural Research Service Sugarcane Field Station about ecosystem restoration initiatives in south Florida and how agriculture in the Everglades Agricultural Area (EAA) fits in with Florida ecosystem restoration.

FOIA REQUESTS

NBC Nightly News requested information on a USDA Office of Inspector General audit report on USDA water and waste disposal grants to individuals.

WEEK IN REVIEW

USDA Payment Accuracy Task Force Visits Indiana

As part of an effort to reduce what is expected to be the highest error rate in the nation, Indiana officials recently invited the USDA Food and Consumer Service (FCS) to coordinate a Payment Accuracy Task Force visit to the State to identify problems and recommend solutions. Last week a team of FCS officials spent three days working with Indiana staff. Recommendations to address specific problems are now being developed.

Rural Utilities Service Electric Program Approves Loans

Loans were recently approved for electric systems in rural areas under the Rural Electrification Loan Restructuring Act of 1993. The loans will be used to extend electric service to new consumers, build new distribution facilities, upgrade existing distribution facilities, and make other system improvements. Municipal Interest Rate Loans: Turner-Hutchinson Electric Cooperative Inc., \$1.4 million, Marion, South Dakota; Oconee Electric Membership Corporation, \$2.6 million, Dudley, Georgia; and Bedford Rural Electric Cooperative Inc., \$2.1 million, Bedford, Pennsylvania.

Avian Influenza In Mexican Poultry Appears Reduced

The U.S. delegation that recently visited Mexico to review avian influenza (AI) vaccine use has completed its report. It appears that clinical signs of AI, including mortality, have been reduced. With information now available, it is not possible to determine if vaccine alone has reduced the threat of virus spread. The data supports the idea that vaccine is only one of many tools that may be used in an eradication effort. The spread of AI in Mexico poses a serious threat to U.S. poultry interests.

International Negotiations Bring Added U.S. Trade

Through a series of recent negotiations with various countries, USDA Animal and Plant Health Inspection Service veterinarians have enhanced U.S. agricultural trade. An agreement with Lebanon will facilitate the export of 2,500 U.S. dairy cattle. Updated export protocols have been prepared for pets and game birds and slaughter cattle shipped to Mexico. On the import side, recent negotiations with Germany cover the importation of cattle semen and embryos; further discussions are underway on live cattle imports from Germany.

USDA Assessment Team Returns From Mexico

USDA Foreign Agricultural Service and USDA Consolidated Farm Service Agency officials recently returned from a trip to Mexico to assess the country's fiscal and banking situation and ways to expand exports of high-value products to Mexico. According to the team's report, Mexico's fiscal crisis appears to be bottoming out and the slow climb back is beginning.

USDA Forms Action Team To Respond To Unfair Trade Regulations

On May 15, USDA announced the formation of a team to identify and respond to trade-distorting sanitary and phytosanitary regulations employed by countries seeking unfair trade advantages. Sanitary and phytosanitary measures are especially being used by countries to restrict imports, creating barriers for agriculture.

U.S. Hosts Preparation Meeting For Americas Trade Ministerial

On May 10-11, USDA officials participated in a U.S. Trade Representative-hosted meeting to lay the groundwork for a Trade Ministerial to be held in Denver, Colorado on June 30. This organizational meeting of representatives from nations of the Americas was held as part of the follow-up to last year's Summit of the Americas. At the meeting, country representatives outlined an agenda for the upcoming meeting, including moving toward a free trade agreement for the Americas. USDA's suggested topic on the impact of sanitary and phytosanitary measures on trade was accepted, and will be part of the agenda.

SECRETARY'S SCHEDULE

On May 19, I will travel to Independence, Kansas to meet with USDA employees and attend the Cessna groundbreaking ceremony.

On May 20, I will deliver the Ivy Day Address and tour Morris Arboretum at the University of Pennsylvania in Philadelphia.

On May 22, I will meet with the Cairns group of Ambassadors about trade issues. Cairns represents Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Hungary, Indonesia, Malaysia, New Zealand, Philippines, Thailand, and Uruguay.

On May 24, I will join Deputy Secretary Richard Rominger, Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen, and Department officials at a remembrance ceremony for USDA Animal and Plant Health Inspection Service employees who were victims in the Oklahoma City bombing. The ceremony will be in Riverdale, Maryland.

On May 30-31, I will tentatively join Senator Tom Daschle in South Dakota to meet with farm leaders and to view flooded areas.

On June 2, I will address the U.S. Meat Export Federation at the 10th World Meat Congress in Denver, Colorado. As part of this trip, I am also planning to visit the USDA Roman L. Hruska Meat Animal Research Center in Clay Center, Nebraska.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On May 24, Deputy Secretary Richard Rominger will join me and other employees in Riverdale, Maryland for a remembrance ceremony for USDA Oklahoma City bombing victims.

On May 30-June 1, Deputy Secretary Rominger will participate in the President's Council on Sustainable Development meeting in Queenstown, Maryland and Washington, D.C.

On June 4, Deputy Secretary Rominger is scheduled to address the Arkansas Rural Development Commission in Hot Springs, Arkansas.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On May 25, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will travel to Jackson Hole, Wyoming to address the Tri-State Dietetics Association's conference on child nutrition programs. She will also visit a local school for lunch.

On May 24-26, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will travel to Mexico City, Mexico to meet her counterpart, Subsecretary of Agriculture Romarico Daniel Arroyo Marroquin.

On May 29-June 2, USDA Inspector General Roger Viadero will attend the 42nd Annual National Security Forum at the Air War College, Maxwell Air Force Base, Alabama; on June 7-9, he will be in New York City to attend a meeting of the American Society for Industrial Security.

On May 22, USDA Under Secretary for Natural Resources and Environment Jim Lyons will address the fourth annual Watershed Conference in West Virginia.

On May 22, Acting Under Secretary for Research, Education, and Economics Floyd Horn will participate in an environmental technology workshop, sponsored by the Department of Defense in Hershey, Pennsylvania.

The Washington Post

AN INDEPENDENT NEWSPAPER

Doing No Harm on the Farm

THE ADMINISTRATION says that the goal of its farm policy is "do no harm." By that it seems to mean mainly, do no harm to whatever may be the president's reelection chances in the farm states. Congress is in the process of writing a new farm bill. In doing so, it seems likely to be forced by the budget process to reduce existing supports. A sensible cut in these anachronistic devices would constitute good farm and fiscal policy alike. The possibility exists that the programs could be usefully redirected as well—for example, the government could decide to reward farmers less for production and more for conservation.

The administration, however, rather than take the lead at this moment of opportunity, has chosen to lag. It proposes no cuts in the programs; any cuts will be for the Republicans to impose. Nor has it promised a distinct new policy in the form of a particular bill. Rather, its contribution to the congressional deliberations has been to send up a book of "guidance" that suggests some possible policies but fails even to hint at a willingness to fight for them.

Existing farm policy is much criticized, and with cause. The critics aren't just outsiders; the most trenchant just now is probably Senate Agriculture Committee Chairman Richard Lugar. The ostensible purpose of the support programs

is to protect mostly small and vulnerable producers—family farmers—against the vagaries of weather and world markets and thereby stabilize both farm income and U.S. food supplies and prices. In fact, the programs tend to subsidize mainly larger producers (at a current cost of about \$10 billion a year) and to waste resources when farmers grow for the government rather than for the market. Environmental critics say the programs encourage a brand of agriculture that harms the land and water as well.

Mr. Lugar would cut the programs back. The House and Senate budget resolutions also envision cutbacks. The administration would let the support levels be, which means that to some extent it happily forfeits its seat at the policy table. The guidance does suggest what might be a sensible way of extracting the government from planting decisions: the phasing-in of a system under which farmers would get their support payments no matter what they produced. There would still be a government safety net under qualifying farmers, but it wouldn't be tied to production, and what they grew each year would be up to them.

The guidance, in fact, includes a lot of good ideas. But the budget decision is the key one on which most else depends, and from that the president stands aside.



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

May 25, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of May 22, 1995

KEY DEPARTMENT NEWS

Memorial Service Held For Oklahoma Victims

On May 24, I joined Deputy Secretary Richard Rominger, the Department's Sub-cabinet, and USDA employees at a remembrance ceremony for USDA Animal and Plant Health Inspection Service victims of the Oklahoma City bombing. My remarks focused on the importance of public service. The remembrance ceremony was held in Riverdale, Maryland and was carried over USDA television for all Department employees in Washington, D.C.

Assistance To Midwest Producers Impacted By Flood Conditions

Today, I announced a package of farm program and crop insurance changes to aid producers in the Midwest who have been prevented from following their normal planting schedules due to excessive rains. Most significant among the changes, the USDA Office of Risk Management will amend its current crop insurance regulations to permit affected farmers to collect a crop insurance prevented planting payment and enroll the affected acreage under specified provisions of the 1995 wheat, feed grains, upland cotton, and rice programs.

This assistance came about after several Senators requested that USDA Consolidated Farm Service Agency Administrator Grant Buntrock visit flood-impacted states to assess damage caused by excess moisture and to determine what action USDA could take to provide assistance to producers who have been prevented from planting. On May 30-31, I will join Senator Daschle in South Dakota to meet with farm leaders and to view flooded areas.

USDA Continues Focus On 1995 Farm Bill

On May 23, I testified before the Senate Committee on Agriculture, Nutrition, and Forestry about the USDA food and nutrition programs and the Administration's 1995 Farm Bill guidelines for those programs. I proposed a series of reforms, between block grants and maintaining the status quo, which will give states greater flexibility in managing the \$27 billion program. The reforms will also strengthen requirements for adults who receive benefits and integrate nutrition education into the program.

My testimony and comments were covered by *National Public Radio*, *Reuters*, *Associated Press*, *Knight Ridder Financial News*, and *Bloomberg Business News*. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas accompanied me at the hearing and was interviewed by *Reuters* about the food stamp reform package proposals.

USDA issued three news releases this week relating to specific provisions in the Farm Bill guidelines. A May 19 release outlined the comprehensive reform and anti-fraud provisions for the food stamp program. A May 22 release focused on the rural development provisions of the Farm Bill and specific measures proposed for stimulating investment in rural America, streamlining funding, and increasing local community empowerment. A May 24 release described the Administration's guidelines for increasing investment in research and developing a more effective research and extension agenda.

USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn gave interviews to nine radio stations around the country on the Administration's rural development proposals for the Farm Bill. He also recorded a USDA television spot for satellite feed to interested television stations.

USDA Announces Market Promotion Program FY95 Allocations

Today, I announced FY95 allocations of \$85.5 million to 63 U.S. nonprofit commodity groups and regional trade organizations for export promotion activities under the Market Promotion Program (MPP). In keeping with our pledge to provide more assistance to medium- and small-size and new-to-export companies, 55 percent of the brand promotion funds will go to smaller entities, up from 41 percent in 1994. USDA has received complaints from a small number of organizations about the MPP allocations, especially the Wine Institute, because of MPP cuts in their programs.

Upcoming USDA Report

On May 31, the USDA Economic Research Service will release *Outlook for U.S. Agricultural Exports*, which will reexamine the agricultural trade forecast for FY95. Because of the continued strength of U.S. coarse grain and cotton sales, the forecast

is likely to be raised to at least a record \$50 billion, up from the \$48.5 billion forecast last February. Imports are likely to be revised upwards to \$29 billion-\$30 billion, so the U.S. agricultural trade surplus is likely to remain about \$20 billion.

Housing Program Meeting Scheduled

On May 31, the USDA Rural Housing and Community Development Service is sponsoring a meeting on leveraging of the Section 502 direct Single Family Housing program. Representatives from banks, state housing finance agencies, the Federal National Mortgage Association, and the Department of Housing and Urban Development will be in attendance.

USDA WORK ON PRESIDENTIAL INITIATIVES

Rescission Response

At the request of the White House, I delivered the President's rescission message to two radio stations in Iowa on May 23: *WHO* in Des Moines; and *KWMT* in Cedar Rapids. I spoke about the affect of rescissions on the Women, Infants, and Children (WIC) program, the Section 515 Housing program, and the Alternative Agriculture Research and Commercialization Center.

Empowerment Zones/Enterprise Communities (EZ/EC) Update

Deputy Secretary Richard Rominger will participate in Empowerment Zone/Enterprise Community events in Blytheville and Forest City, Arkansas on June 3.

On May 22, staff of Senator Trent Lott met with USDA Rural Business and Cooperative Development Service (RBCDS) Acting Administrator Dayton Watkins, EZ/EC Director Alvin Brown, and representatives of the Department of the Treasury to discuss management of the Mississippi Delta Empowerment Zone.

Floodplain Management

The USDA Natural Resources Conservation Service (NRCS) sent a team to Devils Lake, North Dakota, where flooding is causing problems in eight counties and the Sioux Reservation that border this closed basin. NRCS will represent USDA on an interagency working group exploring short- and long-term options to assist area residents.

National Homeownership Partnership

The USDA Rural Housing and Community Development Service is working with the Department of Housing and Urban Development on the Presidential announcement of the National Homeownership Partnership on June 5. The National Homeownership Partnership's goal is to raise the rate of U.S. homeownership to an all-time high by the year 2000.

USDA Assistance To Native Americans

On May 16-18, the Department of Housing and Urban Development and the USDA Rural Housing and Community Development Service sponsored a Native American Homeownership Forum in Scottsdale, Arizona. USDA Rural Economic and Community Development Service Native American Coordinator Francis Harjo attended.

CONGRESS

Congressional Hearings

On May 23, I testified before the Senate Committee on Agriculture, Nutrition, and Forestry on the Administration's 1995 Farm Bill recommendations for food and nutrition programs.

The Senate Agriculture Committee continues its Farm Bill hearings on USDA programs and policies. Today, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos testified on federal farm export programs. Upcoming hearings include: conservation, June 6; and commodity policy, June 13 and 15. USDA Natural Resources Conservation Service Chief Paul Johnson will testify on June 6. I am tentatively scheduled to testify at the June 13 hearing.

Today, the House Agriculture Subcommittee on General Farm Commodities held a Farm Bill hearing on the cotton and feed grain programs.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry held a hearing today on milk pricing issues.

The House Endangered Species Task Force held a hearing today on possible changes in the Endangered Species Act. USDA Forest Service Associate Chief Dave Unger testified.

The House Economic and Educational Opportunities Subcommittee on Workforce Protections held a hearing today on agricultural workers' compensation rights.

On May 27, the House Agriculture Committee will hold a Farm Bill field hearing in Boise, Idaho. Dr. John Walker of the USDA Agricultural Research Service U.S. Sheep Experiment Station will testify.

On June 1, the Senate Energy and Natural Resources Committee will hold a field hearing in Wrangell, Alaska regarding issues on the Tongass National Forest. USDA Regional Forester Phil Janik will testify.

The Senate Environment and Public Works Subcommittee on Drinking Water, Fisheries, and Wildlife announced a schedule of field hearings regarding reauthorization of the Endangered Species Act. Field hearings will occur in Roseburg, Oregon on June 1 and Lewiston, Idaho on June 3.

On June 5, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a hearing on the USDA Food Stamp Program. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify.

The House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a June 5 Farm Bill hearing on the peanut program. USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith will testify.

On June 6, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the California Spotted Owl interim guidelines on National Forest lands.

On June 8, the Senate Energy and Natural Resources Committee will hold a hearing on USDA Forest Service-proposed planning regulations and reinvention. USDA Forest Service Chief Jack Thomas will testify.

On June 13 and 19, the House Government Reform and Oversight Subcommittee on Government Management, Information, and Technology will hold a hearing on streamlined federal field structures.

Key Congressional Visits And Activities

On May 23, Karl Stauber was confirmed by the Senate as USDA Under Secretary for Research, Education, and Economics. On May 24, Under Secretary Stauber testified before the Senate Agriculture Subcommittee on Research, Nutrition, and General Legislation on the Administration's 1995 Farm Bill proposals for research.

Senator Thad Cochran is expected to introduce a farm commodities proposal, which would counter the plan proposed by Senate Agriculture Committee Chairman Richard Lugar. Senator Cochran has stated that Senator Lugar's plan would be a serious blow

to production agriculture if passed. The Cochran plan would maintain the level of commodity support in past budgets. In contrast, the Lugar proposal would reduce the amount spent on commodity supports by 3 percent per year for five years. Senator Cochran hopes to release his plan before the Senate Agriculture Committee holds commodity hearings on June 13 and 15.

Several Midwest Members of Congress have contacted USDA about wet weather concerns. Much of the Midwest has a low percentage of crops planted because of wet conditions. The Members are also concerned that farmers cannot receive needed payments under the USDA Crop Insurance Program. The Department announced program changes today, which were responsive to these concerns. (*See Key Department News: Assistance To Midwest Producers Impacted By Flood Conditions*)

On May 24, I met with the House Democratic Budget Working Group to discuss the Administration's Farm Bill proposal.

Senator Kent Conrad has introduced a bill which would remove National Grasslands and land utilization projects from the National Forest System. However, USDA would still have jurisdiction over these projects.

KEY REGULATORY ACTION

On May 22, USDA announced proposed rules for the newly formed USDA National Appeals Division. This announcement was part of USDA ongoing reorganization efforts. By consolidating multiple agency appeals units into one independent organization, the Department can streamline and ensure uniformity in the appeals process. The proposed regulations were published in the May 22 *Federal Register*, with a 30-day comment period.

Today, a final rule establishing comprehensive regulations for log and unmanufactured wood imports was published in the *Federal Register* by the USDA Animal and Plant Health Inspection Service. The new rule, which was highly sought after by sawmills and other wood processing companies in the Pacific Northwest, becomes effective August 23. The USDA Forest Service participated in development of the regulations, which will help protect U.S. forests from foreign pests that might be introduced with wood imports.

Several Members of Congress have written about USDA's proposal to establish comprehensive regulations governing introduction and movement of certain nonindigenous organisms. The proposal sets permit requirements to screen such organisms prior to their importation, release into the environment, or movement interstate. A concern is the regulations' impact on organic farming. The USDA Animal and Plant Health Inspection Service held four public hearings and extended the comment period until May 26. Deputy Secretary Richard Rominger will be meeting with agency officials to discuss comments and agency action.

PRESS INQUIRIES

Press Contacts With USDA

NBC News contacted the USDA Consolidated Farm Service Agency (CFSA) for information on government payments to foreign investors owning land in the United States. CFSA explained that payments are not made to foreign investors unless specific requirements are met.

The Wall Street Journal inquired about the tobacco and peanut programs.

The Wall Street Journal is also interested in doing a story on the USDA Rural Utilities Service and the Information Superhighway.

ABC's Prime Time requested information on the National Organic Standards Program.

The Washington Times interviewed USDA Acting Under Secretary for Food Safety Michael Taylor about the Department's Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) food safety proposal.

WEEK IN REVIEW

Department Recognizes Dual Subsidies To Rural Rental Housing Borrowers

The USDA Office of Inspector General recently issued a Management Alert, disclosing that the Department's Rural Rental Housing borrowers who acquired projects before October 1980 have received unnecessary and duplicative benefits from the U.S. Department of Housing and Urban Development (HUD) and USDA. Specifically, the combination of HUD Section 8 payments provided to subsidize tenants' rents and the interest credit allowance permitted by the USDA Rural Housing and Community Development Service (RHCDS) has exceeded the amount of funds needed to fulfill program purposes. This has resulted in unearned profits to the borrowers and approximately \$5 million per year in excess interest costs to the Department. In response to the Management Alert, RHCDS officials are actively working with HUD to address this problem, which may require a legislative solution.

County Supremacy Movement Lawsuit Filed

On May 23, the Department of Justice filed a trespass complaint in federal district court in Nevada against Cliff and Bertha Gardner, based on their unauthorized livestock grazing activities on the Humboldt National Forest in Elko County, Nevada. In 1994, the USDA Forest Service cancelled the Gardners' grazing permit for violations of its terms and conditions. The Gardners continued to graze their cattle on National Forest land in defiance of the agency's repeated instructions to remove the

cattle. The Gardners are part of a growing movement in the West, dubbed the County Supremacy Movement, which asserts that all federally-owned land in the West was transferred to the states upon their admission to the Union under the Equal Footing Doctrine. Due to the Gardners' connection to the movement, there may be renewed media interest in this subject.

USDA Announces First USDA/Woodrow Wilson Foundation Awardees

On May 22, USDA announced the selection of eight students of 1890 land-grant institutions as the first participants in the USDA/Woodrow Wilson Foundation graduate fellowship program. The graduate fellowship program was established this year with a partnership between USDA, the 1890 institutions, and the Woodrow Wilson Foundation, a non-profit educational foundation. The program goal is to prepare graduates of 1890 land-grant universities for careers at USDA and to help augment USDA/1890 National Scholars' opportunity to pursue advanced degrees in fields important to the Department's mission.

United States Initiates First-Ever WTO Dispute Settlement Cases

The United States has initiated two World Trade Organization (WTO) Article XXII dispute settlement cases against Korea, challenging Korea's import inspection practices and food shelf-life system. These are the first cases to cite violations of the new Sanitary/Phytosanitary Agreement and are expected to be precedent-setting. Consultations with Korea will be held during the first week of June. Canada has already advised the WTO that it will join the United States in these consultations and Australia has also shown strong interest.

Georgia Poultry Exports To Russia Resume

A USDA interagency team in Paris, France successfully negotiated a new bilateral poultry health protocol, which allows U.S. poultry shipments from the State of Georgia to the Russian Federation to resume. The USDA Food Safety and Inspection Service issued a notice in April that poultry products from the State of Georgia could not be exported to Russia due to the presence of infectious *laryngotracheitis*. Russia is the largest U.S. poultry export market (almost \$300 million in 1994; nearly 30 percent of total U.S. poultry exports).

United States/Australia Hold Bilateral Talks On Agriculture

On May 18-19, U.S. and Australian representatives met in Washington, D.C. to discuss bilateral agricultural issues. World Trade Organization (WTO) implementation and areas of cooperation in WTO negotiations were covered in some detail.

Australia commented extensively on the Export Enhancement Program (EEP) and Dairy Export Incentive Program (DEIP), especially its concerns about U.S. wheat sales to Indonesia. The United States raised concerns about Australia's dairy regime, which results in subsidies on exports.

USDA/Kyrgyz Republic Sign Food For Progress Agreement

On May 19, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos and Kyrgyz Republic Deputy Prime Minister Jungalbek Amanbaev signed a FY95 Food for Progress agreement that will provide the Kyrgyz Republic up to 85,000 metric tons of wheat, valued at \$15 million. USDA is also donating 3,500 metric tons of commodities through the Mercy Corps International, a private voluntary organization, under the Food for Progress Program.

USDA Approves Loans To Provide Electricity To Rural Areas

Loans were recently approved for electric systems in rural areas under the Rural Electrification Loan Restructuring Act of 1993. The loans will be used to extend electric service to new consumers, build new distribution facilities, upgrade existing distribution facilities, and make other system improvements. Municipal Interest Rate Loans were approved for: Washington Electric Cooperative Inc., Marietta, Ohio, \$2.26 million; Pee Dee Electric Cooperative Inc., Darlington, South Carolina, \$10 million; D. S. and O. Rural Electric Cooperative Association, Solomon, Kansas, \$1.75 million; North Central Electric Cooperative Inc., Attica, Ohio, \$1.2 million; and Owen Electric Cooperative Inc., Owenton, Kentucky, \$7.47 million.

SECRETARY'S SCHEDULE

On May 30-31, I will join Senator Tom Daschle in South Dakota to meet farm leaders and to view flooded areas. Then I will travel to Nebraska to visit the USDA Roman L. Hruska U.S. Meat Animal Research Center in Clay Center, Nebraska. I will also tour Farmland Foods Inc., a large federally inspected swine slaughter operation in Crete, Nebraska. (*See Key Department News: Assistance To Midwest Producers Impacted By Flood Conditions*)

On June 2, I will travel to Denver, Colorado to address the U.S. Meat Export Federation at the 10th World Meat Congress. I will also meet with Canadian Agriculture Minister Ralph Goodale.

On June 7, I will give the keynote address at the annual meeting of the U.S. Chamber of Commerce in Washington, D.C.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On May 30-June 1, Deputy Secretary Richard Rominger will participate in the President's Council on Sustainable Development meeting in Queenstown, Maryland and Washington, D.C.

On June 3, Deputy Secretary Rominger will participate in Empowerment Zone/Enterprise Community events in Blytheville and Forest City, Arkansas.

On June 4, Deputy Secretary Rominger will address the Arkansas Rural Development Commission in Hot Springs, Arkansas.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On May 29-June 2, USDA Inspector General Roger Viadero will attend the 42nd Annual National Security Forum at the Air War College, Maxwell Air Force Base, Alabama; on June 7-9, he will be in New York City to attend a meeting of the American Society for Industrial Security; on June 13-17, he will be in New York City to attend the National Internal Affairs Conference.

On June 6-7, USDA Assistant Secretary for Administration Wardell Townsend will be in Lexington, Kentucky to participate in the National Federation of Federal Employees Region 9 Training Session; on June 15-16, he will be in Lexington, Kentucky for the USDA Partnership Council meeting.

On May 30-June 1, USDA Under Secretary for Natural Resources and Environment Jim Lyons will participate in meetings for the President's Council on Sustainable Development in Easton, Maryland.

On June 19-22, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will be in Panama to attend the Panama-U.S. Commission for the Prevention of Foot-and-Mouth Disease and Screwworm Commissioners meetings.

On May 25, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will travel to Jackson Hole, Wyoming to address the Tri-State Dietetics Association (Idaho, Montana, Wyoming) conference on child nutrition programs. She will also visit a local school for lunch.

On May 31-June 1, USDA Under Secretary for Research, Education, and Economics Karl Stauber will visit the USDA Roman L. Hruska U.S. Meat Animal Research Center in Clay Center, Nebraska; on June 18, he will address the Council for Agricultural Research, Extension, and Teaching in Washington, D.C.



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

June 1, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of May 29, 1995

KEY DEPARTMENT NEWS

USDA Gets First-Hand Look At Midwest Weather Conditions

I visited South Dakota with Senator Tom Daschle this week to view the impact of flooding and excess moisture conditions. The extreme conditions have delayed planting for many farmers across the region. To provide assistance to these farmers, USDA announced several program changes on May 25 amending federal crop insurance regulations and policies to permit producers to both collect prevented planting insurance and receive certain deficiency payments for 1995 crops. Producers in authorized counties will also have the option of taking part in emergency haying and grazing programs. Final planting dates were also extended to accommodate the uncertain weather conditions. I also visited the USDA Roman L. Hruska U.S. Meat Animal Research Center and a slaughterhouse in Nebraska to further USDA food safety and related research efforts.

EU Hormone Ban To Be Discussed

On June 2 and 5, I will meet with European Union (EU) Commissioner of Agriculture Franz Fischler to discuss a number of contentious bilateral issues. Most notably, we will talk about the EU's ban on the use of hormones in livestock production, which the United States believes is scientifically unjustified. The EU has proposed to establish a study commission on this issue.

Team Nutrition Program To Be Announced

On June 12, USDA will launch Team Nutrition, an initiative designed to improve children's health and education by creating innovative public and private partnerships to promote healthy food choices through the media, schools, families, and the community. I will be joined by First Lady Hillary Rodham Clinton, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas, and children from a Montgomery County, Maryland elementary school at a school fair event at USDA

headquarters to showcase the initiative. Team Nutrition is designed to support the School Meals Initiative for Healthy Children, a comprehensive, integrated plan to ensure that children have healthy meals at school.

1995 Farm Bill Update

On May 30, I traveled with Senator Tom Daschle to meet with farmers and ranchers in Rapid City and Aberdeen, South Dakota on the 1995 Farm Bill.

On May 25, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn spoke about the rural development provisions in the Administration's Farm Bill guidelines during an interview with *WHO* radio in Des Moines, Iowa. USDA Under Secretary for Research, Education, and Economics Karl Stauber also spoke with constituent groups in Mississippi about the Farm Bill.

Upcoming USDA Report

On June 8, the USDA Economic Research Service will release *Agricultural Export Programs: Background for 1995 Farm Legislation*, which studies options for supporting farm exports and farm income with lower price subsidies under the Uruguay Round GATT agreement and with U.S. budget constraints.

Forest Service Reinvention Report To Be Released

On June 8, the USDA Forest Service will release *Mileposts*, which outlines goals and a framework for reinventing the agency and incorporates changes to the original proposal that respond to public comment. The report will be submitted to Congress, and internal and external briefings are scheduled.

USDA WORK ON PRESIDENTIAL INITIATIVES

President's Forest Plan Timber Sales Upheld

In the first legal challenge to timber sales offered under the President's Pacific Northwest Forest Plan, the Federal District Court in Oregon has informed the government that it is denying the Native Forest Council's (NFC) request for a preliminary injunction against 12 timber sales in Oregon and Washington. NFC had alleged the sales violated the National Environmental Policy Act (NEPA), because revised NEPA documents were not prepared after the President's Northwest Forest Plan was adopted, and alleged the timber sales violated the Endangered Species Act. An opinion is expected to be issued today.

Because plaintiffs would not agree to merge motions for summary judgment with the motion for a preliminary injunction, briefing will continue and a hearing on the motion for summary judgment will be held on August 18. The timber sales may proceed with auction, award, and harvesting in the interim.

Rescission Response

Last week, USDA Under Secretary for Research, Education, and Economics Karl Stauber traveled to Mississippi to participate in several research-oriented events and to discuss the 1995 Farm Bill. As part of the trip, he had interviews with members of the local press and discussed the impact of rescissions. Under Secretary Stauber also spoke to Mississippi State University staff about President Clinton's agenda and the meaning of the Oklahoma City bombing for public employees.

USDA Assistance To Native Americans

On May 23, USDA Under Secretary for Research, Education, and Economics Karl Stauber met with leaders from tribal colleges in Arizona, Minnesota, and Wisconsin to discuss Native American higher education issues. The meetings focused on educational needs of Native American students at 1994 Land-Grant Institutions (Tribally Controlled Colleges).

USDA Assisting With Homeownership 2000 Announcement

On June 5, President Clinton will announce the National Homeownership Partnership, an initiative to increase the level of homeownership to an all-time high by the year 2000. USDA is sponsoring a secondary event on the same day at the Indian Head Self Help project, a 30-unit self-help housing project in Northern Charles County, Maryland to spotlight rural homeownership.

CONGRESS

Congressional Hearings

The Senate Agriculture Committee continues its Farm Bill hearings on USDA programs and policies as follows: conservation, June 6; commodity policy, June 13 and 15. Deputy Secretary Richard Rominger will testify on June 6. I will testify at the June 13 hearing.

Today, the Senate Energy and Natural Resources Committee will hold a field hearing in Wrangell, Alaska regarding issues on the Tongass National Forest. USDA Regional Forester Phil Janik will testify.

The Senate Environment and Public Works Subcommittee on Drinking Water, Fisheries, and Wildlife announced a schedule of field hearings regarding reauthorization of the Endangered Species Act. A field hearing was held today in Roseburg, Oregon; another hearing will be in Lewiston, Idaho on June 3.

On June 2, the Senate Energy and Natural Resources Committee will hold a field hearing in Fairbanks, Alaska on implementation of the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act.

On June 3, the House Resources Committee Private Property Rights Task Force will hold a field hearing in Phoenix, Arizona on private property rights; a hearing on the same issue will be held on June 13.

On June 8, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a hearing on the USDA Food Stamp Program. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify.

The House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a June 8 Farm Bill hearing on the peanut program. USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith will testify.

On June 6, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the California Spotted Owl interim guidelines on National Forest lands.

The Senate Energy and Natural Resources Subcommittee on Energy Production and Regulation will hold a June 6 hearing on S. 708, a bill to repeal a provision in existing law that requires electric utilities to purchase power produced by alternative energy facilities.

On June 8, the Senate Energy and Natural Resources Committee will hold a hearing on USDA Forest Service-proposed planning regulations and reinvention. USDA Forest Service Chief Jack Thomas will testify.

On June 13 and 19, the House Government Reform and Oversight Subcommittee on Government Management, Information, and Technology will hold a hearing on streamlined federal field structures.

On June 20, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on legislation dealing with rights-of-way disputes.

On June 21, the House Resources Committee will hold a hearing on draft legislation to reauthorize the Endangered Species Act.

On June 21, the House Agriculture Subcommittee on Risk Management and Specialty Crops will mark up legislation, which is the result of negotiations in the fruit and vegetable industry and businesses, which will amend the Perishable Agriculture Commodities Act.

On June 27, the House Resources Subcommittee on National Parks, Forests, and Lands will mark up H.R. 826, a bill to extend the deadline for completion of certain land exchanges involving the Big Thicket National Preserve in Texas.

Key Congressional Visits and Activities

On June 5, USDA Rural Housing and Community Development Service (RHCDS) Acting Administrator Maureen Kennedy will meet with House Agriculture Appropriations Subcommittee staff to discuss whether to privatize the RHCDS loan portfolio or to pursue centralized portfolio servicing. The meeting is critical to the future of RHCDS housing programs.

On June 6-7, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will meet with Congressmen Sam Farr, John Baldacci, Sanford Bishop, Bennie Thompson, and Charles Canady, and Senator Howell Heflin regarding welfare and food stamp reform. On June 8, Under Secretary Haas will meet with Senators Byron Dorgan and Charles Grassley regarding the Senate Farm Policy Coalition.

On May 23, Congressman Dan Miller with 85 co-sponsors introduced H.R. 1687, a bill to terminate the agricultural price support and production adjustment programs for sugar, which was referred to the Committee on Agriculture. Senator Judd Gregg introduced a similar bill, S. 847..

KEY REGULATORY ACTION

The USDA Forest Service will soon submit to the *Federal Register* revised directions for issuing and administering permits and assessing fees for outfitting and guiding activities on National Forest System lands. This action will ensure consistency in outfitter and guide program administration and fees throughout the Forest Service.

The USDA Animal and Plant Health Inspection Service will soon publish in the *Federal Register* a notice moving Nebraska from Class A to Class Free status in the cooperative brucellosis eradication program. With Nebraska, 34 states will be free of brucellosis; only 119 cattle herds remained under quarantine as of May 1.

It is hoped that the School Meals Initiative for Healthy Children final rule will be approved by the Office of Management and Budget and then will be published in the *Federal Register* by early June. This final rule will update school lunch nutritional requirements, streamline administrative requirements, and require that meals served in schools participating in the National School Lunch Program meet the Dietary Guidelines for Americans.

PRESS INQUIRIES

Press Contacts With USDA

USA Today's editorial board is interested in doing a series on the 1995 Farm Bill and has requested copies of USDA Economic Research Service background reports on various commodity programs.

Associated Press is researching a story about being a career employee at USDA.

Associated Press inquired about USDA Forest Service law enforcement and investigation officials' use of guns; the article will likely run this weekend.

Associated Press requested a response to a report recently issued by the Center for Science in Public Interest that criticizes USDA's research and promotion programs and the Market Promotion Program.

U.S. News & World Report is researching a story about crop insurance and recent flooding in the Midwest.

CBS Sunday Morning News with Charles Osgood is preparing a segment for release on June 11 regarding working conditions in areas where threats to federal land managers have occurred.

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will be interviewed this week by the *Des Moines Register* and by *National Public Radio* regarding food stamp reform and Electronic Benefits Transfer.

The Washington Post inquired about USDA Agricultural Research Service work on *E. coli O157:H7* and fasting stress in cattle. The article will focus on current food safety-related research for a health-related column.

USDA Consolidated Farm Service Agency (CFSA) commodity managers received a letter from the *Houston Chronicle* for information on three suppliers of polypropylene bags. The reporter is writing a story on the bag manufacturers, and the possibility that these particular manufacturers operate businesses with poor working conditions for employees. CFSA supplied information regarding USDA contracts awarded to the bag manufacturer during the past year.

FOIA REQUESTS

Texas Business Magazine requested lists of recipients of agricultural subsidies and the size and form of those subsidies.

U.S. News & World Report requested the investigative file concerning the Coulston Foundation, a registered research facility in Alamogordo, New Mexico that conducts toxins research on chimpanzees primarily for pharmaceutical companies.

WEEK IN REVIEW

Joint Commission Makes Progress On Grains Issues

The U.S.-Canada Joint Commission on Grains is scheduled to release a preliminary report of its findings and recommendations by June 12. The USDA Foreign Agricultural Service reports that the Commissioners are likely to issue statements on all major issues in dispute, which will include the following: general recommendations calling for the end of excessive price discrimination by the Canadian Wheat Board; the elimination of global export subsidies and other trade-distorting measures (including the USDA Export Enhancement Program); and the establishment of a cross-border industry commission to monitor cross-border trade.

U.S. Exporters Express Frustration In Obtaining Export Licenses For Iran

U.S. corn and rice exporters have expressed frustration in obtaining export licenses to complete sales to Iran beyond the 30 days after the announcement of the embargo. The USDA Foreign Agricultural Service informed industry representatives that regulations should be published by the Department of Treasury's Office of Foreign Assets Control by June 6. Outstanding corn sales of 150,000 metric tons are scheduled for June and July delivery. Shipment of rice totaled 3,000 tons this week, with outstanding rice sales scheduled for delivery during the current marketing year totaling 157,000 tons and for next year, beginning August 1, totaling 25,000 tons.

Meeting Held Regarding USDA Involvement In Olympic Games

USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen and USDA Animal and Plant Health Inspection Service officials recently met with Atlanta Committee for the Olympic Games (ACOG) members to discuss a number of issues. The most important issue discussed was ACOG's petition for the Department to waive all user fees for horses competing in the 1996 Games. USDA wants to ensure that the horses brought into the United States do not introduce foreign horse diseases. A feasibility study is now being conducted.

Animal Health Agreement Leads To U.S. Cattle Exports To Turkey And Korea

Two shipments of approximately 2,500 cattle are currently being prepared for export to Turkey. These shipments stem from a new animal health agreement recently negotiated with Turkey by the USDA Animal and Plant Health Inspection Service that will facilitate the export of 20,000 to 30,000 cattle to that country during the next two years. A large shipment of cattle also is being prepared for export to Korea, the first such shipment in at least 10 years.

Food Stamp Program Error Rates Fall

Preliminary estimates suggest that the 1994 Food Stamp Program national payment error rate will be around 10.35 percent, almost 0.5 percent lower than the 1993 error rate. This is the first year the national error rate has decreased since 1991. Twenty-five states reduced their error rates, with the most significant contributions to the overall improvement from Louisiana, Tennessee, South Carolina, New York, and Florida. This improvement in payment accuracy represents over \$100 million in savings in 1994. Final error rates will be announced by the end of June.

Food Stamp Program Initiates Federal Salary Offset

On May 24, the USDA Food and Consumer Service (FCS) sent letters to state agencies requesting that they initiate collection on 2,300 claims, totalling nearly \$1.3 million in overissued Food Stamp benefits owed by federal and U.S. Postal Service employees. FCS provided state agencies with the debtors' home addresses and the names of their employing federal agencies.

SECRETARY'S SCHEDULE

On June 2, I will be in Denver, Colorado to address the U.S. Meat Export Federation at the 10th World Meat Congress. I will also meet with Canadian Agriculture Minister Ralph Goodale.

Next week, I may travel to Portland and Salem, Oregon to discuss issues related to the President's Forest Plan. Alternative travel plans would include visiting flood sites in Missouri and Iowa.

On June 10, I will travel to Des Moines, Iowa to participate in the Presidential Candidates Agricultural Forum, sponsored by the National Pork Producers Council.

On June 7, I will give the keynote address at the annual meeting of the U.S. Chamber of Commerce in Washington, D.C.

On June 26-30, I will travel to Russia as part of the Gore-Chernomyrdia Commission.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On June 3, Deputy Secretary Richard Rominger will participate in Empowerment Zone/Enterprise Community events in Blytheville and Wheatley, Arkansas.

On June 4, Deputy Secretary Rominger will address the Arkansas Rural Development Commission in Hot Springs, Arkansas.

On June 12, Deputy Secretary Rominger will travel to Florida to address the Southern Association of State Departments of Agriculture.

On June 13, Deputy Secretary Rominger will address the National Farm and Ranch Business Management Conference in Bismarck, North Dakota. During this trip, he may visit flood-impacted areas.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On June 7-9, USDA Inspector General Roger Viadero will be in New York City to attend a meeting of the American Society for Industrial Security; on June 13-17, he will be in New York City to attend the National Internal Affairs Conference.

On June 5, USDA Assistant Secretary for Administration Wardell Townsend will address the USDA Hispanic Association of Colleges and Universities in Washington, D.C.; on June 6-7, he will be in Lexington, Kentucky to participate in the National Federation of Federal Employees Region 9 Training Session; on June 15-16, he will be in Lexington, Kentucky for the USDA Partnership Council meeting.

On June 12, Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will travel to Florida to speak to the Southern Association of State Departments of Agriculture; on June 19-22, she will be in Panama to attend the Panama-U.S. Commission for the Prevention of Foot-and-Mouth Disease and Screwworm Commissioners meetings.

On June 18, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address the Council for Agricultural Research, Extension, and Teaching in Washington, D.C.

On June 2, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend a USDA Forest Service family meeting in Boise, Idaho and participate in a conference on Bull Trout, hosted by former Idaho Governor Cecil Andrus; on June 7, he will attend a Forest Service family meeting and announce the Forest Service reinvention report in Missoula, Montana; he will also address the 1995 National Association of Conservation Districts northern plains regional meeting in Billings, Montana regarding the 1995 Farm Bill.

On June 5-6, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn will attend a rural homeless workshop in Columbus, Ohio; on June 6-7, he will attend the Rocky Mountain Farmers Union Tour in Aurora, Colorado; he will also review successful local community development efforts and visit thriving business ventures in Los Ojos, New Mexico.

On June 14, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will travel to Atlanta, Georgia to speak to the National Coordinating Committee on School Health.



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

June 8, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of June 5, 1995

KEY DEPARTMENT NEWS

Trip Scheduled To View Flooding And To Meet With Pork Producers

On June 9, I will travel to Missouri to view flooding impacts on farms there and to meet with farmers to discuss the damage and their needs. I will announce that \$25 million in Emergency Watershed Protection funds will be released to begin natural resource disaster relief work in several states. I will also announce additional farm program and crop insurance changes to aid Midwest producers who have been prevented from following their normal planting schedules. While in Missouri, I will also meet with employees and AmeriCorps members to discuss and witness emergency measures and recovery assistance efforts.

On June 10, I will address the National Pork Producers' Capital Connection Leadership Breakfast in Des Moines, Iowa. I will then represent the President in the Presidential Candidates' Agricultural Forum, part of the World Pork Expo there. While at the Expo, I will be interviewed by the *Des Moines Register*, *WHO* radio, and *WGN-TV's* Orion Samuelson. Other interviews will be scheduled during the event.

President's Pacific Northwest Economic Recovery Initiative Trip Scheduled

On June 15-16, I will travel to the Pacific Northwest to review the accomplishments of the President's Pacific Northwest Economic Recovery Initiative and other Administration initiatives. On June 15, I will be meeting with Oregon Governor John Kitzhaber, and we are planning events to promote the successes of the Administration's Forest Plan and economic adjustment initiatives. I will also be promoting the agricultural trade successes in Oregon. On June 16, I am tentatively planning to be in Seattle, Washington, where I will continue to highlight the Administration's positive contributions to the Pacific Northwest. Over the course of the trip, I plan to meet with key industry, labor, and environmental interests.

Western Governors To Discuss Land Management Issues

On June 24-27, the Western Governors Association will hold its annual conference in Park City, Utah. The group will debate about which level of government should take responsibility in managing specific policy areas or programs. Included in the discussions will be the Endangered Species Act, the Clean Water Act, the mining law of 1872, and state/federal relations. Economic development and growth will also be a key issue. On June 23, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend the Great Plains Partnership meeting that will be held in conjunction with the conference.

1995 Farm Bill Update

On June 6, I was interviewed by *Kansas Public Radio*, the *Cedar Rapids Gazette*, and the *Lincoln Star* on the 1995 Farm Bill. On June 5, USDA Under Secretary for Research, Education, and Economics Karl Stauber hosted a media roundtable to discuss the research title of the Farm Bill. *Reuters*, *Associated Press*, *Futures World News*, *Knight-Ridder Financial*, *Farm Journal*, *Kiplinger Agriculture Letter*, *Chronicle of Higher Education*, and *Agri-Pulse* participated in the discussion.

GATT Consultations Being Held

USDA staff are in Geneva, Switzerland participating in the General Agreement on Tariffs and Trade (GATT) Article XXIII consultations with Korea regarding Korea's shelflife regulations, which affect U.S. meat imports, and Korea's inspection rules governing imports of fresh citrus fruits. The United States contends that these two sets of regulations contravene Korea's obligations under the new World Trade Organization sanitary and phytosanitary agreements.

Grains Commission May Delay Preliminary Report

In meetings over the past two weeks, the U.S.-Canada Joint Commission on Grains came to a consensus on several major recommendations. The Commissioners may briefly delay the release of a preliminary report of its findings and recommendations until after the scheduled date of June 12.

USDA's Team Nutrition To Be Launched

On June 12, the Department's Team Nutrition program will be launched at USDA headquarters in Washington, D.C. First Lady Hillary Rodham Clinton, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas, and students from a Montgomery County, Maryland elementary school will join me at a "school

fair" event to showcase the initiative. Team Nutrition will improve the health and education of children by creating public and private partnerships to promote healthy food choices. The initiative will support the School Meals Initiative for Healthy Children, an integrated plan to ensure that children have healthier meals at school.

USDA WORK ON PRESIDENTIAL INITIATIVES

Pacific Northwest Economic Adjustment Program/Forest Plan

On June 15-16, I will travel to the Pacific Northwest to review accomplishments of the President's Pacific Northwest Economic Recovery Initiative. (*See Key Department News: President's Pacific Northwest Economic Recovery Initiative Trip Scheduled*)

A \$2.2 million program to hire displaced commercial salmon fishing industry employees for habitat assessment and restoration projects on private land is underway in Oregon. About 70 of the industry employees will be hired to work on 14 projects. The funds originated with the Department of Commerce and were passed through the USDA Natural Resources Conservation Service to the Oregon Department of Agriculture; soil and water conservation districts applied for the grant money.

Recreational Fisheries Stewardship Initiative

On June 2, the Office of Management and Budget submitted an executive order for the President's signature establishing the responsibility of federal agencies to work in partnerships with states, tribes, and other stakeholders to conserve, restore, and enhance aquatic systems to provide for increased recreational fishing opportunities. The executive order will establish a National Recreation Fisheries Coordination Council, which will evaluate the efficacy of the plan and report its findings biennially.

Improving Customer Service

To improve customer service, the USDA Consolidated Farm Service Agency is developing a mobile capability to process farm loans. The Supervised Credit Initiative is being piloted in 340 field offices in 20 states. These pilot sites are taking the county offices to the customer, with help from laptop computers, modems, and access to on-line agricultural information.

Reinvention

On June 7, the Department announced a reinvention plan for the USDA Forest Service. The plan will reduce 7,000 federal jobs and make the agency more efficient. The agency has reduced its 42,000 employees by 4,000 since 1992. Another 3,000 positions are planned to be cut by 1997.

CONGRESS

Congressional Hearings

The Senate Agriculture Committee continues its 1995 Farm Bill hearings on USDA programs and policies, with commodity policy hearings on June 13 and 15. I will testify at the June 13 hearing.

Today, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture held a hearing on the USDA Food Stamp Program reform proposal. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas testified.

The House Agriculture Subcommittee on Risk Management and Specialty Crops held a Farm Bill hearing today on the peanut program. USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith testified.

The Senate Energy and Natural Resources Committee held a hearing today on USDA Forest Service-proposed regulations and reinvention. USDA Forest Service Chief Jack Thomas and National Forest System Deputy Chief Gray Reynolds testified.

The House Resources Subcommittee on Energy and Mineral Resources held a hearing today on managing mineral activities; hearings will also be held on June 13 and 27.

On June 13, the House Agriculture Subcommittee on General Farm Commodities will hold a hearing on the agricultural trade title of the Farm Bill. USDA Foreign Agricultural Service Administrator Gus Schumacher will testify.

The House Resources Committee Private Property Rights Task Force will hold a June 13 hearing on private property rights.

On June 13 and 19, the House Government Reform and Oversight Subcommittee on Government Management, Information, and Technology will hold a hearing on streamlined federal field structures. USDA Assistant Secretary for Administration Wardell Townsend will testify on June 13.

On June 13, 15, and 22, the House Subcommittee on Livestock, Dairy, and Poultry will hold hearings on the 1995 Farm Bill--Reauthorization of Farm Programs and Subsidies.

On June 14, I will testify before the House Agriculture Committee on the trade title of the 1995 Farm Bill.

On June 20, the House Agriculture Committee will mark up Titles I, II, and III of H.R. 1627, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

On June 21, the House Agriculture Subcommittee on Risk Management and Specialty Crops will mark up legislation which will amend the Perishable Agriculture Commodities Act (PACA).

The House Resources Committee will hold a June 21 hearing on draft legislation to reauthorize the Endangered Species Act.

The House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a June 21 hearing on P.L. 480, the Food For Peace program.

On June 23, the House Small Business Subcommittee on Procurement, Exports, and Business Opportunities will hold a field hearing in Wilmington, North Carolina to promote export activities in North Carolina. USDA Foreign Agricultural Service Administrator Gus Schumacher will testify.

The House Resources Subcommittee on National Parks, Forests, and Lands has scheduled field hearings for June 23 and 24, in Salt Lake City and Cedar City, Utah, and a hearing in Washington, D.C. on June 29, regarding Utah wilderness legislation.

On June 24, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a Farm Bill field hearing in Pendleton, Oregon.

On June 27, the House Resources Subcommittee on National Parks, Forests, and Lands will mark up H.R. 826, a bill to extend the deadline for completion of certain land exchanges involving the Big Thicket National Preserve in Texas.

On June 27-30, the House Agriculture Subcommittee on General Farm Commodities is scheduled to begin mark up of the 1995 Farm Bill commodity program title.

Key Congressional Visits and Activities

Today, I met with Congressmen Richard Baker, Harold Volkmer, Luis Gutierrez, and Wally Herger about a variety of issues, including the 1995 Farm Bill, Missouri flooding, and the Food Stamp Program.

The Senate Agriculture Committee may possibly mark up a proposed food stamp reform proposal next week. The Administration's food stamp reform package was recently sent to the Hill. The resulting legislation will be sent to the full Senate

Finance Committee for incorporation into the Senate's proposed welfare reform package. Today, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas met with members of the Senate Policy Coalition about the Administration's proposal.

USDA Chief Financial Officer Anthony Williams is preparing a response to Congresswoman Carolyn Maloney's survey on delinquent USDA receivables, such as loans and insurance premiums.

On May 25, Senator Pete Domenici introduced S. 852, the Livestock Grazing Act. While the legislation primarily applies to the Department of the Interior's Bureau of Land Management, two sections apply to the USDA Forest Service. The section on grazing fees would establish a uniform fee system for both Eastern and Western National Forest System lands managed by the Forest Service. The second section would remove the National Grasslands from the National Forest Management Act.

On June 12, USDA Acting Under Secretary for Food Safety Michael Taylor will meet with Senator Kent Conrad to discuss food safety issues.

KEY REGULATORY ACTION

The final regulation for the Debt Set-Aside Program is in USDA clearance and is expected to be published in the *Federal Register* by the end of June. Borrowers who have suffered a loss of income from natural disasters and are unable to pay all debts would be able to set aside one payment to the USDA. Coordination of the payback process could provide some debt relief to many farm borrowers.

On June 13, the final rule requiring that meals served in schools participating in the National School Lunch Program meet the Dietary Guidelines for Americans will be published in the *Federal Register*.

PRESS INQUIRIES

Press Contacts With USDA

While at the World Pork Expo in Des Moines, Iowa on June 10, I will be interviewed by the *Des Moines Register*, *WHO* radio, and Orion Samuelson with *WGN-TV*. Other interviews will be scheduled during the event.

The *Des Moines Register* has inquired about plans for disaster assistance to the Midwestern states affected by heavy rainfall.

On June 6, USDA Inspector General Roger Viadero was interviewed by *National Public Radio's Market Place Radio* about fraud in the Food Stamp Program.

ABC's 20/20 is working on a story on "product shrinking," which will partly target the baby food industry. The Gerber Company has claimed that the downsizing of its strained baby food products from a 4.5 ounce jar to a new 4-ounce jar was based in part on the results of USDA's Nationwide Food Consumption Survey. *ABC* contacted USDA to verify Gerber's statements regarding optimal serving sizes for babies who eat jarred baby foods. Since the USDA survey was not a study of optimal size food containers, the Department did not confirm Gerber's claims.

New Scientist requested information about USDA's involvement with the Mexican outbreak of highly pathogenic avian influenza.

WEEK IN REVIEW

Meeting Held With EU Agriculture Commissioner To Discuss Trade Issues

On June 5, U.S. Special Trade Representative Mickey Kantor and I met with European Union (EU) Commissioner of Agriculture Franz Fischler to discuss several contentious bilateral issues. Following the meeting, I hosted a roundtable with reporters from *Reuters*, *Associated Press*, *Futures World News*, *Bloomberg Business News*, and *Inside U.S. Trade*.

Discussions focused on the EU hormone ban and ongoing trade problems regarding bananas. I welcomed the EU decision to hold an international conference in October to re-evaluate the use of growth-promoting substances in the EU livestock sector, but urged that the two sides begin work immediately to develop options to resolve the case. Other bilateral issues discussed included implementation of EU Uruguay Round commitments on grains and rice, negotiations under the WTO with respect to the January 1 enlargement of the EU, the bilateral Memorandum of Understanding on oilseeds, wheat gluten, and ongoing discussions on animal disease issues.

Puerto Rico Rejects USDA School Lunch Settlement Offer

Last week, the Puerto Rico Department of Education (PRDE) rejected the USDA Food and Consumer Service (FCS) offer to settle a longstanding dispute over the use of a geographic preference in bids for food for the National School Lunch Program. FCS advised PRDE that their bid specifications granting a 15 percent preference to all bids from bidders located in Puerto Rico and requiring that 90 percent of the product be of Puerto Rican origin violated the requirement in 7 C.F.R. 3015.182 for full and open competition. FCS had offered a compromise which would have permitted any Puerto Rico-based bidder the opportunity to match the low bid if its bid was within 2 percent of the low bid. FCS is reviewing the sanctions and available actions for responding to the PRDE rejection, and has previously warned PRDE that it would assess sanctions if a mutually acceptable compromise is not reached.

USDA Changing Emergency Haying And Grazing Programs

With weather impacting many regions of the country, the USDA Consolidated Farm Service Agency has developed an expedited procedure in Presidentially-declared disaster counties to allow State Committees, based on county committee certification, to approve emergency haying and grazing of Acreage Conservation Reserve and acreage for Conserving Uses set aside from production under the annual acreage reduction program. USDA is also reviewing the best manner in which to address requests for emergency haying and grazing of Conservation Reserve Program acreage.

USDA Alerts Farmers On NAP Deadlines

The USDA Office of Risk Management sent out a notification to constituent groups this week regarding the need for specialty crop farmers to turn in their acreage reports for the Noninsured Crop Disaster Assistance Program (NAP) at USDA Consolidated Farm Service Agency (CFSA) offices. Constituent groups were sent deadlines for sign-up for each state, as deadlines vary by state and by crop. CFSA staff met this week with representatives of the specialty crop industry to further explain the NAP provisions.

USDA Pools Funds For Family-Farm Ownership Loans

The USDA Consolidated Farm Service Agency has pooled unused funds from Guaranteed Farm Ownership loans remaining in the states, placing \$50 million of critically needed funds in a national reserve. These reserve funds will be distributed to those states with applications pending until the funds run out, eventually enabling 300 family-size farmers to stay in business by helping them to purchase land, refinance creditors, and pay development costs on the properties.

Ukraine/Russia Default On Agricultural Financing

Ukraine had defaulted on a \$4.9 million GSM-102 principal payment that was due the last week of May. This is consistent with past behavior in that the Ukrainians have tended to pay only the interest portion of the amount due. The USDA Foreign Agricultural Service believes there is a high probability of further GSM defaults on the \$37 million in principal payments coming due over the next three months. Russian authorities are hinting that further rescheduling of outstanding foreign debt obligations, including GSM obligations, will be needed. Russia has been in default on already-rescheduled GSM loans for several months. Kazakhstan has been put on the watch-list for probable repayment problems.

Rural Utilities Service Electric Program Approves Loans

The following loans were recently approved for electric systems in rural areas under the Rural Electrification Loan Restructuring Act of 1993. The funds from these loans will be used to extend electric service to new consumers, build new distribution facilities, upgrade existing distribution facilities and make other system improvements. Municipal Interest Rate Loans include: Choctaw Electric Cooperative Inc., Hugo, Oklahoma, \$2.1 million; Lamar Electric Membership Corporation, Barnesville, Georgia, \$1.2 million; Kandiyohi Cooperative Electric Power Association, Willmar, Minnesota, \$1.6 million; Central Alabama Electric Cooperative, Prattville, Alabama, \$9.4 million; Blue Earth-Nicollett-Faribault Cooperative Electric Association, Mankato, Minnesota, \$3.7 million; Newberry Electric Cooperative, Inc., Newberry, South Carolina, \$3.4 million.

SECRETARY'S SCHEDULE

On June 9, I will travel to Missouri to view flooding impacts on farms there and to meet with farmers to discuss the damage and their needs. I will also meet with employees and AmeriCorps members in the County to discuss and witness emergency measures and recovery assistance efforts. *(See Key Department News: Trip Scheduled To View Flooding And To Meet With Pork Producers)*

On June 10, I will address the National Pork Producers' Capital Connection Leadership Breakfast in Des Moines, Iowa. I will then represent the President in the Presidential Candidates' Agricultural Forum, which is part of the World Pork Expo there. While at the World Pork Expo, I will give interviews to the *Des Moines Register*, *WHO* radio, and Orion Samuelson with *WGN-TV*. Other interviews will be scheduled during the event. *(See Key Department News: Trip Scheduled To View Flooding And To Meet With Pork Producers)*

On June 15, I will travel to Oregon and Washington to participate in events related to the President's Pacific Northwest Economic Adjustment Initiative. *(See Key Department News: President's Pacific Northwest Economic Recovery Initiative Trip Scheduled)*

On June 26-30, I will travel to Russia as part of the Gore-Chernomyrdia Commission.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On June 12, Deputy Secretary Richard Rominger will travel to Florida to address the Southern Association of State Departments of Agriculture.

On June 13, Deputy Secretary Rominger will address the National Farm and Ranch Business Management Conference in Bismarck, North Dakota. During this trip, he may visit flood-impacted areas.

On June 16, Deputy Secretary Rominger will travel to Georgetown, Kentucky to speak at the Rural Development Conference, sponsored by Congressman Scotty Baesler.

On June 20, Deputy Secretary Rominger will travel to Great Falls, Montana to speak at the "Fields of Tomorrow" program, sponsored by *KMON-560* and Monsanto.

On June 21, Deputy Secretary Rominger will testify at the request of the Department of Justice at a trial in Fresno, California concerning the USDA citrus marketing order programs and related actions.

On June 23, Deputy Secretary Rominger will speak at the American Milking Shorthorn Society national convention in Sacramento, California.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On June 13-17, USDA Inspector General Roger Viadero will be in New York City to attend the National Internal Affairs Conference; on June 20-23, he will attend and speak before the Audit Training Academy in Chicago, Illinois.

On June 19, USDA Under Secretary for Natural Resources and Environment Jim Lyons will participate in the Committee on State Foresters Meeting in Flatwoods, West Virginia; on June 23, he will attend the Great Plains Partnership Council meeting in Park City, Utah.

On June 12, USDA Under Secretary for Research, Education, and Economics Karl Stauber will travel to Fort Valley College, Georgia to address those involved in the Southern Rural Development Initiative; on June 16, he will attend a Riley Foundation round table on Farm Bill priorities in Washington, D.C.

On June 15-16, USDA Assistant Secretary for Administration Wardell Townsend will travel to Lexington, Kentucky to participate in the USDA Partnership Council; on June 19-20, he will conduct a site visit in Greenville, Mississippi; on June 25-29, he will travel to Denver, Colorado to participate in the Advisory Council on Historic Preservation and to Fort Collins/Davis/Sacramento, California for a site visit.

On June 14, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will travel to Atlanta, Georgia to speak to the National Coordinating Committee on School Health about Team Nutrition, a Department initiative to improve the health and education of children by creating innovative public and private partnerships that promote healthy food choices. *(See Key Department News: USDA's Team Nutrition To Be Launched)*



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

June 15, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of June 12, 1995

KEY DEPARTMENT NEWS

Economic and Timber Issues Are Focus Of Pacific Northwest Trip

Today and June 16, USDA Under Secretary for Natural Resources and Environment Jim Lyons and I will be in Portland, Oregon and Spokane, Washington to discuss natural resource and economic recovery issues with local elected officials, industry representatives, labor officials, and environmentalists. In Portland, I began the day with a trade event at an export center. I then participated with Governor John Kitzhaber in a rural economic and community development press event in Salem, Oregon to award rural business development grants for the cities of Lebanon and Brownsville. Later in the day, I announced the progress made under the President's Forest Plan for the region at a news conference in Springfield. In Springfield, I also toured three timber mills. On June 16, I will convene a town hall meeting in Spokane, Washington to discuss the 1995 Farm Bill.

Grain Commission To Issue Report

On June 22, the U.S.-Canada Joint Commission on Grains will likely release its interim report. The Commission will make non-binding recommendations to the two governments for long-term solutions to existing bilateral trading problems affecting certain cereal grains and related products. The final report is expected by September 1995. The interim report will likely generate media interest.

Violence Continues Against USDA Employees

In the continuing controversy generated by the "county supremacy" movement, a number of miners have confronted USDA Forest Service officials in the Siskiyou National Forest in Oregon. In a meeting with Forest Service officials, the miners voiced their strong objections to a settlement between the Agency and environmentalists in a case entitled NWF v. Agpaoa, filed in U.S. District Court in Oregon. The case concerns the Forest Service's management of gold mining in the streams

within the forest by a method called suction dredging. The settlement would commit the Forest Service, among other things, to a study of the effects of suction dredging on the environment and to reconsider the existing conflicting management rules concerning all mining in streams within the national forests covered by the President's Northwest Forest Plan. *(See Article Attached: The Oakland Tribune)*

Environmental Impact Statement To Be Released

On June 21, the USDA Forest Service Southern Region is scheduled to release the final environmental impact statement (EIS) and record of decision on the long-term strategy for management of the red-cockaded woodpecker (RCW) on national forest lands. The proposed strategy uses an ecosystem approach to management of the southern pine forests.

There have been many changes in the proposed strategy based on public comments on the draft EIS, including the phase-in management of currently unoccupied habitat needed for recovery of the RCW. This phase-in will minimize the economic impact to local communities, while not inhibiting the ability to recover the species.

Meeting To Focus On Trade And Development Among Hemispheric Countries

On June 19-22, USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Jim Schroeder will head the U.S. Delegation to the Inter-American Institute for Cooperation on Agriculture (IICA) Executive Committee meeting in Costa Rica. The meeting will focus on IICA's programs and projects which are being proposed to assist growth of trade and development among the 33 hemispheric member countries.

USDA WORK ON PRESIDENTIAL INITIATIVES

Making Government Work Better

On June 12, a USDA news release announced the Department's progress in implementing its reorganization plan. I indicated that the Department's plan for office closures is on track. USDA offices in 224 counties have been closed, representing 20 percent of projected USDA closings. County-based field offices are being realigned into field service centers where USDA customers can receive one-stop service.

Welfare Reform

On June 9, I issued a statement in response to Senate Agriculture Committee Chairman Richard Lugar's decision against block granting the food stamp program and Child Nutrition programs. I applauded Chairman Lugar's decision and his commitment to working with the Committee to make needed reforms to reduce fraud and give states greater flexibility.

Pacific Northwest Initiative/Forest Plan

On June 14, USDA Rural Housing and Community Development Service (RHCD) Acting Associate Administrator Jan Shadburn attended the opening of the Siskiyou General Hospital in Yreka, California. RHCD participated in the funding of this project, which is part of the Pacific Northwest Initiative.

USDA Assistance To Native Americans

Today through June 18, USDA Consolidated Farm Service Agency officials are participating in discussions with Native American, minority, and low-income farmers and farmworkers at a conference organized by the Rural Coalition, an alliance of constituent groups. The Navajo Nation is hosting the event at their tribal headquarters in Window Rock, Arizona.

CONGRESS

Congressional Hearings

On June 13, I testified before the Senate Agriculture Committee on commodity policies in the 1995 Farm Bill. On June 14, I appeared before the House Agriculture Committee to discuss agricultural trade issues in the Farm Bill.

Today, the House Agriculture Subcommittee on General Farm Commodities held a hearing on rice, wheat and oilseed titles of the Farm Bill.

The Senate Agriculture Subcommittee on Production and Price Competitiveness held its second Farm Bill hearing today on commodity policy.

On June 19, the House Government Reform and Oversight Subcommittee on Government Management, Information, and Technology will hold a second hearing on streamlining federal field structures.

On June 20, the House Agriculture Committee will mark up Titles I, II, and III of H.R. 1627, a bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

On June 21, the House Agriculture Subcommittee on Risk Management and Specialty Crops will mark up H.R. 1103, the Perishable Agriculture Commodities Act (PACA).

The House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture is tentatively scheduled to hold a June 21 hearing on P.L. 480, the Food For Peace program.

The House Economic and Educational Opportunities Subcommittee on Oversight and Investigations will hold a hearing on June 21 regarding the economic impact of federal regulations.

The House Resources Committee will hold a June 21 hearing on reauthorization of the Endangered Species Act of 1973.

On June 22, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will mark up the 1995 Farm Bill.

The Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold a June 22 hearing on S. 852, a bill to provide for uniform management of livestock grazing on federal land.

On June 22, the House Economic and Educational Opportunities Committee will mark up H.R. 1715, a bill respecting the relationship between workers' compensation benefits and the benefits available under the Migrant and Seasonal Agricultural Worker Protection Act.

The House Appropriations Committee will mark up FY96 Agricultural Appropriations on June 22.

The House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a June 22 business meeting on a subject to be announced.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a Farm Bill hearing on June 22.

The House Committee on Government Reform and Oversight Subcommittee on Civil Service will hold a June 22 hearing on the Administration's AIDS training program. USDA Assistant Secretary for Administration Wardell Townsend will testify.

On June 23, the House Small Business Subcommittee on Procurement, Exports, and Business Opportunities will hold a field hearing in Wilmington, North Carolina to promote export adventures in North Carolina. USDA Foreign Agricultural Service Administrator Gus Schumacher will testify.

On June 23 and 24, the House Resources Subcommittee on National Parks, Forests, and Lands will hold field hearings in Salt Lake City and Cedar City, Utah on Utah wilderness legislation.

On June 24, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a field hearing in Pendleton, Oregon on the Farm Bill.

On June 27, the House Resources Subcommittee on National Parks, Forests, and Lands will mark up H.R. 826, a bill to extend the deadline for the completion of certain land exchanges involving the Big Thicket National Preserve in Texas.

The House Resources Subcommittee on Energy and Mineral Resources will hold a June 27 hearing on surface mining.

On June 27-30, the House Agriculture Subcommittee on General Farm Commodities will mark up the 1995 Farm Bill.

On June 29, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the Utah wilderness bill.

Key Congressional Visits And Activities

On June 16, USDA Acting Under Secretary for Food Safety Michael Taylor will meet with Senators Larry Craig and Kent Conrad to discuss the food safety top-to-bottom review and the proposed pathogen reduction/Hazard Analysis and Critical Control Points (HACCP) regulation.

The USDA Animal and Plant Health Inspection Service (APHIS) is expecting a request from Senator Tom Daschle's office for a meeting with South Dakota dog breeders. About 40 dog breeders met on May 24 in Aberdeen, South Dakota to express concerns about USDA's inspection system.

The New Mexico Congressional delegation and the House and Senate Agriculture Committees were informed of a confirmed case of vesicular stomatitis in horses New Mexico and told that no federal quarantines had been placed on the state or individual farms or ranches. The state is responsible for quarantines on individual properties. One concern is that the disease may prevent horses from entering the United States for the Olympics.

The USDA Office of Civil Rights Enforcement is preparing a response to Congressman Al Plant's inquiry concerning allegations of discriminatory employment practices.

KEY REGULATORY ACTION

On June 16, the Federal Wildland Fire Management Policy and Program draft report is expected to be published in the *Federal Register*. The report recommends actions that will resolve or mitigate concerns about the dangers and impacts of wildfire. The comment period on the draft report is open until July 10.

On June 6, the U.S. Department of the Interior Fish and Wildlife Service's final designation of critical habitat for the Mexican spotted owl was published in the *Federal Register* with an effective date of July 6.

The USDA Food Safety and Inspection Service has received 143 letters from all areas of the country expressing support for the proposed pathogen reduction and Hazard Analysis and Critical Control Points (HACCP) regulation.

The USDA Food Safety and Inspection Service has received nearly 26,000 comments on the proposed rule regarding the labeling of poultry as "fresh." 3,000 of these comments were in support of the proposed rule; 23,000 were opposed to the proposed rule. The majority of the opposition letters were form letters generated by industry groups.

USDA Animal and Plant Health Inspection Service (APHIS) dockets scheduled for publication in the *Federal Register* soon include: a proposal to amend the regulations to allow, under specified conditions, the importation of embryos from ruminants and swine from countries where rinderpest or foot-and-mouth disease exists; a notice advising the public that APHIS has received a petition from the Monsanto Company seeking a determination of nonregulated status for a corn line genetically engineered for insect resistance; and a notice that APHIS is withdrawing its proposal to regulate nonindigenous species.

On June 6, a proposed rule was published in the *Federal Register* to implement restrictions on the use of monthly reporting for households residing on Native American reservations. The rule implements provisions of the Food Stamp Program Improvements Act of 1994.

PRESS INQUIRIES

Press Conferences/Statements

On June 13, USDA Food Safety and Inspection Service officials attended a press conference at the National Press Club held by Safe Tables Our Priority (STOP). The focus was the opposition of STOP and other groups to Senator Bob Dole's risk regulatory reform bill, S. 343. Speakers included Donna Rosenbaum of STOP, Ralph Nader, Carol Tucker Foreman, Caroline Smith DeWaal, Joan Claybrook of Public Citizen, and Sonya Fendorf, the mother of a five-year-old boy who became seriously ill last year from complications of *E. coli* 0157:H7. The highlight of the press conference was the unveiling of a 30-second television advertisement featuring Mrs.

Fendorf talking about how her child nearly died from contaminated meat and how Senator Dole's bill would prevent proposed improvements to meat inspection from taking effect. The advertisement is scheduled to air immediately in New Hampshire, with a similar ad targeting Senator John Warner in this area. The commercials will then be aired nationwide.

Press Contacts With USDA

Time has asked about USDA's perspective on Senator Dole's regulatory reform bill.

Health magazine asked for update on agency action on *E. coli O157:H7*.

Ag Alert, *California Farm Bureau*, and *The Packer* inquired about Mexico's request to export Haas avocados into the United States.

American Vegetable Grower Magazine, *Organic Farmer*, *Dallas Morning News*, and *Ag Alert* inquired about the status of the USDA Animal and Plant Health Inspection Service nonindigenous organism proposal. The proposal is meant to protect the United States from pest introductions.

ABC News inquired about a 1991 USDA Office of Inspector General audit of the USDA Agricultural Marketing Service's Dairy Division grading program.

Associated Press Radio inquired about pork promotion programs.

The Wall Street Journal inquired about packer concentration numbers.

On June 12, following the Team Nutrition Launch, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas was interviewed by *Omaha World Herald*, *Philadelphia Enquirer*, *Boston Globe*, *Memphis Commercial Appeal*, *Austin American Statesmen*, *Seattle Times*, *El Paso Times*; *USA Today*, and *CBS Radio*. The subject of the interviews was Team Nutrition and its significance for the nutritional health of the nation's children.

FOIA REQUESTS

U.S. News & World Report requested copies of closed USDA investigations of the Coulston Foundation, a registered research facility. They also requested documents pertaining to the White Sand Research Center's Institutional Animal Care and Use Committee during 1993. This facility may have been under Coulston in 1993. Specifically, the requester is interested in information concerning a Draize test on nonhuman primates.

WEEK IN REVIEW

Rural Utilities Service Electric Program Approves Loans

The following loans were recently approved for electric systems in rural areas under the Rural Electrification Loan Restructuring Act of 1993. The funds from these loans will be used to extend electric service to new consumers, build new distribution facilities, upgrade existing distribution facilities, and make other system improvements. Municipal Interest Rate Loans include: Morgan County Rural Electric Association, Fort Morgan, Colorado, \$1.76 million; Marias River Electric Cooperative Inc., Shelby, Montana, \$1.04 million.

Paris Club Reschedules Russia Debt

The USDA Foreign Agricultural Service reports that \$50 million in Russia's GSM-102 debt was rescheduled in recently concluded Paris Club meetings. Of this, \$40 million was previously rescheduled debt for which repayment had been extended. The remaining \$10 million was interest due. This represents a highly satisfactory result for the USDA Commodity Credit Corporation, as no non-rescheduled debt was affected. Since 1991, USDA has extended \$4.8 billion worth of GSM credit guarantees to Russia, of which \$2.9 billion has been repaid so far.

U.S. Requests NAFTA Ministers Meeting On Import Restrictions

On June 7, the United States formally requested that the NAFTA-party Trade Ministers from the United States, Canada, and Mexico consider U.S. objections to Canada's poultry and dairy import restrictions. Under NAFTA rules, the Ministers have 30 days to settle the dispute, after which time the United States can request that a dispute settlement panel be appointed to consider the issues.

Milk Prices Drop From Last Year

At a time when the House and Senate Agriculture Committees are reviewing national dairy policy, USDA is reporting that milk prices are dropping off compared to last year. The U.S. average price for manufacturing milk this May, adjusted to 3.67 percent milkfat, was \$11.07 per cwt, compared with \$11.41 a year ago and \$11.14 for April. The Minnesota-Wisconsin Manufacturing Milk Price, 3.5 percent butterfat milk, was also down from last month at \$11.12 per cwt. in May, compared with \$11.51 a year ago and \$11.16 for April. With prices dropping, the debate on dairy policies will likely heat up as Congress gets closer to enacting the 1995 Farm Bill.

Competitive Prices Make U.S. Net Exporter of Pork

Based on recent trade data, U.S. pork exports have outstripped imports for the second straight quarter. Fourth quarter 1994 data show exports at 60,000 metric tons, compared with 55,000 tons of imports. In the first quarter of 1995, exports totaled 62,000 tons, compared with 58,000 tons of imports. This phenomenon has not occurred in almost 30 years and will probably not be sustainable through 1995. However, it is encouraging news for U.S. pork producers, who are providing some of the most competitively priced product on the world market.

Food Safety Program Proves Successful

On June 11, as part of the USDA Food Safety and Inspection Service nationwide ground beef testing program conducted in plants and at the retail level, the Agency confirmed the first positive test result for *E. coli* 0157:H7 in a federally inspected plant. Petersburg Locker Corporation in Petersburg, Nebraska had designated the lot for further processing as beef jerky, which involves a heat treatment step that renders the bacteria inactive. The only other confirmed positive in this testing program was identified at a retail store in Tennessee late last month.

Fire Fighter Safety Encouraged

Reflecting on last year's tragic South Canyon Fire Incident and preparing for this fire season, Secretary of the Interior Bruce Babbitt and I signed a joint letter to all employees expressing "Zero Tolerance" for carelessness and unsafe actions and adopting a fire-fighting code of safe practices.

SECRETARY'S SCHEDULE

Today and June 16, I will be in Oregon and Washington for timber-related events. (*See Key Department News: Economic and Timber Issues Are Focus Of Pacific Northwest Trip*)

On June 19, I will make remarks at the annual conference of Public Voice for Food and Health Policy in Washington, D.C.

On June 19, I will hold a press conference with Congressman Pat Roberts and Senator Thad Cochran at the Congressional Field Day on Precision Agriculture at the Beltsville Agricultural Research Center in Maryland.

On June 21, I will attend a meeting with the U.S.-Canada Joint Commission on Grains.

I will meet with USDA Rural Economic and Community Development State Directors while they are in Washington, D.C. for a strategic planning session, June 19-22.

On June 26-30, I will travel to Russia as part of the Gore-Chernomyrdin Commission.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On June 16, Deputy Secretary Richard Rominger will participate in a rural development conference sponsored by Congressman Scotty Baesler in Georgetown, Kentucky.

On June 20, Deputy Secretary Rominger will travel to Great Falls, Montana to speak at the day-long program, "Fields of Tomorrow," sponsored by *KMON* radio and Monsanto. The Deputy's comments will focus on the 1995 Farm Bill and wheat.

On June 21, Deputy Secretary Rominger will testify at the request of the Department of Justice at a trial in Fresno, California concerning the USDA citrus marketing order programs and related actions.

On June 23, Deputy Secretary Rominger will address the American Shorthorn Milking Society in Sacramento, California.

On June 27, Deputy Secretary Rominger will participate in the President's Pacific Rim Economic Conference in Portland, Oregon.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On June 27, USDA Acting Under Secretary for Rural Economic and Community Development (RECD) Michael Dunn will speak to the National Association of County Office Assistants and Clerks and National Association of County Supervisors meeting in a joint session in Atlanta, Georgia; on June 30, he will speak to a meeting of RECD employees in Puerto Rico.

On June 19, USDA Under Secretary for Natural Resources and Environment Jim Lyons will participate in the Committee on State Foresters Meeting in Flatwoods, West Virginia; on June 23, he will attend the Great Plains Partnership Council meeting in Park City, Utah.

On June 19, USDA Acting Under Secretary for Food Safety Michael Taylor will present the keynote address before the 1995 Annual Conference of the Association of Food and Drug Officials in Orlando, Florida.

On June 19-20, Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will be in El Salvador to participate in the Screwworm Eradication Declaration Ceremony. Secretaries of Agriculture from the Latin American countries will also attend.

On June 20-23, USDA Inspector General Roger Viadero will attend and speak before the Audit Training Academy in Chicago, Illinois; on June 29, he will be at the FBI Training Academy in Quantico, Virginia.

On June 19-20, USDA Assistant Secretary for Administration Wardell Townsend will travel to Mississippi for site visits; on June 25-29, he will speak before the Advisory Council on Historic Preservation in Denver, Colorado and conduct site visits in Colorado and California.

Violence escalating against Forest Service

McCLATCHY NEWS SERVICE

U.S. Forest Service biologist Diane Ganner was in the midst of a bird count when the first shot passed in front of her face.

The second bullet landed near her feet as she headed back to her truck. By the time she reached it, four more shots had struck around her, three fired in rapid succession, said Del Pengilly, Sequoia National Forest acting supervisor.

The shooting Tuesday in a remote meadow near Sequoia National Park is the latest incident in a series of aggressive acts toward federal agencies throughout the West.

Most of the incidents have been in Idaho, Nevada, New Mexico and Arizona, where angry landowners have mounted a "home rule" movement to get control of public lands and reclaim the civil liberties they say have been eroded by government.

Forest Service officials in California said Friday they have no evidence linking the shots fired at Ganner with anti-government groups.

"We think it's serious, but we don't think it has anything to do with 'home rule,' militia or anything else," Pengilly said.

Within hours of the shots fired at Ganner, Forest Service officials questioned a man Ganner had seen and spoken with earlier in the day. The suspect admitted he was target shooting in the area but denied any wrongdoing, Pengilly said.

Chris Lauer, a Sequoia National Forest law officer, confiscated the man's handgun and ammunition and issued a citation for negligent discharge of a firearm, Pengilly said.

Forest Service officials refused to release the name of the suspect until the citation has been filed in U.S. District Court in Fresno.

The case is still under investigation by Forest Service and FBI agents and could result in additional charges, Pengilly said.

The Sequoia National Forest shooting was a random act of violence that happened to occur in a national forest, said Chris Bowen, a Forest Service spokesman at the agency's regional office in San Francisco.

"These are difficult times with stressful situations, but we don't feel people are out to get us," Bowen said. "We're concerned about 'home rule,' but I can't say we're running scared. We have mostly good relations with even people who disagree with us."

Elsewhere in the West, assaults on federal agencies are escalating.

In Arizona, a plastic pipe loaded with flash powder started a forest fire late last month. In Nevada, bombs damaged a Forest Service office in Carson City and destroyed Forest Service outposts in Elko, and a suspicious telephone call forced workers to evacuate the Toiyabe National Forest supervisor's office in Sparks.

Pengilly, the Sequoia National

Forest acting supervisor, said coordinated attacks against the Forest Service are not an issue in California.

"Someone comes out of the forest and does some wrong things, but it isn't a conspiracy," he said.

Still, tension among federal employees has taken its toll.

When the United Parcel Service delivered a suspicious-looking package to the Milford District of

the Plumas National Forest last month, the receptionist refused to open it. Heavier than usual, the package contained misspellings in the address and had no return address, Bowen said.

Plumas National Forest officials called a demolition team from Sierra Army Depot to destroy the package.

Records later showed the package was sent by the agency's regional office in San Francisco.



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

June 29, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of June 26, 1995

KEY DEPARTMENT NEWS

Food Stamp Participation Figures Released

The USDA Food and Consumer Service recently released program participation figures for April. The report shows that 26.7 million people received food stamps in April, a decrease of 356,000 participants from March, and nearly 1 million fewer than in April 1994. The figures reflect an end to the recession-driven growth in USDA Food Stamp Program participation that occurred between 1989 and 1994, and a drop in participation in response to the strong economy.

In addition, states receiving incentive payments or being subject to liability for their payment accuracy in the Food Stamp Program for FY94 must be notified by June 30 by the Department. Seventeen states (Indiana, Arizona, New Hampshire, Ohio, West Virginia, Florida, Texas, Nebraska, Virginia, Georgia, Iowa, Maryland, Missouri, Oklahoma, Idaho, California, and Wisconsin) are expected to face penalties; seven or eight states will receive incentive payments.

Meat And Poultry Inspection Safety Reform

The House Appropriations Committee considered the Department's FY96 funding measure this week and adopted an amendment which will significantly delay USDA's efforts to substantially reform the meat and poultry inspection system. The amendment requires that the Department institute negotiated rulemaking before proceeding with its food safety reform effort to implement Hazard Analysis and Critical Control Point (HACCP) system to modernize and improve the inspection system. Despite the Department's strong objections to the amendment and concerns that such action would delay the rulemaking reform effort by at least two years, the Committee adopted the amendment. When the full House considers the measure, there is likely to be heated and controversial debate over this provision.

On June 26, I was interviewed by *CNN* about the impact of this action; this story ran earlier this week. I addressed the detrimental effect that the negotiated rulemaking requirement would have on Department efforts. I also spoke about the dangers to food safety posed by this Republican proposal during a media roundtable with *Reuters*, *Associated Press*, *Future World News*, *Bloomberg Business News*, *Webster Agricultural Letter*, *Omaha World Herald*, and *Lynch Communications* (reporting for Nebraska and Iowa papers).

I will host a Food Safety Forum in August to focus on all aspects of meat and poultry inspection reform, particularly for small businesses. The USDA Food Safety and Inspection Service (FSIS) is planning to hold a "Summit with the States" meeting in August and a public hearing in September on HACCP.

USDA Starts Natural Resources Public Service Campaign

Harmony 2, the USDA Natural Resources Conservation Service's (NRCS) national public service campaign, will begin in early July with public service advertisements on 1,600 television and over 10,000 radio stations. NRCS, the National Association of Conservation Districts, and the National Association of State Conservation Agencies are cooperating in this several-month campaign to reach the following goals: increase awareness of natural resource conservation issues and solutions; identify conservation partnerships as a group with a workable, holistic approach to natural resource management and conservation; demonstrate the value of voluntary approaches to solving and preventing natural resource problems; and provide joint and independent action to improve natural resources.

USDA WORK ON PRESIDENTIAL INITIATIVES

Disaster Assistance

On June 28, USDA announced additional program adjustments to help producers in areas where wet weather has caused planting delays. In weather-affected areas, the USDA Commodity Credit Corporation has waived the requirement that approved cover crops be planted on 50 percent of acreage designated as Acreage Conservation Reserve or Conserving Use under the annual commodity price support and production adjustment programs. The USDA Natural Resources Conservation Service will grant, on a case-by-case basis, variances for producers to highly erodible land conservation plans if bad weather has prevented the farmer from meeting the plans' requirements. The Federal Crop Insurance Corporation has streamlined the process to determine prevented-planting losses.

On June 26, USDA announced that emergency haying and grazing of Conservation Reserve Program acreage will be authorized in counties where adverse weather conditions have caused a shortage of livestock feed. The rules for these measures are drawn to help livestock producers through a critical situation while preserving the integrity of the Conservation Reserve Program.

Pacific Northwest Economic Adjustment Program/Forest Plan

Grants totaling \$166,453 have been awarded by the USDA Forest Service to timber-dependent communities near the Siuslaw National Forest in Oregon this year. Another \$259,187 is pending award. Projects funded include planning efforts, feasibility studies, and community improvements.

USDA Represented In Pacific Rim Economic Conference

On June 27, Deputy Secretary Richard Rominger attended the Pacific Rim Economic Conference in Portland, Oregon, and USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen participated in the Honolulu, Hawaii session of the Conference. Assistant Secretary Jensen represented the Department in discussions on trade, the opening of markets, managing change in the Pacific Rim, and economic development needs of Hawaii due to changes in the sugar industry.

On June 26, Deputy Secretary Rominger participated in an event in Redding, California and awarded a \$1.5 million USDA Intermediary Relending Program loan to help small businesses in the area. Deputy Secretary of Labor Tom Glynn also participated in the event and announced a \$3.8 million grant to train dislocated workers in northern California.

CONGRESS

Key Congressional Visits And Activities

Iowa Governor Terry Branstad recently wrote USDA to request a disaster declaration for 30 counties due to wet conditions that have caused delayed or prevented planting.

New York Governor George Pataki recently requested a disaster declaration for three counties due to poor weather conditions.

Today, USDA Rural Economic and Community Development Service officials met with the Congressional Rural Caucus to alert the group to a wide range of issues affecting rural development.

USDA Animal and Plant Health Inspection Service officials provided updated information to the New Mexico and Colorado Congressional delegations and the

House and Senate Agriculture Committees on the status of vesicular stomatitis in New Mexico. There has been a recent outbreak of this disease in horses.

Yesterday, USDA officials representing the Grain Inspection, Packers and Stockyards Administration (GIPSA), Office of General Counsel, the Office of the Chief Economist, and the Office of Congressional Relations met with Congressmen Tim Johnson, Earl Pomeroy, and Pat Williams on packer concentration in the meat industry. Other attendees included representatives from the White House, Department of Justice, and the Federal Trade Commission.

At the request of Senator Byron Dorgan, the USDA Consolidated Farm Service Agency and the USDA Economic Research Service are conducting a study of how Canadian grain imports have impacted U.S. grain market prices.

Today, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas met with Senator Mitch McConnell on welfare reform and the USDA Food Stamp Program.

On July 12, I have been requested to meet with Senator Howell Heflin and others regarding the Department's proposed rule on the labeling of poultry.

The Senate Agriculture Committee has requested a Government Accounting Office review of USDA documents and actions taken to comply with the Department of Agriculture Reorganization Act of 1994.

Congressional Hearings

The Senate Agriculture Committee plans to begin markup of discretionary items of the 1995 Farm Bill the week of July 17. House Agriculture Committee Chairman Pat Roberts is considering postponing action on the research and credit portions of the bill, possibly until next year. This would have the effect of focusing the Farm Bill on a narrower range of issues. House Agriculture Subcommittees may begin markup on various items of the bill during July.

Today, the House Resources Subcommittee on National Parks, Forests, and Lands held a hearing on Utah wilderness legislation.

The House Commerce Subcommittee on Health and Environment held a hearing today on the regulation of additives and pesticides in food.

On July 5, the Senate Energy and Natural Resources Committee will hold a field hearing in Grangeville, Idaho regarding USDA Forest Service management and local communities. USDA National Forest System Deputy Chief Grey Reynolds will testify.

On July 5, the Senate Energy and Natural Resources Committee will hold a field hearing in Lewiston, Idaho on a boundary line dispute between the Nez Perce Indian tribe and the USDA Forest Service.

On July 7, the Senate Energy and Natural Resources Committee will hold a field hearing in Olympia, Washington to review USDA Forest Service use of a Resource Protection Act (RPA) timber assessment for developing a timber harvest program and budget and determine if the RPA assessment is addressing ways to solve emerging international environmental impacts resulting from a timber supply shortage. USDA Forest Service Deputy Chief Mark Reimers and Dr. Richard Haynes, Program Manager for Social and Economic Research Programs at the USDA Pacific Northwest Research Station, will testify.

On July 11, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will mark up pending food stamp legislation.

On July 19, the Senate Environmental and Public Works Subcommittee on Clean Air, Wetlands, Private Property, and Nuclear Safety has tentatively scheduled a hearing on S. 851 regarding wetlands.

KEY REGULATORY ACTION

The Department is working on a proposed rule which would prohibit states from increasing food stamp benefits when a recipient's assistance from another federal, state, or local welfare assistance program is reduced as a result of a penalty being levied against the recipient for intentional noncompliance with program requirements. The rule has been designated as significant by the Office of Management and Budget and is in the formal clearance process.

The USDA Food Safety and Inspection Service is planning to hold a public meeting on August 14-15 to discuss methods of carcass decontamination procedures. A *Federal Register* notice announcing the meeting will be published soon.

The USDA Food Safety and Inspection Service (FSIS) is drafting the following proposals intended for publication in the *Federal Register* within the next month: Advance Notice of Proposed Rulemaking on prior approval systems, standards of identity, and review of FSIS regulations, policy notices, and directives to make them compatible with the Hazard Analysis and Critical Control Points food safety proposal; final rule to expand generic labeling category; proposed rule to streamline food additives approval process; proposed rule to permit the use of nutrient content descriptors in conjunction with standardized name. The proposals are a part of USDA-FSIS regulatory reinvention initiatives.

The USDA Animal and Plant Health Inspection Service (APHIS) has forwarded to the *Federal Register* a notice for proposed rulemaking which would allow avocados from a specific region in Mexico to be imported into certain northeastern states. The notice is

expected to be published on July 3 and the comment period will close on October 15. The California Congressional delegation, industry representatives, and other interested parties were informed of the proposal, which includes extensive public hearings and an opportunity for scientific review of the proposal. Significant concerns have been raised by California Members and domestic avocado producers regarding the potential impact of such imports.

PRESS INQUIRIES

ABC Prime Time Live requested information about a USDA Office of Inspector General investigation targeting food stamp trafficking, which resulted in 55 arrests on June 13 in Memphis, Tennessee.

Outside magazine recently contacted the USDA Forest Service for updates on the Carson City, Oklahoma Forest Service Ranger District bombing, federal building bomb threats, and anti-federalism in the West. The story is expected to appear in the September edition.

Inside the Pentagon inquired about a USDA investigation of Coulston Research Foundation, a registered research facility in Alamogordo, New Mexico that conducts toxins research on chimpanzees primarily for pharmaceutical companies.

On June 26, *CNN* interviewed USDA Office of Agricultural Biotechnology Director Al Young about genetic engineering. The story will likely air on July 1.

A freelance writer with a grant from the Humane Society of the United States and the Society for the Prevention of Cruelty to Animals inquired about animals used in research.

CNN Science and Technology Week asked about the status of USDA's review on genetically engineered oil which was completed last October.

The USDA Food and Consumer Service is working with targeted press on the release of food stamp participation figures, emphasizing the impact of various welfare reform proposals on the program's ability to respond to changing economic conditions.

The New York Times inquired about House Appropriations Committee action on the Administration's proposed Hazard Analysis and Critical Control Points (HACCP) food safety proposal for an article scheduled to be published on July 3. *Knight-Ridder*, *Reuters*, and *Associated Press* interviewed USDA Acting Under Secretary for Food Safety Michael Taylor regarding HACCP. (See Key Department News: Meat And Poultry Inspection Safety Reform)

On July 4, *The Washington Post* is expected to publish a summer health story and sidebars on food safety in its health insert.

Poultry Times inquired about the status of the labeling of "fresh" on poultry proposal. Comments are currently being analyzed; 26,000 comments were received by the May 19 closing date.

On June 27, USDA Assistant Secretary for Administration Wardell Townsend was interviewed by *Government Computer News* regarding the Department's InfoShare program.

FOIA REQUESTS

The Wall Street Journal requested copies of correspondence between USDA and Governor Pete Wilson, Senators Richard Lugar, Arlen Specter, Bob Dole, and Phil Gramm, and Congressman Robert Dornan.

The American Association of Meat Processors requested copies of correspondence between the USDA Food Safety and Inspection Service and the public interest group, Safe Tables Our Priority.

WEEK IN REVIEW

Land Removed From Conservation Reserve Program

On June 26, USDA announced that 651,342 acres in 42 states have been approved for removal from the Conservation Reserve Program (CRP) under the early-out option announced in April. This is substantially fewer acres than USDA had projected. CRP acres that function as filterstrips, waterways, strips along riparian areas, wind-breaks, shelter belts, shallow water wildlife areas, and certain timber establishments and wetlands subject to easements acquired under CRP were not eligible for early out.

Rural Utilities Service Electric Program Approves Loans

The following loans were recently approved for electric systems in rural areas under the Rural Electrification Loan Restructuring Act of 1993. The funds from these loans will be used to extend electric service to new consumers, build new distribution facilities, upgrade existing distribution facilities, and make other system improvements. Municipal Interest Rate Loans include: United Power Inc., Brighton, Colorado, \$10.5 million; West Florida Electric Cooperative Association Inc., Graceville, Florida, \$5.32 million; Vigilante Electric Cooperative Inc., Dillon, Montana, \$2.45 million; Southwestern Minnesota Cooperative Electric, Pipestone, Minnesota, \$2.91 million.

Agreement Signed Between USDA Forest Service And Mead Corporation

Today, a Memorandum of Understanding was signed in Congressman Ralph Regula's office between the USDA Forest Service and Mead Paper Corporation that will allow extensive ecosystem research on more than 16,000 acres of Mead-owned land in southeastern Ohio. This is the largest private ownership under cooperative agreement with the Forest Service for conducting ecosystem management research.

USDA Assists Mexico With Medfly Outbreaks

A large number of wild Mediterranean fruitflies, a significant threat to U.S. fruits, have been captured recently in the Montebello area of central Chiapas, Mexico. Limited aerial applications of malathion bait spray have been started to combat the emergency. In early July, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will meet with her Mexican counterpart, Subsecretary Arroyo, to participate in a USDA Animal and Plant Health Inspection Service technical briefing to demonstrate U.S. plans to contain outbreaks.

USDA Announces Farmer-Owned Reserve Changes

In the face of a tightening global grain supply, USDA recently announced procedural changes in the operation of the Farmer-Owned Reserve (FOR). By closing the FOR to 1994-crop feed grains, USDA is requiring producers to repay regular price support loans. These loans, secured by the 1994-crop feed grains, will become due as the nine-month loan period comes to an end in the coming weeks. Farmers who earlier stated their intentions to enter the FOR and those who already have entered the FOR will be allowed a four-month loan extension.

In addition, the USDA Commodity Credit Corporation (CCC) announced on June 22 that storage payments stopped on June 20 for corn and June 5 for oats pledged as collateral for FOR loans. CCC is required by the Agricultural Act of 1949, as amended, to cease FOR storage payments when the market price for a program grain equals or exceeds 95 percent of the established target price.

Japanese Beef Import Safeguard May Be Triggered

According to Japanese Ministry of Finance data, Japanese frozen beef imports were 30,983 tons in April, 40 percent more than in April 1994. If the current pace continues, Japan's frozen beef import safeguard for the current quarter (April, May, and June), which allows for a 17-percent year-over-year increase before taking effect, will be triggered. If the safeguard is triggered, U.S. exporters will face a 50 percent rather than a 48.1 percent import tariff for the remainder of the current Japanese fiscal year (April-March). With U.S. frozen beef exports to Japan valued at close to \$685 million in 1994, the possible tariff increase is of concern to U.S. exporters.

USDA Reviews State Welfare Reform Proposals

On May 5, Maryland submitted to USDA its amended welfare reform proposal. Key components include a mandatory job search component as a condition of eligibility, time limit for participation, and asset accumulation. The state plans to implement the program on April 1, 1996.

USDA provided input on the Terms and Conditions for the Virginia Independence Program to the Department of Health and Human Services on June 16. Virginia's project includes a family cap, time-limited benefits, and food stamp cash-out in the form of wage subsidies in four counties. Virginia hopes to implement the experiment beginning on July 1. USDA must approve the proposals for both states.

Summer Food Service Program Grants Awarded

In June, the USDA Food and Consumer Service (FCS) awarded \$798,000 in start up and expansion grants to 29 state agencies which administer the Summer Food Service Program. These grants are intended to help local sponsors initiate and expand food programs for needy children during periods of summer vacation. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas released a statement about the grants at a press event held by the Food Research and Action Center and the Children's Defense Fund on June 26.

In addition, FCS awarded 15 grants totalling \$325,000 to schools and institutions which provide meals or snacks to individuals between the ages of 13 and 18 at recreational, educational, and other programs operated outside of school hours in areas where there are high rates of poverty, violence, or drug or alcohol abuse among school-aged youth. These annual grant awards are to continue until FY98.

SECRETARY'S SCHEDULE

Through June 30, I will be visiting the Russian Federation as part of the Gore-Chernomyrdin Commission, a bilateral commission chaired by Vice President Gore and Russian Prime Minister Viktor Chernomyrdin.

On July 12, I will address the monthly luncheon of the Food Group, an association of food and agriculture executives, in Washington, D.C.

I will also participate in a July 12 conference on alternative disputes resolution, sponsored by the National Performance Review, the Department of Justice, and the Administrative Conference of the United States.

On July 15, I am scheduled to travel to Saginaw and Detroit, Michigan for events with Congressman James Barcia and Senator Carl Levin. I am tentatively scheduled to travel to Chicago, Illinois on July 14 for a re-election fundraiser.

On July 23, I will travel to Anaheim, California to address the American School Food Service Association.

On July 30-August 1, I will travel to Green Bay, Wisconsin and Mankato and Redwood Falls, Minnesota. In Green Bay, I will participate in a town hall meeting sponsored by Senator Russell Feingold, focusing primarily on dairy and milk marketing programs. In Mankato, I will meet with producers at a 1995 Farm Bill event, sponsored by Senator Paul Wellstone. In Redwood Falls, I will address Farm Fest, one of the largest farm exhibit events in the Midwest.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Next week, Deputy Secretary Richard Rominger may participate in an Empowerment Zone/Enterprise Community event in Watsonville, California.

On July 7, Deputy Secretary Rominger may participate in the dedication ceremony for the USDA Agricultural Research Service Horticultural Crops Research Laboratory Expansion in Corvallis, Oregon.

On July 10, Deputy Secretary Rominger may attend a dedication ceremony for the USDA Agricultural Research Service U.S. Salinity Laboratory in Riverside, California.

On July 25, Deputy Secretary Rominger will address the Illinois Soil and Water Conservation Districts' annual meeting in Springfield.

On July 26, Deputy Secretary Rominger will address the joint meeting of the Experiment Station Committee on Organization and Policy and the Extension Committee on Organization and Policy at the University of Wisconsin at Madison.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On July 6, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend a dedication ceremony in Glenwood Springs, Colorado for the 14 firefighters who lost their lives in the South Canyon Fire last year; on July 14, he will attend an Urban Resources Partnership congressional tour in Chicago, Illinois.

USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will meet with her Mexican counterpart, Subsecretary Arroyo, the week of July 9 in Los Angeles, California to participate in a USDA Animal and Plant Health Inspection Service technical briefing to demonstrate U.S. plans to contain Mediterranean fruitfly outbreaks.

On July 11-12, USDA Assistant Secretary for Administration Wardell Townsend will travel to Lexington, Kentucky for an InfoShare Executive Committee meeting.

On July 18, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the American Culinary Federation in New York City; on July 19, Under Secretary Haas is scheduled to deliver an address for the Society for Nutrition Education at their annual meeting in Washington, D.C.

On August 1, USDA Acting Under Secretary for Food Safety Michael Taylor will speak in Pittsburgh, Pennsylvania on food safety issues at a meeting of the International Association of Milk, Food, and Environmental Sanitarians.