



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

July 13, 1995

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

KEY DEPARTMENT NEWS

USDA Aggressively Fights Proposed Congressional Delays In Food Safety Reform

USDA continues to strongly oppose a provision offered by Congressman James Walsh (R-NY) and adopted by the House Appropriations Committee to the FY96 Agriculture Appropriations bill. This provision would prohibit USDA from spending funds to proceed with its proposed regulations to significantly reform the meat and poultry inspection system until work was completed by an advisory committee. Specifically, it requires the Department to establish a committee which is given nine months to complete and submit a report on a number of inspection issues. Establishing such a committee is expected to delay the essential reforms by at least one year. Congressman Richard Durbin has called this delay "unconscionable" and is expected to offer an amendment to strike the provision when the full House considers the measure--which could be early next week. I have discussed the importance of not delaying these reforms with members of the House Agriculture Appropriations Subcommittee, Congressmen Joe Skeen, Richard Durbin, James Walsh, and with members of the House Agriculture Committee, Congressmen Pat Roberts, Kika de la Garza, Steve Gunderson, Charles Stenholm, and Harold Volkmer.

Media and press attention to the proposed delay has been extensive. This week, all media is covering this important food safety issue, both in regard to the Walsh provision as well as relative to Republican regulatory reform efforts and the resulting delay on the Administration's work on reforming meat and poultry inspection.

The Department's proposed reforms were the subject of extensive debate this week during the Senate's consideration of regulatory reform legislation (S. 343). I sent letters to Senators Bob Dole and Tom Daschle outlining my objections to the delay that S. 343 would have on USDA's proposed meat and poultry inspection reforms. Senator Dole offered an amendment which was approved by the Senate to address this delay. The Dole amendment, however, did not alleviate the delay on these proposed food

safety reforms. Therefore, Senator Daschle offered an amendment to exempt the reforms from S. 343. Senator Bennett Johnston offered an amendment which changed the effective date of S. 343 to April 1, among other things. After much debate, the full Senate adopted the Johnston amendment and narrowly defeated the Daschle amendment (49-51). While subjecting the food safety reforms to certain provisions of S. 343, the Johnston amendment will alleviate the delay that S. 343 would have had on the Department's current food safety reform efforts.

USDA Analysis Shows States Would Lose Funds Under Food Stamp Block Grants

All 50 states would have lost funding under food stamp block grant proposals, totaling a staggering \$43 billion loss in their ability to provide benefits to needy people, if block grants had been in effect during the period 1990 through 1994, according to a USDA analysis released on July 12. Faced with such a shortfall, states would have been forced either to kick nearly 17 million people--half of them children--off the food stamp program, to augment reduced federal funds with increased state funds, or to reduce benefits.

On July 11, USDA Food and Consumer Service staff held a briefing with food industry and agricultural representatives, focusing on the effect of block grants and food stamp cash-out in reducing food purchases and support for the agricultural sector. Today's *Washington Post* contained an article about continued Republican efforts to block grant the food stamp program.

USDA To Host Crop Insurance Roundtable

On August 3, I will host a roundtable to discuss crop insurance issues with about 200 people drawn from industry, farm organizations, and legislative staff. The proposed agenda will include catastrophic insurance coverage, noninsured crop disaster assistance program, the 1995 Farm Bill, changes in policy coverage, and new coverages. I am hosting the roundtable to provide the agricultural community with an opportunity to discuss the Department's implementation of the new crop insurance program, which was substantially reformed by the Federal Crop Insurance Reform Act of 1994--an Administration initiative which was the outgrowth of 1993 Midwestern floods and Southeastern droughts.

USDA WORK ON PRESIDENTIAL INITIATIVES

Welfare Reform

On July 11, as part of the beginning work on the 1995 Farm Bill; the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture marked up H.R. 1997, the Food Stamp Flexibility and Commodity

Distribution Consolidation Act of 1995. The bill sets program spending caps consistent with estimates for the Personal Responsibility Act; most other provisions deal with program integrity and are drawn from the Administration's food stamp reform package. A provision was included to permit the purchase of vitamins with food stamp benefits. The Subcommittee plans to hold a hearing on this issue on July 25. Several other amendments were withdrawn until the bill reaches the full Committee.

On July 12 and today, USDA Food and Consumer Service staff joined state Women, Infants, and Children (WIC), food stamp program, retail food, and banking industry representatives to examine multi-program use of Electronic Benefits Transfer (EBT), Smartcard technology, and the EBT planning, design, and implementation process. The meeting was hosted in Casper, Wyoming by Governor Jim Geringer.

On July 12, I spoke to the Food Group, which includes representatives of all aspects of food production and processing interests, and my remarks focused on block grants and food stamps, the 1995 Farm Bill, food safety reform efforts, and packer concentration.

Food Safety Agencies To Improve Data On Foodborne Illness

Today, the USDA Food Safety Inspection Service, the Food and Drug Administration, the Centers for Disease Control and Prevention, and health departments in five states announced a joint effort to improve the safety of the nation's food supply. The joint program will collect more precise information about the numbers of people who are affected by harmful bacterial in food.

USDA To Announce Information Superhighway For Rural America

Today, the USDA Rural Utilities Service (RUS) announced the award of distance learning/telemedicine grants, bringing the Information Superhighway to rural America. RUS will provide \$7.5 million in grants to 29 education and health care organizations in 23 states to help bring education and health care applications to rural America. The grants will help link rural schools to other classrooms in rural and urban areas, providing advanced courses in interactive educational opportunities. The grants to help the organizations will allow rural citizens access to telemedicine services bringing specialized health care and general care closer to home. The grants will improve the educational opportunities to over 95,000 school children and expand the health services available to approximately 108,000 rural Americans.

Empowerment Zones/Enterprise Communities (EZ/EC) Update

On July 7, Deputy Secretary Richard Rominger traveled to California to announce a \$2.95 million grant for the Watsonville Enterprise Community. The grant will be used to develop a Youth Job Training Program and an After School Youth Recreation/School Completion Program, expand the Neighborhood Watch Program, and construct a new elementary school where no public schools currently exist.

A USDA Business and Industry Guaranteed Loan for \$1 million has been approved for the Southern Ohio Growth Program. A USDA Rural Business Enterprise Grant for \$358,000 has been approved for the Santa Cruz County Enterprise Community in New Mexico to establish a trade school and adult education programs to make predominately minority residents more employable, which assists 20-30 businesses and saves 25 jobs and creates 25 jobs. A USDA Rural Business Enterprise Grant of \$600,000 has been approved for the Haywood County, Tennessee Enterprise Community for improvements to an industrial park to serve users and attract new industry, assisting five businesses, saving 1,012 jobs, and creating 175 jobs. On July 14, USDA will announce an Intermediary Relending Program project in the amount of \$500,000 for the Northern Michigan Foundation.

USDA/Department of Energy Consider Biomass Grants

USDA Rural Utilities Service and Department of Energy (DOE) officials recently met in Golden, Colorado to determine FY95 awardees of \$20 million in grants for the use of biomass (crop matter) as a fuel for electric power generation. Applications were considered from electric power generators across the country who proposed to show that biomass is a sustainable, competitive, source of fuel for electric power generation. The initiative is part of the White House's initiative on Global Climate Change, Sustainable Development, and the USDA initiative on alternative uses of agricultural products. USDA and DOE plan to suggest grantees during the third week of July.

Disaster Assistance

USDA recently received requests from Oklahoma Governor Frank Keating, Kansas Governor Bill Graves, and Texas Governor George Bush for disaster assistance in their respective states.

CONGRESS

Key Congressional Visits And Activities

On July 12, I met with Congresswoman Karen Thurman and Congressmen John Baldacci, Kika de la Garza, Tom Ewing, Mark Foley, Sam Farr, and Gary Condit regarding specialty crops. I also met with Senators Howell Heflin, David Pryor, Thad Cochran, Trent Lott, Richard Shelby, and John Warner regarding the issue of "fresh" labeling of poultry. I also discussed this matter with Senator Barbara Boxer.

On July 11, I met with Congressman Carlos Romero-Barcelo regarding agriculture issues in Puerto Rico. I also met with Congressman Wayne Allard regarding water and USDA Forest Service issues.

Today, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn met with Congressmen William Clinger and Cardiss Collins on rural development issues.

On July 20, USDA Under Secretary for Natural Resources and Environment Jim Lyons will meet with Senator Dorgan to discuss the Final Environmental Impact Statement for oil and gas leasing on the Southern Little Missouri Grasslands and Cedar River National Grasslands.

The USDA Consolidated Farm Service Agency is conducting a study of alternative peanut programs at the request of the House Agriculture Committee.

USDA is responding to a request from the Senate Finance Committee asking for a state breakdown of USDA Commodity Credit Corporation spending for all program categories of domestic programs prior to September 30, 1994.

The USDA Food, Nutrition, and Consumer Services is preparing responses to inquiries from Senators Richard Lugar and Dan Coats concerning proposed debarment proceedings involving Allen Dairy Products Inc. of Fort Wayne, Indiana.

On July 6, USDA Food and Consumer Service officials met with Senate Agriculture, Nutrition, and Forestry Committee staff to discuss various USDA Food Stamp Program anti-fraud proposals.

Congressional Hearings

During the week of July 17, the Senate Agriculture Committee plans to mark up the discretionary items of the 1995 Farm Bill, including trade, research, farm credit and rural development. USDA and Senate Agriculture Committee staff met this week on these items. The House Agriculture Subcommittees may begin markup on various items in the 1995 Farm Bill later this month.

Today, July 20 and 27, the Senate Environment and Public Works Subcommittee on Drinking Water, Fisheries, and Wildlife will conduct a series of hearings regarding the Endangered Species Act.

The House Commerce Subcommittee on Oversight and Investigations held a hearing today on implementation and enforcement Clean Air Act of 1990 amendments.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry held a hearing today on H.R. 714, the Illinois Land Conservation Act of 1995, and H.R. 701, a bill to authorize USDA to convey lands to the City of Rolla, Missouri.

The Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management held a hearing today on S. 884, a bill to designate certain public lands in Utah as wilderness areas.

On July 17, the House Resources Committee Private Property Rights Task Force will hold a field hearing in Sheridan, Wyoming on private property rights.

On July 18, the Senate Environment and Public Works Committee will hold another hearing on the issue of "takings" and S. 851, reauthorization of the Clean Water Act.

The House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a July 18 hearing to review risk analysis at USDA. USDA Acting Chief Economist Keith Collins will testify.

The Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold a July 18 hearing on First Amendment and free speech issues on federal lands. USDA National Forest System Deputy Chief Gray Reynolds is expected to testify.

On July 18, the House Resources Subcommittee on National Parks, Forests, and Lands will mark up the following bills: H.R. 1745, which would designate certain public lands in Utah as wilderness; H.R. 238, regarding wild horses in the Ozark National Scenic Riverway; H.R. 1280, which would designate National Heritage areas; and H.R. 1301, regarding the American Heritage Areas Partnership Program.

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.

The Senate Energy and Natural Resources Committee will hold a hearing on July 19 on legislation that would institute a new formula for calculating grazing fees charged to ranchers by the federal government.

On July 20, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on USDA Forest Service land exchanges.

On July 25, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the Concession Reform Act.

On July 27, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the problems of proposed regulations in resolving rights-of-way disputes involving federal lands.

The House Resources Subcommittee on Energy and Mineral Resources will hold a July 27 hearing on the Department of the Interior's proposal to turn control of the Minerals Management Service back to the states and explore alternatives to promote better management of mineral royalties and other onshore federal mining activities.

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on July 27 regarding concessions in National Parks. Ski area permit fees are expected to be examined.

On July 28, the House Science Committee will mark up H.R. 1851, the Federal Fire Prevention and Control Act.

On August 1, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the transfer of public lands under the jurisdiction of the Department of the Interior's Bureau of Land Management to several states.

On August 3, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the possible revamping of recreation fees at public parks.

KEY REGULATORY ACTION

Today, the proposed policy on ski area permit fees was published in the *Federal Register*, with a comment period ending on September 11. The proposed policy changes the basis for fee determinations from review of ski area financial information to site-specific appraisals of the USDA National Forest System land under permit.

On July 11, USDA proposed to revise its import regulations for fruits and vegetables by updating provisions for inspections and other activities at the port of first arrival. The proposed rule was published in the *Federal Register* on July 12, and comments will be accepted through September 11.

PRESS INQUIRIES

Press Conferences/Statements

On July 19, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will hold a press conference to release the first annual Healthy Eating Index. This Index will assist researchers in monitoring trends, tracking how Americans are eating, and identifying areas that need improvement. The press conference coincides with the annual meeting of the Society for Nutrition Education, with food writers and journalists in attendance.

The Commodity Improvement Council recently accepted the Commodity Specification Report recommending changes in 23 commodities to improve their nutrition profile and adding eight additional commodities to the purchase plan. This report will be released within a few weeks.

Press Contacts With USDA

Throughout the week, I was interviewed by the media on food safety reform. Today, I was interviewed by the *Philadelphia Inquirer* and the *Kansas City Star* regarding USDA's proposed Hazard Analysis and Critical Control Points (HACCP) system to modernize the meat and poultry inspection system. (*See Key Department News: USDA Aggressively Fights Proposed Congressional Delays In Food Safety Reform*)

Today, I was interviewed by *Times Mirror* magazine about conservation issues.

ABC's Prime Time Live inquired about U.S. imports of Mexican tomatoes. Reporters may be compiling research for a story regarding negative impacts of the NAFTA.

NBC's Fleecing of America requested an interview on the USDA Market Promotion Program. The Department did not grant an interview.

U.S. News & World Report interviewed USDA Acting Assistant Secretary for Marketing and Regulatory Programs Pat Jensen on June 10 regarding an AIDS research laboratory charged with violating the Animal Welfare Act.

CBS News is researching the problem of pine bark infestation in the Southeast.

KGO-TV News in San Francisco, California is working on a story about foreign ownership of U.S. agricultural land. Similar requests for information have come from *KGCR* radio in Goodland, Kansas and the *Topeka Kansas Tribune*.

Journal of Commerce and *Ag Alert* published articles about the USDA proposal that, under certain conditions, would allow import of avocados from Michoacan, Mexico into the United States.

The Federal Times is working with the USDA Natural Resources Conservation Service on a story regarding the impact of technology in field offices.

FOIA REQUESTS

The Capital Times requested information about farm business loans and price support payments.

WEEK IN REVIEW

School Breakfast Grants Announced

On July 11, USDA announced the award of \$3 million in federal grants to school districts in 31 states and the Virgin Islands to help start or expand school breakfast programs in school year 1995-96. USDA's School Breakfast Program currently operates in more than 60,000 schools serving 5.8 million children, and over 20,500 schools have been added since the grants began in 1990. Grants were awarded to states on the basis of need, number of children who could be added the program, and feasibility and cost effectiveness of the school district's proposals.

Administration's Ethanol Appeal Denied

On July 3, the D.C. Circuit Court issued an order denying the government's request for a rehearing en banc of the court's decision in American Petroleum Institute, et al. v. U.S. Environmental Protection Agency, et al., which struck down the Environmental Protection Agency's (EPA) regulation mandating the use of renewable oxygenates such as ethanol in the reformulated gasoline program. I had urged the Department of Justice to seek review of the adverse decision. The Department of Justice is currently considering whether to file a petition for certiorari to the Supreme Court. A petition must be filed with the Supreme Court by October 6.

USDA Praises CODEX Support Of Science-Based Decision-Making

On July 7, USDA issued a news release praising the recent work of the CODEX Alimentarius Commission, which recently adopted principles that will help ensure that food products traded internationally are safe and wholesome. The Commission will establish standards on food products which are based on sound science and will help clarify the Agreement on Sanitary and Phytosanitary Regulations recently adopted by the World Trade Organization.

USDA Animal and Plant Health Inspection Service Administrator Named

On July 7, the Department announced that USDA Animal and Plant Health Inspection Service Acting Administrator Lonnie King would become Administrator effective on July 9. As Administrator, King will be responsible for 42 domestic programs which promote agricultural trade, manage wildlife resources, enforce the Animal Welfare Act, and perform research relating to biotechnology and other technology strategies.

Housing Developer Faces Suspension and Debarment

On July 10, USDA Rural Housing and Community Development Service Acting Associate Administrator Jan Shadburn signed a letter suspending and proposing debarment of Pamela Gleichman, a Section 515 Multiple Family Housing developer. This action was taken for a number of reasons, including Gleichman's failure to comply with an August 24, 1994 settlement agreement that was initiated to halt a proposed suspension and debarment action implemented by the agency in July 1994. Senator William Cohen has previously contacted USDA concerning this issue. The Department expects this action will precipitate further controversy.

Loans Approved For Rural Electric Systems

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: Washington Island Electric Cooperative Inc., Washington Island, Wisconsin, \$1.47 million; East Central Oklahoma Electric Cooperative Inc., Okmulgee, Oklahoma, \$4.55 million; and Coweta-Fayette Electric Membership Corporation, Newnan, Georgia, \$12.32 million.

Ukraine Defaults On USDA Credit

As of July 3, the USDA Commodity Credit Corporation has received eight Notices of Default from three U.S. banks in regards to GSM export credit guarantees of U.S. agricultural exports to the Ukraine totalling approximately \$7 million and one claim in the amount of \$2.4 million. Because of the sensitivity of these arrearages and the fact that none of these arrears can be rescheduled at the Paris Club, the U.S. Ambassador to the Ukraine has been notified and asked to discuss the matter with high-level officials of the Ukraine.

SECRETARY'S SCHEDULE

On July 14, I will host a day-long, working retreat for USDA under and assistant secretaries and administrators in Washington, D.C.

On July 15, I will travel to Michigan to convene a Farm Bill town meeting for Congressman James Barcia in his district.

On July 23, I will travel to Anaheim, California to address the American School Food Service Association and meet with the editorial board of the *Los Angeles Times*. We are also considering options for a nutrition event in the Los Angeles area.

On July 30-August 1, I will travel to Green Bay, Wisconsin, Mankato and Redwood Falls, Minnesota, and South Bend, Indiana. 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 Midwest's largest farm exhibit events. I will participate in a town hall meeting sponsored by Congressman Tim Roemer in South Bend.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On July 25, Deputy Secretary Richard 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.

On August 6-7, Deputy Secretary Rominger will travel to Des Moines, Iowa to address several groups at the 50th annual meeting of the Soil and Water Conservation Association, and to Johnston, Iowa to tour Pioneer Hi-Bred International Inc.'s research facilities.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On July 27-28, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn will attend the "Creative Partnership: Building Rural America" national rural development conference in Snowbird, Utah.

On July 18, USDA Under Secretary for Research, Education, and Economics Karl Stauber will be in Ames, Iowa for the groundbreaking ceremony of the National Swine Research Center; on July 20, he will attend the annual meeting of the National Academy of Sciences Board on Agriculture in Woods Hole, Massachusetts; on July 26, he will attend the joint summer meeting of the Experiment Station Committee on Policy and the Extension Committee on Policy in Spring Green, Wisconsin.

On July 18, USDA Inspector General Roger Viadero will be in Newark, New Jersey to meet with FBI officials; on July 19-20, he will attend the Food Stamp Fraud Conference in Toledo, Ohio; on July 25-28, he will be in San Francisco, California for a food stamp fraud conference.

On July 24-25, USDA Assistant Secretary for Administration Wardell Townsend will travel to San Antonio, Texas to attend the National Conference of the American Society of Public Administration; on July 26, he will attend the USDA Rural Economic and Community Development Civil Rights Staff Annual State Civil Rights meeting in New Orleans, Louisiana.

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, she will speak at the Society for Nutrition Education annual meeting in Washington, D.C.

On July 15, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend an Urban Resources Partnership Congressional tour in Chicago, Illinois; on July 18, he will attend an Urban Resources Partnership press kickoff in Philadelphia, Pennsylvania.

On August 1, USDA Acting Under Secretary for Food Safety Michael Taylor will speak at a meeting of the International Association of Milk, Food, and Environmental Sanitarians in Pittsburgh, Pennsylvania.



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

KEY DEPARTMENT NEWS

Administration Successful In Continuing Efforts To Reform Inspection System

During the full House of Representatives' consideration of the FY96 Agriculture Appropriations measure this week, controversial debate was expected on a provision of the bill which would have significantly delayed the Department's efforts to reform the meat and poultry inspection system. After meetings with Congressional members and continuing discussions concerning the Department's efforts and intentions to ensure a fair and thorough review and further public dialogue concerning the proposed rule to reform the inspection system, Congressman Jim Walsh (R-NY) agreed to support elimination of the provision. In a letter to the Congressman concerning this issue, I reaffirmed my commitment to hold additional public meetings on the proposed rule, to host a public forum to focus on food safety issues, and to require the USDA Food Safety and Inspection Service to take regulatory actions to integrate the new inspection system with the current system and to complete its efforts to eliminate duplicative regulations prior to the implementation of the new inspection system.

On July 19, Congressman Richard Durbin and I held a press conference to comment on the agreement that was reached with Congressman Walsh. In addition, during the past week, I was featured on USDA's weekly television service satellite feed regarding the impact on the Senate regulatory reform proposal's threat to food safety and human health. The satellite feed was downlinked by stations across the country. USDA's radio newsline also featured stories relating to regulatory reform, including excerpts from the President's July 15 radio address.

USDA Targets Effects Of Proposed Budget Cuts

During the past week, the USDA Subcabinet and I focused on the message of the devastating impact that House-proposed budget cuts would have on USDA rural programs, particularly housing and water and sewage projects. I also hosted a media

availability with the Department's in-house reporters from *Associated Press*, *Reuters*, *Futures World News*, *Knight-Ridder Financial*, *Agri-Pulse*, and *Bloomberg Business News*, where I criticized proposed cuts to rural housing and water and sewage projects and the elimination of the contingency reserve for the Food Stamp Program. On July 18, I addressed the American Farm Bureau Federation's Annual Council of State Farm Bureau Presidents, focusing on the 1995 Farm Bill and the impact of Congressional budget proposals on the spectrum of USDA rural programs.

As part of the overall strategy to defeat efforts in the Senate to block grant the Food Stamp Program and promote the Administration's food stamp reform legislation, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas met with Senators James Jeffords and Mitch McConnell today and will meet with Senator Patty Murray tomorrow. Under Secretary Haas will continue these efforts when she meets with Senator Thad Cochran on July 25 and Senator Slade Gorton on July 27. Meetings are also being arranged between Under Secretary Haas and Senators John Chafee, Olympia Snowe, Ben Campbell, and Herb Kohl.

Senate Marks Up 1995 Farm Bill

On July 18, the Senate Agriculture Committee completed action on discretionary items of the 1995 Farm Bill, including trade, research, farm credit, and rural development. Further Committee action on the Farm Bill will be later. The House Agriculture Subcommittees may begin markup on various items in the bill this month.

On July 15, I convened a Farm Bill town meeting at a farm in Fairgrove, Michigan with Congressman James Barcia. The farm visit and meeting were covered by three local newspapers and one local television station. I then went to downtown Detroit, where I visited Gleaners Community Food Bank and spoke with food and hunger advocates and participants. On July 30-August 1, I will travel to Green Bay, Wisconsin, Mankato and Redwood Falls, Minnesota, and South Bend, Indiana. 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 Farm Bill event, sponsored by Senator Paul Wellstone. In Redwood Falls, I will address Farm Fest, one of the Midwest's largest farm exhibit events. I will participate in a town hall meeting sponsored by Congressman Tim Roemer in South Bend.

Fire Suppression Report To Be Released

On July 26, the USDA Forest Service will release the Fire Suppression Costs on Large Fires final report. The 1994 emergency fire suppression costs were the highest in the history of the Forest Service. The report contains recommendations in the areas of fuels treatment, analysis of cost and risk, protection of private property, and availability of fire personnel.

Inland Native Fish Strategy

The comment period on the Inland Native Fish Strategy environmental assessment and draft finding of no significant impact for the Inland Native Fish Strategy closed on July 14. The strategy provides interim protection of Bull Trout and other rare inland native aquatic species, pending completion of the Upper Columbia River Environmental Impact Statement (EIS) and the Eastside EIS. As much as 70-90 percent of the remaining populations are associated with 25 million acres of National Forest System lands in Montana, Idaho, Oregon, Washington, and Nevada. The final decision is expected to be signed next week.

Interagency Forest Health Team To Meet

The first meeting of the new Interagency Forest Health Team will be held on August 7 at USDA Forest Service headquarters in Washington, D.C. Other agencies represented will be the USDA Natural Resources Conservation Service, the Environmental Protection Agency, and the Department of the Interior's Bureau of Land Management, Fish and Wildlife Service, National Biological Service, and National Marine Fisheries Service. The team was formed in response to a continuing need for agency-to-agency dialogue on forest health.

Lower South Fork Salmon River EIS To Be Released

On July 21, the USDA Payette National Forest in Idaho will release the Lower South Fork Salmon River Post-fire Project draft environmental impact statement (EIS). The project proposes timber salvage harvest and improvements on existing roads to reduce sediment entering the river, thereby improving fish habitat. Forest officials expect a high level of interest because the forest plan dictates not harvesting timber in the South Fork Salmon River area until several conditions have been met. The comment period will end on September 5.

USDA Moves Ahead On Wetlands Reserve Program

Detailed planning and prioritization of acres offered into the USDA Wetlands Reserve Program (WRP) is underway. The USDA Natural Resources Conservation Service plans to notify landowners by mid-September whether their land will be accepted into the program, which purchases conservation easements to restore wetlands that have been drained and used for crop production. More than 3,700 landowners offered to enroll more than 500,000 acres into WRP during the month-long sign-up that ended on June 30. WRP funds are available to accept about 15 percent of the offers. This is the first time the program has been offered nationwide.

Signup Available Soon For Conservation Reserve Program

The USDA Consolidated Farm Services Agency, along with the USDA Natural Resources Conservation Service, is preparing an announcement and county administrative procedures for the 13th signup for the Conservation Reserve Program (CRP). While the dates are not finalized, it is anticipated that the signup will be held in September. Approximately 651,000 replacement acres are expected to be enrolled.

USDA WORK ON PRESIDENTIAL INITIATIVES

Empowerment Zones/Enterprise Communities (EZ/EC) Update

On July 28, USDA General Counsel James Gilliland will announce four Rural Business Enterprise Grants (RBEG), which have been approved for projects in several Tennessee locations under the EZ/EC program. The grants, totaling nearly \$1.66 million, will be used by the towns of Stanton and Moscow, and Fayette and Haywood counties, to fund various rural development programs. The grants will assist five businesses, save 1,012 jobs, and create 460 new jobs.

Other rural business grants under the EZ/EC program have been approved for Arizona and Missouri, but not obligated or announced. Santa Cruz County, Arizona will receive \$358,000, which will establish a trade school and adult education programs for minority residents; 20-30 businesses will be assisted, saving 25 jobs and creating 25 more. San Luis, Arizona will receive \$464,200 to construct a bridge; 20-25 businesses will be assisted, 10-15 additional businesses will be created, and 50-75 jobs will be saved along with 100 new jobs created. East Prairie, Missouri will receive \$300,000 to help renovate a building for a new industry; 125-150 jobs will be created.

On July 24, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn will represent the Department at the signing of the West Virginia EZ Memorandum of Understanding.

CONGRESS

Key Congressional Visits And Activities

Deputy Secretary Richard Rominger and I had breakfast with some Members of the Senate Agriculture Appropriations Subcommittee to discuss key issues of concern.

This week, the House began consideration of H.R. 1976, the FY96 Agriculture Appropriations bill. Extensive debate is expected today on key amendments which would impact USDA programs and policies. As previously noted, a resolution was reached concerning a controversial provision included in the Committee-reported bill which would have significantly delayed the Department's efforts to reform the meat and poultry inspection system. As a result, this provision will be dropped as part of the House action today. The bill was reported from the full House Appropriations Committee on June 27, and on July 12, the House Rules Committee adopted the rule covering its floor consideration. H.R. 1976, as reported, includes \$62.7 billion in appropriations, \$6.3 billion less than the FY95 level, and \$3.7 billion less than the Administration requested. \$13.3 billion is appropriated for discretionary programs, with the remaining monies for mandatory programs, including \$26 billion for the food stamp program and \$10.4 billion for farm program payments. The Women, Infants and Children (WIC) feeding program would receive an additional \$260 million, up from \$3.5 billion for a total of \$3.7 billion.

Senator William Cohen has requested a General Accounting Office review of USDA travel processes.

As part of the overall strategy to defeat efforts in the Senate to block grant the Food Stamp Program and promote the Administration's food stamp reform legislation, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas met with Senators James Jeffords and Mitch McConnell today and will meet with Senator Patty Murray tomorrow. Under Secretary Haas will continue these efforts when she meets with Senator Thad Cochran on July 25 and Senator Slade Gorton on July 27. Meetings are also being arranged between Under Secretary Haas and Senators John Chafee, Olympia Snowe, Ben Campbell, and Herb Kohl. *(See Key Department News: USDA Targets Effects Of Proposed Budget Cuts)*

Congressional Hearings

Today, the House Resources Subcommittee on National Parks, Forests, and Lands held a hearing on USDA Forest Service land exchanges.

The Senate Environment and Public Works Subcommittee on Drinking Water, Fisheries, and Wildlife held an oversight hearing today regarding the Endangered Species Act; another hearing will take place on July 27.

On July 21, House Commerce Subcommittee on Oversight and Investigations will hold a hearing on the implementation and enforcement of amendments to the Clean Air Act of 1990.

On July 25, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a hearing on H.R. 236, a bill to amend the Food Stamp Act of 1977 to permit participating households to use food stamp benefits to purchase vitamins and minerals.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a July 25 hearing on the Concession Reform Act. USDA Forest Service Associate Chief Dave Unger will testify.

On July 27, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the problems of proposed regulations in resolving rights-of-way disputes involving federal lands.

The House Resources Subcommittee on Energy and Mineral Resources will hold a July 27 hearing on the Department of the Interior's proposal to turn control of the Minerals Management Service back to the states and explore alternatives to promote better management of mineral royalties and other onshore federal mining activities.

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on July 27 regarding concessions on National Parks.

On July 28, the House Science Committee will mark up H.R. 1851, the Federal Fire Prevention and Control Act.

On August 1, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the transfer of public lands under the jurisdiction of the Department of the Interior's Bureau of Land Management to several states.

On August 3, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the possible revamping of recreation fees at public parks.

KEY REGULATORY ACTION

On July 18, the USDA Rural Utilities Service published two regulations in the *Federal Register*: the final regulation, Loan Security Documents for Electric Borrowers, establishes new policies and requirements for the form of mortgage required of electric distribution borrowers; the proposed regulation, Loan Policies and Security Documents for Electric Borrowers, proposes to establish new policies and requirements for loan contracts ordinarily required for loans made to electric distribution borrowers.

The notice of extension of the comment period on the Forest Service revision of its existing policies for authorizing and administering hydropower projects on National Forest System (NFS) lands was published in the *Federal Register* on July 17. With the 45-day extension, the comment period will end September 5.

On July 14, USDA Forest Service Chief Jack Ward Thomas announced that the Forest Service is reopening the comment period on the proposed regulation for National Forest System Land and Resource Management Planning. Notice of the additional 30-day comment period was published in the *Federal Register* on July 18. The comment period will close August 17. 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 decisionmaking process.

PRESS INQUIRIES

Press Contacts With USDA

On July 19, I was interviewed by *Hearst Broadcasting* regarding the 1995 Farm Bill and related topics.

On July 19, I was interviewed by the National Cattlemen's Association magazine regarding the European Union hormone ban on cattle.

On July 21, *ABC's 20/20* will air a segment about illegal aliens crossing the border to receive unemployment benefits and to participate in the food stamp program.

CNN is beginning research for a documentary on immigration. It is interested in researching the problem of illegal aliens engaging in food stamp fraud.

ABC's 20/20 also inquired about cost estimates for salmonella-related illnesses.

Associated Press requested a number of USDA Office of Inspector General audit reports covering a wide variety of Department programs.

Kansas City Star requested several USDA Office of Inspector General audit reports regarding disaster aid programs and county operations.

On August 6, *Parade* plans to run a story entitled "How Safe Is Your Food."

On August 27, *National Geographic Explorer* will air a segment called "Fire," part of a program that profiles smokejumpers during the 1994 fire season.

New York Times recently interviewed the Northeastern Forest Experiment Station Project Leader for Forest Inventory and Analysis on the extent of forested land in the Northeastern states and how the area has changed. The article will appear in the paper's "Weekend Review" by the end of July or early August. The project leader gave the writer a state-by-state summary from the latest inventories and then percentages of forest land from earlier inventories.

Inside U.S. Trade, *San Diego Business Journal*, and *Mexico City News* requested details of the recent USDA proposal to allow imports of fresh Hass avocados grown in Michoacan, Mexico.

The Dallas Morning News, *The Bovine Practitioner*, and *The Western Horsemen's Magazine* inquired about the occurrence of vesicular stomatitis in horses in New Mexico, Arizona, and Colorado.

Food & Water requested and received information on a shipment of Hawaiian papayas that were irradiated in Chicago.

FOIA REQUESTS

Center for Public Integrity requested copies of USDA Economic Research Service correspondence between Senator Bob Dole and the Department that refers to Archer Daniels Midland Corporation, the Export Enhancement Program (EEP), federal ethanol programs, or export programs involving wheat or other grains shipped to the former Soviet Union.

WEEK IN REVIEW

United States Requests NAFTA Dispute Panel On Canadian Tariffs

On Friday, July 14, the United States asked the North American Free Trade Commission to establish an arbitral panel to consider a U.S. complaint regarding Canadian tariffs on dairy, poultry, and eggs. The complaint also covers tariffs Canada plans to impose on U.S. barley and barley products as well as some additional dairy products beginning August 1.

Ukraine Makes Payments/Algeria Debt To Be Rescheduled

The USDA Commodity Credit Corporation (CCC) received funds from Ukraine on July 12 in settlement of a \$2.4 million claim paid to Generale Bank under CCC's Export Credit Guarantee Program. The payment did not include late interest, leaving a small unpaid amount of \$20,000 remaining in Notices of Defaults. The payment by Ukraine of the outstanding amount plays a significant role in the Exam Bank agreements currently being negotiated and affects their credit rating within the U.S. government.

Algeria debts owed to the CCC under the GSM Export Credit Guarantee program were to be considered for rescheduling at the Paris Club yesterday and today. An official from CCC will participate in the meeting. The impact of the rescheduling on CCC could total around \$400 million. If rescheduled, the \$400 million would be repayable to CCC over an extended period, the time of which will be determined during the Paris Club negotiations.

USDA Reassigns Sugar Allotments

USDA reassigned 30,000 short tons of the Hawaii sugar allotment to processors in Florida, Louisiana, Texas, and Puerto Rico. Since the Hawaiian sugar industry is in decline, Hawaii was not able to produce its assigned marketing allotment. This portion of the allotment was given to processors in states that could produce at the allocated level and the state's share was determined by the original allotment the state had received. A total of 3,281 short tons of raw cane sugar were also reassigned within Louisiana, from processors with surplus allocation to processors with surplus production.

USDA Moves Toward Recognition of Uruguay as Free of Foot-and-Mouth Disease

The Minister of Agriculture of Uruguay requested that USDA recognize Uruguay as free of foot-and-mouth disease (FMD), a highly debilitating foreign virus disease in swine, cattle, and other animals. The USDA Animal and Plant Health Inspection Service is taking the necessary steps to move Uruguay toward FMD-free status by reviewing information regarding the capabilities of their National veterinary services, animal health records, and regulations. Strict import rules after the last U.S. outbreak in 1930 have kept the United States free of this disease. An extended outbreak could cost the United States \$12 billion over a 15-year period and a loss of many export markets. Once Uruguay is free of FMD, cattle and meat products may be exported into the United States.

Montanans Voice Concern About Captive Supply and Packer Concentration

Captive supplies and concentration in the beef packing industry continue to be of concern to Montana beef producers. On July 12-15, USDA Grain Inspection, Packers and Stockyards Administration Administrator James Baker met with cattle producers, the Northern Plains Resource Council, the Western Organization Resource Council, and Montana Governor Marc Racicot in Billings and Miles City, Montana to discuss the issue. Producers are adamant in their belief that the market is being manipulated by four large packing houses. The Department has pledged to continue monitoring the procurement practices of the packers and to move expeditiously in concluding a Packer Concentration Study, which is expected to be completed and released by the end of the year. This is an issue which has received increasing attention. I have met with a number of interests on this important matter and have commented during speeches about this key issue.

Progress Seen On Yellowstone Bison Issue

On July 14, a settlement offer was agreed to by USDA and the Department of the Interior. The Department of Justice is forwarding the offer to the state of Montana and the Royal Teton Ranch. The offer follows a July 6 meeting between USDA Animal and Plant Health Inspection Service (APHIS) officials, Montana Governor Mark Racicot, the Montana state veterinarian, and representatives of Yellowstone Park and the Montana Department of Fish, Wildlife and Parks to discuss the problem of brucellosis in Yellowstone bison. Montana recently filed suit against APHIS and the National Park Service in an attempt to negotiate a solution which would aid APHIS in eradicating brucellosis and reduce the number of bison in Yellowstone National Park. If brucellosis is contracted by cattle, it would severely hamper the ability of Montana ranchers to sell and export cattle. Thus far, Montana has maintained its "brucellosis-free" status and cattle have been permitted to move freely from the state.

SECRETARY'S SCHEDULE

On July 24, I will travel to Anaheim, California to address the American School Food Service Association and may meet with the editorial board of the *Los Angeles Times*. I will also conduct nutrition events in the Los Angeles area.

On July 30-August 1, I will travel to Green Bay, Wisconsin, Mankato and Redwood Falls, Minnesota, and South Bend, Indiana. 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 Midwest's largest farm exhibit events. I will participate in a town hall meeting sponsored by Congressman Tim Roemer in South Bend.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On July 25, Deputy Secretary Richard 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.

On August 6-7, Deputy Secretary Rominger will travel to Des Moines, Iowa to address several groups at the 50th annual meeting of the Soil and Water Conservation Association, and to Johnston, Iowa to tour Pioneer Hi-Bred International's research facilities.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On July 25-28, USDA Inspector General Roger Viadero will be traveling to the Office of Inspector General (OIG) Western Region.

On July 28, USDA General Counsel James Gilliland will travel to west Tennessee to make an Enterprise Community announcement with Congressman John Tanner; following the announcement, he will attend a function provided by Tennessee Lieutenant Governor John Wilder to stress the Administration's concern for rural America. (*See USDA Work On Presidential Initiatives: Empowerment Zones/Enterprise Communities Update*)

On July 24-25, USDA Assistant Secretary for Administration Wardell Townsend will travel to San Antonio, Texas to attend the National Conference of the American Society of Public Administration; on July 26, he will attend the USDA Rural Economic and Community Development Civil Rights Staff Annual State Civil Rights meeting in New Orleans, Louisiana; on July 31-August 1, he will travel to Lexington, Kentucky for an InfoShare site visit.

On July 26, USDA Under Secretary for Research, Education, and Economics Karl Stauber will attend 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.

On July 27-28, USDA Acting Under Secretary for Rural Economic and Community Development Michael Dunn will attend the "Creative Partnerships: Building Rural America" national rural development conference in Snowbird, Utah.

On July 27-28, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will meet with Mexican Subsecretary of Agriculture Ing. Romarico Daniel Arroyo in Los Angeles, California to discuss the current situation concerning Medfly detections in Chiapas, Mexico, and to provide an overview of the Medfly project in California.

On August 1, USDA Acting Under Secretary for Food Safety Michael Taylor will travel to Pittsburgh, Pennsylvania to speak at a meeting of the International Association of Milk, Food, and Environmental Sanitarians.

On August 1, USDA Under Secretary for Natural Resources and Environment Jim Lyons will address the George Washington University Symposium entitled "Urban Ecosystems: Transdisciplinary Perspectives in Ecology and Management" in Snowbird, Utah.



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

July 27, 1995

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

KEY DEPARTMENT NEWS

USDA Promotes Administration's Budget Message

During the past week, USDA Subcabinet members and I have focused on delivering the Administration's message of the adverse impact that proposed Republican budget cuts will have on Department programs, particularly rural housing and water and sewage projects. On July 25, I met with the *Los Angeles Times* editorial board to discuss this important issue. I also delivered the Administration's message on the balanced budget and rural cuts during speeches to the United Fresh Fruit and Vegetable Association on July 23 and to the American School Food Service Association on July 24.

On July 24, I was featured on a USDA television satellite feed which was available to stations across the country. On July 21, I held a telephone news conference on the subject with farm broadcasters and regional media opinion leaders from North Carolina, Illinois, Kentucky, Tennessee, Iowa, and Missouri. In addition to the overview, I gave state-specific information about the House Appropriations cuts.

Deputy Secretary Richard Rominger conducted a telephone news conference with radio and print reporters on July 21 and emphasized the impact of House Appropriations cuts in California, Florida, Minnesota, and Washington state. Deputy Secretary Rominger also delivered the Administration's message during an interview with *Linder Farm Radio Network* in Minnesota on July 24.

On July 26, USDA Chief Economist Keith Collins met with officials from the Office of Management and Budget, the Department of the Treasury, and the Department of Health and Human Services to discuss the distributional effects of Congressional proposals to balance the budget.

The Department will continue to deliver the Administration's budget message during the coming weeks, including the contrast between the proposed Republican cuts to farm programs, which would be severe, and the more moderate cuts contained in the Administration's balanced budget plan.

GAO Begins Inquiry Into Proposed Food Safety Legislation Costs

At the request of the House Agriculture Committee, the General Accounting Office (GAO) has begun an audit to study the distribution of costs among producers, processors, and consumers that will result from implementation of the proposed rule on pathogen reduction/Hazard Analysis and Critical Control Points (HACCP) systems. GAO staff met on July 21 with USDA Food Safety and Inspection Service officials to discuss the audit. The potential for small plants is a concern of the audit. One difficulty in performing such cost analyses has been defining what constitutes a small plant.

Asian Trade Trip Scheduled

During August 6-18, I will embark on a six-country tour of Asia, visiting Japan, Indonesia, Singapore, Malaysia, Hong Kong, and South Korea. At each location, I will consult with government officials on issues vital to agricultural trade. I will also witness first-hand market development efforts in which USDA has been involved. The trip will help reinforce existing markets in Asia, which account for about one-third of total U.S. exports, and further improve access and successes there.

USDA Cooperating On Global Food Security Analysis

USDA is cooperating with Department of State, Agency for International Development, and CIA personnel to develop projections of future global food aid needs for the 1996-2005 period. The USDA Economic Research Service (ERS) is taking the lead in preparing these projections which will be used to establish food aid budgets and policies. Preliminary estimates of regional food needs are expected to be available for internal review by July 28. The USDA Foreign Agricultural Service is working with ERS on country-specific data, which should be available in August.

Medfly Program Review Held Today

Today, USDA Acting Assistant Secretary of Agriculture Patricia Jensen met with Mexican Subsecretary Romarico Arroyo in Los Angeles, California to discuss the serious Medfly outbreaks in Chiapas, Mexico. They toured Medfly eradication activities in the Los Angeles area and met with California Secretary of Agriculture Ann Veneman.

Drop in Food Stamp Participation

Today, Food Stamp Program participation and cost figures for the month of May were released. Food stamp participation was 26.47 million in May, down 1 million from May 1994, representing the lowest food stamp participation in over two years. This is the 10th consecutive month of fewer food stamp recipients than in the same month a year earlier. The reduction in participants has resulted in a cumulative saving of \$400 million since last August.

Ethanol Report To Be Released

On July 28, the USDA Economic Research Service will release a report which demonstrates the energy efficiency of ethanol production. The Department will issue a press release regarding the report, which will be welcomed by ethanol supporters. I will be discussing the report and the Administration's commitment to ethanol during my travel to the Midwest next week.

USDA WORK ON PRESIDENTIAL INITIATIVES

University of California Decision May Impact University Funding

The recent vote regarding affirmative action by the University of California Board of Regents may have an impact on USDA funding of contracts and programs with the University of California system. By Executive Order, the Office of Contract Compliances (OCC) within the U.S. Department of Labor requires that governments develop affirmative action plans for their entities as a part of their contracting to receive federal funding. The decision made by the University of California may impact this funding, including funding for contracts and USDA's relationship with the University of California at Davis.

Pacific Northwest Economic Adjustment Initiative/Forest Plan

The USDA Forest Service recently awarded \$980,000 to the California Trade and Commerce Agency (CTCA) as part of the Old Growth Diversification Fund established in 1994 with \$1.2 million under the Northwest Economic Adjustment Initiative. The funds are available for low-interest loans to businesses within the range of the northern spotted owl. Loans can be used to purchase buildings, equipment, or land, or to provide a line of credit for businesses that add value to natural resource products, diversify local economies, and create or retain jobs. Thus far, CTCA has loaned \$380,000, creating 16 jobs and retaining 21 jobs.

Empowerment Zones/Enterprise Communities (EZ/EC) Update

On July 25-26, I participated in the White House Community Empowerment Conference, where I announced the award of a \$1.38 million Rural Business Enterprise Grant to rebuild port facilities in a Texas community located in the Rio Grande Valley Empowerment Zone. The grant will assist 20 businesses and create 142 jobs. A \$300,000 Rural Business Enterprise Grant has also been approved for the City of East Prairie, Missouri to renovate the remaining 50 percent of the former C.B. Forms Building for a new industry. The first 50 percent was provided by the city and the new industry will create 125-150 jobs.

Water 2000 Plan Launched In Southern Illinois

USDA Rural Utilities Service Administrator Wally Beyer recently launched the Water 2000 Action Plan by showcasing Southwater, the first drinking water project funded under the Plan. The event was a community meeting in the Union Church of Villa Ridge, Illinois, a low-income community in the northern delta area of the Mississippi River. The community meeting, attended by 125 people, was followed by a tour of local households with no or poor drinking water supplies.

CONGRESS

Key Congressional Visits And Activities

On July 26, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos participated in a meeting of Senator Joseph Biden's Agriculture Advisory Group in Delaware. He answered questions on farm programs, took part in a press conference with Senator Biden, and toured the Delaware State Fair agricultural exhibits.

Congressional Hearings

Today, the House Resources Subcommittee on National Parks, Forests, and Lands held a hearing on the problems of proposed regulations in resolving rights-of-way disputes involving federal lands.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry today marked up H.R. 2029, the Farm Credit System Regulatory Relief Act of 1995.

On July 28, the Senate Appropriations Committee will mark up H.R. 1977, FY96 Department of the Interior appropriations.

The House Science Committee will mark up H.R. 1851, the Federal Fire Prevention and Control Act, on July 28.

On July 29, the Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on S. 745, a bill to require the National Park Service to eradicate brucellosis affecting bison in Yellowstone National Park.

On August 1, the House Commerce Subcommittee on Oversight and Investigations will hold a hearing on the implementation and enforcement of the 1990 Clean Air Act Amendments. USDA Special Assistant for Pesticide Policy Larry Elworth will testify.

On August 3, the Senate Agriculture Committee will hold a hearing on the nomination of Jill Long as USDA Under Secretary for Rural Economic and Community Development and a Member of the Board of Directors of the Commodity Credit Corporation.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold an August 3 hearing on the possible revamping of recreation fees at public parks.

PRESS INQUIRIES

Press Contacts With USDA

U.S. News & World Report will likely run a story about USDA's enforcement of the Animal Welfare Act in its next edition.

Associated Press requested photographs from a USDA Office of Inspector General audit report on the enforcement of the Animal Welfare Act.

The Washington Post requested USDA Office of Inspector General audit reports on the P.L. 480 Program.

The Chicago Tribune requested copies of inspection reports on Buikema Ace Hardware Store in Wheaton, Illinois, which houses a capuchin monkey that had one of its ears surgically removed due to chronic ear infections. Friends of Animals issued an Internet message claiming that the animal had torn its own ear off due to lack of veterinary care. The USDA Animal and Plant Health Inspection Service is investigating this incident to determine if lack of veterinary care led to the removal of the ear.

U.S. News & World Report and several other media outlets requested information about a USDA complaint filed against the Hogle Zoo in Salt Lake City, Utah.

CNN requested background information on the USDA Animal and Plant Health Inspection Service's role in wildlife management.

ABC Nightly News contacted the USDA Natural Resources Conservation Service in Florida regarding cogongrass, a tropical grass common in Florida that is considered to be one of the 10 most noxious weeds in the world.

FOIA REQUESTS

In response to two separate requests, the USDA Animal and Plant Health Inspection Service provided *U.S. News & World Report* documents concerning research facilities in Alamogordo, New Mexico, operated by Coulston International Inc.

WEEK IN REVIEW

Wetlands Reserve Program Popular With Farmers

On July 24, USDA announced that there had been strong interest in the Wetlands Reserve Program (WRP), with more than 3,700 landowners bidding more than 572,000 acres during the sign-up that ended on June 30. The USDA Natural Resources Conservation Service (NRCS) has funds to enroll about 60,000-70,000 acres. NRCS will rank the offers and set priorities. By early September, landowners will be contacted by NRCS with offers for enrollment in WRP. The WRP protects and restores wetlands to provide habitat for migratory birds and other wildlife, help purify water supplies, and help absorb flood waters. Under the voluntary program, conservation easements are purchased from landowners for wetland areas that have been previously drained and are now used or have been used for agricultural production. Enrolled acreage is restored as wetlands with ownership and control of access remaining with the landowner.

USDA Completes Food Safety Surveys In Federally Inspected Plants

The USDA Food Safety and Inspection Service recently released results of three surveys to estimate the prevalence and levels of selected bacteria in raw ground beef, raw ground turkey, and raw ground chicken produced in federally inspected plants. Several different types of bacteria were found during the survey. No *E. coli O157:H7* was found in the survey, which is consistent with the finding of three confirmed positives out of 3,688 samples in the nationwide *E. coli O157:H7* sampling program. This confirms the low but significant prevalence of this virulent pathogen that causes an estimated 300 deaths per year.

Olympic Equestrian Field Trials Canceled Due To Disease Threat

The Olympic equestrian field trials, which were to be held July 25-29 at High Prairie Farm southeast of Denver, Colorado, have been canceled because of the threat of Vesicular Stomatitis (VS), which causes blisters on the mouth, feet, and teat of affected

animals. Olympic sponsors and participants were concerned that horses entering Colorado could be barred from other states and countries or even be quarantined in Colorado should a case be found on the premises where the trials were being held. USDA Animal and Plant Health Inspection Service (APHIS) and state animal health officials in Colorado are finalizing policies for markets, shows, and fairs.

On July 18, in response to requests by state veterinarians, APHIS approved the release of an autogenous VS vaccine for use on horses and cattle in affected states. APHIS is also preparing options for regionalizing VS in the United States to minimize adverse international trade restrictions while supporting demands by producers for the vaccine.

Loans Approved For Rural Electric Systems

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: New-Mac Electric Cooperative Inc., Neosho, Missouri, \$3.84 million; Clay Electric Cooperative Inc., Keystone Heights, Florida, \$14.7 million; Surry-Yadkin Electric Membership Corporation, Dobson, North Carolina, \$6.41 million; Four County Electric Membership Corporation, Burgaw, North Carolina, \$8.55 million; GreyStone Power Corporation, Douglasville, Georgia, \$8.91 million; Lake Region Electric Cooperative Inc., Hulbert, Oklahoma, \$2.52 million; and Cimarron Electric Cooperative, Kingfisher, Oklahoma, \$3.15 million.

Heat Proves Costly For Livestock And Poultry Producers

Heat, humidity, and a lack of wind killed thousands of head of cattle in the Midwest last week. Economic losses from heat-related cattle deaths and lowered weight gain are in the millions of dollars, according to estimates based on reports from farmers, rendering plants, and feedlot operators. Losses apparently were greatest in western Iowa, with some also in eastern Nebraska. As cattle began to succumb to the conditions, feedlot operators worked to wet them down with water wagons, hoses, sprinkler systems, buckets, and--in some cases--by summoning the volunteer fire department to douse the animals. Hog shipments to packing plants were limited for several days because of the heat, resulting in a decline of 4-5 percent from recent weekly slaughter levels. Crops also suffered from the extreme heat, with corn and soybean futures registering price advances.

The poultry industry in 19 states has also reported losses. Losses of 3.8 million laying hens, 4.5 million broiler/fryers, and 600,000 turkeys were reported. These losses were noted as significantly above normal mortality rates for this time of year. Besides increased mortality, the weather has taken its toll on production as weight gains, egg size, and quality.

Korea Settles With United States On Shelf-Life Cases

The USDA Foreign Agricultural Service reports that, after more than eight months of intense bilateral negotiations, South Korea has agreed to U.S. terms for bilateral settlement of the red meat industry's Section 301 petition and U.S.-filed World Trade Organization (WTO) shelf-life case. The agreement provides for improved market access for meat and other food products, and is expected to result in increased near-term meat exports of at least \$240 million yearly with the hope of reaching \$1 billion by 1999. The agreement moves Korea away from shelf-life non-tariff barriers toward allowing manufactures to establish recommended "use-by" dates for their products.

Japan Begins Purchases Of Minimum Access Rice

Japan will make the first minimum access rice purchase under its GATT Uruguay Round (UR) minimum access commitment this week. Under the UR terms, Japan must purchase a minimum of 379,000 tons during FY95.

Human Death Suspected From Horse Disease In Mexico

Surveillance activities have been increased in Mexico as a result of a human death in southern Mexico that is possibly linked to Venezuelan equine encephalitis (VEE), a foreign horse sleeping sickness. Although not yet confirmed, the suspected human case prompted the U.S.-Mexico Exotic Animal Disease Commission to increase surveillance activities. As of July 4, a serologic survey had been completed in five municipalities in the states of Chiapas and Tabasco. No clinical cases in any horses have been reported. An outbreak of VEE in Chiapas, Mexico in 1993 caused the United States to stop horse imports and impose a seven-day quarantine at the border.

Rounds Fired At Forest Service Employees

On July 21, two USDA Forest Service employees on the Hot Springs Ranger District on California's Sequoia National Forest responded to a call concerning a disabled vehicle near the town of Johnsondale. As one of the employees exited from her patrol vehicle, a male exited a nearby pickup truck and fired five rounds from his gun. The employee jumped into her vehicle and drove away, while the gunman reloaded and fired at them. The employees were not injured and their vehicle was not hit.

Approximately one hour later, Forest Service law enforcement officers and a local law enforcement official took a suspect into custody without incident. A suicide note was found in the vehicle. The suspect was charged with assault on a federal officer. Seven spent rounds of ammunition were found on the ground where the incident took place.

SECRETARY'S SCHEDULE

On July 29-August 1, I will travel to Green Bay, Wisconsin, Mankato and Redwood Falls, Minnesota, and South Bend, Indiana. 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; I will also participate in fundraisers for Senator Wellstone. In Redwood Falls, I will address Farm Fest, one of the Midwest's largest farm exhibit events. I will participate in a town hall meeting sponsored by Congressman Tim Roemer in South Bend. On August 1, I will speak to the editorial board of the *Minneapolis Star-Tribune* about the 1995 Farm Bill.

On August 2, I am scheduled to meet with Food and Agriculture Organization (FAO) Director General Jacques Diouf to focus on U.S. payments to FAO (which are expected to be reduced substantially), FAO's upcoming 50th anniversary celebration in Quebec, preparations for the FAO Conference in October, and a proposed World Food Summit in 1996.

During August 6-18, I will embark on a six-country tour in Asia. I will travel to Japan, Indonesia, Singapore, Malaysia, Hong Kong, and South Korea.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On July 31, USDA Deputy Secretary Richard Rominger will travel to Burlington, Sterling, and Lexington, Kentucky to visit USDA Service Centers and participate in an Info Share meeting.

On August 6-7, Deputy Secretary Rominger will travel to Des Moines, Iowa to address several groups at the 50th annual meeting of the Soil and Water Conservation Association, and to Johnston, Iowa to tour Pioneer Hi-Bred International's research facilities.

SUE-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On July 28, USDA General Counsel James Gilliland will travel to west Tennessee to make an Enterprise Community announcement with Congressman John Tanner; following the announcement, he will attend a function provided by Tennessee Lieutenant Governor John Wilder to stress the Administration's concern for rural America.

On July 31-August 1, USDA Assistant Secretary for Administration Wardell Townsend will travel to Lexington, Kentucky for an InfoShare site visit.

On August 1, USDA Acting Under Secretary for Food Safety Michael Taylor will travel to Pittsburgh, Pennsylvania to speak at a meeting of the International Association of Milk, Food, and Environmental Sanitarians.

On August 1, USDA Under Secretary for Natural Resources and Environment Jim Lyons will address the George Washington University Symposium entitled "Urban Ecosystems: Transdisciplinary Perspectives in Ecology and Management" in Snowbird, Utah; while in Utah, he will also sign a Memorandum of Understanding with Salt Lake City officials to commit USDA Forest Service resources to the 2002 Winter Olympics. On August 8, Under Secretary Lyons will speak at a USDA Natural Resources Conservation Service business meeting and a Soil and Water Conservation Society meeting in Des Moines, Iowa. On August 9-11, Under Secretary Lyons is tentatively scheduled to travel to the Greater Yellowstone Area to examine oil and gas leasing on national forest lands.



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

August 3, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of July 31, 1995

KEY DEPARTMENT NEWS

USDA Advances Administration's Budget Message

On August 1, USDA issued a national news release which contrasted the effect of the President's ten-year balanced budget plan on farm and rural programs with the more drastic cuts contained in the Congressional seven-year budget proposal. The news release focused on the fact that the President's plan would be better for rural America than the Congressional plan and contained a state by state breakdown of the potential budget cuts in the food and farm programs. I discussed this message during remarks at FarmFest 95 in Redwood Falls, Minnesota, and in interviews with Minnesota Public Radio and the editorial board of the Minneapolis Star-Tribune.

USDA's sub-cabinet echoed this message nationwide in interviews with reporters and during public events on August 1. Together, the sub-cabinet helped extend the message to mainstream and minority media in Texas, California, Illinois, Ohio, Pennsylvania, Michigan, Iowa, Kansas, Washington, Tennessee, Mississippi, Oregon, North Dakota, South Dakota, Arkansas, and Oklahoma. Members of Congress were also provided with this information, which has received substantial media coverage.

Trade Delegation to Asia

During August 6-18, I will embark on a six-country tour in Asia, including visits to Japan, Indonesia, Singapore, Malaysia, Hong Kong, and South Korea. At each location, I will consult with government officials on issues vital to agricultural trade and explore USDA's market development efforts in these countries. The trip will reinforce existing markets in Asia, which account for approximately one-third of USDA's total exports, and further improve access and successes in this area.

Crop Insurance Roundtable

I convened a roundtable meeting today to discuss the crop insurance program. This year was the first year of implementation of the program following enactment of the Federal Crop Insurance Reform Act of 1994, which was an Administration initiative. This roundtable meeting gave all interested parties the opportunity to provide their views on ways in which the new program can be improved for the upcoming crop year. Attendees included the crop insurance industry, farmers, and farm organization officials as well as Members of Congress and staff.

Food Safety Reform Meetings

Today and tomorrow, I will be meeting with representatives of consumer, industry, producer, union and employee organizations regarding upcoming meetings and actions on USDA's proposed Hazard Analysis and Critical Control Point (HACCP) food safety reforms. The meetings reflect my commitment to be personally involved in the rulemaking and to seek input from all interested parties. (See Key Regulatory Action)

Senate Confirmation Hearings for Jill Long; USDA Personnel Changes

Today, the Senate Agriculture Committee will hold a confirmation hearing on the nomination of Jill L. Long of Indiana to be Under Secretary of Agriculture for Rural, Economic & Community Development as well as a member of the Board of Directors of the Commodity Credit Corporation. Long's nomination may be considered on the Senate floor as early as next week. On related notes, the Administration announced its intention to nominate David Carlin as USDA Assistant Secretary for Congressional Relations this week, and Cheryl Tates-Macias began her employment this week as USDA Director of Intergovernmental Relations. Acting Assistant Secretary of Marketing and Regulatory Programs Patricia Jensen announced that she would be leaving USDA at the end of September to return to Minnesota.

US-Canada Wheat Pricing Policies In the News

This week, an informal USDA analysis of Canadian Wheat Board (CWB) pricing policies, which had been prepared at the request of the U.S.-Canada Joint Commission on Grains (JCG), was made public by a U.S. farm organization. There has been media coverage of the study, which has been publicly criticized by CWB and has caused some friction between JCG members. The final JCG report on the U.S.-Canada grain situation is due on September 11.

Meeting of Interagency Forest Health Team

The first meeting of the new Interagency Forest Health Team will be held on August 7 at USDA Forest Service headquarters in Washington, DC. Other agencies represented are the USDA Natural Resources Conservation Service, the Department of Interior's Bureau of Land Management, Fish and Wildlife Service, and National Biological Service, the Department of Commerce's National Marine Fisheries Service, and the Environmental Protection Agency. The team was formed in response to a continuing need for agency-to-agency dialogue on forest health.

Report on Fire Suppression Costs To Be Released

The Fire Suppression Costs on Large Fires final report will be published next week. Prepared by the USDA Forest Service, this report is one of a series of reviews and reports following the 1994 fire season. The review focused on broad, strategic issues, including analysis of cost and risk, protection of private property, fuels treatment, and availability of personnel for firefighting. An interagency review team will be reviewing all such reports beginning in mid-August and will develop an action plan for the 1996 fire season based upon the recommendations from these studies.

Farm Weather Outlook

The outlook for August 3-7 calls for hot, dry weather favoring rapid winter wheat harvesting in the Pacific Northwest. Seasonably dry weather is expected throughout the West, but unseasonably hot weather in the Southwest will maintain high crop irrigation requirements. In the Great Plains, storms will continue to track along the northern tier of States, bringing near to below normal temperatures and above normal rainfall from Montana to Minnesota. While soil moisture supplies remain adequate, crop development will continue to lag behind normal with the moist, cool weather. Above-normal temperatures will hasten summer crop development elsewhere in the Plains States, with near-normal rain in the central Plains. Dry weather is expected in the southern Plains, except in south Texas, where showers may slow harvesting but boost soil moisture. Above normal temperatures across the Corn Belt, with near to above normal rainfall especially in the north and east, will promote corn development. However, unseasonably hot weather and pockets of below normal rainfall over the Atlantic Coast States and Southeast will increase crop stress.

USDA WORK ON PRESIDENTIAL INITIATIVES

Welfare Reform

The full Senate may begin debate on welfare reform on Friday, August 4, which could involve reform of the Food Stamp Program. On a related note, USDA, in cooperation with the Department of Justice, is using a new multifaceted approach to financial recovery in cases of

food stamp fraud. Last week, after criminal warrants were executed against a Brooklyn network of food wholesalers with alleged \$7 million worth of illegal food stamp coupon redemptions, both civil forfeiture and false claims actions were filed against the wholesalers. These actions are intended to freeze any assets which may be located at a later date and to prevent the transfer of property which could be used to ensure full financial recovery for the Federal government at the conclusion of a criminal case.

Pacific Northwest Economic Adjustment Initiative

Four Rural Business Enterprise Grant projects totalling over \$225, 000 were approved this week for projects in Siskiyou and Shasta counties, California, including the Karuk Tribe, the Superior California Economic Development District, the California Wild Rice Growers Association, and the Great Northern Corporation. The projects will create approximately 66 full-time jobs in the area.

Empowerment Zones/Enterprise Community Update

The Macon Ridge Economic Development Region in Winnsboro, Louisiana was approved for a \$2 million Intermediary Relending Program (IRP) loan and a \$300,000 Rural Business Enterprise Grant (RBEG). The projects will create approximately 60 jobs and save an additional 50. Three IRP loans were also approved for projects in South Dakota (\$1 million, creating 25 jobs and saving an additional 25 jobs), Tennessee (\$2 million, creating 50 jobs and saving an additional 50 jobs), and Arkansas (\$316,000, creating 10 jobs and saving an additional 10 jobs).

Four RBEG loans were also approved for projects in Arizona (2 projects totalling \$660,000, creating approximately 200 jobs and saving approximately 600 additional jobs), Ohio (\$80,000, creating 60 jobs), and California (\$527,000, creating 400 jobs).

CONGRESS

Key Congressional Visits And Activities

Representative Steve Gunderson, Chairman of the House Agriculture Subcommittee on Livestock, Dairy, and Poultry, outlined a comprehensive proposal to overhaul federal dairy policy today. The proposal includes consolidating milk marketing orders, transforming the dairy support program into a recourse loan program, changing the pricing system, eliminating budget assessments on producers, and creating a private export trading company to boost export sales. The Department is reviewing the proposal, which is expected to be formally introduced in September.

The Senate Agriculture Committee continues work on the discretionary items of the 1995 Farm Bill, including trade, research, farm credit, rural development, and miscellaneous provisions. Meanwhile, House Agriculture Committee Chairman Pat Roberts has indicated that full committee mark-ups on the Farm Bill will begin in September.

On July 28, the House of Representatives passed H.R. 1103, which amends the Perishable Agricultural Commodities Act of 1930. Senate action is expected soon.

USDA Under Secretary for Food, Nutrition and Consumer Services Ellen Haas met with Senator Ben Nighthorse Campbell on August 1 to discuss Food Stamp reform.

On August 1, USDA Under Secretary for Research, Education and Economics Karl Stauber met with Congressman Sam Farr to discuss methyl bromide issues.

USDA Food and Consumer Services staff met with Senators Sam Nunn, John Chafee, Mitch McConnell, and Herb Kohl to discuss Food Stamp reform.

Jan Shadburn, Acting Associate Administrator, USDA Rural Housing and Community Development Service (RHCDS), met with Senator Connie Mack to discuss the Dedicated Loan Originating and Servicing System and other RHCDS issues.

USDA Rural Utilities Service (RUS) officials met with staff of the Senate Commerce Committee and Senator Pressler's office to discuss implications of the Senate's communications bill on RUS programs.

On August 7, Under Secretary Haas is scheduled to meet with Senator Dianne Feinstein (D-CA) to discuss Food Stamp block grants.

Congressional Hearings

Today, the House Resource Subcommittee on National Parks, Forests, and Lands will conduct a hearing regarding recreation fees.

Markup of H.R. 1713, the House version of S. 852, the Public Rangelands Management Act of 1995, is scheduled for August 4.

The Senate Energy and Natural Resources Committee will conduct a hearing on August 9, regarding the Southeast Alaska Jobs and Communities Protection Act of 1995. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

The Senate Energy and Natural Resources Committee has scheduled a field hearing in Arizona during the August recess regarding community stability in natural resource dependent regions.

On August 16, the Senate Agriculture Committee will hold a field hearing in Idaho to discuss the 1995 Farm Bill.

Senator Rod Grams (R-MN) has asked the Senate Energy and Natural Resources Committee to hold field hearings in Minnesota on the issue of the impacts that Federal management and control has on local communities adjacent to the Boundary Waters Canoe Area Wilderness (BWCAW) and Voyageurs National Park. Senator Paul Wellstone (D-MN) is also expected to conduct a hearing on the same issue on either August 17 or 20 in Minneapolis-St. Paul, and Congressman James Oberstar (D-MN) may be introducing legislation that would relax the protective management of both the BWCAW and Voyageurs.

KEY REGULATORY ACTION

The USDA Food Safety and Inspection Service (FSIS) is planning to announce that the comment period for the USDA proposed rule on "Pathogen Reduction; Hazard Analysis and Critical Control Points (HACCP) Systems" will be reopened consistent with upcoming public meetings on specific HACCP issues. FSIS will also announce a three-day conference on August 21-23 with state government leaders responsible for food safety. The conference will address issues raised during the comment period on the proposed rule and other issues pertinent to relations between FSIS and state governments. Further public meetings on the HACCP proposal will be held in August and September. (See Key Department News -- Food Safety Reform Meetings)

A notice announcing the time and place of public hearings on the USDA Animal and Plant Health Inspection Service (APHIS) proposal to allow Mexican Hass avocados to be imported into the Northeastern United States under certain conditions will be published soon. The hearings will be held in several locations across the country and will focus on the scientific and risk assessment basis of the proposal.

USDA will soon publish a proposed rule prohibiting an increase in Food Stamp benefits when assistance from Aid to Families with Dependent Children (AFDC) or another Federal, State or local welfare program is reduced as a result of a penalty for intentional noncompliance with the other program's requirements. President Clinton announced the rule in his July 31 speech before the National Governor's Association.

PRESS INQUIRIES

Press Conferences/Statements

On August 1, USDA issued a national news release promoting the Administration's budget plan as fairer to farmers and rural American than the Congressional plan. (See Key Department News -- USDA Advances Administration's Budget Message)

Press Contacts With USDA

The New York Times published a story on July 30 which quoted two USDA Agricultural Research Service scientists regarding the new strain of late potato blight in New York.

The Boston Globe reported on the effect of the FSIS Pathogen Reduction/HACCP proposal on kosher slaughter on July 31.

On August 1, USDA Under Secretary for Food, Nutrition and Consumer Services Ellen Haas interviewed with MS magazine on Team Nutrition.

Good Morning America will feature stories from dog owners about the poor conditions of puppy mills on Friday, August 4. The piece will feature the Humane Society of the United States.

National Public Radio in San Francisco asked for and received a taped interview with Dr. Peter Grosser, Plant Protection and Quarantine staff, concerning the importation of Hass avocados from Mexico.

ABC-TV Prime Time has requested information on USDA's response to a 1991 OIG audit of AMS' dairy grading and inspection program. A response is being developed.

CNN is beginning research for a documentary on immigration, including food stamp fraud by illegal aliens.

NBC's "Fleecing of America" ran a negative story on the Market Promotion Program yesterday.

U.S. News & World Report has requested an interview with Acting Assistant Secretary for Marketing and Regulatory Reform Pat Jensen regarding alleged Animal Welfare Act violations by an AIDS research laboratory.

CBS News is researching the problem of pine bark infestation in the southeast United States.

USA Today's editorial board is interested in doing a series on the 1995 Farm Bill and has requested copies of the USDA Economic Research Service's background reports on programs such as dairy, tobacco, peanuts, wheat and cotton. *Print date unknown.*

Newsweek is researching a story about the Alaska delegation's views about the future of the National Forests and the Forest Service in Alaska. *Print date unknown.*

NBC's "Dateline" is researching a story about the Tongass National Forest and the Forest Service's long-term contracts with foreign companies. *Air date unknown.*

NBC's "Dateline" is researching two stories relating to the Animal Welfare Act, including a story on pet theft and animal dealers whose licenses have been suspended and a story about an organization called Predator Friendly Wool, a group which believes that predator damage can be controlled through non-lethal means. *Air date unknown.*

Time magazine is researching a story about salvage logging in Southern Appalachia. *Print date unknown.*

WEEK IN REVIEW

Settlement Reached by Parties Regarding Yellowstone Bison and Brucellosis

A settlement agreement was reached in the case of *State of Montana v. United States* on July 27. The settlement agreement defines an interim management plan for Yellowstone National Park and will be reviewed by the Federal district court on August 15. On related notes, Senator Burns held a hearing in Helena on July 29 to discuss the elimination of brucellosis from the Yellowstone ecosystem. The Executive Committee of the Greater Yellowstone Interagency Bison Committee will meet Aug. 24-25 in Riverton, Wyoming.

Fewer Delinquent Borrowers

According to a recent report by USDA's Consolidated Farm Service Agency (CFSA), there are over 3,000 fewer delinquent borrowers in the CFSA farm credit programs than there were last year. This is a reflection of improved income conditions for these borrowers.

Food Safety Education And Survey Results Available

The USDA Food Safety and Inspection Service (FSIS) has developed an educational booklet containing information on *E. coli* O157:H7 for use by health officials who need to communicate with the media and the public during outbreak situations. Also this week, the USDA FSIS will release the results of a nationwide survey on ground beef, ground turkey and ground chicken collected from plants operating under Federal inspection. FSIS conducted the survey from August 1993 through March 1994 to estimate the national average plant prevalence and levels of bacteria of public health concern in raw ground beef, ground turkey and ground chicken as currently produced. Congressional staff will be briefed on the findings of this survey.

Hamburger Patties Found Positive for *E. coli* O157:H7 in Montana

On July 29, as part of an epidemiological investigation into an outbreak of illness linked to *E. coli* O157:H7, FSIS laboratory tests confirmed that one of the four samples of frozen patties obtained from a fast food restaurant in Missoula, Mont., tested positive for the O157:H7 strain. However, no link between the product and the outbreak has yet been confirmed. All

outlets are being contacted to assure no similar product is served to customers, and the federal plant producing the patties has been notified and has begun recalling the product. USDA has notified public health authorities in the six states. The Centers for Disease Control is trying to determine whether the bacteria from the meat is the same strain that caused the outbreak. No single food product has yet been implicated in the outbreak, which has resulted in over 70 cases--of which at least 25 have been lab confirmed for the 0157:H7 strain. Montana authorities have collected samples of produce and water for further analysis, since local produce is also a suspect food vehicle.

Suspension and Debarment Potential Litigation

On July 10, 1995, the USDA Rural Housing and Community Development Service (RHCD) issued letters of suspension and proposed debarment to Pamela Gleichman, Karl Norberg, Housing/State of the Art, and Pamela Gleichman and Company, a Maine housing developer with strong political relationships.. While negotiations continue, it appears that Ms. Gleichman may be seeking injunctive relief from the agency's suspension and proposed debarment action, since depositions on the matter have been taken from several RHCD employees.

MPP Funds Increased For FY95

USDA announced allocations of additional Market Promotion Program (MPP) funds yesterday. The funds were contained in the recently passed Emergency Supplemental and Rescissions Act of 1995. With the supplemental included, total MPP funding for FY95 was increased from \$85.5 million to \$110 million. This increased funding reflects the Administration's commitment to expanding agricultural exports under the General Agreement on Tariffs and Trade.

State of Massachusetts Sues USDA Over 1959 Cranberry Scare

On July 27, 1995, the State of Massachusetts filed a complaint in federal District Court seeking restitution from USDA under the Resource Conservation and Recovery Act (RCRA) for costs incurred in responding to contamination at the North Carver landfill in North Carver, Massachusetts. The contamination allegedly arose from the dumping of cranberries sprayed with kerosene. The State contends that USDA caused the cranberries to be sprayed with kerosene and that the groundwater contamination caused by the landfill is linked to these cranberries. The cranberries had been placed in a landfill because unhealthy levels of herbicides had been used in their cultivation. While USDA did make payments to growers to purchase and destroy cranberries, USDA has no records or knowledge of these allegations and is working with the Department of Justice on this matter.

Grazing and Water Rights Lawsuit Dismissed

On June 30, the U.S. District Court for Nevada dismissed a lawsuit filed by ranchers which sought to establish certain grazing and water rights on the Humboldt National Forest. The lawsuit was based on the historic use of the land by the plaintiffs and their predecessors in interest, which predated the establishment of the forest. The court's opinion strongly affirms the Forest Service's authority to administer its range management program on National Forest System lands. The opinion is particularly important at this time in light of the various challenges to the United States' ownership of and management authority over Federal lands being made by certain counties in the Western United States.

1890 Institution Teaching and Research Capacity Building Grants

USDA Cooperative State Research Education and Extension Service (CSREES) announced the projects selected to receive FY 1995 funding under the 1890 Institution Capacity Building Grants Program this week. CSREES will fund 45 awards (27 teaching and 18 research projects) totaling \$8.8 million, ranging from \$77,976 to \$279,738 each.

School Milk Contract Bid Rigging Investigation

The U.S. Department of Justice is investigating dairies in Minnesota, Wisconsin, Iowa, North Dakota and South Dakota concerning alleged bid rigging in school milk contracts. As a result of the investigations, school milk suppliers have been subpoenaed by a Federal grand jury in St. Paul, Minnesota and ordered to turn over business records dating back to 1977.

SECRETARY'S SCHEDULE

From August 6 - 19, I will be traveling in Asia. (See Key Department News -- Trade Delegation to Asia)

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Deputy Secretary Rich Rominger will address the 50th Annual Meeting of the Soil and Water Conservation Society in Des Moines, Iowa, on August 6-7.



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

August 10, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Weeks of August 7, 14, and 21, 1995

KEY DEPARTMENT NEWS

Budget Response

USDA is working on a strategy to amplify the Administration's message regarding Medicare and will focus on the adverse effect of proposed budget cuts on rural hospitals. During the past week, the USDA Sub-Cabinet and other Department officials have amplified the message nationwide about the Administration's balanced budget plan in interviews with reporters and during public events. Together, the Sub-Cabinet helped broadcast the message to mainstream and minority media in Texas, California, Illinois, Ohio, Pennsylvania, Michigan, Tennessee, Mississippi, Arkansas, Utah, Oregon, and Washington. Both USDA TV and Radio will air stories about this issue as the debate continues.

In addition, Deputy Secretary Richard Rominger underscored the President's balanced budget plan during his speech commemorating the 50th anniversary of the Soil and Water Conservation Society in Des Moines, Iowa, August 7-8. Throughout his trip to Iowa, Deputy Secretary Rominger has spoken about the agricultural benefits of the President's 10-year plan during events and interviews with the *Des Moines Register*, *Iowa Public Television*, and a local television station. Deputy Secretary Rominger was interviewed today by USDA Television, which will provide the story to stations across the country via satellite. During the coming days, Deputy Secretary Rominger will be conducting a number of one-on-one interviews with print and broadcast media, especially targeting California markets.

Asia Tour Promotes U.S. Trade

Through August 18, I am on a six-country tour of Asia (Japan, Indonesia, Singapore, Malaysia, Hong Kong, and South Korea), where I am consulting with government officials on issues vital to agricultural trade. On the tour, I will promote U.S. agricultural products and trade expansion and view market development efforts in

which USDA has been involved. The trip will help reinforce existing markets in Asia, which account for about one-third of U.S. agricultural exports, and further improve access and successes there.

From Jakarta, Indonesia on August 11, I will conduct a teleconference call with U.S. farm broadcasters and general interest media. I will also give periodic interviews to USDA Radio reporters for broadcast on the USDA Radio Newslines, a service used by approximately 700 broadcast outlets. (*See Press Clippings*)

USDA To Project Record FY96 Agricultural Exports

The USDA Foreign Agricultural Service will soon report that U.S. agricultural exports will continue reaching record levels with an estimate of \$54 billion projected for FY96. This represents a \$2.5 billion increase in value over the USDA forecast of a record-setting \$51.5 billion for FY95. A lower volume of exports is projected for FY96; however, this should be offset by higher export prices and continued growth in consumer oriented high-value products. This projection is considered market sensitive until officially released.

Welfare Reform Actions

The Senate postponed further action on welfare reform legislation until it returns from the August recess. On August 8, USDA announced a proposed rule that imposes tougher sanctions on people who refuse to work or meet other requirements of federal, state, and local assistance programs. President Clinton announced the initial proposal on July 31 before the National Governors' Association. Under current rules, people can lose benefits for violations in one program, such as Aid to Families with Dependent Children, yet get some benefits back in food stamps. The proposed rule reflects the Administration's welfare reform principle that the USDA Food Stamp Program should reinforce, not mitigate, the rules of other federal, state, and local assistance programs. The proposal is part of the Administration's welfare reform plan, and was published in the August 8 *Federal Register*. Comments will be accepted for 45 days after the publication date.

Supplemental Briefs To Be Filed Over Land Supremacy Issue

On August 4, Judge Lloyd George, Federal District Court in Nevada, issued an order directing the U.S. Justice Department and Nye County, Nevada to file supplemental briefs within 20 days regarding the county's asserted ownership of federal land. The parties will have another 10 days after that to respond to each other's briefs. This supplemental briefing will delay the resolution of this highly contentious issue.

USDA Employees Threatened In Bomb Attacks

On August 4, an explosive device detonated outside the Carson City, Nevada home of the USDA Forest Service District Ranger. There were no injuries, but the explosion caused extensive damage. The ranger's family was in the home at the time of the bombing. The Federal Bureau of Investigation, Forest Service Law Enforcement Officers, and local authorities are investigating. At this time, investigators do not have a motive or suspects. Investigators are exploring the possible connection to a bombing earlier outside the Carson Ranger District Office of the Toiyabe National Forest in Nevada on March 30.

In a separate incident, a letter was recently received by the Philadelphia, Pennsylvania Parking Authority threatening the plant of a bomb in one of three neighboring buildings. Named in the letter were two federal buildings and the Mellon Independence Center, which houses several federal agencies, including the USDA Food Safety and Inspection Service Northeastern Regional Office. The terms of the letter dealt with a parking garage issue and the tone was angry and directed at the federal government. Several federal, state, and local agencies are investigating this matter.

Cotton Producers Concerned About Boll Weevil Funding

A delegation of U.S. cotton producers visited with USDA officials, including Deputy Secretary Richard Rominger, to discuss the Department's boll weevil eradication program and related funding difficulties. A \$14 million deficit is projected between now and April 1996, when grower contributions are made, for the program in the southeastern United States. Higher cotton acreage and higher weevil populations have resulted in additional treatments and have been a major factor in the deficit.

Crop Production Estimates Released

Today, USDA released estimates for the 1995/96 cotton crop; on August 11, the Department will release 1995/96 grain and soybean crops estimates. These estimates will be based on a special acreage planted survey conducted in late July that will update the early June survey taken when actual corn and soybean plantings were below normal. The August estimates will be watched closely by the market because of tight U.S. and global grain supplies.

USDA WORK ON PRESIDENTIAL INITIATIVES

Welfare Reform

The Senate postponed further action on welfare reform legislation until it returns from the August recess. As part of the Administration's welfare reform efforts, USDA announced on August 8 a proposed rule that imposes tougher sanctions on people who refuse to work or meet other requirements of federal, state, and local assistance programs. *(See Key Department News/Welfare Reform Actions)*

Disaster Assistance

On August 3, President Clinton issued a disaster declaration making 13 Florida counties eligible for federal disaster assistance, including emergency loans for eligible family farmers. The disaster designation also affects nine other contiguous counties in Florida, five counties in Alabama, and two Georgia counties. Emergency loan applications will be received through April 3, 1996 for physical and production losses. Where there is major damage resulting in a disaster declaration, the USDA Consolidated Farm Service Agency is authorized to provide emergency loans, and also has several loan servicing options to assist existing borrowers. The loan servicing process can result in lower interest rates, reamortization, consolidation, deferral, or write down of debt for financially distressed farmers.

The USDA Natural Resources Conservation Service anticipates Emergency Watershed Program requests from Florida and other Gulf Coast states as a result of damage by Hurricane Erin. Nine states have previously requested funds, including a \$7 million request from Louisiana after storms this spring and a \$7 million request from Georgia as a result of Hurricane Alberto last year.

Pacific Northwest Economic Adjustment Initiative/Forest Plan

Three Intermediary Relending Program loans were recently approved for the Pacific Northwest Economic Adjustment Initiative: Lane Council of Governments, Oregon, \$2 million; Port of Bandon Economic Development Fund, Oregon, \$1 million; Del Norte Economic Development Corporation, California, \$500,000. A Rural Business Enterprise Grant was approved for this Presidential Initiative: Del Norte Economic Development Corporation, Crescent City, California, \$200,000, to provide technical assistance and a revolving loan fund to Eco-Nutrients Inc. to process fish waste into marketable by-products that will foster growth of the fishing industry in the timber and fishing-dependent economy, creating/saving approximately 30 jobs.

Early Warning System Update

During the past week, the USDA Rural Utilities Service sent invitations to electric and telephone cooperatives and companies in Utah and Wyoming for sponsorship of new National Oceanographic and Atmospheric Administration Weather Radio transmitters, which will comprise the Vice President's Early Warning System.

National Service/AmeriCorps

Recruitment is beginning for USDA's 1996 AmeriCorps program, which will again feature three National Service models: an anti-hunger team; a public lands and environment team; and a rural development team. The number of AmeriCorps members the Department will sponsor in 1996 has not yet been determined. During 1995, USDA had the largest program (1,200 AmeriCorps members) among federal agencies participating in the Administration's National Service program. The Department sponsored AmeriCorps projects in 38 states during its inaugural year.

On August 9, USDA won an important victory to continue funding for Department of the Interior (DOI) and USDA Forest Service AmeriCorps projects. Senator Patty Murray convinced Senate Interior Subcommittee Chairman Slade Gorton to add an amendment to the Senate Interior Appropriations Bill, which was included by unanimous consent, that could have the net effect of allowing both DOI and the Forest Service to continue running AmeriCorps projects. The Interior Appropriations Bill, as amended, will go to the Interior Appropriations Conference Committee soon.

The Rogue River National Forest in Oregon lists several major accomplishments by AmeriCorps in 1995. Project accomplishments include rehabilitation of over 200 campsites, maintenance and rebuilding of 200 miles of trail, construction of eight bridges, transplanting of 720,000 seedlings, and wildfire reduction on several sites.

CONGRESS

Key Congressional Visits And Activities

On August 8, the Senate Agriculture Committee voted to confirm the nomination of Jill Long of Indiana to be USDA Under Secretary for Rural Economic and Community Development and to be a member of the board of directors of the Commodity Credit Corporation. The full Senate may vote on the nomination by the end of the week.

At the request of Congressmen James Hansen and Enid Waldholtz and Senator Orrin Hatch, the USDA Animal and Plant Health Inspection Service (APHIS) is discussing the concerns of the Members regarding alleged Animal Welfare Act violations in the Department's complaint against the Hogle Zoo in Salt Lake City, Utah.

The USDA Consolidated Farm Service Agency (CFSA) is responding to a growing number of Congressional requests for details on the tobacco and peanut price support programs. CFSA staff have met with Congressman Scotty Baesler to discuss the tobacco program and related administrative costs, provided background information on the peanut program to the Office of Senator Don Nickles, and provided information to Senator Dianne Feinstein regarding the tobacco program and related tobacco activities. In addition, Congressman Ron Lewis' office requested information on the tobacco no-net-cost provisions. CFSA is preparing a summary of a draft peanut bill being introduced by Congressmen Saxby Chambliss and Sanford Bishop which incorporates the proposals of the National Peanut Growers Association.

On August 4, Senator Robert Dole introduced S.1120, the Republican Leadership Plan for Welfare Reform. The USDA Food and Consumer Service (FCS) developed an analysis of the impact of the bill on the nutrition programs and disseminated talking points. FCS also collaborated with the Department of Health and Human Services on analysis of the entire bill, which was released on August 7. After initial statements on August 7 and 8, consideration of the legislation was postponed until September.

USDA received letters from 15 Senators and 110 House Members criticizing conditions at many commercial dog breeders and urged the Department to impose and enforce stronger regulations under the Animal Welfare Act.

Congressional Hearings

An August 9 Senate Energy and Natural Resources Subcommittee hearing was cancelled, which would have reviewed legislation which made changes in how the USDA Forest Service plans and regulates timber sales, with the goal of increasing timber related jobs in southeast Alaska.

Today, USDA Under Secretary for Natural Resources and Environment Jim Lyons testified before the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management regarding the Administration's efforts to implement Section 2001 of the FY95 Emergency Appropriations and Funding Rescissions Bill (Public Law 104-19). This section deals with emergency salvage of diseased or dead timber on federal forest lands. An interagency Memorandum of Agreement was signed, which ensures that affected federal agencies will work cooperatively to implement Section 2001 without compromising current standards and guidelines.

On August 16, the Senate Agriculture Committee will hold a field hearing in Pocatello, Idaho to discuss issues related to the 1995 Farm Bill.

On August 18, the Senate Energy and Natural Resources Committee and the House Resources Subcommittee on National Parks, Forests, and Lands will hold a joint hearing in International Falls, Minnesota on whether to permit motor vehicles to enter Voyageurs National Park and Boundary Waters Canoe Area. Senator Paul Wellstone may hold a similar hearing on August 17 or 20 in Minneapolis-St. Paul.

On August 28, the Senate Energy and Natural Resources Committee will hold a hearing on the needs of Grand Canyon National Park and its management plans for the future.

On August 29, the Senate Energy and Natural Resources Committee has scheduled a field hearing in Arizona regarding forest health and community stability in natural resource dependent regions.

On September 13-15, the House Agriculture Committee has tentatively scheduled committee markup on the budget reconciliation bill. The Committee will work on a seven-year farm bill that would cut spending for farm programs by \$13.4 billion.

KEY REGULATORY ACTION

On August 8, USDA announced a proposed rule to impose tougher sanctions on people who refuse to work or meet other requirements of federal, state, and local assistance programs. It was published in the August 8 *Federal Register*. (See *Key Department News/Welfare Reform Actions*)

The interim directive on procedures for grazing permit issuance was issued on August 1 and a notice of availability will be placed in the *Federal Register*. The directive provides technical guidance for complying with National Environmental Policy Act (NEPA) and other environmental laws and for applying existing NEPA procedures in those situations where a grazing permit is expiring or has expired.

The proposed rule that would require groups of 75 or more people to obtain a permit for noncommercial group use of National Forest System lands is in the final stages of Departmental review. The noncommercial group-use permit system would protect rights of freedom of speech, assembly, and religion, while allowing the agency to mitigate damage to resources and facilities, address concerns of public health and safety, and allocate space among competing uses and activities.

The Forest Resources Conservation and Shortage Relief Act of 1990 prohibits export of federal timber and the direct and indirect substitution of federal timber for exported private timber. The USDA Forest Service final rule to implement the Act is under review and tentatively

anticipated for release in late August. Boise Cascade and other plaintiffs have filed suit against the Departments of Agriculture, Interior, and Commerce for failure to promulgate final comprehensive regulations required by the Act and for alleged Administrative Procedures Act violations.

The USDA Animal and Plant Health Inspection Service will publish in the *Federal Register* a statement removing the Medfly quarantine from Ventura County, California in the near future.

PRESS INQUIRIES

Press Contacts With USDA

NBC has approved the USDA Natural Resources Conservation Service's (NRCS) new Harmony 2 national public service campaign for inclusion in its rotation of public service announcements. NRCS, the National Association of Conservation Districts, and the National Association of State Conservation Agencies are cooperating in the campaign, which will increase awareness of natural resource conservation issues and provide opportunities to improve natural resources.

Newsweek is researching the issues of the new Congress with particular emphasis on environmental laws. An interview has been requested with USDA Forest Service Chief Jack Ward Thomas.

The *Fort Worth Telegram* and *Denver Post*, among other press services, inquired about vesicular stomatitis, a disease in horses.

CNN, *Associated Press* in Philadelphia, Pennsylvania, the *York* (Pennsylvania) *Dispatch*, and *New York Newsday* inquired about the Performing Animal Welfare Society (PAWS) lawsuit over circus elephants.

The *New York Times* requested information about recent complaints issued against two USDA-registered research facilities, New York University Medical Center in New York City and Coulston Research Foundation in Alamogordo, New Mexico.

On August 3, the USDA Food Safety and Inspection Service was contacted by two Cleveland, Ohio television stations that were doing a story on the effects of the Administration's proposed food safety reform on kosher slaughter.

ABC's 20/20 requested an August 14 interview with USDA Food Safety and Inspection Service Director of Epidemiology and Emergency Response Programs Glenn Morris regarding progress in implementing food safety reform.

Los Angeles Times is working on a story about timber salvage and logging.

WEEK IN REVIEW

USDA Files Action Against IBP

On August 3, the USDA Grain Inspection and Packers and Stockyards Administration filed an action against IBP Inc., the nation's largest meatpacker. The complaint alleges that IBP violated the Packers and Stockyards Act by giving an undue or unreasonable preference to a group of seven feedlots and by subjecting similarly situated feedlots to an undue or unreasonable prejudice.

Revised Country Funding Allocations Announced For Food For Peace Program

On August 7, USDA announced revised FY95 country funding allocations under Title 1 of the Food for Peace Program, P.L. 480. The allocations revised those announced on April 19. Revisions include: removal of the Philippines and the former Yugoslavian Republic of Macedonia; increases for Angola, Belarus, Congo, and Sri Lanka; and new allocations for Bolivia, Poland, and El Salvador.

New Zealand Market Opens For California Peaches/Nectarines

On August 7, USDA announced the opening of New Zealand as a market for California peach and nectarine exports. New Zealand represents a promising new market for California stone fruit producers with near-term market potential projected at \$1 million annually.

USDA Holds Crop Insurance Roundtable Forum

On August 3, I addressed USDA's Crop Insurance Roundtable Forum in Washington, D.C. Congressmen Kika de la Garza, Charles Stenholm, and Earl Pomeroy attended. USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos and USDA Farm Services Agency Acting Administrator Grant Buntrock also participated. During the forum, I reaffirmed support for the requirement that farmers buy crop insurance to remain eligible for farm programs. I also indicated that I do not support any major changes in the current crop insurance program.

Hawaii To End Meat And Poultry State Inspection Program

Hawaii officials have notified the USDA Food Safety and Inspection Service (FSIS) that the state is terminating the four cooperative agreements covering, among other programs, the State-Federal Cooperative Inspection Program and Federal-State Cooperative Inspection Program. This termination will present unique resource challenges for FSIS because there are presently no agency employees located in Hawaii. When a state terminates or relinquishes its inspection program, the affected

plants have the option of applying for federal inspection or closing. Hawaii currently has 46 official state-inspected plants and 11 cooperative inspection plants, with a total of about 40 employees. The termination of the cooperative agreements is expected to be effective on November 1.

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: Verdigris Valley Electric Cooperative Inc., Collinsville, Oklahoma, \$3.83 million; Northern Electric Cooperative Inc., Bath, South Dakota, \$1.28 million; Cookson Hills Electric Cooperative Inc., Stigler, Oklahoma, \$2.12 million; Howell-Oregon Electric Cooperative Inc., West Plains, Missouri, \$9.57 million; and Harmon Electric Association Inc., Hollis, Oklahoma, \$1.22 million.

Slaughtering Facilities Approved For Export

According to the USDA Foreign Agricultural Service, nine U.S. slaughtering facilities have been approved for the export of fresh, chilled, or frozen pork loins to the European Union (EU). This landmark step in complying with stringent EU import requirements is significant for U.S. pork producers, who can now send pork products to the EU for human consumption. Prior to this time, U.S. slaughter houses could only export to the EU inedible parts for use by the pet food industry.

USDA Increases Credit Guarantees For Mexico

On August 8, USDA increased the FY95 GSM credit guarantee program level for Mexico to meet growing import demands. Mexico's FY95 GSM program is being increased by \$250 million, to \$1.5 billion. The credit terms for the increased funds will span only two years, rather than the customary three years, in order to maximize the credit made available under the program.

SECRETARY'S SCHEDULE

Through August 18, I am traveling on a six-country tour in Asia (Japan, Indonesia, Singapore, Malaysia, Hong Kong, and South Korea) to consult with government officials on issues vital to agricultural trade. (*See Key Department News/Asia Tour Important To U.S. Trade*)

On August 27-30, I will be in California with Deputy Secretary Richard Rominger, where we will participate in a number of events: view vegetable and fruit harvests; tour a watershed conservation project; and meet representatives of a cotton cooperative, farmers, and business leaders. We are joining Congressmen Calvin Dooley and Gary Condit at most of these events.

On August 30, I will tour Tongass National Forest and conduct various events in Alaska.

On September 8-9, I will be in Kansas to speak at the Landon Lecture Series at Kansas State University at Manhattan and to attend the Kansas State Fair.

On September 9, I am scheduled to travel to Sioux City, Iowa for a Democratic Party event and press interviews.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On August 17, Deputy Secretary Richard Rominger will travel to Atlanta, Georgia to speak before the National Association of Agricultural Stabilization and Conservation Service County Office Employees' (NASCOE) national convention.

On August 27-30, Deputy Secretary Rominger will join me in California for various events.

On September 1-2, Deputy Secretary Rominger will travel to Huron, South Dakota to meet with South Dakota Farmers Union leaders and to join Senator Tom Daschle and Congressman Tim Johnson at the South Dakota State Fair, where he will participate in a forum to discuss livestock prices and the 1995 Farm Bill.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On August 12, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen will speak before the Region Nine Development Commission (Corn Plus Inc. Board of Directors) in Winnebago, Minnesota. She will also meet with Minnesota Agriculture Commissioner Gene Hugoson, Senator Paul Wellstone, Governor Arne Carlson, Congressman David Minge, and State Senator Tracy Beckman. Other speaking engagements include: August 13, American Phytopathological Society, Pittsburgh, Pennsylvania; August 14, National Plant Board annual meeting, San Diego, California; and August 15, Secretary's Advisory Committee on Foreign Animal and Poultry Diseases, McAllen, Texas.

On August 15, USDA Inspector General Roger Viadero will visit the Office of Inspector General (OIG) Northeast Region; on August 22-25, he will be in the OIG Midwest Region.

On August 17, USDA Under Secretary for Research, Education, and Economics Karl Stauber will tentatively attend the Wye Field Day at the University of Maryland; on August 28, he will attend a meeting of The Conservation Fund in Shepherdstown, West Virginia.

On August 21-23, USDA Under Secretary for Natural Resources and Environment Jim Lyons will travel to the Greater Yellowstone Area (GYA) to examine oil and gas leasing on National Forest System lands. He will announce the release of oil and gas management plans for three forests within the GYA and observe timber salvage operations, grazing, and the grizzly habitat program.

On September 6, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos is scheduled to participate in the 1995 Agricultural Showcase Policy Roundtable in Yakima, Washington. On September 22, he will speak before the 1995 International Meat Industry Convention and Exposition in Chicago, Illinois.

On September 8-10, USDA Chief Economist Keith Collins will travel to Newport Beach, California to attend the Cotton Board's annual meeting and give an update to the general session on the cotton economic report.

On September 11-15, USDA Assistant Secretary for Administration Wardell Townsend will travel to Minneapolis, Minnesota for the NATO Food and Agriculture Planning Committee.

On September 11, Acting Under Secretary for Food Safety Michael Taylor will address the Association of Food Journalists in New York City.

Glickman Presses Tokyo On Pork, Beef Tariff Increases

US Farm Exporters
Urged to Step Up
Efforts in Japan

By MARK MAGNIER
Journal of Commerce Staff

TOKYO — U.S. Agriculture Secretary Dan Glickman pressured Japan Tuesday to reconsider increases in pork and beef import tariffs even as he chided U.S. exporters for not taking full advantage of enormous business opportunities in Japan, the largest U.S. farm export market.

"I want to challenge the U.S. agricultural community to come take another look at Japan as a market for their products," Mr. Glickman said on a visit to a Japanese supermarket. "If there was ever a time when your product can find a home in the Japanese market, it is right now."

Japan on Aug. 1 raised its import tariff rates on beef products to 50% from 48.1% as part of permissible safeguards under the Geneva-based World Trade Organization.

Japan is also considering tariff hikes on pork imports that would rise from the current 4.9% level to as much as 30% — a far greater concern for the industry. Both of these moves are prompted by a huge increase in imports this year.

In a separate interview later in the day, Mr. Glickman said world food producers appear to be entering a seller's market that could reduce the need for U.S. grain subsidy programs.

That said, while the United States would like to see an end to subsidies worldwide, it must respond to European and Canadian subsidies in kind, he added.

Mr. Glickman also said strict rules of science must be followed by all parties to reverse the rise of non-tariff barriers couched as sanitary and health issues. While it's easy to point fingers abroad, nations including the United States must stem their own protective instincts, he said.

Acting as a "chief farm salesman," Mr. Glickman sought Tuesday to underscore a handful of basic themes. On the one hand, U.S. products are high quality, reliably supplied and inexpensive, he said. But on the other hand, U.S. companies could do much more business in Japan by doing their homework, building relationships, targeting value-added markets, remaining patient and tailoring their products and labeling to Japanese consumer tastes.

"If you want to sell in Japan, you



TORU YAMANAKA/APP Photo

Visiting U.S. Secretary of Agriculture Dan Glickman (right) and Isao Nakauchi, president of Japan's leading supermarket Daiei, taste Kansas beef on sale in Tokyo. Mr. Glickman is on an Asian tour to observe agricultural issues in the region.

have to get with the program," said David Salmon, director of the U.S. Agricultural Trade Office in Japan.

Mr. Glickman said Japan is not only the largest U.S. agricultural export market but also its fastest growing. The United States sold \$14.3 billion worth of farm, forestry and fishery products to Japan last year, up \$550 million from 1993 levels. And U.S. exports are expected to expand another \$1 billion this year.

Mr. Glickman's Japan visit this week is part of a six-stop Asian tour that also includes Malaysia, Indonesia, Singapore, Hong Kong and South Korea.

Turning to tariffs on meat and pork, the agriculture secretary said he sought to discourage Japan's use of so-called snap-back tariffs because of their potentially distorting impact on the market.

"We have to watch it carefully," he said. "What we do not want to do is revert back to a time when the government decides what people eat through tariff policies."

Susumu Harada, Japan director with the U.S. Meat Export Federation, said the entire meat industry is strongly opposed to increased tariffs.

Mr. Glickman spent nearly an hour touring a large Daiei supermarket in Tokyo. He admired and tasted various U.S. products, including California lettuce, Alaskan crabs, Kansas beef and Hawaiian papayas, then joked, "Before I got to Japan, I weighed 100 pounds."

Several elderly customers were almost crushed as a board of Japanese reporters and television crews followed him around and called on him to hold up this broccoli bunch or that beer can.

Daiei, Japan's largest supermarket chain, has been at the forefront of increased direct importing that is starting to erode the power of Japan's complex and expensive distribution system.

Daiei Chairman Isao Nakauchi underscored Mr. Glickman's call for lower tariffs and Japanese deregulation to further reduce prices for Japanese consumers.

He cited the example of Japan's meat market. Between 1991 and 1995, the Japanese government reduced import tariffs in stages under pressure from its global trading partners. During that time, Daiei's Kansas beef prices declined over 25% leading to 300% more sales.

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BC-JAPAN-USA-AGRICULTURE

US farm envoy launches Asia tour with a caution

By Eiichiro Tokumoto

TOKYO, Aug 8 (Reuter) - U.S. Secretary of Agriculture Dan Glickman launched an Asian tour in Tokyo on Tuesday praising healthy U.S.-Japan trade but pointing to possible disputes between Washington and its largest customer for farm exports.

"Japan has been the best single-country market for the U.S. agricultural products. This is a healthy, long-term partnership between U.S. food producers and Japanese consumers." Glickman said while visiting a local supermarket.

Last year, Japan bought \$9.3 billion of the record \$45.7 billion in U.S. farm exports, compared to \$8.7 billion in 1993, the U.S. Department of Agriculture said.

In second place was the European Union with \$6.8 billion, and third was Canada with \$5.5 billion.

"The United States has been and will remain a large, reliable supplier of bulk commodities to Japan," Glickman told reporters.

But while saying he was pleased with the steady growth of farm exports across the Pacific, Glickman said new obstacles were emerging between Washington and Tokyo.

Japan announced last month it would increase import tariffs on frozen beef to 50 percent from the present 48.1 percent effective from August 1 till March 31, 1996.

Tokyo says the move is allowed under the General Agreement on Tariffs and Trade (GATT), now replaced by the World Trade Organisation, and was aimed at protecting domestic farmers from an influx of foreign imports.

Japan opened its beef market in 1991 and imported 588,498 tonnes in 1994, mainly from the United States and Australia, according to Finance Ministry data. Of that, it bought 250,360 tonnes from the United States.

"The tariff increase is rather small, so I do not think it will have a big impact," Glickman told reporters. "But we are concerned and watching the situation carefully."

He also expressed his concern about similar move for Japan's pork imports.

Japan opened its pork market in 1971 with 10 percent import tariffs. The rate is now set at 4.9 percent when the import price is above a reference price of 460.01 yen (US\$5.02) a kg.

But Tokyo is allowed to limit pork imports, raising the reference or "standard" price, when imports surge over 19 percent above average imports of the previous three years.

Local meat industry officials say Tokyo is considering raising the standard price because of surging pork imports this year.

At a meeting with a senior official of Japan's Agriculture Ministry, Glickman asked Tokyo not to raise import tariffs on pork, and expressed concern over the possible move.

Glickman travels to Jakarta on Wednesday, followed by Singapore, Kuala Lumpur, Hong Kong and Seoul before returning to Washington on August 18.

REUTER

From: NEWSTAB Delivered: Tue 8-Aug-95 5:46 EDT Sys 197 (52)
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USINESS
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Glickman Promotes Farm Trade

TOKYO (AP) — Agriculture Secretary Dan Glickman was all smiles Tuesday as he toured a Tokyo supermarket packed with American goods — from U.S.-grown broccoli to Alaskan Dungeness crabs to Hawaiian mineral water.

His good mood was understandable: Despite a number of recent high-profile battles over cars, aviation and film, agriculture is one of the bright spots in U.S.-Japan trade.

"Year in and year out, Japan has been the best single-country market for U.S. agricultural products," Glickman said after touring the sprawling Daiei supermarket with Daiei chairman Isao Nakauchi, whose photo appears in several promotions for American goods sold in the store.

U.S. agriculture sales to Japan grew by 4 percent last year to \$14 billion and are on their way to reach \$15 billion this year.

"This is a healthy, long-term partnership between U.S. food producers and Japanese consumers, and every sign points to this relationship prospering in the future," said Glickman, standing in front of a display of Kansas beef.

There have been serious problems on the agricultural front in the past, and more are sure to crop up in the future.

It was only February when U.S.-grown apples first entered Japanese stores after years of sparring. Imports of rice remain miniscule. There also have been squabbles over imports of beef and citrus fruits.

But this trip by Glickman, confirmed as agriculture secretary in March, seems focused on emphasizing positive aspects of the relationship. His stop in Tokyo is part of a swing through Asia to promote sales of U.S. farm goods in Indonesia, Singapore, Malaysia, Hong Kong and South Korea.

There is one issue this time. Glickman told reporters that he would bring up a proposed increase in pork imports later in the day when he met with his Japanese counterpart, Taichiro Okawara.

The Daiei supermarket in Himonya, a residential area of Tokyo, was brimming with American goods. Glickman sampled some Drummond Bros. beer from Indiana and snacked on a morsel of sirloin steak from his home state of Kansas.

He encouraged more U.S. food producers to try entering the Japanese market, saying the rewards can be "immense." But he cautioned that such efforts had to be backed up by a full commitment, including tailoring products for Japan, labeling them properly and building relationships with importers.

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

September 7, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of September 4, 1995

KEY DEPARTMENT NEWS

Budget Message Continues To Be USDA Priority

This week, USDA leaders have focused on delivering the message that proposed Congressional budget cuts will threaten the Department's mission of providing food assistance to families and school children, and will impact conservation programs and jobs in food processing and marketing industries, particularly in rural areas. This message continues to be incorporated into speeches and will be highlighted in USDA's radio news and satellite television news products.

Today, I addressed the National Association of Towns and Townships in Washington, D.C., where I released a USDA Economic Research Service (ERS) report about the predicted budget impacts on rural areas and nutrition programs. On September 8, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas and USDA Under Secretary for Rural Economic and Community Development Jill Long Thompson will conduct an audio teleconference regarding the ERS report with broadcast and print reporters in targeted states.

USDA Participates In Back-To-School Events

USDA will participate in the White House observance of Back-to-School Week, September 11-15. The Department will engage its various mission areas in the observance. On September 8, I will deliver an address at the Landon Lecture Series at Kansas State University in Manhattan. On September 14, I will address the USDA Graduate School faculty.

The USDA Sub-Cabinet also has scheduled tentative back-to-school/education events. USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will take part in a Team Nutrition Back-to-School Tour and seven regional events during the month; she will also visit a Takoma Park, Maryland school next week to emphasize the

role of schools, families, and communities in promoting good nutrition, education, and health. USDA Under Secretary for Rural Economic and Community Development Jill Long Thompson will conduct events in Des Moines and Chariton, Iowa and Decatur, Illinois. On September 11, USDA Under Secretary for Research, Education, and Economics Karl Stauber will conduct a teleconference event with the Michigan Extension community in Lansing. Next week, USDA Assistant Secretary for Administration Wardell Townsend will conduct Native American school events in Minnesota and Colorado.

In addition, on September 5, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas was interviewed by *National Public Radio* in Chicago, Illinois, where she talked about back-to-school activities and school lunches. On September 6, *Newsday* did a full profile and feature on Under Secretary Haas and the School Lunch Program. Today, *WRC-TV* interviewed Under Secretary Haas at a Washington, D.C. school on the same subject.

Korean Rice Tender Expected Soon

The Republic of Korea (ROK) is expected to announce terms for the ROK's first imports of rice under its Uruguay Round (UR) minimum access commitment. The ROK, which has not imported significant quantities of rice since 1982, is required to import 51,000 tons of rice during the first year of UR implementation. South Korean rice production is projected to fall short of domestic consumption for the fifth consecutive year during Marketing Year 95-96, and rice stocks suitable for human consumption are generally considered to be at low levels. Nevertheless, statements by the ROK indicate that all imported rice will be channelled to the food processing industry as opposed to being made available for household consumption.

Meat And Poultry Inspection Meetings Scheduled For September

USDA has scheduled dates for a series of six issue-focused meetings to discuss its proposal to improve meat and poultry inspection. Meetings will be held on September 13-15 and 27-29 at Department headquarters in Washington, D.C. The purpose of the meetings is to provide an opportunity for interested persons to directly discuss key concerns that were raised during the comment period on the proposed food safety rule, as well as the agency's thinking about options under consideration in response to those concerns. FSIS Associate Administrator Thomas Billy will serve as moderator for the meetings. Issue papers on the agenda topics will be made available prior to the September 13 meeting. The public comment period for USDA's proposal to reform meat and poultry inspection has also been reopened until October 30.

International Intergovernmental Panel On Forests To Meet

The Intergovernmental Panel on Forests, commissioned by the United Nations Commission on Sustainable Development (UNCSD), will hold its first meeting September 11-15 in New York City. The U.S. delegation will include USDA Forest Service Director for International Forestry Policy and Planning Mary Coulombe. The panel will study a variety of issues, such as national and international forest plans and programs, underlying causes of deforestation, and conservation of low forest cover. The panel will develop recommendations for actions by the UNCSD in 1997.

Fire Suppression Costs On Large Fires Report To Be Released

The Fire Suppression Costs on Large Fires Report prepared by the USDA Forest Service is scheduled to be published on September 15. The report contains recommendations in the areas of fuels treatment, analysis of costs and risk, protection of private property, and availability of fire personnel. The report will be distributed to regional offices and national forests. The 1994 emergency fire suppression costs were the highest in the history of the Forest Service. A review team traveled to national forests in the western United States and conducted interviews with key fire management personnel in preparation for the report.

USDA WORK ON PRESIDENTIAL INITIATIVES

USDA Employees Notified Of President's Oklahoma City Scholarship Fund

All USDA employees were notified of the establishment of the President's Oklahoma City Scholarship Fund in their most recent Earnings and Leave Statement. With the loss of seven USDA Animal and Plant Health Inspection Service employees in the bombing, the Department hopes for high interest among employees. The USDA National Finance Center provided the same notification on the Earnings and Leave Statements of several other agency staffs.

Empowerment Zone/Enterprise Community Update

On September 1, Deputy Secretary Richard Rominger participated in a signing ceremony for South Dakota's Rural Enterprise Community in Huron. The USDA Rural Economic and Community Development Service will administer the six-county community revitalization initiative in the Beadle and Spink Enterprise Community.

CONGRESS

Key Congressional Visits And Activities

On September 13, I am scheduled to meet with Senator Bob Graham regarding tomato import issues, Congressman Bart Gordon on horse issues, and Congressman Frank Tejeda on water issues.

On September 12, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will meet with Congressman Mark Foley regarding Food Stamp Reform; on September 14, she will meet with Congressman Dale Kildee regarding the School Lunch Program.

USDA Food, Nutrition, and Consumer Services officials are scheduled to meet on September 8 with House Agriculture Committee representatives to discuss food stamp issues, focusing on trafficking and fraud and the potential for legislation.

Congressional Hearings

On September 8, USDA Chief Financial Officer Anthony Williams will testify before the Senate Government Reform and Oversight Government Management, Information, and Technology Subcommittee on the Debt Collection Improvement Act of 1995.

On September 12 and 14, the Senate Appropriations Subcommittee and Committee, respectively, will mark up the Department's FY96 appropriations bill.

On September 12, the Senate Energy and Natural Resources Committee will hold a hearing to transfer 7,500 acres of non-wilderness lands from the Tongass National Forest in Alaska to the Kennecott Greens Creek Mining Company. USDA Under Secretary for Natural Resources and Environment Jim Lyons will testify.

On September 12, the House Resources Subcommittee on National Parks, Forests, and Lands will mark up H.R. 1713, a bill to provide for uniform management of livestock grazing on federal lands and H.R. 1280, a bill to establish guidelines for the designation of national heritage areas.

On September 13-15, the House Agriculture Committee has tentatively scheduled Committee markup on the 1995 budget reconciliation bill. The Senate Agriculture Committee has not yet scheduled its mark up.

On September 19, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on H.R. 1129, a bill to amend the National Trails System Act to designate the route from Selma to Montgomery, Alabama as a National Historic

Trail, and H.R. 924, a bill to prohibit the Secretary of Agriculture from transferring any National Forest System lands in the Angeles National Forest in California out of federal ownership for use as a solid waste landfill.

On September 20, the Senate Indian Affairs Committee will hold a hearing on forestry issues on Native American lands and reservations.

On September 26, the House Resources Committee will hold a hearing on the salvaging of dead and dying timber.

On September 28, the Senate Agriculture Committee will hold a hearing on the positive benefits of ethanol. I am scheduled to testify.

KEY REGULATORY ACTION

The USDA Animal and Plant Health Inspection Service will soon publish a *Federal Register* notice regarding suspension of Wisconsin's Accredited Tuberculosis-Free status. (*See Week In Review: Wisconsin's Tuberculosis (TB)-Free Status Jeopardized*)

A proposed rule to amend the End-Use Certificate Program Regulations, a program that tracks Canadian origin wheat entering the United States, has been forwarded to the Office of Management and Budget for clearance.

A notice was published in the August 31 *Federal Register* on the series of issue-focused public meetings the Department is holding September 13-15 and 27-29 on the Hazard Analysis and Critical Control Points (HACCP)/Pathogen Reduction meat and poultry food safety proposal. (*See Key Department News: Meat and Poultry Inspection Meetings Scheduled For September*)

The USDA Food Safety and Inspection Service plans to publish a *Federal Register* notice announcing the availability of preliminary reports by teams of employees on a "Top to Bottom" review of the agency's regulatory roles, resource allocation, and organizational structure. The notice will be open for comment until October 5.

A proposed USDA Forest Service rule that would require groups of 75 or more people to obtain a permit for noncommercial group use of national forest lands was published in the *Federal Register* on August 30, and will go into effect on September 29. When implemented, the noncommercial group use permit system will protect rights of freedom of speech, assembly, and religion, while allowing the agency to mitigate damage to resources and facilities, address concerns of public health and safety, and allocate space among competing uses and activities.

PRESS INQUIRIES

Press Contacts With USDA

NBC's Dateline is researching the sharpening battle between Republicans and Democrats over use of federal parklands and whether protected areas such as the Tongass National Forest and the Arctic National Wildlife Refuge should be opened for logging and oil exploration.

Fox's A Current Affair is researching the issue of building logging roads in areas such as the Tongass National Forest.

Fox's A Current Affair is planning a feature about the alleged connection between Senator Frank Murkowski and the timber industry.

NBC's Dateline is researching a story on the refrigeration of eggs.

USDA Under Secretary for Food Safety Michael Taylor was interviewed by *The Standard*, a new conservative weekly in Washington, D.C., which will premier on September 11. Under Secretary Taylor was interviewed for a yet unscheduled article about Food and Drug Administration Commissioner David Kessler.

On August 27, *CNN* filmed fuel management projects along Lake Tahoe's south shore, including a salvage harvest and thinning work with slash piled ready for burning and usable wood piled and ready for public fuelwood sales. *CNN* also interviewed representatives of Lake Tahoe Basin Management Unit, the League to Save Lake Tahoe, and the Tahoe Research Group about water quality in the lake.

WEEK IN REVIEW

Food Stamps Participation Rate Drops

On September 1, USDA announced that the number of people receiving food stamps dropped in June to 26.3 million, the lowest participation since October 1992. Falling participation has resulted in cumulative savings of \$481.5 million since August 1994.

U.S. Agricultural Exports Continue To Surge

On August 31, USDA announced that FY95 U.S. agricultural exports are forecast at a record high \$53 billion. The latest USDA forecast reflects an upward revision of \$1.5 billion since the last forecast in May. This year's export level would break the previous record of \$43.8 set in FY81.

Wisconsin's Tuberculosis-Free Status Jeopardized

The USDA Animal and Plant Health Inspection Service has suspended Wisconsin's Accredited-Free state status for bovine tuberculosis (TB) after bovine TB was confirmed in a small dairy herd in Wittenburg, Wisconsin. The Wisconsin herd is the first TB-infected herd detected in the United States during FY95. TB-Free status may be reinstated if an epidemiological investigation of the case establishes that there was no spread of TB. Two or more TB herds in a state within any consecutive 48-month period is cause for revocation of Accredited-Free status. There has been extensive media interest in this issue.

Grains Commission Set To Finalize Report

The U.S.-Canada Joint Commission on Grains held a meeting September 6-7 in Washington, D.C. to complete work on its final report. The Commissioners were unable to complete the report at the latest meeting in Saskatoon, Canada, held August 22-24. The Commission hopes to complete the report in time to be presented to the respective governments by September 11, a deadline called for in the original Memorandum of Understanding that outlines the role of the Commission.

USDA Reduces Bank Limits For Russian Banks

The USDA Commodity Credit Corporation (CCC) recently reduced bank limits to zero for all privately-owned Russian banks participating in GSM export credit programs as a result of instability in the Russian banking system. CCC is working to clarify the situation through the U.S. Embassy in Moscow. When the embassy confirms that the situation is stabilized, CCC will reconsider establishing bank limits for the Russian-owned banks. In the meantime, Russia has infused about \$368 million into the banking system to provide liquidity and to reestablish confidence.

Conservation Reserve Program September Signup Announced

USDA recently announced that the 13th Conservation Reserve Program (CRP) signup will be held September 11-22. USDA can accept about 651,000 acres into the CRP during this signup, the amount of acres withdrawn under early release procedures implemented in 1995. Bidding and enrollment processes have been modified to ensure that only the most environmentally sensitive cropland is accepted into the CRP. Signup bid cap determination procedures are also being made public for the first time.

Long Island Fire Aerial Support Review Underway

The USDA Forest Service has initiated a review of the aerial support for the Sunrise and Rocky Point Fires in Long Island, New York. The task force convened on September 6 in Washington, D.C. The review will address the actions taken during the Sunrise Fire as they relate to the Forest Service role in assisting state and local agencies during fire suppression emergencies. The final report will include recommendations for improving the process as well as strengthening the partnership between the Forest Service and state and local agencies.

Thunderbolt Salvage Sale Update

On September 5, USDA Intermountain Regional Forester Dale Bosworth and the Regional Directors of the National Marine Fisheries Service (NMFS), Fish and Wildlife Service, and the Environmental Protection Agency (EPA) announced that they have not been able to reach agreement over the Thunderbolt Salvage Sale. This proposed sale would salvage fire-killed timber on the Boise National Forest in Idaho within a watershed occupied by the endangered Snake River chinook salmon. Much progress has been made in resolution of the issues at the regional level. However, there continues to be a disagreement about where to get funds to accomplish fish habitat improvement called for in the agreed-upon alternative. This disagreement will be resolved under terms of a memorandum of agreement recently signed by the Departments of Agriculture, Interior, Commerce, and Environmental Protection Agency officials. Congressional interest in this issue has been high.

Three Lawsuits Brought On 1995 Rescissions Act

Three lawsuits have been brought challenging the government's implementation of the timber-related provisions of the 1995 Rescission Act, which was signed into law on July 21. In *Northwest Forest Resource Council (NFRC) v. Glickman*, a timber industry group seeks an order requiring the government to allow timber harvesting to begin or continue on all timber sales in Oregon and Washington, not just Section 318 timber sales. The plaintiffs allege that Section 2001(k) of the Act requires this action to be completed within 45 days after enactment. In *Pilchuck Audubon Society v. Glickman*, environmental groups seek to prevent the government from releasing the Section 2001(k) sales. The Society alleges the threatened marbled murrelet is "known to be nesting" in timber sale areas. In *Scott Timber Co. v. Glickman*, filed August 28, Scott Timber Company asks the court to consolidate its case with the NFRC case. The Administration believes that section 2001(k) applies only to 318 sales, not the geographic region. The Administration has also taken the position that current surveys for marbled murrelets should be the basis for determining whether the marbled murrelet

is "known to be nesting" in timber sale areas. The Administration filed its position regarding the sale of Section 2001(k) with the court on August 25; the Pacific Northwest Region has been asked to assess the potential for alternative volume as required by section 2001(k)(3) of the 1995 Rescission Act.

California Trip Showcases Team Nutrition

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas traveled to California last week to participate in a wide variety of events to showcase the Department's Team Nutrition. Under Secretary Haas joined California Superintendent of Public Instruction Delaine Eastin at Prairie Elementary School in Elk Grove to sign a memorandum of understanding to create the Team Nutrition California Project, which supports the historic reforms in the National School Lunch Program. The agreement is a coordinated framework for collaborative efforts to plan, develop, and execute special nutrition projects. In addition, on September 1, Under Secretary Haas observed food stamp trafficking at two south Los Angeles issuance offices. Two arrests were made earlier in the day.

SECRETARY'S SCHEDULE

Last week, I traveled to California and Alaska to meet with agricultural and forestry interests and to conduct various Administration activities. This trip took place one week before President Clinton traveled to California, where he was joined by Deputy Secretary Richard Rominger to meet with farmers.

On September 8, I will deliver an address at the Landon Lecture Series at Kansas State University in Manhattan. The following day, I will attend the Kansas State Fair.

On September 9, I will travel to Spirit Lake, Iowa for a Democratic Party event and press interviews. On September 10, I will conduct press interviews and visit a USDA Service Center in Sioux City, Iowa.

On September 22, I will address the annual conference of the American Meat Institute in Chicago, Illinois.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On September 15, Deputy Secretary Richard Rominger will address the northern California chapter of the Steel Service Center Institute in Stockton, California.

On September 23-October 4, Deputy Secretary Rominger is tentatively scheduled to travel to Beijing, China to address the Asia-Pacific Food and Agriculture Industry Forum II. He was invited by the Pacific Economic Cooperation Task Force. He will also travel to other Far East countries to conduct trade-related events.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On September 8, USDA General Counsel James Gilliland will travel to Memphis, Tennessee to speak on agricultural law to the Memphis Bar Association.

On September 9, USDA Chief Economist Keith Collins will address the annual meeting of the Cotton Board in Newport Beach, California.

On September 11-12, USDA Under Secretary for Research, Education, and Economics Karl Stauber will attend the Michigan State University Kickoff Satellite Session, an extension event.

On September 11, USDA Acting Under Secretary for Food Safety Michael Taylor will address the Association of Food Journalists in New York City.

On September 11, USDA Under Secretary for Natural Resources and Environment Jim Lyons will speak before the Yale School of Forestry in New Haven, Connecticut; on September 15, he will address the National Urban Forest Conference in New York City; on September 18-19, he is scheduled to travel to Stevenson, Wisconsin to speak at the Pulp and Paper Workers Conference and to Milwaukee, Wisconsin to attend a USDA Forest Service family meeting; on September 25, he will speak at the National Association of State Foresters Meeting in Lafayette, Indiana; on October 6, he will make a presentation to the Public Lands Council Annual Meeting in Rapid City, South Dakota.

On September 12, USDA Under Secretary for Rural Economic and Community Development Jill Long Thompson will travel to Champagne, Illinois for a USDA South Central Regional Meeting; on September 13, she will be in Des Moines, Iowa for a state office visit; on September 19, she will travel to Atlanta, Georgia for the National Rural Water Association Meeting; and on September 25, she will be in Portland, Oregon for a meeting of the National Association of State Departments of Agriculture.

On September 12, USDA Assistant Secretary for Administration Wardell Townsend will participate in the NATO Food and Agriculture Planning Committee meeting in Minneapolis, Minnesota; on September 13-14, he will visit the USDA Office of Civil Rights Enforcement (OCRE) Field Office Center in Denver, Colorado and conduct a site visit at Fort Collins, Colorado; on September 18-19, he will participate in the Executive Potential Program Cluster Group in Virginia Beach, Virginia; on September 25-27, he will attend the opening of the OCRE Field Office Center in Sacramento, California and conduct site visits.

On September 13-15, USDA Chief Financial Officer Anthony Williams will be the keynote speaker at the Federal Executive Board Installation Ceremony and will attend National Finance Center (NFC) meetings in New Orleans, Louisiana; on September 28, he will speak at the NFC Awards Ceremony in New Orleans.

On September 19, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will kick off the seven-city Team Nutrition Schools Tour in Springfield, Illinois.



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

September 14, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of September 11, 1995

KEY DEPARTMENT NEWS

Budget Message Still USDA Priority

During the past week, USDA leaders focused on delivering the message that proposed budget cuts threaten the Department's mission of providing food assistance to families and school children and will impact jobs in food processing and marketing industries, particularly in rural areas. Wherever possible, this message was incorporated into public meetings and speaking engagements.

On September 9-10, I traveled to Sioux City, Iowa for a Democratic Party event and press interviews. I discussed the budget with two Sioux City television stations, the *Sioux City Journal*, two statewide radio networks, and an agriculture publication.

USDA's satellite television package, which aired on September 7 and 11, featured an interview with USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas discussing the effects of optional food stamp block grants on recipients and states. USDA Radio Newslines last week also focused on the feeding assistance and rural themes. In addition, USDA Rural Housing and Community Development Service Acting Administrator Maureen Kennedy addressed the budget issue in interviews with the *Bangor (Maine) Daily News* and *Mississippi Public Radio*.

Appropriations Update

Earlier today, the full Senate Appropriations Committee approved the proposed FY96 Appropriations Bill for USDA. The bill is expected to go to the Senate floor early next week. The Senate bill is an improvement of its House counterpart because it provides funds above the House level for a number of critical Administration priorities. This includes \$174 million above the House level for rural development programs, especially in the rural housing area; an additional \$30 million for the meat and poultry inspection program to resolve the underfunding of this program which is included in

the House bill; provision of a contingency fund of \$1 billion for the Food Stamp Program to help protect food stamp beneficiaries against potential changes in the economy; and an additional \$15 million above the House level to more adequately fund the Department's School Nutrition Initiative. Funds for these initiatives are obtained through savings connected with proposals to limit the Export Enhancement Program to \$800 million (rather than the \$1 billion projected in the budget), limit the new Wetlands Reserve Program signup to 100,000 acres rather than the 300,000 acres in the budget, and forego accepting additional Conservation Reserve Program acreage above the 36.5 million acres currently in that program.

There is language in the proposed bill that raises policy issues which will need to be resolved as the bill moves through the Congressional process. For instance, there is a provision which would prohibit the Department from moving forward on its regulation related to fresh and frozen poultry. There is also a provision requiring the Department to provide \$41 million in payments to cotton producers adversely affected by insect damage. These payments would be over and above funds paid to producers under the crop insurance program.

Finally, there is a very serious issue related to proposals by Senator Ted Stevens to prohibit funding for the USDA Under Secretary for Natural Resources and Environment. This proposal was not adopted by the full Appropriations Committee, but is likely to be pursued on the Senate Floor.

USDA Holds Public Meetings On Food Safety Reform

USDA is holding a series of public meetings to discuss significant issues raised by the Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) proposed rule to reform the meat and poultry inspection system. Three meetings will occur this week, as well as three additional meetings the week of September 25. Meetings have been well-attended by industry, consumer, and employee organizations, and have generated good discussions about the reform proposals. Both Deputy Secretary Richard Rominger and I have participated in the meetings.

Administration Position Announced On U.S.-Canada Grains Issues

On September 12, USDA and the Office of the U.S. Trade Representative announced the Administration's position regarding U.S.-Canada grains issues in light of the September 11 expiration of the U.S.-Canada Memorandum of Understanding on Grains. The Administration reiterated its position that it will not accept market disruptions from imports of Canadian wheat. The United States will also monitor exports of Canadian grains to the United States closely through September 11, 1996, and will consult with the Canadian government to discuss potential problems before imports from Canada reach disruptive levels.

Timber Sales Lawsuits Update

On July 27, Congress passed P.L. 104-19, which contained at section 2001(k) a provision that requires the USDA Forest Service and the Department of the Interior Bureau of Land Management to award, release, or permit to be completed certain timber sales. That legislation is at issue in five lawsuits. Northwest Forest Resource Council (NFRC) v. Glickman, Oregon Natural Resources Council v. Thomas, and Scott v. Glickman were all filed in the District Court for Oregon. Kettle Range v. U.S. Forest Service was filed in the District Court for the Eastern District of Washington and Pilchuck Audubon Society v. Glickman was filed in the District Court for the Western District of Washington.

There are three basic issues. First, there is the concern over which sales must be released under section 2001(k). The federal government argued that only sales prepared in 1989 and 1990 under a previous appropriation act rider were included. The timber industry claimed that it was all sales on national forests in Oregon and Washington. The second issue is which sales are not subject to release because an "threatened or endangered bird species is known to be nesting" within the timber sale unit. The government argues that it should rely on its previous Endangered Species Act determinations as to likely presence of a threatened or endangered bird. The timber industry argues that the sales must be released unless the government has actual physical evidence of a nest. Third, if the sales are not released, then the government must offer alternative timber volume. There is a dispute as to the extent to which environmental laws apply to the offering of any alternative timber volume.

At this point, only the first issue has been addressed by the courts. On September 13, Judge Michael Hogan of the District Court in Oregon held that the timber industry's interpretation that all sales in national forests in Oregon and Washington that had been delayed were covered by section 2001(k). There was an article in today's *Washington Post* about this issue. The Administration is considering appealing Judge Hogan's ruling to the United States Court of Appeals for the Ninth Circuit. The next issue to be addressed by the courts will be the "known to be nesting" issue. There is an unresolved procedural question as to which court will consider the issue.

Decision Expected In Land Supremacy Case

A decision on the United States vs. Nye County (Nevada) land supremacy lawsuit is expected in late September or early October. The U.S. Justice Department filed the lawsuit in March seeking to strike down two Nye County resolutions that claimed that the County had the right to manage national forests and other lands within its borders.

USDA WORK ON PRESIDENTIAL INITIATIVES

National Service/AmeriCorps Update

On September 9, I met with AmeriCorps/USDA Member Ryan Webster in Hutchinson, Kansas to commend his exemplary service in providing life-saving first aid to a boating accident victim this summer. AmeriCorps provided Webster with CPR training.

The USDA Forest Service faces greatly reduced funding under language currently in the House Interior Appropriations bill, which would prohibit the agency from working with AmeriCorps projects of any type. The Senate Interior Appropriations bill would allow the Forest Service to continue working with, but would not provide any funding for AmeriCorps projects.

Pacific Northwest Economic Adjustment Initiative/Forest Plan

Linn County, Oregon has been awarded a USDA Forest Service grant for \$149,250 for Tourism Coalition Community Action projects, and the state's Port of Bandon has been awarded a \$170,000 grant through the Forest Service's Rural Community Assistance program. These grants were made through the Pacific Northwest Economic Adjustment Initiative. The initiative brings together several federal, state, and local entities to fund projects that are community priorities.

On September 8, USDA Siskiyou National Forest (Oregon) Supervisor Mike Lunn announced the temporary immediate closure of the Sugarloaf Timber Sale area on the Illinois Valley Ranger District. Boise-Cascade has begun harvest operations in the Sugarloaf Timber Sale area. The sale has been controversial because it involves old-growth logging in a roadless area. Over 20 protesters were arrested since harvest operations began and the Forest Service has found evidence of tree spiking and changing markings on trees slated for harvest.

CONGRESS

Key Congressional Visits And Activities

Today, I met with Senator Richard Lugar regarding budget reconciliation and the 1995 Farm Bill. I also met with Congressman Michael Forbes regarding the recent Long Island, New York fire. On September 13, I also met with House Agriculture Committee Democrats regarding budget reconciliation and Congressman Pat Roberts on the 1995 Farm Bill.

To preserve remaining roadless options, a review of the management activities anticipated or proposed on roadless national forest land in Montana that had formerly been introduced in wilderness legislation but not passed by Congress is in progress. The review was initiated in response to a letter from Congressman Pat Williams. The USDA Regional Forester will brief the Montana Congressional delegation on September 21.

The Washington State Senate's Agriculture Committee has invited USDA Food Safety and Inspection Service officials to testify at a hearing on September 21. The subject of the testimony is to be the Administration's pathogen reduction activities implemented during the past year and an overview of the Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) food safety proposal.

Congressional Hearings

Today, the Senate Appropriations Committee marked up the Department's FY96 appropriations bill. (*See Key Department News: Appropriations Update*)

On September 19, the House Agriculture Committee will mark up the Budget Reconciliation bill.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a September 19 hearing on H.R. 1129, a bill to amend the National Trails System Act to designate the route from Selma to Montgomery, Alabama as a National Historic Trail, and H.R. 924, a bill to prohibit the Secretary of Agriculture from transferring any National Forest System lands in the Angeles National Forest in California out of federal ownership for use as a solid waste landfill.

On September 20, the Senate Indian Affairs Committee will hold a hearing on forestry issues on Native American lands and reservations.

On September 26, the House Resources Committee will hold a hearing on the salvaging of dead and dying timber.

On September 28, the Senate Agriculture Committee will hold a hearing on the positive benefits of ethanol. I am scheduled to testify.

PRESS INQUIRIES

Press Contacts With USDA

CNN is researching a story on the USDA Market Promotion Program, which is likely to be critical.

ABC News is also working on a story about the Market Promotion Program.

The Wall Street Journal requested an audit report on Rural Rental Housing Projects Funding and Eligibility.

On September 11, *Time* interviewed USDA Acting Under Secretary for Food Safety Michael Taylor about the Administration's Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) food safety proposal.

The Oregonian is seeking background information on timber salvage in the Pacific Northwest. The focus of the article will be on the status of salvage sales 100 days after passage of the timber salvage provisions of the Rescission bill. (See *Key Department News: Timber Sales Lawsuits Update*)

Fox's A Current Affair is working on a feature on timber harvesting and road construction on national forests. The program has contacted the Southwestern and Alaska USDA Forest Service Regions and Washington, D.C. office for information on timber roads programs. (See *Key Department News: Timber Sales Lawsuits Update*)

NBC News has contacted the Willamette National Forest in Oregon for background information on the status of salvage logging operations. Local groups have indicated that they will demonstrate to protest the salvage project. (See *Key Department News: Timber Sales Lawsuits Update*)

CNN spent two days recently with USDA Animal and Plant Health Inspection Service Animal Damage Control (ADC) employees and a Montana sheep grower on the grower's ranch. The crew saw bear damage, a necropsy of a lamb killed by a mountain lion, and the remains of calves killed by wolves. The Montana ADC State Director reported that the visit went well. The crew toured the Denver, Colorado USDA Wildlife Research Center on September 7.

Associated Press requested information about a potato blight that is wiping out crops in New York, Pennsylvania, and Maine.

Cable News Network requested a list of USDA Agricultural Marketing Service and USDA advisory committees, with budgets, and requested clarification of any advisory functions of marketing orders and research and promotion programs.

FOIA REQUESTS

Los Angeles Times requested copies of an employment history of a former employee.

Los Angeles Times requested copies of travel documents for Congressional committee staff members.

The Kansas City Star requested copies of correspondence to and from Senator Robert Dole.

WEEK IN REVIEW

New England Threatened By Potential Fires

New England is currently experiencing extremely dry conditions, and fire danger in most Northeastern states is high to extreme. The USDA Forest Service and Department of the Interior's National Park Service have prepositioned firefighting resources in Manchester, New Hampshire in the event of wildfires.

Wetlands Project Funded

On September 5, Shawnee National Forest (Illinois) officials announced the allocation of \$9 million through the USDA Natural Resources Conservation Service (NRCS) for the Mississippi River Corridor Wetlands Project. The project is a unique partnership among the Shawnee Resource Conservation and Development Area Council, the American Land Conservancy, and several federal agencies. The Mississippi River Corridor Wetlands Project allows landowners to enroll their lands in the Wetlands Reserve Program.

Meeting Held Regarding Mexican Spotted Owls

On September 6, USDA Forest Service Chief Jack Ward Thomas met with Arizona Governor Fife Symington to discuss Forest Service activities regarding the Mexican Spotted Owl. On August 24, Federal District Judge Muecke issued an injunction which forced the region to suspend all timber harvesting except for personal-use fuelwood. Relying on the Pacific Rivers Council case, Judge Muecke held that project-level consultation with the Department of the Interior's Fish and Wildlife Service is not a substitute for forest plan-level consultation for listed species. The forests had not reinitiated consultation on forest plans based on the 1993 listing of the Mexican Spotted Owl. However, the plans and forthcoming amendments to those plans based on the recovery plan will not be completed until January 1996. The existing plans have now been submitted for consultation, which should be completed by the end of October.

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 and

transmission facilities, upgrade existing distribution, transmission, and generation facilities, and make other system improvements. Loans include: Central Iowa Power Cooperative, Cedar Rapids, Iowa, \$15.8 million; Cooperative Power Association, Eden Prairie, Minnesota, \$12.9 million; Barton County Electric Cooperative Inc., Lamar, Missouri, \$2.9 million; Blue Ridge Electric Membership Corporation, Lenoir, North Carolina, \$10.5 million; Central Iowa Power Cooperative, Cedar Rapids, Iowa, \$32 million; Arizona Electric Power Cooperative Inc., Benson, Arizona, \$17.5 million; and Cooperative Power Association, Eden Prairie, Minnesota, \$49.3 million.

Crop Outlook

On September 11-12, official USDA supply, demand, and price forecasts for 1995/96 crop markets were revised. The September crop production survey indicated that hot weather during August and increased pest and disease problems are reducing crop production prospects. The 1995 corn crop is now estimated at 7.8 billion bushels, 4 percent below last month and 22 percent below last year. The average farm-level corn price for 1995/96 is now forecast at \$2.55-\$2.95 per bushel, 13-31 percent above a year ago. Wheat production was also reduced and the forecast wheat price raised to \$3.50-\$4.20 per bushel, 13 to 22 percent above a year ago. Wheat and corn supplies are the tightest in several decades. The hot weather reduced cotton crop prospects, but a record-large crop is still expected, with continued strong prices and adequate stocks. The soybean production forecast surprised the market by rising above last month's forecast. Soybean prices are forecast at \$5.50-\$6.50 per bushel for 1995/96, compared with \$5.45 in 1994/95.

Most of the eastern United States continues to suffer from drought conditions, with extremely dry conditions in the northeast states, especially New York, which is suffering the worst drought in 20 years. USDA reports that agricultural losses due to drought in the Northeast are estimated to be close to \$6 million.

Animal Well-Being Task Force Launched

On September 8, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Patricia Jensen held the first meeting of the USDA Interagency Animal Well-Being Task Force. The goal of the group is to develop voluntary guidelines based on science to improve the well-being of animals as they go from farm to market to transport to slaughter. The first project will focus on the well-being of farm animals.

Brucellosis Eradication Program Shows Continuing Progress

At the end of August, only 80 cattle herds remained under quarantine for brucellosis--the lowest national total since the beginning of the Department's eradication program. A large dairy in New Mexico that had been infected for nine years has been released

from quarantine, leaving only one cattle herd in that state still under quarantine for brucellosis. Current losses from this cattle disease are estimated at \$10 million a year. Without a program, these losses would reach an estimated \$800 million annually in 10 years. The goal of the program is eradication by 1998.

SECRETARY'S SCHEDULE

On September 18, I will speak at the Access to Food Conference in Washington, D.C.

On September 19, I will address the Commodity Club in Washington, D.C.

On September 20, I will address USDA employees about reorganization, goals, and accomplishments.

On September 20, I will address the Business Alliance Council in Washington, D.C.

On September 21, I will address the United Fresh Fruits and Vegetables Association in Washington, D.C.

On September 22, I will travel to Chicago, Illinois to meet with Chicago Board of Trade (CBOT) leaders, open the CBOT, and address the American Meat Institute.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On September 15, Deputy Secretary Richard Rominger will address the northern California chapter of the Steel Service Center Institute in Stockton, California.

On September 23-October 4, Deputy Secretary Rominger is tentatively scheduled to travel to Beijing, China to address the Asia-Pacific Food and Agriculture Industry Forum II. He was invited by the Pacific Economic Cooperation Task Force. He will also travel to other Far East countries to conduct trade-related events.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On September 15, USDA Under Secretary for Natural Resources and Environment Jim Lyons will speak at the 7th National Urban Forest Conference in New York City; on September 18-19, he will travel to Stevenson, Wisconsin to speak at the Pulp and Paper Workers Conference and to Milwaukee to attend a USDA Forest Service family meeting; on September 25, he will speak at the National Association of State Foresters meeting in Lafayette, Indiana; on October 6, he will make a presentation to the Public Lands Council annual meeting in Rapid City, South Dakota; on October 13, he is tentatively scheduled to attend the Georgia Forestry Commission Conference awards luncheon in Macon, Georgia.

On September 18-19, USDA Assistant Secretary for Administration Wardell Townsend will attend the Executive Potential Program Cluster Group meeting in Virginia Beach, Virginia; on September 25-27, he will attend the opening of the USDA Office of Civil Rights Enforcement Field Office Center in Sacramento, California.

On September 18, USDA Under Secretary for Food, Nutrition, and Consumer Services will join me in addressing the Conference on Access to Food at Georgetown University in Washington, D.C.; on September 19, Under Secretary Haas will kick off the seven-city Team Nutrition Schools Tour in Springfield, Illinois; on October 13, Under Secretary Haas will speak to the American College of Nutrition at their 35th Annual Symposium on Advances in Clinical Nutrition.

On September 26-27, USDA Inspector General Roger Viadero will be in the Office of Inspector General (OIG) Northwest Region; on October 2-18, he will be in China and Australia on official business.

On October 5, USDA Acting Under Secretary for Food Safety Michael Taylor will address the National Broiler Council's 41st annual conference in Washington, D.C.

On October 31, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address The American Agronomy Symposium in St. Louis, Missouri.



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

September 21, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of September 18, 1995

KEY DEPARTMENT NEWS

House Agriculture Committee Fails To Pass Agriculture Programs

The House Agriculture Committee held a mark-up on the 1995 Farm Bill yesterday, focusing on farm program provisions, which will be included in the House reconciliation bill. Chairman Pat Roberts offered his Freedom to Farm proposal as the Chairman's mark. Congressmen Kika de la Garza and Charles Stenholm offered a Democratic alternative based on the Administration's proposal, which would have achieved \$4.4 billion in savings. It failed on a party line vote.

Congressman Bill Emerson offered an alternative which would have achieved the necessary savings by increasing unpaid acres to 30 percent. The Emerson alternative failed by a few votes. The Freedom to Farm proposal, however, was also voted down by the Committee--five Republicans joined all of the Democrats in voting against the plan. The Committee adjourned subject to being reconvened by Chairman Roberts. The Committee has until the end of this week to pass a plan to achieve its budget target. If the Committee is unable to pass a plan, the issue could be dealt with by the Budget Committee or on the House floor. The Senate is scheduled to mark up the farm program provisions for reconciliation on September 27.

Appropriations Update

On September 18, the Senate began floor consideration of H.R. 1976, making appropriations for USDA for the fiscal year ending September 30, 1996. Several amendments were offered to the bill. Senators Thad Cochran and Dale Bumpers added a provision prohibiting USDA from implementing its August 25 rule defining "fresh" on poultry labels. On September 19, the Senate voted 38 for and 61 against Senator Barbara Boxer's motion to table the Cochran amendment. The USDA rule, effective in one year, prohibits use of the term "fresh" on the labels of poultry that has ever been chilled below 26 degrees F.

The Senate also deleted a Committee provision that would have provided up to \$41 million for disaster assistance to cotton producers and added that amount to rural development programs. The Senate also adopted an amendment offered by Senator Ted Stevens that shifts responsibility for administration of USDA Forest Service laws to the Office of the Secretary from the Under Secretary for Natural Resources and Environment. On September 20, the bill was passed by the Senate, 95-3. The Department is developing its strategy for the conference committee, which is scheduled to begin work early next week.

USDA Continues Focus On Budget Message

During the past week, USDA focused on delivering the message that proposed budget cuts threaten the Department's various educational efforts and programs that provide nutritious food to school-age children, and the negative impact of other proposed budget cuts on federal programs. Wherever possible, this message was incorporated into public meetings and speaking engagements.

On September 20, I included the budget message in a speech to employees during the USDA awards ceremony. The speech also addressed the 1995 Farm Bill and reorganization issues--by recognizing efforts to build a smaller, more efficient USDA to deliver programs and services. Immediately following the speech, USDA state directors called key media in all 50 states, further amplifying the Administration's message. I will also incorporate the Administration's balanced budget message in my address to the American Meat Institute in Chicago, Illinois on September 22.

On September 15, Deputy Secretary Richard Rominger delivered an address to the Steel Service Center Institute in Stockton, California, where he discussed the impact of budget cuts on USDA programs. The USDA Sub-cabinet has also been promoting the President's message.

Food Stamp Contingency Plan Being Developed

The USDA Food, Nutrition, and Consumer Service is working with the Office of Management and Budget on a contingency letter to states if funding for the Food Stamp Program not be available on October 1. If neither a continuing resolution or an appropriation is passed, no benefits can be issued after September 30. Both the House and Senate passed versions of the appropriations' bill that would freeze the standard deduction at the FY95 level.

On September 19, the Senate passed its version of the Welfare Reform Act of 1995. The bill allows states to participate in an optional Food Stamp Program block grant or to remain with the current federal program. It is unclear whether the bill will be confereed with the House or will be rolled into budget reconciliation and then confereed.

October Decision Expected On Watershed Lawsuit

On October 11, the Federal District Court for West Virginia will hear oral arguments on the merits of a National Environmental Policy Act challenge to the adequacy of an Environmental Impact Statement prepared by the USDA Natural Resources Conservation Service (NRCS) for a dam on the North Fork of the Hughes River. The lawsuit was filed in October 1994 by the Sierra Club and others against NRCS, the Army Corps of Engineers, West Virginia, and the local conservation district. Senator Robert Byrd sponsored language in the 1992 Agriculture Appropriations Act which authorized the project. More than \$30 million has been appropriated for the dam.

USDA Evaluating Methods For Removing Contamination From Carcasses

The USDA Food Safety and Inspection Service (FSIS) is evaluating alternatives to its present policy of requiring knife trimming as the only measure for removal of visible fecal contamination on beef carcasses. FSIS will conduct a two-day public meeting (October 23-24) to air the scientific, technical and policy issues associated with any possible change in present policy. Currently, knife trimming is the only acceptable means of removing from beef carcasses contamination by feces, ingesta, and milk.

Some animal producers in Nebraska and other states claimed to have experienced profit losses due to what they considered excessive trimming of carcasses. The economic implications stimulated interest in scientific studies to assess alternative means for removing contamination. Senator Bob Kerrey has maintained an active interest on this issue from its inception.

Earlier this year, FSIS committed to a public process to consider alternatives to the current trim-only policy following receipt of non-agency research on alternative means of removing contamination. A *Federal Register* notice announcing the public meeting will be published soon. FSIS has advised its constituent community of its plans for the public meetings.

USDA WORK ON PRESIDENTIAL INITIATIVES

National Service/AmeriCorps Update

USDA recently provided the Corporation for National Service with a tentative list of AmeriCorps sites for the 1995-96 program year, which would include 1,350 members in 45 states. The House-Senate conference on the Interior appropriations bill adopted the Senate's more favorable language on the USDA Forest Service AmeriCorps

program, which would allow the agency to run an AmeriCorps program if it follows "appropriate reprogramming guidelines." Nearly half the program would have been eliminated if the House Interior appropriations bill language had been adopted.

On September 13, three USDA AmeriCorps members in Blanding, Utah negotiated a lease for a building and renovated it, and stocked shelves for the San Juan County Food Bank. The building is owned by the Navajo Nation and will serve all low-income citizens in the county.

Pacific Northwest Economic Adjustment Initiative/Forest Plan

Grants through the President's Forest Plan have been made recently or will be made to fund projects in Washington coastal counties and other counties around Olympic National Forest in the state. The grants are as follows: \$247,800 to Port of Shelton; \$154,000 to the Mason County Public Utility District #1; \$24,000 to the Rainkist Cooperative; \$60,000 to Jefferson County; \$47,100 to the Port of Ilwaco; \$19,800 to the Ilwaco Economic Development Council; and \$103,428 to Friends Landing in Grays Harbor County.

Early Warning System Update

The USDA Rural Utilities Service (RUS) and the National Weather Service continue work on the expansion of the Weather Radio system. RUS expects to complete the process of identifying all potential sponsors for the nation's proposed rural transmitter sites this week.

Helping Native Americans

On August 24, Congress released its *Telecommunications Technology and Native Americans: Opportunities and Challenges* report. The USDA Rural Utilities Service (RUS) is noted in the publication as the main source of loans for developing Native American telecommunications systems. RUS has loaned funds for at least four telephone systems on Native American reservations and is reviewing a loan application to provide first-time service to the Hawaiian Home Lands. A distance/learning telemedicine grant was just awarded to the Navajo tribe and the agency is working on an event celebrating this grant as well as a working session with the Navajo and other tribal leaders on continued improvements to Native American tribes.

USDA Responds To Progress Report On National Information Infrastructure Initiative

The USDA Rural Utilities Service (RUS) recently responded to a call for information for this year's Progress Report on the President's National Information Infrastructure Initiative. RUS' submission indicates the Department's leading role in helping to bring the Information Superhighway to rural America. The report notes the importance of the Information Superhighway to rural America's education and health care needs, and the ability to compete whether locally, regionally, nationally or globally.

PRESIDENTIAL TRAVEL

Nothing to report on President's travel to New Jersey.

CONGRESS

Key Congressional Visits And Activities

USDA Rural Housing and Community Development (RECD) Service staff recently met with staff from the offices of Senators Richard Lugar, Connie Mack, and Patrick Leahy to discuss the Dedicated Loan Origination and Servicing System. Senator Lugar's staff raised questions regarding the high delinquency in Puerto Rico in the context of the Dedicated Loan Origination and Servicing System. RECD staff has been assigned to Puerto Rico offices to assist in servicing activities through September 30.

Congressional Hearings

Today, the House Resources Subcommittee on Fisheries, Wildlife, and Oceans held a hearing on H.R. 33, a bill to transfer the Fish and Farming Experimental Laboratory in Stuttgart, Arkansas, to USDA. USDA Deputy Under Secretary for Research, Education, and Economics Floyd Horn testified for USDA.

On September 26, the Senate Commerce, Science, and Transportation Subcommittee on Oceans and Fisheries will hold a hearing on flow management and hatchery supplementation for anadromous species in the Snake River.

On September 28, the Senate Agriculture Committee will hold a hearing on the positive benefits of ethanol. Environmental Protection Agency Administrator Browner and I are scheduled to testify.

The House Resources Subcommittee on Fisheries, Wildlife, and Oceans will hold a September 28 hearing on the Wild Bird Conservation Act of 1992.

KEY REGULATORY ACTION

The public comment period for the Federal Wildland Fire Policy and Program Review will end on September 30. The final report is expected to be submitted to USDA and the Department of the Interior by December 31.

The final rule providing alternatives to face-branding identification requirements for cattle and bison under the USDA Animal and Plant Health Inspection Service brucellosis and tuberculosis programs was published in the September 19 *Federal Register*.

PRESS INQUIRIES

Press Contacts With USDA

ABC will air a program on September 22 about the unique risks posed by infectious disease to the American public and how various levels of government address public health crises, with a focus on *E.coli* 0157:H7.

The Washington Post is working on a story on Republican attempts to kill the comprehensive Columbia River Basin environmental impact statement.

MacNeil-Lehrer is working on a story about the Malpai Borderlands Group, which consists of ranchers, Department of the Interior Bureau of Land Management and USDA Forest Service land managers, and others who want to manage large tracts of land in southern Arizona and New Mexico.

The *Chicago Tribune's* Sunday magazine section is expected to carry an article soon on sausage, including its history and how it is made. Part of the piece will detail the processing validation for sausage makers, and how they have to prove that during processing, *E.coli* bacteria could not survive.

On September 24, *CNN* is scheduled to present a report soon titled "Fire Management in the West." It will include coverage of last summer's Storm King Fire in Colorado in which 14 firefighters died.

Newsweek is seeking information for a feature on winter sports on public lands.

CBS Morning News requested background information on USDA Animal and Plant Health Inspection Service regulation of elephants used in circus acts.

EOIA REQUESTS

Los Angeles Times requested information on USDA contracts.

Gannett News Service requested information on travel by Congressional committee staff members.

As a result of the recent Environmental Working Group's report on the distribution of farm payments, the USDA Consolidated Farm Service Agency (CFSA) Montana office has received a request from the *Great Falls Tribune* to release the names of producers earning top-dollar payments under CFSA programs.

WEEK IN REVIEW

FY95 Timber Receipts Projected To Fall

FY95 receipts from the harvest of national forest timber are projected to fall about \$150 million short of earlier estimates. Timber harvests have declined more rapidly than expected, and stumpage rates have dropped below projected figures. Receipts are now projected to be about \$600 million for the year ending September 30. Timber receipts make up the bulk of National Forest System revenues, amounting to over 80 percent of all receipts last year. National forest revenues are the basis for distributing funds to most states, providing funding for schools and roads. Besides impacting the states, lower receipts may move break-even forests into a below-cost timber sale situation. Interim payments to the states are scheduled for the week of October 2-6.

USDA Urges Farmers To Buy Needed Crop Insurance

In a letter to producers, I recently urged producers to carefully review their crop insurance needs. Recognizing the days of disaster assistance are past, farmers were encouraged to consider buying additional crop insurance coverage beyond the basic catastrophic coverage required for participation in USDA farm programs. In a unique partnership with the private sector, the Department is telling each producer to "buy-up" from the crop insurance companies when it makes sense for that producer to do so from a risk management perspective.

U.S. Approach To Food Aid Gap Developing

On September 18, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos participated in an interagency meeting chaired by State Department Under Secretary Tim Wirth for exploring future international food aid policy options. A recent unpublished USDA Economic Research Service report projects a significant and growing gap between food aid availability and needs over the next 10 years.

In the face of declining food aid budgets in all of the donor countries, the interagency food aid group is exploring ways in which the United States can make more efficient use of available food aid and agricultural development resources. Thought is being given also to how the United States can challenge the donor and recipient countries to cooperate more fully to solve the world hunger problem. A possible forum for setting out that challenge is my scheduled address to the upcoming United Nations Food and Agriculture Organization ministerial meeting in Quebec on October 14.

Colombia Lifts Ban On U.S. Meat And Poultry Exports

In what could be an additional boost to an already booming export outlook, Colombian agricultural authorities recently agreed to remove the 1993 ban on U.S. beef, pork, and poultry. This action allows imports from USDA-inspected plants, with initial certification lasting two years. Future renewals of plant approvals will require visits by Colombian agriculture officials to U.S. meat and poultry plants.

USDA Addresses Rail Car Shortage In Midwest

Earlier this week, I held a meeting with representatives of the American Association of Railroads and several major railroads regarding the grain transportation problems in the Midwest. Local elevators in several Midwest states have experienced price increases for railcar transportation as well as difficulty obtaining needed cars on a timely basis. While the railroads are making efforts to rapidly respond, the situation requires continued vigilance, and USDA is establishing a communication network to try and resolve problems quickly. A draft, soon-to-be-published USDA report indicates that railcar availability can have a significant impact on the price farmers receive at the local elevator. The issue has received significant attention in several Midwest states like Iowa and Minnesota.

USDA Showcases Team Nutrition Schools

USDA began rolling out its Team Nutrition Schools Program this week with a tour of new Team Nutrition Schools in Springfield, Illinois, Athens, Georgia, and Albuquerque, New Mexico. These events--the first three of seven planned for this week and next--brought together school principals, teachers, children and their parents, community organizations, along with local chefs and federal, state, and local officials to showcase the new initiative, which supports the Department's new policy changing school meals nutrition standards. In communities around the country, Team Nutrition Schools are actively leading the way to implement healthier school meals across the nation. By June 1996, the 50th anniversary of the National School Lunch Program, the Department anticipates that thousands of schools will be part of the program.

SECRETARY'S SCHEDULE

On September 22, I will travel to Chicago, Illinois to meet with Chicago Board of Trade (CBOT) leaders, open the CBOT, and address the American Meat Institute. While in Chicago, I will also participate in a food stamp fraud event. A press conference is scheduled to publicize the Department's action to detect and curtail food stamp trafficking fraud.

On September 28, I will address the National Planning Association in Washington, D.C.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On September 23-October 4, Deputy Secretary Richard Rominger will travel to Beijing, China to address the Asia-Pacific Food and Agriculture Industry Forum II. He was invited by the Pacific Economic Cooperation Task Force. He will also travel to other Far East countries to conduct trade-related events.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On September 25, USDA Under Secretary for Natural Resources and Environment Jim Lyons will speak at the National Association of State Foresters meeting in Lafayette, Indiana; on October 6, he will make a presentation to the Public Lands Council annual meeting in Rapid City,

South Dakota; on October 13, he is tentatively scheduled to attend the Georgia Forestry Commission Conference awards luncheon in Macon, Georgia; on October 28, he will attend the Society of American Foresters Convention in Portland, Maine.

On September 25-26, USDA Under Secretary for Rural Economic and Community Development Jill Long Thompson will attend a meeting of the National Association of State Departments of Agriculture in Washington, D.C.

On September 25-27, USDA Assistant Secretary for Administration Wardell Townsend will attend the opening of the USDA Office of Civil Rights Enforcement Field Office Center in Sacramento, California.

On September 26-27, USDA Inspector General Roger Viadero will be in the Office of Inspector General (OIG) Northwest Region; on October 11-13, he will be in OIG North Atlantic Region; on October 23-27, he will be in the OIG Midwest Region.

On September 28, USDA Chief Financial Officer Anthony Williams will speak at the National Finance Center awards ceremony in New Orleans, Louisiana.

On October 5, USDA Acting Under Secretary for Food Safety Michael Taylor will address the National Broiler Council's 41st annual conference in Washington, D.C.

On October 31, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address The American Agronomy Symposium in St. Louis, Missouri.



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

September 28, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of September 25, 1995

KEY DEPARTMENT NEWS

1995 Farm Bill/Budget Reconciliation Update

Yesterday, the House Agriculture Committee failed to adopt the Freedom to Farm Act or any other farm program provisions out of Committee. The bill is now slated to go to the Budget Committee, which is expected to incorporate the Freedom to Farm Act into the Omnibus Reconciliation bill. The Committee defeated the Freedom to Farm Act last week, 27-22, with five Republicans voting with the Democrats. At the end of October, the Committee is expected to consider other provisions of the Farm Bill, such as credit, rural development, conservation, trade, and other miscellaneous items.

Today, the Senate Agriculture Committee passed (9-8) a reconciliation bill that will cut \$13.6 billion in farm spending. Voting took place on a party line, with Senator Rick Santorum voting present. The Committee has already completed work on the trade, farm credit, research, and rural development Farm Bill titles. These titles included much of the guidance provided in the Administration's Blue Book. Next week, the Committee is expected to vote on miscellaneous items.

Administration Opposes Limits On Ethanol

Today, Environmental Protection Agency Administrator Carol Browner and I testified before the Senate Agriculture Committee on the positive benefits of ethanol. Yesterday, I issued an announcement stating the Administration's strong opposition to Congressional efforts to reduce or repeal the ethanol tax incentives and the effects that these efforts would have on the ethanol industry, the income of America's corn farmers, and job creation in rural America. The House Ways and Means Committee mark-up includes provisions which would cut ethanol production by 50 percent and would decrease corn net farm income by \$3.6 billion over seven years. The provisions

are vigorously opposed by ethanol supporters and Members of Congress of both parties. Administrator Browner and I also participated in a radio news conference with Midwest stations to promote the Administration's message on ethanol.

Agriculture Appropriations Goes To Conference

On September 27, the House-Senate conference met on the differing versions of H.R. 1976 for USDA appropriations for the fiscal year ending September 30, 1996. The conference agreement includes \$61.9 billion; the House-passed version includes \$61.25 billion; the Senate-approved version includes \$62.5 billion. The conference bill is substantially below the Administration's requested \$65.08 billion.

The conferees deleted Senate language that would have removed the supervision of the USDA Forest Service from the Under Secretary for Natural Resources and Environment. The conferees agreed with the Senate language that prohibits using funds to implement or enforce the "fresh" poultry labeling regulation. The conferees also agreed with the Senate language delaying the implementation for not less than 120 days the final regulations governing the export of logs from state and federal lands in the western United States.

USDA Assists Hurricane-Damaged Virgin Islands

USDA is providing assistance to the U.S. Virgin Islands following hurricane damage on September 16-17. The USDA Rural Economic and Community Development Service reports that some Single Family Housing Section 502 Direct Loan borrowers suffered total loss. Due to the high cost of insurance in the area, some of these homes were not insured. USDA Rural Housing and Community Development Service Acting Administrator Maureen Kennedy has met with Office of Management and Budget representatives to discuss potential solutions to the problem. The USDA Rural Utilities Service's telephone and electric program has received a loan application from the Vitelco Co-op in the Virgin Islands and will be adjusting its loan amount based on emergency needs.

The USDA Natural Resources Conservation Service has completed its damage assessment in St. Croix. Damage assessment from the hurricane will begin in St. Thomas as soon as transportation becomes more readily available. This will provide information on funds needed to restore watersheds. Three USDA Forest Service incident management teams are assigned to the islands to establish logistical supply centers and distribute materials and aid to residents.

In addition, the USDA AmeriCorps program may send a 20-member team to perform various duties for two months. USDA Virgin Islands Director Robbie Harold met with Congressman Victor Frazier to provide an update on efforts and the USDA National Finance Center is making every effort to assist victims by expeditiously processing payments or paperwork.

Boll Weevil Program Out Of Funds

The Alabama Boll Weevil Foundation, which operates the boll weevil eradication program, runs out of funds and may shut down tomorrow. The Foundation has applied for USDA Rural Business and Cooperative Development Service guaranteed loans, but is unlikely to meet program requirements. The Foundation may also seek other assistance from the Department, and the issue could become significant for a number of Southern states.

USDA WORK ON PRESIDENTIAL INITIATIVES

Pacific Northwest Economic Adjustment Initiative/Forest Plan

The USDA Forest Service continues to actively implement the timber salvage provisions of the Rescission Act, and salvage sales are on schedule. As of September 15, 1,406 million board feet of timber has been offered for sale nationally. This compares to 1,140 million board feet as of August 30 and a planned amount of 1,731 million board feet for FY95. To date, there have been five lawsuits filed against salvage sales.

CONGRESS

Key Congressional Visits And Activities

On September 29, USDA Natural Resources Conservation Service and Farm Services Agency officials will hold a briefing for House staffers on conservation programs and the 1995 Farm Bill.

USDA Agricultural Research Service and Animal and Plant Health Inspection Service staff recently briefed Congresswoman Patsy Mink on the subject of irradiation of tropical fruits in Hawaii. Since Hawaii has lost sugar and pineapple production in recent years, agricultural exports of tropical fruits have become more critical to Hawaii.

Congressional Hearings

Today, the Senate Agriculture Committee held a hearing on the positive benefits of ethanol. Environmental Protection Agency Administrator Browner and I testified. *(See Key Department News: Administration Opposes Limits On Ethanol)*

The House Resources Subcommittee on Fisheries, Wildlife, and Oceans held a hearing today on the Wild Bird Conservation Act of 1992.

The House Resources Subcommittee on National Parks, Forests, and Lands held a hearing today on the Snow Basin Land Exchange Act of 1995.

On October 4 and 5, the House Resources Subcommittee on Water and Power will hold a field hearing in Hermiston, Oregon on federal actions affecting the water rights of citizens in Oregon and Idaho.

KEY REGULATORY ACTION

USDA recently published a proposed regulation in the *Federal Register* to simplify the audit requirements for state, local, and Native American tribal governments that receive USDA financial assistance. Comments will be accepted for 60 days.

On September 27, USDA published a *Federal Register* notice regarding a national pilot program designed to improve customer service through greater competition. State and private inspection agencies, which the USDA Grain Inspection and Packers and Stockyards Administration authorizes to provide grain inspection service, will be permitted to compete with each other for service under specific conditions. The program will run November 1, 1995 through October 31, 1996.

PRESS INQUIRIES

Press Contacts With USDA

CNN recently conducted an interview with USDA Animal and Plant Health Inspection Service Animal Damage Control (ADC) representatives about general policy and the future of ADC.

The Washington Times is completing a story on USDA's smoking policy; it is expected to be critical. USDA is one of the few federal agencies that still allows smoking within the building environment.

ABC Evening News is working on a story on the future of farm subsidies.

There has been interest from regional papers in the West, including the *Denver Post* and regional *Associated Press*, on Congressional efforts to sell profitable ski areas on public lands to developers.

Consumer Reports inquired about the status of the "fresh" poultry labeling issue for an article in its November issue.

ABC's Good Morning America requested information about the use of the "organic" label on fresh meat and poultry.

ABC's Your Money, Your Choice has requested information about the closing of USDA Agricultural Research Service laboratories.

The Dallas Morning News has inquired about the proportion of commodity receipts that can be attributed to government payments.

MacNeil/Lehrer Newshour is developing a story featuring the Malpais Borderlands Partnership in southern Arizona and New Mexico. The group is comprised of local ranchers and many government agencies working together to manage the natural resources of the area, restore damaged rangeland, and maintain healthy grasslands.

U.S. News and World Report is developing an in-depth article on the pork industry.

The New York Times is working on an article about the USDA Animal and Plant Health Inspection Service's boll weevil eradication program in Texas. USDA is working with the newspaper to provide information to balance incomplete information from a previous article in the *Wall Street Journal*.

FOIA REQUESTS

The Land and Water Fund, an environmental legal organization in the Rocky Mountain West, has filed a FOIA request for documents concerning implementation of the timber salvage and livestock grazing provisions of the Rescission Act.

WEEK IN REVIEW

USDA Cracks Down On Food Stamp Fraud

On September 22, I traveled to Chicago, Illinois to hold a news conference announcing the Administration's crackdown on food stamp fraud and to speak before the American Meat Institute annual conference, where I talked about food safety, agricultural trade, and the 1995 Farm Bill. In Chicago, I announced the arrest of a Chicago grocery store owner for defrauding the food stamp program of approximately \$1.3 million. The

arrest was part of the Department's initiative to combat fraud in the \$27 billion food stamp program. A special operation by the USDA Office of Inspector General, in coordination with the USDA Food, Nutrition, and Consumer Service, has resulted in indictments, arrests, or convictions of 106 individuals in its first seven weeks.

USDA Addresses Issues Of Historically Black Colleges And Universities

On September 27, I addressed the Historically Black Colleges and Universities at USDA headquarters in Washington, D.C. on the future of the USDA/1890 partnership. I discussed how to strengthen the quality of instruction, increase research opportunities, improve facilities, and enhance the skill level of 1890 students. I also hosted a reception at USDA for the group, with minority media present.

Methyl Bromide Alternatives Meeting Held

On September 25, USDA Agricultural Research Service (ARS) officials met in Dallas, Texas with Crop Protection Coalition members to discuss research priorities and other actions relating to finding suitable alternatives to the use of methyl bromide by 2001. ARS officials unveiled a new, quarterly newsletter that is being produced by USDA to keep growers better informed of progress on the methyl bromide initiative.

Thunderbolt Wildfire Recovery Project Issue Unsettled

Idaho's Boise National Forest supervisor released the Thunderbolt timber salvage sale final environmental impact statement without a record of decision on September 14. The preferred alternative calls for harvest to generate revenue for restoration activities. The USDA Forest Service, along with the National Marine Fisheries Service (NMFS), Fish and Wildlife Service, and the Environmental Protection Agency (EPA), were unable to agree on the project at the regional level, which will now be resolved at the national level under the terms of a memorandum of agreement recently signed by the Departments of Agriculture, Interior, and Commerce and EPA senior officials. There is a high level of Congressional interest in this controversy. The decision is anticipated on September 29.

Mexican Spotted Owl Update

On September 26, USDA rejected a proposed settlement agreement from the plaintiffs in Silver v. Thomas/Babbitt. On August 24, Judge Muechke ordered the USDA Forest Service to defer or suspend all timber harvest activities until consultation on existing and amended forest plans in Region 3 is complete. The proposed settlement agreement

offers little relief to the timber sale program, and adds restrictions beyond the scope of the original litigation. Forest Service consultation with the U.S. Fish and Wildlife Service on the Mexican Spotted Owl is expected to be completed on schedule.

Nevada Land Supremacy Issue

Signatures have been filed with the Elko County, Nevada County Clerk by organizers of a grand jury petition drive to initiate an investigation of the USDA Forest Service, Department of the Interior Bureau of Land Management, and state agencies. County records indicate that 2,515 signatures are needed to require the court to call a grand jury. The petition seeks an investigation of possible crimes committed by state and federal officials involved in management of public land within Elko County and the indictments of anyone accused of crimes within the County.

Wine Export Value Surges to Record Level

Riding on the overall strength of U.S. farm exports, U.S. wine exports surged to a record \$209.6 million during marketing year 1994/95 (August-July). This is the 11th consecutive record-breaking year and a 15 percent jump from in value from the preceding year, including a shift toward higher value varietal wines. In volume terms, shipments were 1.33 million hectoliters, only slightly below the record of 1.34 million hectoliters set in 1992/93.

USDA Urges U.S.-South Africa Commission Agriculture Committee

USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith met recently with Vice President Gore's staff to discuss adding an agriculture and rural development committee to the mix of working groups within the structure of the U.S.-South Africa Binational Commission.

Court Dismisses False Claims Act Cases Impacting California Citrus Industry

A District Court Judge ruled on September 27 in support of the USDA and Department of Justice motion to dismiss pending False Claims Act cases regarding circumvention of citrus marketing orders. USDA announced last year its decision to abolish the citrus marketing orders, dismiss pending enforcement litigation and administrative actions, and worked with the Department of Justice for dismissal of these false claims act cases. This action by the district court was the final step in the Department's effort to resolve the longstanding disputes within the California citrus industry concerning operation and enforcement of citrus marketing orders.

Court Denies Request For Rehearing Tree Fruit Dispute

On September 18, the Ninth Circuit Court of Appeals denied the government's request for rehearing or en blanc review of the Court's June 27 ruling in Wileman Brothers and Elliott Inc. v. Espy. That lawsuit challenged the validity of several aspects of USDA's federal marketing order program for California peaches and nectarines. Although the Court ruled in favor of USDA on several issues, it found that the generic advertising program conducted under the orders violated the plaintiffs' First Amendment rights. The Court was not persuaded that the generic promotion activities were more effective than the brand advertising of individual handlers. USDA and the Department of Justice are currently considering seeking Supreme Court review of this decision.

Meetings Continue On Reform Of Meat And Poultry Inspection

The USDA Food Safety and Inspection Service (FSIS) is holding its final three issue-focused public meetings this week on the proposed reforms of the meat and poultry inspection system. The meetings have been well attended by all interests and have focused on key issues in dispute concerning the FSIS proposal. The comment period on the proposal will end on October 30.

SECRETARY'S SCHEDULE

On October 1, I will attend the 10th anniversary Farm Aid benefit concert at Cardinal Stadium in Louisville, Kentucky, which will include a "national town meeting" on the 1995 Farm Bill. A news conference will follow the event.

On October 2, I will travel to New Orleans, Louisiana to address National Finance Center employees regarding USDA reorganization and streamlining. While in Louisiana, I will also visit a grain elevator, a USDA facility.

On October 5, I will address the National Broiler Council annual conference in Washington, D.C.

On October 13-15, I will travel to Quebec City, Canada for the 50th anniversary of the FAO.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Through October 4, Deputy Secretary Richard Rominger will be in Beijing, China to address the Asia-Pacific Food and Agriculture Industry Forum II. He was invited by the Pacific Economic Cooperation Task Force. He is also traveling to other Far East countries to conduct trade-related events.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On September 30, USDA Under Secretary for Natural Resources and Environment Jim Lyons will participate in Public Lands Appreciation Day on the Arapaho-Roosevelt National Forest at Fort Collins, Colorado; on October 6, he will make a presentation to the Public Lands Council annual meeting in Rapid City, South Dakota; on October 13, he is tentatively scheduled to attend the Georgia Forestry Commission Conference awards luncheon in Macon, Georgia; on October 28, he will attend the Society of American Foresters Convention in Portland, Maine.

On October 2, USDA Chief Financial Officer Anthony Williams will join me at the National Finance Center in New Orleans, Louisiana.

On October 5, USDA Acting Under Secretary for Food Safety Michael Taylor will address the National Broiler Council's 41st annual conference in Washington, D.C.

October 6, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Shirley Watkins will be speaking at Prairie View A&M University, Prairie View, Texas.

On October 11-13, USDA Inspector General Roger Viadero will be in the Office of Inspector General (OIG) North Atlantic Region; on October 23-27, he will be in the OIG Midwest Region.

On October 16-20, USDA Acting Assistant Secretary Shirley Watkins will meet with the Senior Review Group for Central America Cooperative Screwworm Programs in Nicaragua; on October 23-26, she will attend a Medfly meeting in Mexico City; on October 28, she will speak at the Tortilla Industry Association annual convention in Dallas, Texas.

On October 16, USDA Assistant Secretary for Administration Wardell Townsend will attend the USDA Natural Resources Conservation Service Civil Rights Training Workshop in Fort Worth, Texas; on October 17, he will attend the Agriculture Expo in Moultrie, Georgia.

On October 31, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address The American Agronomy Symposium in St. Louis, Missouri.



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

October 5, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of October 2, 1995

KEY DEPARTMENT NEWS

USDA Fights California Wildfire

The Mount Vision fire in California has doubled in size to 8,000 acres and the number of structures destroyed has increased to 48. Likewise, total resources mobilized on the fire have doubled: 1,159 personnel in 37 crews are dedicated, with 108 engines. Last night, the USDA Forest Service mobilized two C-130 airtankers (each holding 3,000 gallons of water), three smaller airtankers, two lead airplanes, six engines, and 15 20-person crews to support firefighting efforts. Although wind speeds have dropped, humidity remains low, and the fire is only 20 percent contained. The Forest Service has posted a fire weather watch for the California coast and expects increased fire activity in the region.

Budget Effect On Rural America

USDA is organizing quickly to participate in the Administration-wide effort to point out the devastating impact the planned Congressional budget cuts would have on rural America. The Department has established a "rural rollout war room" to assist with travel and events by Administration officials. On October 13, per a request from the White House, I am scheduled to travel to New England for a rural budget rollout event. The exact location of this event has not yet been determined.

Other USDA officials will be traveling next week to the following media markets to promote the Administration's message: Chico-Redding, California; Gainesville, Florida; Louisville, Kentucky; Paducah, Harrisburg, Kansas City, Columbia, Jefferson City, and Cape Girardeau, Missouri; Monroe and El Dorado, Louisiana; Salisbury, Maryland; Springfield and Holyoke, Massachusetts; Billings, Montana; Sioux Falls and Mitchell, South Dakota; Burlington, Vermont; Plattsburg, New York; and Green Bay and Appleton, Wisconsin. In addition, USDA State Directors were provided an op/ed piece for use in their respective states.

Last week, I promoted the rural budget message while in Kentucky and Louisiana. On October 1, I attended the Farm Aid benefit concert at Cardinal Stadium in Louisville, Kentucky, which included a "national town meeting" on the Farm Bill. A news conference followed the event. On October 2, I addressed USDA National Finance Center employees in New Orleans, Louisiana. Following that event, I went to the South Louisiana Port in Destrahan to talk about U.S. agricultural exports. Television news covered the event and a news conference followed. A Louisiana-specific backgrounder was released to the press.

Conferees Agree On Agriculture Appropriations

On September 28, the conference report was filed by the House and Senate conferees on the FY96 appropriations bill for USDA. Floor action is expected on the conference report next week. The conferees agreed to provide additional funding for USDA rural development programs, which the House had funded at extremely low levels.

The conferees also agreed to provide a \$500 million contingency fund for food stamps. They deleted the limitations proposed by the Senate for the USDA Export Enhancement Program and the USDA Market Promotion Program. Senate language that would have removed the supervision of the USDA Forest Service from the Under Secretary for Natural Resources and Environment was deleted.

However, the total of \$61.9 billion provided in the bill for USDA programs remains substantially below the \$65.1 billion requested in the budget. Even with the additional funds provided in conference for rural development programs, total funding for these programs remains more than \$600 million below the Administration's request. The conference agreement also includes Senate language banning USDA's rule on "fresh" poultry and mandates a 25 percent cut in USDA Congressional Relations funding.

NAFTA Report To Be Released

On October 6, the USDA Economic Research Service will release *NAFTA: What's Up?*, which notes that U.S. agricultural trade with NAFTA partners was up about 4 percent the first seven months of 1995 and is expected to reach nearly \$10 billion for the calendar year. U.S. farm exports were down 7.3 percent in the first seven months of 1995, while U.S. imports increased 16.6 percent. The trade surplus this year with Canada is expected to offset most of the deficit with Mexico caused by the peso crisis, resulting in a 1995 net trade deficit with NAFTA partners of about \$100 million.

USDA To Host Food Safety Forum

On September 29, I announced that as part of its ongoing efforts to reform the inspection system the Department would hold a November 1 food safety forum in Washington, D.C. The forum will focus on meat and poultry inspection reform issues beyond specific issues addressed in the Pathogen Reduction/Hazard Analysis and Critical Control Points (HACCP) Systems food safety regulatory proposal. Although the Department's goal has been to publish a final rule by December 31, I am emphasizing that we are committed to ensuring that the necessary time is taken to complete the rule correctly based on comments received, including discussions in six issue-focused public meetings which have been held. Comment period closes October 30.

Decision Expected In Thunderbolt Wildfire Recovery Project

On October 2, USDA Forest Service Chief Jack Ward Thomas authorized the Regional Forester to proceed with issuing the Record of Decision for the Thunderbolt Recovery project on the Boise National Forest in Idaho. The salvage timber sale and watershed restoration will move forward in an environmentally sensitive manner.

States To Receive Payments For FY95 Timber Receipts

Interim payments to the states for FY95 receipts from the harvest of national forest timber are scheduled to be made next week. The receipts are projected to fall about \$150 million short of earlier estimates. Timber harvests have declined more rapidly than expected, and stumpage rates have dropped below projected figures. Receipts are now projected to be about \$600 million for the year ending September 30. Timber receipts make up the bulk of National Forest System revenues, amounting to over 80 percent of all receipts last year. National forest revenues are the basis for distribution of the 25-percent funds to most states, providing funding for schools and roads.

Appeal Period To End For Inland Native Fish Strategy

The appeal period for the environmental assessment and draft finding of no significant impact for the Inland Native Fish Strategy, released July 31, ends October 9. There is one appeal. The environmental assessment covers about 25 million acres of USDA National Forest System lands in eastern Washington and Oregon, Idaho, western Montana, and portions of Nevada. The decision would provide buffer strips along streams in designated watersheds, allowing logging, grazing, and mining activities to continue as long as they are in compliance with pending litigation against the USDA Forest Service regarding the adequate protection of bull trout habitat within the Columbia River Basin.

Aid Provided To Hurricane Victims

USDA food already located in schools in the Hurricane Opal disaster area is being used for congregate feeding in shelters. In addition, the USDA Food and Consumer Service is preparing to ship additional food into the area. In Alabama, the Salvation Army will set up 16 mobile kitchens, for which the Department will supply the food. Florida has requested a four-day supply of food for 15,000 people.

The Alabama, Florida, and Mississippi coastal areas sustained most of the hurricane's impact. Cotton fields sustained three to six inches of rain and high winds. While it is too early to assess the impact of the hurricane on crop production, the rapid movement of the hurricane northward probably prevented greater crop losses. The quality of unharvested crops could be reduced by wet conditions, and harvesting will likely be more difficult. Harvest progress reports indicate that only 27 percent of the cotton was harvested in Mississippi and Georgia as of October 1. These crops account for about 13 percent of the nation's production. Unofficial reports from those states claim a 50 percent yield loss, but the cotton futures market was limit down today, suggesting that the market believes that the hurricane had far less of an impact on cotton production.

The USDA Forest Service has activated more than 140 employees to assist the Federal Emergency Management Agency in the hurricane-damaged area. In addition, Forest Service employees are assessing damages on National Forests in Florida, Alabama, Georgia, Mississippi, North Carolina, and Tennessee.

USDA continues to provide needed assistance to victims of Hurricane Marilyn on the Virgin Islands. To date, \$843,242 has been distributed in Disaster Food Stamp Program benefits on St. Croix to help 2,218 households. Nearly 1.5 million lbs. of food have been distributed to about 8,000 families in St. Thomas at a cost of about \$700,000. In addition, more than 2.1 million lbs. of mixed commodities valued at \$1.37 million have been shipped to the hurricane's victims. About 50,000 lbs. of infant formula also has been provided. The USDA Agricultural Research Service Germplasm Introduction Research Facility at St. Croix was also damaged.

USDA WORK ON PRESIDENTIAL INITIATIVES

USDA Offers Help On Education and Technology Initiative

The USDA Rural Utilities Service (RUS) has offered to assist the Domestic Policy Council (DPC) with the rural portion of the initiative on education technology to bring toll-free telecommunications access to all schools by year 2000. RUS lends money to about 900 rural telecommunications companies, serving 18 million rural Americans on

over 40 percent of the country's land mass. RUS has been working to assure that its borrowers provide advanced telecommunications services to their subscribers, including digital switching, fiber optic cabling, distance learning, and telemedicine.

Water/Waste Water Assistance Provided Through Several Initiatives

The USDA Rural Utilities Service final FY95 record on targeting loans and grants to set-asides for water and wastewater projects is as follows: Pacific Northwest Initiative--set-aside amounts were \$31.6 million for loans and \$17.4 million for grants (\$29.1 million loans and \$17.3 million grants obligated); Enterprise Zone/Empowerment Community Initiative--set-aside amounts were \$15.4 million for loans and \$19 million for grants (\$19 million loans and \$18.6 million grants obligated); Colonias Initiative--set-aside amount was \$23 million for grants (\$23 million obligated).

Pacific Northwest Economic Adjustment Initiative/Forest Plan

The USDA Forest Service continues to pursue implementation of the 1995 Rescission Act timber salvage sale provisions. As of September 30, 1,635 million board feet has been offered for sale nationally. The planned salvage sale offer for FY95 is 1,731 million board feet.

On September 29, the Department of Justice notified the District Court of Oregon that the Forest Service will release 10 timber sales totalling 48 million board feet on the Umpqua (Oregon), Olympic (Washington), and Gifford Pinchot (Washington) National Forests. This was in response to a legal motion made by the timber industry. The timber sales comply with the timber provisions of the 1995 Rescissions Act involving old-growth forests on the west side of the Cascades. About 63 sales will not be awarded due to court injunctions and endangered bird species concerns.

Urban Resources Partnership Projects Funded

On September 28, Denver, Colorado awarded \$500,000 to community organizations through the Urban Resources Partnership Program to link people to their natural urban environment. In addition to four Denver projects funded earlier this year, another 33 groups will be assisted in their efforts to promote healthy urban ecosystems and revitalize their communities. About 2,000 youth and volunteers will be involved. The Urban Resources Partnership Program, involving six federal agencies, helps provide effective and efficient delivery of services to urban communities in eight pilot cities: East St. Louis, Missouri; Atlanta, Georgia; Chicago, Illinois; Los Angeles, California; Denver, Colorado; Philadelphia, Pennsylvania; New York City; and Seattle, Washington. USDA contributed \$4 million in FY95 to support the partnership.

CONGRESS

Key Congressional Visits And Activities

In response to Congressman Wayne Allard's request, USDA is compiling documents related to bypass flow decision-making and USDA Under Secretary for Natural Resources and Environment Jim Lyons' personal travel records.

Congressional Hearings

Today, the House Resources Subcommittee on Water and Power held a field hearing in Boise, Idaho on federal actions affecting water rights of citizens in Oregon and Idaho.

On October 6, the House Resources Committee Timber Salvage Task Force will hold a field hearing in Lewiston, Idaho on implementation of FY95 rescissions regarding timber salvage. USDA Regional Forester Dale Bosworth will testify.

On October 12, the House Resources Subcommittee on National Parks, Forests, and Lands will mark up H.R. 2081, a bill to recognize the validity of rights-of-way granted under section 2477 of the Revised Statutes.

The House Resources Committee Timber Salvage Task Force will hold an October 12 hearing on implementation of FY95 rescissions regarding timber salvage. USDA National Forest System Deputy Chief Grey Reynolds will testify.

The House Resources Subcommittee on Fisheries, Wildlife, and Oceans on October 12 will mark up H.R. 33, a bill to transfer the Fish and Farming Experimental Laboratory in Stuttgart, Arkansas to USDA.

The House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture plans to mark up the P.L. 480 title of the 1995 Farm Bill on October 12.

The week of October 16, the Senate Agriculture Committee reportedly plans to mark up the miscellaneous title of the 1995 Farm Bill. The Committee is expected to consider a number of marketing-related provisions, as well as animal and plant health and safety amendments.

On October 17, the House Resources Subcommittee on National Parks, Forests, and Lands will mark up several bills regarding federal lands.

On October 21, the House Resources Committee Timber Salvage Task Force will hold a field hearing in Redding, California on implementation of FY95 rescissions regarding timber salvage.

On October 24, the House Resources Committee will hold a hearing on H.R. 1342, a bill to provide conveyances of certain lands within Cook Inlet Region, Alaska for conveyances to village corporations under the Alaska Native Claims Settlement Act.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold an October 24 hearing on Land Exchange Reform.

On October 26, the House Resources Subcommittee on Energy and Mineral Resources will hold a hearing on H.R. 2372, a bill to amend the Surface Mining Control and Reclamation Act of 1977 to minimize duplication in regulatory programs and to give states exclusive responsibility under approved state programs for permitting and enforcement of the provisions of that Act with respect to surface coal mining and reclamation operations.

On November 3, the House Resources Committee will hold a field hearing in Oregon on implementation of FY95 rescissions regarding timber salvage.

KEY REGULATORY ACTION

Housing Regulations To Change

The USDA Rural Housing and Community Development Service is finalizing regulations that reinvent its Section 502 Single Family Housing Direct loan program. This program provides an opportunity for homeownership to very low- and low-income rural residents.

USDA Reviewing Proposed Legislation On Warehouse Program

The USDA Farm Service Agency has drafted proposed legislation amending the United States Warehouse Act to streamline the operations of the federal warehouse program and make the program more attractive to new users and existing participants. The proposed changes would give warehouses storing agricultural products the flexibility needed to take full advantage of electronic record keeping technology.

1994 Disaster/Tree Assistance Regulations Cleared

Regulations concerning the 1994 Disaster Assistance Program and the 1994 Tree Assistance Program have been cleared by the Office of Management and Budget. These regulations amend existing regulations providing for all 1994 program changes, including those resulting from the Crop Insurance Reform Act of 1994.

Log Exports Rule To Be Suspended

USDA is considering alternative options to the immediate implementation of the log export restrictions established by the Forest Resources Conservation and Shortage Relief Act of 1990. A proposal by Senator Slade Gorton was adopted by the Agriculture Appropriations Conferees to withdraw the regulations and to reissue them as a proposal with a 120-day comment period. The Department is expected to publish a *Federal Register* notice suspending implementation of the final rule on log exports and substitution restrictions for further public comment.

National Forest Policy In Review

The final policy containing the fee schedule for communications uses on National Forest System Lands is now at the Office of Management and Budget for review. On September 22, the Senate Subcommittee for Energy and Natural Resources amended the FY96 Reconciliation Bill to affect fees for 175 radio and television broadcast uses and directs an advisory committee to address the other 6,200 communication site uses.

Tart Cherry Order Proposal To Be Issued

This week, the Department announced that a proposed federal marketing order for tart cherries--affecting Michigan, New York, Pennsylvania, Oregon, Utah, Washington, and Wisconsin fruit--will be issued soon. The proposed marketing order will authorize volume, grade, size, maturity, pack, and container regulations, as well as mandatory inspection. It will also provide authority to conduct production, processing, and marketing research and promotion projects.

PRESS INQUIRIES

Press Contacts With USDA

Fox TV is working on a comprehensive follow-up piece on USDA Operation Checkout regarding food stamp anti-fraud actions.

The *Los Angeles Times* requested information on hantavirus safety precautions in a directive issued by the USDA Food Safety and Inspection Service, reminding food handlers to observe safety precautions to minimize health risks.

The Washington Post requested background and status on mechanically deboned chicken proposed regulations for upcoming story.

The *Los Angeles Times* is working on a story on "fresh" definition on meat and poultry labels. Background is being provided.

CBS' 60 Minutes has asked to have Ed Bradley interview USDA Agricultural Research Service (ARS) Scientist Dr. Rufus Chaney for a segment on the administration of the Environmental Protection Agency's Superfund program--specifically, the risk assessment process and the science used to determine human health risk at Superfund sites. Dr. Chaney is a world renowned expert on heavy metal contamination of soils.

NBC News is seeking background information on salvage logging operations and on section 318 sales in the Pacific Northwest Region.

An article on operations of the USDA National Finance Center (NFC) will appear in the fall/winter issue of *Information Builders News* touting NFC as a corporate success story.

Associated Press and *U.S. News and World Report* requested information about USDA Office of Inspector General audit reports.

USA Today is working on a positive story about the USDA Animal and Plant Health Inspection Service's Beagle Brigade.

FOIA REQUESTS

The *Philadelphia Inquirer* and *U.S. News & World Report* were provided a copy of the USDA Animal and Plant Health Inspection Service's review of dog breeders in the central states.

The *Philadelphia Inquirer* requested documents describing the alleged violations of the Animal Welfare Act by two Pennsylvania dog breeders.

WEEK IN REVIEW

USDA Authorizes Settlement Delay Of Some 1994-Crop Farm-Stored Loans

On October 4, USDA announced relief for Minnesota, eastern South Dakota, and northern Iowa producers facing difficulties in marketing their 1994-crop grain due to severe transportation problems caused by a backlog in barge traffic and a shortage of

rail cars. Affected producers are being granted a delay in settlement of up to 90 days on their maturing 1994-crop feed grain and soybean loans. Delays are on a county-by-county basis, as requested by the USDA county Farm Service Agency office.

Boll Weevil Eradication Program Faces Challenges

The Southeastern Bollweevil Eradication Program Foundation has run out of funds and is seeking additional funding from USDA in order to keep operating the program until assessments are collected next spring. The Department is evaluating options to provide this funding, which is the subject of considerable Congressional interest.

Meanwhile, a Texas Rio Grande Valley campaign is underway to gain signatures among cotton farmers to force a new referendum to eliminate the USDA Boll Weevil Eradication Program. Petitions are being circulated, and local newspaper advertisements are being published by a group called S.W.E.E.P. O.U.T. The group claims that over \$150 million has been lost this year by Rio Grande Valley cotton farmers, allegedly because spraying by the eradication program killed beneficial insects. The *New York Times* is working on a story on this issue, which USDA is researching.

Books Being Donated To Republic Of South Africa

In response to an initiative begun in 1994 by USDA to assist the economically disadvantaged of the Republic of South Africa, the USDA Office of Personnel arranged for the distribution of 300,000 new books to the impoverished townships and rural areas of that country. The first of these, a shipment of 50,000 books, will arrive in December, and is being coordinated by the USDA Foreign Agricultural Service in cooperation with the Republic of South Africa Ambassador. The total value of these books is in excess of \$9 million. The only cost to the Department is a \$132,000 shipping fee, which was paid by the USDA Rural Business and Community Development Service. The shipment within the next 12 months of an additional 700,000 books with a total value of \$24 million is currently being negotiated.

Ninth Circuit Rejects Rescissions Act Interpretation

The Ninth Circuit U.S. Court of Appeals has rejected the U.S. argument that section 503 of the Rescissions Act changes the outcome of the Circuit's opinion in *Alaska Wilderness Recreation and Tourism Assn. v. Morrision*. The government argued that section 503 allows the USDA Forest Service to reoffer timber no longer covered by the long-term timber contract with Alaska Pulp Company without additional National Environmental Policy Act documentation. The Circuit rejected this position and ruled that Congress in essence had aimed its legislative gun at the wrong target; and as a result "section 503 does not alter the legal basis" of the Court's original decision.

Shawnee National Forest Litigation Threatens Project Decisions

On September 25, the U.S. District Court for the Southern District of Illinois found that the 1992 Amended Shawnee Forest Plan violated the National Environmental Policy Act (NEPA) by failing to adequately disclose environmental effects with regard to songbird viability, oil and gas leasing, and all-terrain vehicles. The decision sets a high standard for NEPA compliance at the programmatic or forest plan level and consequently sets an unfavorable precedent for other forest plan challenges. An injunction hearing has been set for October 18 to determine whether the invalidation of the forest plan requires the injunction of "all pending project decisions."

Fourth Circuit Upholds Vehicle Rule On Food Stamp Benefits

The U.S. Court of Appeals for the Fourth Circuit affirmed a decision of the U.S. District Court for the Western District of North Carolina that the value of a motor vehicle is not an "inaccessible resource" under 7 U.S.C. § 2014(g)(5). Plaintiff-Appellant had argued that where the amount owed for the vehicle exceeded its fair market value, the vehicle should be excluded from resources in the calculation of income and resources for food stamp eligibility and benefits. The appeals court found that the statute and legislative history supported the USDA Food and Consumer Service policy of including the fair market value of vehicles in excess of \$4,500, notwithstanding the fact that the vehicle was encumbered by an outstanding loan. This is the first appeals court decision on this issue.

Certiorari Not To Be Sought For Ethanol Rule

On September 29, the Solicitor General decided not to seek certiorari in American Petroleum Institute v. EPA. The D.C. Circuit had entered its judgment against the renewable oxygenate rule in this case (ethanol rule) on April 28. The government's petition for rehearing was denied on July 3; a petition for certiorari would have been due on October 2. The Environmental Protection Agency (EPA) and USDA recommended that the United States seek certiorari in this case. The Solicitor General's office determined that it was unlikely that the Supreme Court would take the case.

EPA and USDA are continuing to support the ethanol industry in other ways, including developing a plan to bring ethanol use to 2 billion gallons a year by year 2000. On a related note, the provisions of the House Ways and Means Committee budget reconciliation markup, which would have reduced and repealed the ethanol tax incentives, will be removed from the budget reconciliation bill. The Administration strongly opposed the House provisions.

USDA Announces FY96 Export Credit Programs

The USDA Foreign Agricultural Service recently released several export credit announcements for the following private sector GSM-102/103 programs for FY96: \$35 million West Caribbean Region GSM-102 program which includes Haiti and Jamaica; \$255 million Brazil GSM-102 program; \$160 million Egypt GSM-102 program; \$10 million Morocco GSM-102 program; \$25 million Tunisia GSM-102 program; and \$5 million Ecuador GSM-103 program. The export guarantee programs provide U.S. exporters and financial institutions a guarantee of repayment for financing provided to foreign buyers of U.S. agricultural commodities, helping eliminate possible financial barriers to increased exports.

Hard Frost Hits Upper Plains

The season's first wide-spread, hard frost ended the growing season for many crops in Montana, Nebraska, North Dakota, South Dakota, and Wyoming. Injury was reported for the late crops, but overall damage will not be known until after harvest. Frost affected sunflowers in North Dakota, but did not result in as much damage as expected, with approximately 90 percent of the small grains already harvested. In Montana, harvest has been completed for nearly 90 percent of spring wheat and around 80 percent of barley. Winter wheat seeding is ahead of last year but still behind the five-year average. In Nebraska, crop conditions declined for corn, soybean, and sorghum, where corn that was not yet harvested before the freeze will be cut for silage.

Above-normal rainfall from the Northwest to the northern Great Plains will maintain adequate winter grain planting moisture during through October 9. Below-normal temperatures are likely in the Pacific Northwest. Seasonable temperatures and mostly dry weather are expected in the Rockies and Southwest, but lingering tropical moisture will bring above-average rainfall to west Texas where cotton is maturing. Dry weather in the central Great Plains will favor winter grain planting. Above normal temperatures in the southern Plains will also benefit summer crop harvesting. Warm weather across the Corn Belt and the Southeast will hasten crop maturity. However, the combination of storm systems, warm, humid air being tapped from the Gulf of Mexico and Hurricane Opal in the western Gulf has caused heavy rain in the South and eastern United States.

Selection Of NAFTA Panelists Near

The United States and Canada are nearing agreement on selection of five members for the first NAFTA dispute settlement panel. The United States requested a panel to review Canada's tariff policies on numerous agricultural products, including dairy and poultry. Following disagreement on the selection of the chairperson, Canada won a "coin toss" on September 18, and selected a Belgian jurist to serve as the chair. For

the remaining panelists, both countries nominated two people off the other countries' roster, and agreement on these individuals is likely to be reached this week. Once the panelists are set, the initial panel report is due in 90 days.

United States And Some Latin Neighbors Request WTO Consultation

In a joint letter to the World Trade Organization (WTO) Dispute Settlement Body on September 26, Honduras, Guatemala, Mexico, and the United States notified the WTO of their intention to request formal consultations with the European Union (EU) regarding its banana import regime. These Latin American governments have also indicated that, if necessary, they will join the United States in a dispute settlement case against the EU on this issue. At present, while not precluding future trade action, the United States has no plans to take trade action against Costa Rica, Columbia, Nicaragua, or Venezuela, countries which signed the framework agreement with the EU on banana trade.

USDA Seeks Resolution Of Airtanker Program

The Regional General Services Administration in San Francisco, California has advised the USDA Forest Service to take immediate action to bring excess military aircraft exchanged to airtanker operators under the Forest Service's Historic Aircraft Exchange Program under federal control. The Department of Justice supports this action, which would remove one-third of the available airtanker fleet and reduce aerial fire suppression capability by 50 percent. The airtankers involved would be physically taken from contractors and essentially locked up, because the Forest Service has no capability to maintain or fly these aircraft. This action, if implemented, has major program and political ramifications. The USDA Office of the General Counsel is attempting to meet with the Department of Justice and General Services Administration to resolve this issue.

SECRETARY'S SCHEDULE

On October 13, per a request from the White House, I am scheduled to travel to New England for a rural budget rollout event. The exact location of this event has not yet been determined. *(See Key Department News: Budget Effect On Rural America)*

On October 13-15, I will be in Quebec City, Canada for the 50th anniversary of the FAO.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On October 18-26, Deputy Secretary Richard Rominger will travel to Brussels, Belgium, Rome, Italy, and Geneva, Switzerland for export-related events.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

USDA officials will be traveling next week to the following media markets to promote the Administration's rural budget message: Chico-Redding, California; Gainesville, Florida; Louisville, Kentucky; Paducah, Harrisburg, Kansas City, Columbia, Jefferson City, and Cape Girardeau, Missouri; Monroe and El Dorado, Louisiana; Salisbury, Maryland; Springfield and Holyoke, Massachusetts; Billings, Montana; Sioux Falls and Mitchell, South Dakota; Burlington, Vermont; Plattsburg, New York; and Green Bay and Appleton, Wisconsin. (See *Key Department News: Budget Effect On Rural America*)

On October 6, USDA Under Secretary for Natural Resources and Environment (NRE) Jim Lyons will make a presentation to the Public Lands Council annual meeting in Rapid City, South Dakota; on October 13, he is tentatively scheduled to attend the Georgia Forestry Commission Conference awards luncheon in Macon, Georgia; on October 30-November 2, he will travel to the West coast to participate in NRE activities in California, Oregon, and Washington; on November 10, he is scheduled to speak at the Club 20 Western Colorado Tourism summit in Glenwood Springs, Colorado.

On October 11-13, USDA Inspector General Roger Viadero will be in the Office of Inspector General (OIG) North Atlantic Region; on October 19-20, he will be in the OIG Southeast Region; on October 23-27, he will be in the OIG Midwest Region; on November 6-10, he will be in the OIG Midwest and Western Regions.

On October 16, USDA Assistant Secretary for Administration Wardell Townsend will attend the USDA Natural Resources Conservation Service Civil Rights Training Workshop in Fort Worth, Texas; on October 17, he will attend the Agriculture Expo in Moultrie, Georgia; on November 8, he will attend the National Future Farmers of America convention in Kansas City, Missouri.

On October 31, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address The American Agronomy Symposium in St. Louis, Missouri.

On October 31, USDA Acting Under Secretary for Food Safety Michael Taylor will address the annual meeting of the United States Animal Health Association in Reno, Nevada.

On November 8, USDA Chief Economist Keith Collins will discuss the 1995 Farm Bill at the general session of the annual Agribusiness Management Conference in Fresno, California.



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

October 12, 1995

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of October 9, 1995

KEY DEPARTMENT NEWS

Administration Releases State-By-State Analysis Of Proposed Budget Cuts

On October 11, I joined you and Congressional leaders at the Capitol for a press conference to release a state-by-state analysis of the impact of Republican-proposed budget cuts on rural America. Among those present were Senate Minority Leader Tom Daschle, House Minority Leader Dick Gephardt, Senators Patrick Leahy, Byron Dorgan, and Paul Wellstone, and Congressmen Charlie Rose, Charles Stenholm, and Kika de la Garza. USDA produced a video news release of the conference for distribution in South Dakota, Missouri, Texas, Vermont, and other targeted states and USDA Radio News featured the conference highlights and other USDA Sub-cabinet activity. Following the event, Deputy Secretary Richard Rominger and I made media calls to select reporters. These calls were made to the districts of Congressmen Richard Durbin and Tim Johnson, Congresswomen Eva Clayton and Karen Thurman, and Senators Kent Conrad, Byron Dorgan, Bob Kerrey, and Paul Wellstone.

Today, I joined Vice President Gore for a radio bridge to agriculture reporters across the country regarding the budget debate. Continuing through next week, USDA leaders will speak out across the country about the effects of Congressional budget cuts on rural areas. On October 16, I am scheduled to join Senator Patrick Leahy for a rural event in Vermont to reiterate the Administration's rural cuts message. The USDA Sub-cabinet and other USDA officials have held or will be holding events in 42 states to deliver the Administration's budget message.

Agriculture Appropriations Conference Report Moves Forward

By a vote of 288-132, the full House passed the House-Senate conference report on Agriculture Appropriations for FY96 today. A motion to recommit to instruct the conferees to delete a prohibition against USDA's "fresh" poultry rule was defeated. Senate action is expected soon.

Farm Bill Work Continues

The Senate Agriculture Committee plans to mark up the miscellaneous title of the 1995 Farm Bill within the next two weeks. The Committee is expected to consider a number of proposals submitted by the Administration, including marketing-related provisions as well as animal and plant health and safety amendments. In the House, work is proceeding on the trade, conservation, credit, and rural development Farm Bill titles. Markup is expected soon.

Reconciliation Goes To House Budget Committee

Congress is expected to begin consideration of the reconciliation bill within the next two weeks. The House Budget Committee is expected to adopt the Freedom to Farm bill authored by Agriculture Committee Chairman Pat Roberts, despite Chairman Roberts' failure to get the bill reported by the Agriculture Committee. The Senate Agriculture Committee has reported a proposal by Chairman Richard Lugar that cuts \$13.6 billion in farm program spending.

Commodity Improvements Announced

Today, I joined USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas at a press event at Broad Acre Elementary School (a USDA-designated Team Nutrition school) in Silver Spring, Maryland to announce improvement of the nutritional profile of 23 commodity foods that USDA provides to schools. A report was released which outlines recommendations of USDA's Commodity Improvement Council, a cooperative Department and agriculture and food production and marketing industries' effort.

After the event, we joined commodity group and USDA officials to commemorate National School Lunch Week by joining students in tasting the improved commodity offerings. The event showcased this interagency cooperative action to improve the nutrition of commodities, consistent with strong support for America's farmers, as a hallmark of good government. (*See Key Department News: Press Coverage Raises Questions On Team Nutrition, Financial Statements Audit*)

Press Coverage Raises Questions On Team Nutrition, Financial Statements Audit

Several recent articles by *The Washington Post*, *Associated Press*, and other periodicals have criticized the Team Nutrition component of USDA's School Meals for Healthy Children for expenditures to educate children about healthy food choices and improve the taste of school meals. At the same time, articles were published regarding an audit by the USDA Office of Inspector General (OIG) of USDA Food and Consumer Service FY94 financial statements, which found accounting system problems that resulted in

inadequate documentation of \$342 million in agency funds. The USDA Food, Nutrition, and Consumer Service is working with OIG to aggressively address issues raised in the audit and resolve accounting problems. (*See Key Department News: Commodity Improvements Announced*)

Interior Conferees To Try Again

The House-Senate Conference on H.R. 1977, the Interior appropriations bill (which funds the USDA Forest Service) has not yet reconvened. The Conference is subject to the call of the Chair, which may come at any time, perhaps as early as October 13. The original conference report was defeated by the House on September 29 and recommitted for further consideration.

Crop Insurance Assistance Provided To California Producers

On October 11, USDA announced that certain areas in California have been approved for relief under the Noninsured Crop Disaster Assistance Program (NAP). NAP is a key component of the Administration's federal crop insurance reform program which Congress enacted last year to protect producers of noninsured crops. Because of this reform, producers suffering losses due to natural causes do not have to wait for passage of *ad hoc* disaster legislation by Congress. Excessive rain fell in January and March in Monterey County, part of San Mateo County, and the Pajaro River Watershed area, which includes portions of Santa Cruz, San Benito, and Santa Clara Counties. Primarily, fruit and vegetable producers suffered heavy damage and crop loss.

USDA Report To Reveal Uses Of U.S. Lands

On October 16, the USDA Economic Research Service will release its report, *Major Uses Of Land in the United States, 1992*. Major uses of the nation's nearly 2.3 billion acres of land in 1992 were: cropland, 460 million acres (20 percent); grassland pasture and range, 591 million acres (26 percent); forest-use land (total forest land exclusive of forested areas in parks and some other special uses), 648 million acres (29 percent); special uses (which includes parks, wilderness, wildlife and related uses), 281 million acres (12 percent); and miscellaneous other land (which includes urban land), 283 million acres (13 percent).

U.S. cropland composition was quite stable, but total area declined from 464 million acres in 1987. Grassland pasture and range, forest-use land, and miscellaneous other land were basically unchanged in aggregate. Special-use area increased less than 1 percent from 1987.

USDA Continues To Provide Hurricane Assistance

On October 6, USDA announced the dispatch of disaster assistance teams to Alabama and Florida to assist Federal Emergency Management Agency officials and local officials in the recovery efforts in the aftermath of Hurricane Opal. The Department has been assisting in providing immediate food, transportation, and shelter assistance to hurricane victims.

USDA WORK ON PRESIDENTIAL INITIATIVES

Electric Cooperatives Sponsoring Two Missouri Early Warning System Sites

The rural Missouri communities of Crawford and Shannon will soon be protected by the National Weather Service thanks to the work and contributions of their Rural Electric Cooperatives. The Crawford Electric Cooperative, Gascoage Electric Co-op, Howell-Oregon Electric Co-op, Intercounty Electric Co-op, and Show-Me Power Electric Cooperative have signed a Memorandum of Understanding with the National Weather Service to purchase and donate transmitter equipment. Missouri was one of the first states contacted by the USDA Rural Utilities Service as part of the Vice Presidential Initiative, and these sites are the first to be fully funded by rural utilities.

PRESIDENTIAL TRAVEL

Ohio: On October 10, USDA received a request from Ohio to implement the Noninsured Crop Disaster Assistance Program in four counties (Delaware, Logan, Marion, and Union). USDA is considering the request.

Connecticut: A number of farmers in Connecticut and all of the New England states are at odds with the Department of Labor over regulations governing the use of migratory workers.

CONGRESS

Key Congressional Visits And Activities

On October 11, I joined you and Congressional leaders at the Capitol for a press conference to release the Administration's state-by-state analysis of proposed Republican budget cuts on rural America. (*See Key Department News: Administration Releases State-By-State Analysis Of Proposed Budget Cuts*)

Today, I spoke to the Grassley-Dorgan Farm Group, a staff group for agriculture-interest Senators, regarding the 1995 Farm Bill.

On October 21, USDA Under Secretary for Research, Education, and Economics Karl Stauber will meet with Congressman Sam Farr in Monterey, California to discuss methyl bromide issues.

Senator Bob Kerrey's staff has inquired about the revisions to the USDA Section 502 Direct Single Family Housing payment assistance program. Concern was expressed about the impact of the changes in the payment assistance program on families who are on waiting lists for Direct loan assistance. All cases in which an impact was anticipated in Nebraska were resolved.

On October 10, I met with Congressman Pat Williams on Montana wilderness issues.

As part of the USDA Food and Consumer Service's (FCS) ongoing effort to apprise Congress of the Team Nutrition Initiative, FCS staff recently met with representatives of the following offices: Congressmen Earl Pomeroy, Harold Volkmer, Sam Farr, Kika de la Garza, Charles Stenholm, and Gary Condit.

Congressional Hearings

Today, the House Resources Subcommittee on National Parks, Forests, and Lands today marked up H.R. 2081, a bill to recognize the validity of rights-of-way granted under section 2477 of the Revised Statutes.

The House Resources Subcommittee on Fisheries, Wildlife, and Oceans today marked up H.R. 33, a bill to transfer the Fish and Farming Experimental Laboratory in Stuttgart, Arkansas to USDA.

On October 17, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will mark up legislation on the P.L. 480 program.

The House Resources Subcommittee on National Parks, Forests, and Lands will mark up several bills regarding federal lands on October 17.

On October 19, the Senate Agriculture Committee will hold confirmation hearings on USDA Assistant Secretary for Congressional Relations-designee David Carlin and USDA Assistant Secretary for Marketing and Regulatory Programs-designee Michael Dunn.

On October 21, the House Resources Committee Timber Salvage Task Force will hold a field hearing in Redding, California on implementation of FY95 Rescissions Act provisions regarding timber salvage.

On October 24, the House Resources Committee will hold a hearing on H.R. 1342, a bill to provide conveyances of certain lands within Cook Inlet Region, Alaska for conveyances to village corporations under the Alaska Native Claims Settlement Act.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold an October 24 hearing on Land Exchange Reform.

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On November 3, the House Resources Committee will hold a field hearing in Oregon on implementation of FY95 Rescissions Act provisions regarding timber salvage.

KEY REGULATORY ACTION

Log Export Rule Announced

Today, USDA announced the suspension, for 120 days, of the new portions of the log export regulations that were issued on September 8. The suspension will take effect upon publication in the *Federal Register* on October 17. The parts of the new regulations that are not suspended are essentially the same as the interim regulations that have been in effect since 1993. The suspension was necessary to allow additional time for public comment on the new regulations, and to give log owners and exporters time to prepare for the new log handling procedures.

PRESS INQUIRIES

Press Conferences/Statements

Today, I joined USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas at a press event to discuss a recent USDA Commodity Improvement Council Report. (*See Key Department News: Commodity Improvements Announced*)

On October 11, I joined you and Congressional leaders at the Capitol to release a state-by-state analysis on Republican proposed budget cuts. (*See Key Department News: Administration Releases State-By-State Analysis Of Proposed Budget Cuts*)

Press Contacts With USDA

ABC News' Your Money, Your Choice program inquired about the USDA peanut commodity program.

Parade magazine inquired about how consumers can tell whether a chicken is fresh and asked what "fresh" means.

Food Chemical News asked about the ground beef testing program for *E. coli* 0157:H7 now that one year of testing is complete.

Christian Science Monitor requested information about a USDA Office of Inspector General audit report regarding the USDA Food Stamp Program.

FOIA REQUESTS

Associated Press requested information about the USDA Team Nutrition Initiative.

WEEK IN REVIEW

USDA Makes Announcement Regarding 1996 Feed Grain Program

On October 6, USDA announced that it will not require feed grain producers participating in the 1996 feed grain program to idle land. Because the authority to implement a feed grain program similar to the present program expires with 1995 crops, the announcement was made to provide producers with an indication of what the 1996 feed grain acreage reduction program requirements might be, assuming reauthorization of current authority.

Repayment Plan Options Offered To Some Producers

On October 5, USDA announced that producers owing repayment of advance deficiency payments they received for 1995 wheat, barley, oats, upland cotton, corn, rice, grain sorghum crops will be offered various repayment plan options to help them avoid undue financial hardships. Producers who were unable to or did not meet program planting requirements due to weather or other conditions will be allowed to request refunds.

Favorable Decision Deflates County Supremacy Movement

On October 4, the U.S. District Court for Nevada issued a favorable decision in *United States v. Gardner* involving unauthorized livestock grazing on the Humboldt National Forest in the state. The Court rejected the theory that Nevada, not the United States,

owned the land on which livestock were grazing. The Gardner's defense was based on what the Court concluded was a flawed interpretation of the Equal Footing Doctrine, whereby each Western state allegedly obtained title to all public lands upon entering the union. The Court affirmed the United States' ownership of, and the USDA Forest Service's management authority over, National Forest System lands. The decision seriously undermines the principal theory of the County Supremacy movement, which challenges the jurisdiction and authority of federal employees on public lands.

1995 Rescissions Act Timber Salvage Litigation

On July 27, Congress passed P.L. 104-19, which requires the USDA Forest Service and the Department of the Interior's Bureau of Land Management to award, release, or permit certain timber sales to be completed and to expeditiously sell salvage timber. That legislation is at issue in 15 lawsuits.

As to timber sales, there are two basic issues. The government argued that only sales prepared in 1989 and 1990 on forest inhabited by spotted owls under a previous appropriation act provision must be released. The timber industry sought release of all delayed sales on national forests in Oregon and Washington from 1989 to the present. Second, the Rescission Act provided that sales are not subject to release if a "threatened or endangered bird species is known to be nesting" within the timber sale unit. The government argues that it should rely on its previous Endangered Species Act determinations as to likely presence of a threatened or endangered bird. The timber industry argues that the sales must be released unless the government has actual physical evidence of a nest.

At this point in the litigation, only the first issue has been addressed by the courts. On September 13, the U.S. District Court in Oregon held that the timber industry's interpretation that all sales in national forests in Oregon and Washington that had been delayed, should be released. A hearing on a contempt motion against USDA Under Secretary for Natural Resources and Environment Jim Lyons for failure to release the sales at issue currently scheduled for October 17, will likely be cancelled upon the government's decision to formally note an appeal of the district court's decision. The next issue to be addressed by the courts will be the "known to be nesting" issue at a November 7 hearing.

New Litigation Challenges Western Timber Harvest

On September 29, a coalition of nine environmental organizations filed a lawsuit in the District Court of Oregon seeking an injunction of all timber sales in "old growth forests" on nine national forests on the eastside of Oregon and Washington. Plaintiffs

allege that the USDA Forest Service violated National Environmental Policy Act and the National Forest Management Act in its development of interim riparian, wildlife, and ecosystem protection measures for timber sales.

This lawsuit threatens not only the timber programs of these forests which contain no northern spotted owl and marbled murrelet habitat, but also challenges the Forest Service's ability nationwide to quickly implement interim environmental protection measures in national forest plans. This case is one of several recently filed lawsuits by environmental groups seeking broad scale injunctions against the Forest Service timber sale program.

Microbiological Committee Meetings On Food Safety Issues Announced

The USDA Food Safety and Inspection Service (FSIS) recently announced that the National Advisory Committee on Microbiological Criteria for Foods (NACMCF) will hold several full committee and subcommittee meetings this month to discuss a number of current food safety issues and initiatives. The Committee will meet on October 17 and 19. The Committee's Fresh Produce Subcommittee will meet on October 16. Other subcommittees will meet on October 17 and 18. Notices on the meetings were published in the *Federal Register* on October 3 and 4.

Weather Update

Hurricane Opal hit Florida's western panhandle on October 4. The storm pounded eastern Alabama and western Georgia as it tracked along the west side of the Appalachians. Heavy rain soaked cotton and peanut areas of the Southeast, but the rapid movement of the tropical storm kept rainfall totals below their full potential. As the storm moved up the Tennessee and Ohio Valleys, it brought harvesting to a halt in the eastern Corn Belt with 2-4 inches of rainfall. A frontal system also moved across the northern Plains into the western Corn Belt, producing 1-3 inch rainfall amounts from Nebraska to Wisconsin.

Much-needed drier weather moved into the central and eastern states over the Columbus Day weekend, allowing fields to dry out for harvesting in the Corn Belt early this week and allowing excess water in the Southeast to drain. Lingering heavy thunderstorms persisted during the weekend in Florida, except for the Panhandle.

Warm, dry weather is expected across the Pacific Northwest during October 15-19. Above-normal temperatures and sunny weather are likely over the Great Basin and southwestern states as well. Tropical storm Roxanne could bring excessive rains to southern Texas and the lower Rio Grande Valley. Otherwise, mostly dry weather is expected in the southern and

central Great Plains. Summer crop harvesting and winter grain planting should make good progress in the Plains and Midwest. Above-normal temperatures and near-normal rainfall across the South and East will aid recovery from Hurricane Opal, and promote fieldwork. However, unfavorably wet weather will persist in Florida.

SECRETARY'S SCHEDULE

On October 13, I will travel to Quebec, Canada to participate in the 50th anniversary celebration of the founding of the United Nations Food and Agriculture Organization (FAO).

On October 16, I will join Senator Patrick Leahy in Vermont for a rural budget rollout event. *(See Key Department News: Administration Releases State-By-State Analysis Of Proposed Budget Cuts)*

On October 17, I will participate in a World Food Day Announcement from USDA headquarters in Washington, D.C.

On October 18, I will deliver a speech to the National Press Club in Washington, D.C. regarding the 1995 Farm Bill to the importance of trade and the effects of Congressional budget cuts on USDA programs.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On October 18-26, Deputy Secretary Richard Rominger will travel to Brussels, Belgium, Rome, Italy, and Geneva, Switzerland for export-related events.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

USDA officials are traveling this week to conduct media events to promote the Administration's rural budget message. *(See Key Department News: Administration Releases State-By-State Analysis Of Proposed Budget Cuts)*

October 13, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will speak to the American College of Nutrition; on October 13, she will also travel to Wheeling, West Virginia for an event focusing on the impact to rural America of the proposed budget cuts; on November 1, she will speak to the American Dietetic Association's annual conference in Chicago, Illinois.

On October 16, USDA Assistant Secretary for Administration Wardell Townsend will attend the USDA Natural Resources Conservation Service Civil Rights Training Workshop in Fort Worth, Texas; on October 17, he will attend the Agriculture Expo in Moultrie, Georgia; on November 8,

he will attend the National Future Farmers of America convention in Kansas City, Missouri; on November 9, he will travel to Atlanta, Georgia for a USDA site visit; and on November 10, he will participate in the Global Leaders for the South-Annual Alumni Program in Atlanta, Georgia.

On October 19-20, USDA Inspector General Roger Viadero will be in the Office of Inspector General (OIG) Southeast Region; on October 23-27, he will be in the OIG Midwest Region; on November 6-10, he will be in the OIG Midwest and Western Regions.

On October 21, USDA Under Secretary for Research, Education, and Economics Karl Stauber will meet with Congressman Sam Farr in Monterey, California; on October 31, he will address The American Agronomy Symposium in St. Louis, Missouri.

On October 31, USDA Acting Under Secretary for Food Safety Michael Taylor will address the annual meeting of the United States Animal Health Association in Reno, Nevada.