



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

October 19, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: SECRETARY DAN GLICKMAN**  
**SUBJECT: Report for the Week of October 16, 1995**

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### **KEY DEPARTMENT NEWS**

#### **USDA To Hold 1995 Farm Bill Forums**

On October 18, I announced that USDA will hold public farm bill forums due to the lack of open public discussion on current farm bill proposals in Congress. The Department will hold the nonpartisan meetings in Washington, D.C. on October 31 and November 1 and 2. The half-day sessions will focus on commodity programs, research, conservation, rural development, and related proposals. The Chairmen and ranking minority members of the House and Senate Agriculture Committees have been invited to present their views.

#### **USDA Prepares For President's Midwest Economic Conference**

On October 20, I will join the President's Midwest Economic Conference in Columbus, Ohio. In preparation for the Conference, USDA Under Secretary for Rural Economic and Community Development Jill Long Thompson and USDA Under Secretary for Research, Education, and Economics Karl Stauber gave interviews this week to select radio and print reporters in the following media markets: Sioux Falls/Mitchell, South Dakota; Des Moines/Ames, Iowa; Duluth/Superior, Minnesota; La Crosse/Eau Claire, Wisconsin; South Bend/Elkhart, Indiana; and Ottumwa/Kirksville, Missouri.

#### **Congress Passes Agriculture Appropriations**

The conference report on H.R. 1976, FY96 appropriations for USDA, passed both houses of Congress on October 12. The bill was sent to the President last night. There has been intense Congressional, constituent, and media interest regarding whether the Department could make Conservation Reserve Program (CRP) payments under the continuing resolution. The payments were due on October 1 and can be made as soon as the bill is signed into law.

## **Congress Plans Reconciliation Consideration**

On October 25, the House plans to begin floor consideration of the reconciliation bill. The Senate is expected to take up its version of the bill later that same week. On October 12, the House Budget Committee took the first steps toward adopting the reconciliation bill by approving a package of spending cuts, entitlement limits, and tax changes, totalling two-thirds of the roughly \$900 billion required. The Republican leadership plans to add the remaining cuts on the House floor. The agriculture portion of the bill is expected to be included in the additional leadership plans.

## **USDA Emphasizes Impacts Of Republican Budget Cuts**

On October 19-20, I will help promote the Administration's message about the impacts of proposed Congressional budget cuts on rural America while at the President's Midwest Economic Conference in Columbus, Ohio. While touring meat processing plants in New Jersey on October 23, I will deliver the same message. On October 18, I addressed the National Press Club in Washington, D.C., focusing on the importance of trade, rural development and farm programs, and the effects of proposed Congressional budget cuts. On October 16, I joined Senator Patrick Leahy in conducting a roundtable with farmers in St. Albans, Vermont, where I reiterated the Administration's rural budget cuts message.

As part of the Administration's strategy to highlight the effects of Republican budget cuts on children, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas is planning to visit Detroit, Michigan on October 23. Potential locations for events include a child care center that serves federally subsidized meals to poor children and a school cafeteria. The event will provide the opportunity to publicly release a report on the national and state impact of congressional budget cuts on children's ability to obtain adequate food assistance. I will also hold a children-related event in Newark, New Jersey on October 23.

USDA leaders continue to communicate the Administration's budget cuts message and will continue to draw attention to the negative effects of proposed Congressional budget cuts on rural areas. The USDA Sub-cabinet and other USDA officials held or will continue to hold events in 42 states to amplify the message. *(See press clippings and summary)*

## **Settlement Reached On Mexican Spotted Owl**

Plaintiffs and the Department of Justice have concluded negotiations and a Stipulation and Order will be signed by Arizona District Court Judge Meucke that will allow some tree cutting to resume again on national forests in Arizona and New Mexico. The negotiated agreements will modify an August 1995 Court injunction on timber harvest

resulting from the *Silver v. Thomas* lawsuit. The lawsuit claimed the Forest Service violated the Endangered Species Act in consultation procedures used with the U.S. Fish and Wildlife Service (F&WS) for the threatened Mexican spotted owl. The Forest Service will operate under the terms and conditions of this agreement until consultations on existing and amended Forest Plans are completed with the F&WS.

### **USDA Establishing Concentration Committee**

During my National Press Club speech on October 18, I announced my intention to establish a committee to evaluate the effects of increased economic concentration on agriculture. Earlier in the day, Senator Tom Daschle, Congressman Tim Johnson, and others introduced legislation to create a Presidential commission to evaluate concentration in the livestock industry, where four companies control 80-90 percent of production. USDA will be proceeding to establish a Concentration Committee to address this issue as well as other concentration issues impacting agriculture.

### **Railroad Study To Be Released**

The Department will soon issue a report regarding the negative effect that railcar shortages can have on grain prices at local elevators as well as on U.S. competitiveness in world markets. The report is significant because of great concern in the Midwest this year regarding railcar shortages.

### **Cotton Crops Lost Due To Hurricane Opal**

The cotton crops in south Alabama, southwest Georgia, and northwest Florida were damaged extensively by Hurricane Opal. Between 250,000-300,000 acres of cotton in Alabama and Georgia may be lost from wind and rain, according to the National Cotton Council. Agronomists and producers say that 20-50 percent or more of the cotton crop may be lost in the areas affected. Some growers estimate that state yields will now average no more than 425 pounds per acre; about one-third of the cotton crops in those areas had been harvested.

### **USDA To Release Reports On Former Soviet Union And Food Aid Needs**

On October 23, the USDA Economic Research Service (ERS) will release *Food Aid Needs and Availabilities: Projections for 2005*, which discusses that world food aid needs are expected to nearly double over the next decade. The study has major implications for thinking about food aid over the next decade.

On October 25, ERS will release *Former USSR Update: Agriculture and Trade Report*, which will reveal that despite a 10-percent drop in 1995/96 projected grain production in the former Soviet Union and a significant fall in state procurement, grain imports are

not expected to increase due to lower feed use and stock drawdowns. U.S. agricultural exports in FY95 are expected to be 30 percent below FY94, as increased high value product exports are not offsetting the large drop in bulk sales.

### **Farm Weather Outlook**

Much-above-normal temperatures and near- to above-normal precipitation will promote winter wheat growth in the Pacific Northwest through October 23, according to the latest outlook. Unseasonably mild, dry weather is expected throughout the West and the Great Plains, promoting fieldwork. Seasonable temperatures and below-normal rainfall across the Corn Belt will speed summer crop harvesting and winter wheat planting. However, topsoil moisture is declining in the central Great Plains and western Corn Belt for wheat establishment. Favorable harvest weather for cotton is expected across the South. Warm, wet weather will increase soil moisture along the East Coast, but unfavorable wetness will persist in Florida.

### **Food Safety Forum Rescheduled**

USDA recently announced that the November 1 Food Safety Forum in Washington, D.C. would be rescheduled for November 8. The date was changed in response to requests from interested parties. The November forum will focus on meat and poultry inspection reform issues beyond the specific issues addressed in USDA's meat and poultry inspection reforms included in its regulatory proposal.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **AmeriCorps/National Service**

A USDA/AmeriCorps member participated in the October 12 White House ceremony with President Clinton, which marked the beginning of the National Service program's second year. The AmeriCorps member served as part of USDA's rural development team last year.

### **Helping Native Americans**

USDA Rural Housing and Community Development Service Administrator Maureen Kennedy recently met with Fannie Mae representatives to resolve obstacles to a joint initiative to increase availability of USDA guaranteed rural housing financing for Native Americans. The first Fannie Mae/Rural Housing and Community Development Service/tribal agreement announcement is tentatively scheduled for mid-November.

## **CONGRESS**

### **Key Congressional Visits And Activities**

On October 18, I met with Senator Alfonse D'Amato about the New York forest fire.

Today, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas met with Congresswoman Eva Clayton regarding Team Nutrition and the School Meals Initiative. On October 24, she will discuss the same subject in meetings with Congresswoman Karen Thurman, and Congressmen Sam Farr, Charlie Stenholm, and Earl Pomeroy.

USDA has received several Congressional inquiries regarding the issuance of USDA Conservation Reserve Program (CRP) payments. *(See Key Department News: Congress Passes Agriculture Appropriations)*

### **Congressional Hearings**

Today, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture marked up P.L. 480, Food For Peace.

The Senate Agriculture Committee held a confirmation hearing today for Michael V. Dunn to serve as USDA Assistant Secretary for Marketing and Regulatory Programs and John David Carlin to serve as USDA Assistant Secretary for Congressional Relations. Both nominees testified.

The House International Relations Subcommittee on International Economic Policy and Trade held a hearing today on the trade provisions of the 1995 Farm Bill.

On October 20, the House Agriculture Subcommittee on General Farm Commodities and the International Relations Subcommittee on Asia and the Pacific will hold a joint field hearing in Grand Island and Lincoln, Nebraska, on the importance of the Asia-Pacific region on U.S. agricultural trade.

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.

On October 25, the House Subcommittee on Resource Conservation, Research, and Forestry will hold a hearing on rural development reforms in the Agriculture Regulatory Relief and Trade Act of 1995. USDA Under Secretary for Rural Economic and Community Development Jill Long Thompson will testify.

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.

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on October 26 to modify the boundaries of USDA National Forest lands.

The Senate Energy and Natural Resources Committee will hold hearings on October 26 and November 2 on privatization of federal lands.

On October 28, the House Resources Committee and Senate Energy and Natural Resources Committee will hold a joint field hearing in Twin Cities, Minnesota on Voyageurs/Boundary Waters Canoe Area.

### **KEY REGULATORY ACTION**

#### **Far West Spearmint Oil Marketing Order**

On November 14, USDA will hold a hearing in Spokane, Washington to consider amendment of the federal marketing order for spearmint oil produced in the Far West. On a related note, Senator Max Baucus may introduce legislation to terminate the Spearmint Marketing Order, despite the Department's consideration of Montana concerns through the regulatory hearing process.

#### **Lime Program Referendum**

On November 1-15, USDA will hold a referendum among lime producers, producer-handlers, and importers on whether the national Lime Research and Promotion Program should continue. The Lime Board (the industry body that administers the program under USDA supervision) requested the Department conduct this referendum on the program before any further action on program implementation is taken. The

lime industry has changed significantly since the program was originally enacted (due largely to significant hurricane damage experienced by Florida lime growers), and Lime Board members believe that, if the program is to be successful, industry support for it must be confirmed.

## **PRESS INQUIRIES**

### **Press Contacts With USDA**

*CBS' 60 Minutes* has requested an interview with a USDA Agricultural Research Service scientist who specializes in heavy metals in soil. The reporter wants to discuss an Environmental Protection Agency Superfund site in Pennsylvania, which the scientist believes does not qualify for listing.

*Meat and Poultry Magazine* and *World Food Chemical News* have requested interviews with USDA Acting Under Secretary for Food Safety Michael Taylor regarding international food safety issues.

The Durham, North Carolina *News and Observer* has requested USDA Food Safety and Inspection Service inspection files for several meat processors.

*ABC-TV News* contacted USDA Agricultural Research Service (ARS) officials about the closure of locations and wants to schedule interviews at selected laboratories, including El Reno, Oklahoma, where two Native American tribes are advocating the return of ARS land to the tribes if the El Reno laboratory is declared surplus.

The Lansing, Michigan *NBC* affiliate is preparing a segment on stolen pets in the state and across the country. National media interest may result from this story.

*The Wall Street Journal* has requested information about the costs of official painted portraits of former Secretaries of Agriculture. They are asking other federal agencies for the same information.

## **FOIA REQUESTS**

The Christian Action Network requested information about religious expression by Department employees.

## WEEK IN REVIEW

### **USDA Required To Move Forward On Timber Sale Contracts**

On October 17, U.S. District Judge Michael Hogan granted the Northwest Forest Resource Council's (NFRC) motion for a declaratory judgment in Northwest Forest Resource Council v. Glickman. USDA is required under the Rescissions Act to move forward on all timber sale contracts offered or awarded prior to July 27, 1995, in any national forest in Oregon and Washington, except for sale units in which a threatened or endangered bird species is known to be nesting. The Department of Justice (DOJ) will appeal the ruling, but Judge Hogan denied USDA's request to stay the order while appeal is taken to the Ninth Circuit. DOJ will now seek a stay of the order from the Ninth Circuit. Judge Hogan denied a motion by NFRC to find USDA Under Secretary for Natural Resources and Environment Jim Lyons in contempt of court.

### **USDA Observes World Food Day**

On October 17, I participated in the Department's observance of the 15th anniversary of World Food Day. My remarks focused on USDA's commitment to alleviating hunger domestically and internationally. I spoke about my intention to host a roundtable later this year on the subject of gleaning and how partnerships could be formed to enhance food rescue efforts.

On October 14, I delivered a speech regarding U.S. leadership in world food security at the 50th anniversary celebration of the founding of the United Nations Food and Agriculture Organization (FAO) in Quebec, Canada.

### **USDA Examines Bison In Yellowstone National Park**

Several USDA Animal and Plant Health Inspection Service (APHIS) Veterinary Services employees were in Bozeman, Montana, October 7-15, performing biopsies of bison for the Yellowstone bison research project. The biopsies are part of a multi-agency effort to determine if the brucella bacterium exists in the bison and, if so, the extent of infection. Based on card tests in the field, two out of 11 bison tested serologically positive for brucellosis. Outbreaks of brucellosis in Park bison have been of serious concern to impacted states and their Congressional delegations.

### **Ninth Circuit Defines "Immediately" For Food Stamp Sanctions**

On October 4, 1995, the U.S. Court of Appeals for the Ninth Circuit in Garcia v. Conannon reversed a decision by the U.S. District Court for the District of Oregon and held that the Department's policy of deferring disqualification from the Food Stamp Program for intentional program violations, when households are not otherwise eligible to

participate, violates Section 6(b)(1)(i) of the Food Stamp Act of 1977 (the Act), 7 U.S.C. § 2015(b)(1)(i). That provision of the Act requires disqualification "immediately" upon a determination of violation of program requirements.

Because households often are not participating in the program at the time disqualification occurs, the Department argued that deferring disqualification until such time as the household is actually certified for participation in the program, complies with the Congressional intent of increasing penalties to discourage waste, fraud and abuse. The Court of Appeals essentially found that "immediately" means immediately and that any disqualification begins when the determination of intentional program violations occurs, regardless of whether the person found violating the program requirements is then participating in the program.

### **SECRETARY'S SCHEDULE**

On October 19-20, I will join the President's Midwest Economic Conference in Columbus, Ohio.

On October 21, I will attend the United Nations speech and reception in New York City.

On October 23, I will travel to Newark and Carlsdat, New Jersey to tour meat processing plants at the request of Congressman Robert Torricelli and conduct an event concerning federal assistance to children.

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

Through October 26, Deputy Secretary Richard Rominger will travel to Brussels, Belgium, Rome, Italy, and Geneva, Switzerland for export-related activities. As part of the trip, Deputy Secretary Rominger will head the U.S. delegation to the biennial FAO Conference.

### **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On October 23, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will take part in several events in Detroit, Michigan regarding the effects of Republican budget cuts on children; on November 1, she will speak at the American Dietetic Association's annual conference in Chicago, Illinois.

On November 8, USDA Assistant Secretary for Administration Wardell Townsend will attend the National Future Farmers of America convention in Kansas City, Missouri; on November 10, he will participate in the Global Leaders for the South-Annual Alumni Program in Atlanta, Georgia.

On October 23-27, USDA Inspector General Roger Viadero will be in the Office of Inspector General (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 and constituent groups in Monterey, California; on October 31, he will address The American Agronomy Symposium in St. Louis, Missouri; on November 11-12, he will speak at the National Association of Land Grant Colleges annual meeting in Orlando, Florida; on November 15, he will attend a conference on Environmental Enhancement Through Agriculture at Tufts University at Boston, Massachusetts.

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.



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November 2, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: SECRETARY DAN GLICKMAN**  
**SUBJECT: Report for the Week of October 30, 1995**

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### KEY DEPARTMENT NEWS

#### **USDA Hosts Farm Bill Forums**

I hosted three public forums this week to discuss 1995 Farm Bill proposals. USDA held the forums because there have been few Congressional hearings on the proposals being considered by the House and Senate Agriculture Committees. House Agriculture Committee Chairman Pat Roberts, Congressman Kika de la Garza, and Senator Tom Harkin attended the first forum, which addressed the commodity programs and research. The other two forums focused on rural development, including farm credit, and conservation. *C-SPAN* covered the first forum, which was broadcast live via satellite to sites across the country. Each forum was non-partisan and had a wide range of panelists with differing perspectives on the proposals under consideration. USDA also conducted extensive media outreach to inform the public about the issues being considered in the 1995 Farm Bill.

#### **USDA To Host Food Safety Forum**

On November 8, I will host a USDA Food Safety Forum in Washington, D.C. The topics for the Forum include the following: whether legislative changes to the federal meat and poultry inspection acts are needed; how food safety can be improved through USDA Food Safety and Inspection Service organizational change, regulatory reform, reliance on user fees, effective resource allocation, and other means; cooperation between USDA and state inspection programs; and government and private sector roles in consumer education regarding safe food handling practices.

#### **House-Senate Pass Reconciliation Bill**

On October 26, the House voted 227-203 to pass the Budget Reconciliation bill. Ten Republicans voted against the bill, while four Democrats voted for it. The agriculture provisions of the bill include House Agriculture Committee Chairman Pat Roberts'

Freedom to Farm and Congressman Steve Gunderson's Freedom to Milk provisions, which were added by the Budget Committee after the House Agriculture Committee failed to adopt either farm program or dairy provisions.

The Senate passed its version of the Reconciliation Bill, 52-47, on October 28. Although both bills reduce farm spending by \$13.4 billion, there are significant differences in the way the reduction is achieved. Senate dairy provisions include the Northeast Dairy Compact. The bill now goes to House-Senate conference.

### **Farm Bill Work Continues**

Senate Agriculture Committee staff continue to work through the remaining titles of the 1995 Farm Bill, with a markup scheduled for November 7. Majority Leader Bob Dole recently introduced the conservation title, which could have a significant adverse impact on USDA's conservation and wetlands programs. Other titles include trade, rural development, research, and farm credit.

House subcommittees are expected to begin markup next week with the conservation title. Rural development and farm credit markups are expected the following week.

### **Interior Appropriations Conference Completed**

The House-Senate Conference on H.R. 1977, the Interior Appropriations bill, has been completed, and is scheduled to be considered on the House floor on November 7. It is unclear at this time when the Senate will take action. H.R. 1977 funds the USDA Forest Service.

### **Rescissions Act/Timber Sale Litigation Continues**

On November 7, U.S. District Judge Michael Hogan (Oregon) will hear oral argument on the "known to be nesting" issue in Northwest Forest Resource Council v. Glickman. The government's position is that the best science dictates the use of survey protocol to determine the probability of whether marbled murrelet nests are present on National Forest lands. The timber industry's position is that the Rescission Act intended a higher "known to be nesting" standard and requires physical evidence such as eggshell fragments or a nest sighting. A decision is expected within a week after the hearing.

On October 25, the Ninth Circuit denied the government's motion for a stay pending appeal of Judge Hogan's October 17 order, noting the government's arguments had a "negligible" chance of success. Timber sales are now being awarded in accordance with Judge Hogan's order, with the following exceptions: sales in which the

government asserts that Endangered Species Act-listed birds are "known to be nesting"; sales which were enjoined in prior litigation, pending approval of the judges involved in the previous litigation; and sales where the highest bidder is no longer in business.

### **Commodity Distribution Advisory Council To Meet**

A meeting of the National Advisory Council on Commodity Distribution is scheduled for November 8-9 in Alexandria, Virginia. The Council meets biannually to advise the Secretary of Agriculture regarding the development of commodity specifications and other program improvements, and issues an annual report to Congress.

### **Emergency Watershed Program Funds To Be Requested**

The Natural Resources Conservation Service will put in a request to the Office of Management and Budget for the \$35 million remaining in Emergency Watershed Program funds. It has received requests in excess of this amount.

### **Alaska Pulp Corporation (APC) Litigation**

On September 28, U.S. Court of Federal Claims Judge Lawrence S. Margolis directed the USDA contracting officer to issue a final decision on APC's monetary claims by November 13. APC filed a claim December 23, 1994 seeking more than \$1 billion from the USDA Forest Service, claiming that the agency breached a long-term contract to supply it with timber. Most of the claim is for the difference between the market price of replacement timber and the contract price of timber that was due over the remaining 17 years of the contract. About \$100 million represents the lost value of its mills, the company claims.

### **Railroad Issues Heating Up**

The agriculture industry is concerned with the potential effect on agriculture of the House of Representative's (H.R. 2539) bill to repeal the Interstate Commerce Commission and deregulate the railroad industry, which is a principal means of transportation for the agriculture industry. The industry has requested that Senator Larry Pressler hold a hearing to address this issue. In addition, the House and Senate Small Business Committee will hold a hearing on November 8 to discuss the impact of railroad consolidations on small business. I expect to be requested to testify.

Finally, the lack of railcar availability in Iowa, Minnesota, and other parts of the Midwest is generating serious concern and has been called a "grain transportation emergency". Large amounts of grain is being stored on the ground, where it is susceptible to weather damage. According to a recent USDA report, the lack of

railcar availability can have a significant impact on the price farmers receive for their grain. These issues have been the subject of extensive media coverage in the agricultural press and the *Des Moines Register*.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **Urban Resources Partnership Funds Awarded In California**

On October 30, Los Angeles Mayor Richard Riordan and USDA Under Secretary for Natural Resources and Environment Jim Lyons jointly announced that USDA will provide \$500,000 in grants and conservation assistance to 39 groups in Los Angeles, California as part of the Urban Resources Partnership (URP). The URP helps people achieve their environmental protection and restoration goals for the local community. The 39 projects range from developing community and school gardens to neighborhood beautification, habitat restoration, and educational workshops and facilities.

## **CONGRESS**

### **Key Congressional Visits And Activities**

On November 1, I joined Congressman Earl Hilliard on his monthly television show to discuss 1995 Farm Bill issues.

On October 19, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture marked up P.L. 480, Food For Peace. Other Subcommittee markups are likely to be scheduled shortly, and full Committee Chairman Pat Roberts hopes to mark up a farm bill at the full Committee level before the Thanksgiving recess.

Inquiries on the status of The Emergency Food and Assistance Program (TEFAP) were received from the following offices: Senator Harry Reid; Congressman Thomas Bliley; Congressman Pat Roberts.

Congressman John Mica requested information on the requirements for participation in the School Breakfast Program; Congressman Dan Miller asked for information on the way meals are reimbursed by USDA for the Nutrition Program for the Elderly. The requests are an attempt to calculate how much the cuts in the Department of Health and Human Services' portion of the Older Americans' Act would affect the USDA portion.

At the request of Congressman John Kasich, the General Accounting Office (GAO) is conducting a study of the economic impacts of phasing out agricultural programs. Their target date for reporting back to Congress is March 1996. A GAO team met

with USDA Economic Research Service (ERS) economists on October 23 to discuss an initial approach to the study and to find out about ERS baselines, analysis, and modeling capabilities that would be relevant to their assignment.

### **Congressional Hearings**

Today, Senate Energy and Natural Resources Subcommittee on Forests and Public Lands held a hearing on federal forest land management plans.

The Senate Energy and Natural Resources Committee held a hearing today on privatization of federal lands.

On November 4, the House Resources Committee Salvage, Timber, and Forest Health Task Force will hold a field hearing in Medford, Oregon, on timber salvage.

On November 8, there may be a joint House and Senate Small Business hearing on how railroad consolidations affect small business. I may be requested to testify. (*See Key Department News: Railroad Issues Heating Up*)

On November 9, the Senate Energy and Natural Resources Subcommittee on Forests and Public Lands will hold a hearing on salvage timber.

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a November 9 hearing regarding USDA Forest Service lands boundaries.

The House Resources Subcommittee on Energy and Mineral Resources will hold a November 9 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 30, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on timber salvage.

## KEY REGULATORY ACTION

### **Single Family Rural Housing Loans**

On October 27, USDA published in the *Federal Register* the final rule on Single Family Rural Housing Loans. Among other things, this rule implements Section 315 provisions of the Housing and Community Development Act of 1987 to improve the delivery of the program and provide for the orderly processing of loan applications.

### **Draft 1995 Resources Planning Act**

Public briefings and focus group discussions during the 90-day comment period for the Draft 1995 Resources Planning Act (RPA) program are scheduled for early November to mid-December. The first Washington, D.C.-area briefing is planned by the USDA Forest Service for November 6. A public focus group discussion to gather public comments will follow on November 16. Additional public meetings are scheduled in the following locations: Albuquerque, New Mexico; Sacramento, California; Missoula, Montana; Atlanta, Georgia; and Milwaukee, Wisconsin.

## PRESS INQUIRIES

### **Press Contacts With USDA**

Today, I was interviewed by *Gannett News Service* regarding the 1995 Farm Bill.

*USA Today* is working on a farm bill story for publication this week.

*ABC's Prime Time Live* requested information on problems caused by Canada Geese.

The *Christian Science Monitor* requested USDA Economic Research Service information for a story on the effects of Republican budget cuts on rural areas.

*NBC News* is working on a story concerning the storage of eggs and the risk of salmonella enteritidis.

*CNN* and *ABC* are working on stories regarding timber salvage sales in the Pacific Northwest.

USDA Natural Resources Conservation Service Chief Paul Johnson was interviewed by the *Des Moines Register* for a story which ran today on the 1995 Farm Bill conservation title introduced by Congressman Wayne Allard.

The *Arkansas Democrat Gazette* requested a copy of a USDA Office of Inspector General audit report on child and adult care food programs and day care homes nationwide.

The *St. Louis Post Dispatcher* requested a USDA Office of Inspector General evaluation report concerning food stamp program eligibility.

The *Wall Street Journal* is investigating independent counsel actions as they relate to the Administration. They have requested an interview with me.

*NBC's Dateline* is doing a story on the lack of refrigeration in some transportation.

### **FOIA REQUESTS**

*WOKR-TV* in New York requested information about companies in the Rochester and Buffalo areas that have received warnings from the USDA Food Safety and Inspection Service concerning adulteration of meat products and the mixing of species in meat products.

### **WEEK IN REVIEW**

#### **USDA-Energy MOU Signed To Facilitate Research**

Today, I signed a Memorandum of Understanding (MOU) with Energy Secretary Hazel O'Leary to facilitate redirection of some Department of Energy research and technology efforts to benefit agriculture in areas such as precision farming and food safety.

#### **USDA Moves Ahead In Food Stamp Anti-Fraud Initiative**

On October 27, I held a news conference in Washington, D.C. to announce progress in the Department's food stamp anti-fraud initiative. USDA has removed 753 food stamp retailers across the country from the Food Stamp Program. The stores were identified through a coordinated effort by the USDA Food and Consumer Service and USDA Office of Inspector General to detect fraud and eliminate ineligible stores. The event garnered significant media coverage, including: *NBC*, *CNN*, *Cox Broadcasting*, *ABC Radio*, *New York Daily News*, *New York Post*, *Associated Press*, *Reuters*, and *Knight-Ridder*. I did a satellite media tour after the news conference and was interviewed one-on-one by reporters from: *KSDK-TV* (*NBC* affiliate), St. Louis, Missouri; *WBBM* (*CBS* affiliate), Chicago, Illinois; *WMAQ-TV* (*NBC* affiliate), Chicago, Illinois; and *WFAA-TV* (*ABC* affiliate), Dallas, Texas.

## **Number Of Food Stamp Recipients Drops**

On October 30, I announced that the number of Americans receiving food stamp benefits dropped to 25.9 million nationwide in August, the first time participation has dropped below 26 million in three years. This represents a decrease of 1.2 million since August 1994. It was the 13th straight month in which participation was lower than the corresponding month one year earlier. The decline in participation has resulted in a savings of more than \$661 million since August 1994. I reiterated that these figures support the Administration's argument that the flexibility in the Food Stamp program is one of its greatest strengths; and block grants could destroy that flexibility, preventing the program from responding the changes in economic conditions.

## **USDA Announces FY96 Food For Peace/Food For Progress Allocations**

On October 26, USDA announced tentative FY96 allocations of \$255 million to 23 countries to cover commodity financing extended under Title I of the Food for Peace Program (Public Law 480) and commodity grants under the Food for Progress Program, funded by Title I appropriations.

## **Disaster Declaration Near In South Florida**

The USDA Florida State Farm Service Agency office is working with the Federal Emergency Management Agency and the Florida Commissioner of Agriculture's office to secure a Secretarial Declaration of disaster to permit emergency loans for agricultural losses in south Florida. Some areas have had rainfall of 20 inches in 24 hours. The accumulation of rain has caused flooding of homes as documented on national newscasts, the loss of planted vegetable crops, the delay in planting of other crops, and damage to citrus crops. The excessive rains may also result in extensive nursery losses.

## **U.S. Rice Sales To Japan Top 80,000 Tons**

The government of Japan's food agency bought 100,000 tons of foreign rice recently, including 50,000 tons from the United States. The remainder was bought from Thailand (30,000 mt) and Australia (20,000 mt). This is the second rice import tender by Japan in fulfilling its Uruguay Round minimum access commitment of 379,000 tons (milled basis) prior to the end of the Japanese fiscal year on March 31, 1996. This latest tender brings Japan's total purchases for the year to approximately 182,600 tons, of which 81,567 tons was purchased from the United States. Japan's food agency had previously announced that it plans to purchase the remainder of its minimum access commitment by the end of 1995.

## **Poultry May Be Implicated In Human Salmonella**

*Salmonella stanleyville* has been implicated in human salmonellosis in the New York and New Jersey area in recent months. The human cases were mostly young children between one and two years old. *S. stanleyville* is a rather rare serotype implicated in human salmonellosis. The only *S. stanleyville* isolates in 1995 that were submitted to the USDA Animal and Plant Health Inspection Service National Veterinary Services Laboratories for serotyping were from poultry.

## **Final EIS For 11 Southwestern Region National Forest Plans**

On October 24, the final USDA Forest Service environmental impact statement (EIS) amending 11 forest plans was mailed to the public. The final EIS discusses the effects of amending forest plans in the Southwestern Region, to include direction and recovery of the endangered Mexican spotted owl and for implementation of an ecosystem approach for management of northern goshawk habitats. The public comment period will run until December 4, after which a record of decision will be signed by the Regional Forester. The region has been using interim direction the past several years for these two species, and the EIS will formally amend the existing forest plans.

## **FAO Budget Debate Ends In Compromise**

Deputy Secretary Richard Rominger led the U.S. delegation to the biennial FAO Conference in Rome, which concluded today. Adoption of the 1996/97 program of work and budget was at the top of the agenda and the most contentious issue. The United States, beginning with Deputy Secretary Rominger's statement to the Conference, pushed hard for a budget reduction of more than \$100 million from the current proposal of \$713 million. Member states ended up adopting a \$650 million budget with 108 countries voting in support and three abstaining (United States, United Kingdom, Germany). The budget represents a 3.4 percent decrease from the FAO budget for 1994-95 of \$673 million.

### **SECRETARY'S SCHEDULE**

On November 3, I will meet with former Congresswoman Karan English on Arizona issues.

On November 6, I will sign a technology transfer Memorandum of Understanding with Florida Governor Lawton Chiles in Tallahassee, Florida and meet with Florida Commissioner of Agriculture Bob Crawford regarding state agricultural issues.

On November 8, I will convene a food safety forum in Washington, D.C. to foster discussion among all interested parties concerning improvements of the Department's meat and poultry inspection programs. (*See Key Department News: USDA To Host Food Safety Forum*)

On November 10-11, I will be in Kansas City, Missouri to attend a Kansas Senate Democratic Caucus breakfast and speak at the National Association of Farm Broadcasters and FFA national conferences; during the trip, I will also travel to Unionville, Missouri to participate in a Campaign for Family Farms event, sponsored by the Missouri Rural Crisis Center.

On November 13, I will address the Jewish National Fund Leadership gathering in Washington, D.C.

On November 16, I will travel to Minneapolis, Minnesota to address the Agri-Growth Council.

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

On November 7, Deputy Secretary Richard Rominger will address a joint USDA-Environmental Protection Agency workshop on minor use biopesticides and pollution principles.

On November 8, Deputy Secretary Rominger will attend the USDA Food Safety Forum as well as the President's Export Council meeting.

#### **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On November 3, USDA Under Secretary for Rural Economic and Community Development Jill L. Thompson will address the National Rural Housing Coalition annual meeting in Washington, D.C.

On November 3, USDA Under Secretary for Natural Resources and Environment Jim Lyons is scheduled to be in the state of Washington for meetings regarding conservation and forestry; on November 6, he is tentatively scheduled to travel to Portland, Oregon to speak before the Oregon State University and Pacific Northwest Research Station national forest and meet with Governor John Kitzhaber on salvage timber sales and the President's Forest Plan; on November 10, he is tentatively scheduled to speak at the Club 20 Western Colorado Tourism summit in Glenwood Springs, Colorado; on November 29-December 2, he is scheduled to participate in Ski Industry Week in Beaver Creek, Colorado.

On November 5, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will speak at the North American Agricultural Equipment Conference in Chicago, Illinois; on November 14, he will address the North American Agricultural Lenders Conference in Des Moines, Iowa; on November 14-18, he will be participating in the Asia-Pacific Economic Cooperation Seventh Ministerial Meetings in Osaka, Japan; on November 30, he is scheduled to address the Texas Wheat Producers meeting in Amarillo.

On November 6-10, USDA Inspector General Roger Viadero will be in the Office of Inspector General (OIG) North Atlantic and Great Plains Regions; on November 28-December 1, he will be in the OIG North Atlantic Region.

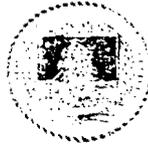
On November 8, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Shirley Watkins will speak at the USDA/1890 State Agency Cooperators Partnership and Opportunities Forum at the University of Maryland Eastern Shore, Princess Anne, Maryland.

On November 8, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will speak at the National Advisory Council for Commodity Distribution in Alexandria, Virginia; on November 16, she is a panelist at the D.C. meeting of Grant Makers on Health Conference.

On November 8, USDA Assistant Secretary for Administration Wardell Townsend will attend the National FFA Convention in Kansas City, Missouri; on November 10, he will visit the Atlanta Committee on Olympic Games Equestrian Center; while in Atlanta, Georgia, he will also attend the Global Leaders for the South-Annual Alumni Program.

On November 11-12, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address the annual meeting of the National Association of Land Grant Colleges in Orlando, Florida; on November 15, he will attend a conference on Environmental Enhancement Through Agriculture at Tufts University at Boston, Massachusetts.

On November 29, USDA Acting Under Secretary for Food Safety Michael Taylor will give a presentation before the National Milk Producers Federation annual meeting in Nashville, Tennessee.



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

November 8, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: SECRETARY DAN GLICKMAN**  
**SUBJECT: Report for the Week of November 6, 1995**

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### **KEY DEPARTMENT NEWS**

#### **USDA Hosts Food Safety Forum**

Today, I hosted a Food Safety Forum as part of the Department's ongoing effort to improve food safety and reform the meat and poultry inspection programs. I was joined by Deputy Secretary Richard Rominger, USDA Acting Under Secretary for Food Safety Michael Taylor, and USDA Under Secretary for Research, Education, and Economics Karl Stauber in discussing inspection issues beyond the Department's current rulemaking effort on Hazard Analysis and Critical Control Points (HACCP). The Forum was well attended by a broad cross section of interests.

#### **USDA To Announce Removal Of Food Stamp Retailers**

On November 15, Deputy Secretary Richard Rominger and I will announce the results of a recent "sweep" by USDA Food and Consumer Services and the USDA Office of Inspector General to review stores' eligibility to redeem food stamps in Los Angeles, California. This announcement is a continuation of our aggressive efforts to crack down on fraud and abuse in the USDA Food Stamp Program and will result in several hundred stores being notified of the Department's intention to rescind their eligibility to redeem food stamps.

#### **Department Continues To Amplify Administration Budget Message**

In the next two weeks, USDA leaders will speak to media in targeted markets to amplify the Administration's budget reconciliation message. Subcabinet, agency administrators, and state directors will focus on reaching reporters in the following locations: Tallahassee, Orlando, Daytona Beach, and Melbourne, Florida; Des Moines and Ames, Iowa; Nashville and Memphis, Tennessee; Quincy, Illinois; Hannibal, Missouri; Los Angeles and Fresno, California; and Minneapolis, Minnesota. USDA spokespersons will communicate the

budget reconciliation message through one-on-one interviews, audio news conferences, and special news availabilities to coincide with speaking engagements. I will also discuss this important message before the National Association of Farm Broadcasters convention and to over 13,000 FFA members at their convention in Kansas City, Missouri on November 10.

In addition, USDA disseminated to 500 daily and weekly newspapers across the country my first monthly column, which addresses salient agricultural issues and will help amplify the Administration's messages to rural America. The November column focuses on the Administration's 1995 Farm Bill priorities.

### **Conference Continues On Welfare Reform Bill**

The House-Senate conference on the differing versions of the Welfare Reform Bill, which began on October 24, continues. The proposals include major changes to federal nutrition programs, including USDA's Food Stamp, Child Nutrition, and Women, Infants, and Children (WIC) programs.

On November 7, I met with representatives from the anti-hunger community to discuss welfare reform issues. I also wrote a letter to conferees expressing the Administration's strong objections to some provisions contained in the House and Senate proposals, including block grants for the Food Stamp Program, plans in the House bill to block grant other nutrition programs, and deep cuts in nutrition benefits.

### **Reconciliation Conferees Begin Negotiations**

House conferees on the Reconciliation Bill are Congressmen Pat Roberts, Bill Emerson, Steve Gunderson, Kika de la Garza, and another Democrat to be named. The Senate conferees for the agriculture portion of the Reconciliation Bill are Senators Richard Lugar, Jesse Helms, Thad Cochran, Larry Craig, Bob Dole, Patrick Leahy, and David Pryor. Although Senate conferees have not yet officially been named, staff of Republican conferees are meeting privately to resolve conference issues. Both the House and the Senate Republican leadership hope to pass the conference report by November 17. The results of reconciliation will directly effect key USDA programs. My speech before the National Association of Farm Broadcasters and FFA conventions on November 10 will focus on reconciliation and the budget.

### **Interior Appropriations Legislation Work**

The House-Senate conference on H.R. 1977, the Interior Appropriations Bill (which includes USDA Forest Service funding), completed its work on October 31. The original conference report was defeated in the House on September 29. On November

1, the House Rules Committee adopted by voice vote a rule waiving points of order against the conference report and sending it to the House floor for consideration. The House is likely to consider the conference report later this week.

### **Senate/House Plans 1995 Farm Bill Schedules**

On November 14, the Senate Agriculture Committee plans to mark up the miscellaneous and conservation titles 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. In a related development, on November 1, Majority Leader Bob Dole and Chairman Richard Lugar introduced S. 1373, a bill which will serve as the Senate Republican mark for the Farm Bill conservation title.

Today, the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry considered H.R. 2542, the conservation title of the Farm Bill. The Allard Subcommittee plans to mark up the rural development title of the bill during the week of November 13.

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

#### **Helping Native Americans**

In an effort to protect tribal lands, USDA officials are assisting Senate staff in drafting legislation that would allow Native American farmers and ranchers to continue to pledge trust lands as collateral for USDA Farm Service Agency farm loans. However, in the event of foreclosure, it the goal that trust lands would not lose trust status and revert to a fee simple status. Proposals which would be cost efficient for the program, allow the retention of trust status, and ensure that tribes retain tribal lands are under consideration.

#### **Homeownership Concerns**

On November 21, USDA Rural Housing and Community Development Service (RHCDS) Administrator Maureen Kennedy will meet with industry experts to discuss the decline in the rural homeownership rate. Rural areas have always had higher homeownership rates than urban areas. However, rural homeownership rates have fallen from 73.2 percent to 71.8 percent between 1991 and 1994. Participants are expected to discuss why the rate has been declining and how the Administration might turn this trend around. Kennedy will also attend the National Partners In Homeownership meeting, which will be chaired by Housing and Urban Development Secretary Henry Cisneros on November 9.

In addition, RHCDS executed a contract with the Housing Assistance Council (HAC) to focus on female-headed households and Native Americans. HAC will study: female-headed household access to rural credit sources; barriers people face in accessing credit; and policy recommendations on how RHCDS and other credit providers can better serve the public. HAC will also work with Native American groups to identify the principal barriers and possible solutions to lending on reservations and trust lands.

## **CONGRESS**

### **Key Congressional Visits And Activities**

Congressman Tim Johnson inquired about the impact of proposed Medicare changes on USDA Rural Economic and Community Development health care borrowers.

The Senate Agriculture Committee plans to vote this week on the nominations of Michael Dunn to serve as USDA Assistant Secretary for Marketing and Regulatory Programs and J. David Carlin to serve as USDA Assistant Secretary Congressional Relations.

USDA Deputy Assistant Secretary for Administration Anne Reed, USDA Office of General Counsel officials, and the USDA Hazardous Waste Management Group met with Congresswoman Blanche Lambert Lincoln to discuss USDA concerns with the House Superfund Reauthorization Bill.

On November 7, the Senate approved legislation to amend the Perishable Agricultural Commodities Act (PACA). The House unanimously passed the legislation on July 28.

### **Congressional Hearings**

Today, I testified before the House Small Business and the Senate Small Business Committees on issues surrounding railroad mergers and how consolidation in the railroad industry affects small businesses, particularly small shippers and agriculture.

The House Resources Committee today marked up H.R. 2402, a bill to authorize an exchange of lands in Utah at Snowbasin Ski Area.

The House Agriculture Subcommittee on Resource Conservation, Research, and Forestry today marked up H.R. 2542, the Conservation Consolidation and Regulatory Reform Act of 1995.

On November 9, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold a hearing on salvage timber.

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a November 9 hearing regarding USDA Forest Service lands boundaries.

The House Resources Subcommittee on Energy and Mineral Resources will hold a November 9 hearing on H.R. 2372, a bill to amend the Surface Mining Control and Reclamation Act of 1977.

On November 17, the House Resources Salvage Timber and Forest Health Task Force will hold a field hearing in Asheville, North Carolina on salvage timber.

On November 30, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on salvage timber.

### **KEY REGULATORY ACTION**

#### **Rule Announced On Mechanically Processed Poultry**

On November 2, the USDA Food Safety and Inspection Service announced a final rule that will require more descriptive labeling for a mechanically processed poultry product. The rule will require poultry processors to list mechanically separated poultry as an ingredient in hotdogs, bologna, and other processed products as "mechanically separated chicken" or "mechanically separated turkey" instead of simply "chicken" or "turkey" on poultry product labels. The rule is effective in one year.

#### **Amending End-Use Certificate Program Regulations**

The proposed rule to extend the reporting deadlines imposed under the End-Use Certificate Program cleared the Office of Management and Budget on October 30 and will be published in the *Federal Register* on November 18.

#### **USDA Approves Voluntary Inspection For Emus And Other Ratites**

On November 1, the USDA Food Safety and Inspection Service announced that it will provide voluntary fee-for-service inspection on an experimental basis to plants that slaughter and process products from ratites, including ostriches, emus, and rheas. The Department has received extensive comment from emu and ratite interests and Members of Congress relative to the inspection issue.

## **PRESS INQUIRIES**

### **Press Conferences/Statements**

While in Kansas City, Missouri on November 10-11, I will meet with the editorial boards of the *Kansas City Star* and *The Packer*, a group of agricultural publications. (See Secretary's Schedule)

### **Press Contacts With USDA**

On November 9, USDA Under Secretary for Research, Education, and Economics Karl Stauber will be interviewed by *ABC News Your Money, Your Choice* regarding USDA Agricultural Research Service laboratory closings.

*NBC Dateline* interviewed USDA Acting Under Secretary for Food Safety Michael Taylor concerning the Department's work on *salmonella enditeritis*.

*The Washington Post* is working on a story about bypass flows (water that flows off USDA Forest Service land onto private land).

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas gave an interview to *The Washington Post* regarding food stamp fraud in Washington, D.C.

*Nutrition Week* was recently provided a copy of a recent USDA Office of Inspector General evaluation report on the USDA Food and Nutrition Service's Food Stamp Program Store Eligibility Task Force.

*Los Angeles Times* requested copies of reports, actions taken, or matters closed resulting from referrals from the USDA Forest Service Timber Theft Task Force or Timber Theft Investigative Bureau.

The *Kansas City Star* requested a background interview and update on the USDA Food Safety and Inspection Service food safety strategy.

*Forbes Magazine* requested information on avocados and USDA proposed regulations on Mexican avocado imports.

*Consumer Reports* requested information of budget impacts on the USDA Agricultural Research Service.

## FOIA REQUESTS

*Los Angeles Times* requested information about timber theft and an Alaska pulp company.

*Newsweek* requested copies of correspondence to and from Congressman Tom Delay.

*Newsday* requested information about the sale, exchange, or disposition of firearms.

## WEEK IN REVIEW

### **Trade Meeting Held Regarding Genetically Modified Soybeans**

On November 1, U.S. Trade Representative Mickey Kantor and I met with Monsanto representatives to hear that company's position on marketing "Roundup-Ready" soybeans to farmers for the 1996 planting season. These soybeans have been genetically modified to be resistant to the Roundup herbicide, which is more environmentally friendly than other herbicides. Roundup-Ready soybeans have been approved for use in the United States, but have yet to be approved for import into Japan and the European Union (EU). A refusal by countries to accept shipments of U.S. soybeans could lead to a serious trade problem. USDA is closely monitoring efforts by the industry to obtain import approval from Japan and the EU.

### **Higher Butter Prices Affect Availability For Feeding Programs**

With butter stocks low, prices on the Mercantile Exchange have increased significantly. Supplies of butter in most areas of the country generally range from being in close balance with demand to short of demand. Current buying interest is seasonally good, as users prepare for upcoming holiday needs. No bulk or print butter has been offered to the USDA Commodity Credit Corporation since March, which is creating availability problems for both domestic and international food assistance programs.

### **Argentina Suspends California Fruit Imports; Brazil Decides Not To Follow Suit**

The USDA Foreign Agricultural Service reports that effective October 27, Argentina halted imports of fruit originating from California due to concerns over recent oriental fruit fly trappings in that state. Argentina is presently a small, but promising market for U.S. fruits. In 1994, the value of fresh fruit exports to Argentina approached \$1 million, with California table grapes accounting for one-half of that total. Brazil had also considered placing an embargo on fruit from California due to the fruit fly trappings, but decided against such action. Brazil has developed into an important new market for U.S. fruits with 1994 shipments valued at \$15 million. USDA Animal and Plant Health Inspection Service (APHIS) officials are working with Brazil and Argentina to resolve this problem.

## **USDA Announces Pilot Fruit Tree Insurance Program**

On November 7, USDA announced a pilot crop insurance program to help growers in five Florida counties replace or rehabilitate trees damaged by freeze, wind, or excess moisture. In anticipation of the announcement, training sessions have been held for USDA Farm Service Agency staff in Dade, Highlands, Martin, Palm Beach, and Polk Counties, and for agents and insurance company representatives. The purpose of the training is to ensure a sales force that will be ready to market and service the pilot program once it is in place.

## **USDA-Florida Work Together To Promote Jobs**

USDA's good government message and the Department's commitment to expanding economic opportunities were highlighted again on November 6 when USDA Under Secretary for Research, Education, and Economics Karl Stauber joined Florida Governor Lawton Chiles in Tallahassee, Florida to sign a Memorandum of Understanding (MOU) for technology transfer between USDA and Florida. The agreement will formalize the transfer of the information and technology developed by the USDA Agricultural Research Service to interested companies in Florida who want to promote economic diversification and commercialize new technologies. The agreement will help the state take an active role in the development of new businesses to support economic growth.

## **Russia Enters Market For U.S. Wheat**

Since October 19, Russia has purchased 105,000 tons of U.S. wheat with 80,000 tons, valued at \$15 million, registered under the USDA GSM-102 program. With declining availabilities in Russia and Kazakhstan, there has been speculation that additional purchases from Western sources may be in the works. The United States exported 400,000 tons of wheat to Russia in marketing year 1994/95.

## **Meeting Held On Team Nutrition Pilot Communities**

On November 6-7, the Team Nutrition Pilot Community Project leaders met to discuss evaluation procedures. Seven U.S. communities will serve as Team Nutrition Pilot Communities (Cleveland, Ohio; Des Moines, Iowa; Lawrence, Massachusetts; Morristown, Tennessee; Passaic, New Jersey; Tulsa, Oklahoma; and Vacaville, California), demonstrating the potential of the Administration's school meals reforms to promote children's health. They will use the full range of integrated Team Nutrition strategies and resources to bring improved meals and more nutrition information for children and their families. They will also be evaluated to determine the effectiveness of Team Nutrition, and to find ways to involve more communities nationwide.

The demonstration will run from spring to fall 1996, possibly continuing through spring 1997. While Team Nutrition Pilot Communities involve selected schools, all schools participating in the National School Lunch Program are eligible to become Team Nutrition Schools.

### **Judge Declines To Adjudicate Rescissions Act Implementation**

Judge Dwyer, who in 1991 and 1992 enjoined most timber harvesting from USDA National Forests in the Pacific Northwest, has declined to become involved in adjudicating the government's interpretation of the timber-related provisions of the 1995 Rescissions Act. On November 3, he granted the government's and the timber industry's request to stay motions in Seattle Audubon Society v. Thomas filed by environmental groups which sought to have Judge Dwyer adjudicate the application of the 1995 Rescissions Act to four timber sales that Judge Dwyer found in 1990 to have violated requirements of Section 318 of the FY90 Interior Appropriations Act.

Judge Dwyer decided to stay proceedings so as to not interpret Section 2001(k) of the 1995 Rescissions Act in a manner that conflicted with Judge Hogan's adjudication of NFRC v. Glickman, a case in which most of the legal challenges to Section 2001(k) are being heard. Perhaps as a warning to federal decisionmakers, Judge Dwyer noted that the sales at risk of being harvested under Section 2001(k) did not comply with the President's Northwest Forest Plan and he reprinted a portion of his 1994 decision upholding the President's Northwest Forest Plan that concluded "whether the plan and its implementation will remain legal will depend on future events and conditions."

### **SECRETARY'S SCHEDULE**

On November 9, I will deliver the luncheon address at the State of Israel Bonds annual luncheon, where I will discuss the future of American agriculture and amplify the Administration's budget reconciliation message.

On November 10-11, I will be in Kansas City, Missouri to speak at the National Association of Farm Broadcasters and FFA national conferences; during the trip, I will also travel to Unionville, Missouri to participate in a Campaign for Family Farms event, sponsored by the Missouri Rural Crisis Center to discuss a number of key agricultural issues, including packer concentration. During the speeches, I will reiterate farm bill, food safety, good government, welfare reform, and budget reconciliation themes. I will also address the teen smoking issue during my FFA speech. (*See Press Inquiries: Press Conferences/Statements*)

On November 13, I will address the Jewish National Fund Leadership gathering in Washington, D.C., where I will discuss the future of American agriculture and amplify the Administration's budget reconciliation message.

On November 13-15, Deputy Secretary Richard Rominger and I will travel to Sacramento, California to participate in an event with the Quincy Library Group, a grassroots coalition of representatives of timber industry and business, local environmentalists, and county government, and interested citizens formed to develop management proposals for protecting environmental values while obtaining sustainable timber supply. We will then travel to Los Angeles, California to conduct a food stamp event. *(See Key Department News: USDA To Announce Removal Of Food Stamp Retailers)*

On November 16, I will travel to Minneapolis, Minnesota to address the Agri-Growth Council.

On November 17-22, I will travel to Israel for official and personal business.

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

On November 13-15, Deputy Secretary Richard Rominger will join me in Reno, Nevada for a meeting with the Quincy Library Group and in Los Angeles, California for a food stamp fraud event. *(See Secretary's Schedule and Key Department News: USDA Plans Food Stamp Fraud Event In California)*

#### **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On November 10, USDA Assistant Secretary for Administration Wardell Townsend will visit the Atlanta Committee on Olympic Games Equestrian Center; while in Atlanta, Georgia, he will also attend the Global Leaders for the South-Annual Alumni Program; on November 16, he will visit USDA offices in Raleigh, North Carolina; on November 17, he will address the Fayetteville, North Carolina Kiwanis Club's annual Farm-City Week program.

On November 11-12, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address the annual meeting of the National Association of Land Grant Colleges in Orlando, Florida; on November 15, he will attend a conference on Environmental Enhancement Through Agriculture at Tufts University at Boston, Massachusetts; on November 16-17, he will travel to Minneapolis, Minnesota to participate in the Minnesota Agri-Growth Council meeting and to meet with University of Minnesota agricultural officials.

On November 14, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will address the North American Agricultural Lenders Conference in Des Moines, Iowa; on November 14-18, he will be participating in the Asia-Pacific Economic Cooperation Seventh Ministerial Meetings in Osaka, Japan; on November 30, he is scheduled to address the Texas Wheat Producers meeting in Amarillo; on December 4-14, he will visit Brazil, Chile, and Argentina to address the 1995 Latin American Association of Milling Industry and to meet with government and private sector agricultural officials.

On November 15, USDA General Counsel James Gilliland will attend the Empowerment Zone and Enterprise Community (EZ/EC) Conference in Nashville, Tennessee.

On November 16, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will be a panelist at the D.C. meeting of Grant Makers on Health Conference; on November 20-22, she will travel to Los Angeles, California to appear on the *Mike and Mattie Show* and meet with Disney Vice President Dennis Hightower (while in Los Angeles, she also plans to visit a soup kitchen, a food bank, and a Team Nutrition School); on November 29-December 6, she will travel with USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith to South Africa as part of a Vice Presidential Commission; on December 13, she will speak at the Child Nutrition Directors Conference in New Orleans, Louisiana.

On November 28-December 1, USDA Inspector General Roger Viadero will be in the Office of Inspector General North Atlantic Region.

On November 29, USDA Acting Under Secretary for Food Safety Michael Taylor will give a presentation before the National Milk Producers Federation annual meeting in Nashville, Tennessee.



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

November 16, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: SECRETARY DAN GLICKMAN**  
**SUBJECT: Report for the Week of November 13, 1995**

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#### **KEY DEPARTMENT NEWS**

##### **Fraud Efforts Continue**

Today, I held a news conference in Los Angeles, California to announce the removal of 681 Los Angeles area food stamp retailers' eligibility to redeem food stamps in the USDA Food Stamp Program. This is a continuation of USDA's nationwide food stamp retailer integrity drive and the Department's progress in eliminating fraud and abuse in the food stamp program. The Department has announced the removal of more than 1,400 ineligible stores nationwide in the past two weeks.

##### **Administration Praises Quincy Library Group, Pledges Additional Funds**

Yesterday, I joined Deputy Secretary Richard Rominger and USDA Under Secretary for Natural Resources and Environment Jim Lyons in Sacramento, California in supporting the collaborative resource management approach of a group of northern Californians known as the Quincy Library Group (QLG). QLG is a grassroots coalition of representatives of timber industry and business, local environmentalists, elected officials, and interested citizens formed to develop management proposals for protecting environmental values while obtaining sustainable timber supply. To demonstrate its support, the Department pledged \$4.7 million to improve forest health and reduce fire risk on national forest lands (Lassen, Plumas, and Tahoe National Forests). The \$4.7 million supplements the \$15.3 million the Forests are projected to receive in FY96. This event is a good example of how the USDA Forest Service engages local communities in making decisions about resource management and expanding economic opportunities. The event received significant press coverage. *(See attached Los Angeles Times article)*

While in Sacramento, I also met with a group of California state legislators and the USDA Pacific Southwest Regional Foresters Management Team. In addition, at the invitation of the QLG, I toured a residential subdivision to discuss rural/urban interface issues, fire history, and evacuation plans and toured a fire sale site.

### **Welfare Reform**

Today, a reconciliation conference report was filed by Congressional conferees. It includes provisions that threaten to undermine the national nutrition safety net that has successfully promoted the nutrition and health of children and families. By creating an optional food stamp block grant and cutting nutrition benefits too deeply -- especially benefits for children -- the budget reconciliation bill could hinder our ability to get food to people who need it and jeopardize the health of the nation. The House is expected to take up the bill on November 17. The Senate is expected to do so on November 18 or early the following week.

### **House/Senate Agriculture Committees Reach Agreement On Agriculture**

The farm provisions in the Budget Reconciliation conference report include a number of troubling provisions. First, the report creates seven-year production contracts that guarantee producers a fixed payment for each of the seven years. These payments are made regardless of market prices. Under current statute, payments are market-oriented in that they are made to producers only when prices are low, not when they are high. Therefore, the subsidy structure of current programs have a more market-oriented approach and only provide payments when they are truly needed.

Conversely, the seven-year contracts provide producers with more planting options to respond to market prices, and therefore are more market-oriented than the current programs. The Administration, in its farm bill proposal, recommended more planting flexibility in the present farm program structure, as well, to ensure producers have the opportunity to plant crops with higher market prices. Including more planting flexibility replaces an outdated philosophy, born from the days of huge commodity surpluses, of strict acreage controls needed to manage these surpluses.

The conference report did not include any language to address the problems the dairy industry faces with its outdated and complicated program. The Administration had proposed a system for reforming the marketing order scheme. The peanuts and sugar programs were moderately amended and the Department is presently analyzing these proposed changes. Changes were made to the Conservation Reserve Program and the crop insurance program that undo some of the progress the Administration has made in making these programs more budgetarily sound and effective.

## **Interior Appropriations Bill Rejected**

On November 15, the House voted 230-199 to reject the conference report on H.R. 1977, the Interior Appropriations Act of 1966 (which includes USDA Forest Service funding). This is the second time the measure has been returned to the conference committee. Forty-eight (48) moderate Republicans voted with 181 Democrats to recommit the conference report. The recommitment was largely due to the measure not providing a temporary moratorium on low-cost purchase of mining lands. There is also concern about the length of time the USDA Forest Service will be able to continue operating on carryover funds. The agency will have to shut down part of its operations, which are funded by appropriations, by November 27.

## **Agencies Agree On Brucellosis/Bison Settlement**

The USDA Animal and Plant Health Inspection Service (APHIS), the National Park Service (NPS), the state of Montana, and the Royal Teton Ranch have reached an agreement on proposed interim bison management procedures and on a schedule for completing a long-term bison management plan and Environmental Impact Statement for bison that move between Yellowstone National Park and Montana. This agreement was submitted to the U.S. District Court for the District of Montana to settle a lawsuit filed by Montana against NPS and APHIS. The lawsuit was based on concerns that brucellosis could be spread from infected bison to the state's disease-free cattle and thus jeopardize Montana's brucellosis-free status. Under APHIS regulations, loss of free status would require testing of breeding cattle shipped to other states.

## **USDA Team To Discuss Fruit Ban With Brazil**

On November 13, a USDA Animal and Plant Health Inspection Service (APHIS) team traveled to Brazil to discuss a ban on import of California fruit that may be put into effect this month. Brazil had placed a ban on such imports but then provided a temporary exemption. Argentina has also placed a ban on imports of California fruit. The bans resulted from detections of oriental fruit flies in Los Angeles and Orange Counties, the most recent of which occurred on November 1 in the West Compton area of Los Angeles County. None of these flies were found in the vicinity of commercial growing areas, and the detections have not met APHIS' criteria for an infestation.

## **USDA Report To Discuss U.S. Beef Industry And Russia/China Agriculture Situations**

On November 20, the USDA Economic Research Service will release *Agriculture Outlook*, which will feature a special article on Russia's candidacy for World Trade Organization membership and the issues it raises for Russia's farm sector. Another

article will look at China's grain situation and its impact on world trade. This issue will also spotlight the ongoing restructuring of the beef industry and provide 1996 food price forecasts.

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

#### **USDA Provides Assistance To South Africa**

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas, USDA Deputy Under Secretary for Research, Education, and Economics Floyd Horn, and USDA Deputy Under Secretary for Farm and Foreign Agricultural Services will represent USDA at the U.S.-South Africa Bilateral Commission meeting in Pretoria, South Africa and will be leaving with other members of the Administration the end of this month. This is the first time that USDA has participated in these talks. In South Africa, talks will involve members of the South African Ministries of Agriculture and Health on mutual areas of concern.

In addition, USDA Food and Consumer Services Child Nutrition Director Alberta Frost left for South Africa on November 15 for a three-month assignment with the South African Ministry of Health. She will be assisting the Primary School Feeding Program that began last year, as well as providing technical assistance with the national nutrition policy the South African government is formulating. Frost was part of a USDA Assessment Team that visited South Africa last fall.

#### **New AmeriCorp Members Join USDA Projects In Illinois**

Five new AmeriCorp members were sworn in by USDA Farm Service Agency (FSA) Illinois State Executive Director Stephen Scates. The new members will be working on the Illinois River Valley Rural Development Project, one of five FSA AmeriCorp projects nationwide this year. The project has three objectives for the coming year, including encouraging producers to sign up for irrigation scheduling and systems evaluation; assisting rural families with a FARM-A-SYST survey and drinking water audit; and establishing a fresh vegetable gleaning program to feed persons in need.

### **CONGRESS**

#### **Key Congressional Visits And Activities**

Congressman David Minge's office has requested a briefing by USDA railcar working group after receiving numerous bulletins from cooperatives in southern Minnesota complaining about railcar shortages.

Congressman Solomon Ortiz is concerned about a General Accounting Office protest filed by one of his constituents, which involves a recently awarded USDA contract for computer operations support.

### **Congressional Hearings**

On November 17, the House Resources Salvage Timber and Forest Health Task Force will hold a field hearing in Asheville, North Carolina on salvaging dead and dying timber.

On November 30, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on salvaging dead and dying timber.

### **KEY REGULATORY ACTION**

A proposed rule that would allow the Department to extend wheat, corn, grain sorghum, barley, oat, and rye loans during times of abnormal marketing conditions has been cleared by the Office of Management and Budget and is in final clearance before publication in the *Federal Register*.

### **PRESS INQUIRIES**

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

Today, I held a press conference in Los Angeles, California to announce the removal of a significant number of Los Angeles area food stamp retailers' ability to redeem food stamps. (*See Key Department News: Fraud Efforts Continue*)

On November 15, I held a press conference in Sacramento, California supporting the collaborative approach to addressing resource management by a group of northern Californians known as the Quincy Library Group. (*See Key Department News: Administration Praises Quincy Library Group, Pledges Additional Funds*)

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

The USDA Office of Communications has fielded numerous radio, print, and broadcast reporter calls regarding the shutdown of the federal government and the impact on USDA. A reporter with the *Los Angeles Times* interviewed several USDA employees about how they felt to be working when many federal workers were furloughed.

Following up on some of the food safety issues raised at the Government Accountability Project (GAP) news conference last week, the *Des Moines Register* inquired about the number of USDA food safety inspectors and how the USDA Food Safety and Inspection Service's FY96 budget would affect their ability to do their job.

*NBC News* is researching a story about grassroots, consensus-building organizations like the Quincy Library Group. (See *Key Department News: Administration Praises Quincy Library Group, Pledges Additional Funds*)

*WSB-TV*, the *ABC* affiliate in Atlanta, Georgia, is planning to run a story on November 20 about pet theft in the state. USDA Animal and Plant Health Inspection Service Regulatory Enforcement and Animal Care Director Steve Smith was interviewed.

King World Productions' *Inside Edition* is working on a story about bear wrestling. The USDA Animal and Plant Health Inspection Service Regulatory Enforcement and Animal Care program is providing background information. The segment likely will run this week.

During the upcoming Convention on Biological Diversity in Jakarta, Indonesia, Greenpeace will protest U.S. plans to ship genetically-modified soybeans combined with natural soybeans to Latin America and Europe. The shipment is scheduled to begin in September 1996. The protest may generate international media interest.

*Farm Journal* inquired about the status of the USDA concentration study of red meat.

#### **WEEK IN REVIEW**

##### **USDA Makes Family Farm Loan Funds Available**

Twenty-five (25) percent of each state's FY96 allocation of direct and guaranteed operating and farm ownership loan funds have been made available recently for use by USDA. These funds will enable family-size farmers to purchase land, refinance creditors, and pay for items needed for successful farming operations. The USDA Farm Service Agency provides loans to family-size farmers through direct loans and also by guaranteeing loans made by banks, cooperatives, Farm Credit System member institutions, and other lenders.

##### **USDA Increases FY96 Sugar Tariff-Rate Quota**

On November 9, USDA announced that the FY96 tariff-rate quota (TRQ) for raw-cane sugar was increased by 300,000 metric tons to a level of 1,417,195 metric tons. With carryover stocks at an historic low, and projected domestic production estimated to be insufficient to meet projected domestic use, the TRQ was increased from the minimal

level allowed by the Uruguay Round. The increase was supported fully by the cane refiners and sugar users, who would have preferred a larger increase in the TRQ. Beet and cane producers, on the other hand, while not enthusiastic about the increase, were generally supportive of the cautious, incremental approach used by USDA.

### **Export Sales Of Corn Continue Active**

Weekly exports of corn for the 1995/96 marketing year have averaged 1,259,000 metric tons for the first nine weeks of the year, approximately 500,000 tons per week above the previous year and the five-year average. Exports to date total 11,332,000 tons and represent 22 percent of the USDA projection for the year.

### **United States Sends Record Livestock Exports To China and Hong Kong**

USDA reports that total U.S. exports of livestock, dairy, and poultry products to China for the first eight months of CY95 were \$130 million, nearly 60 percent higher than the \$81 million sold for the same period a year ago. Total U.S. sales of dairy, poultry and livestock products to Hong Kong reached \$392 million in the first eight months of CY95, 54 percent higher than the \$254 million sold for the same period in 1994.

A significant share of U.S. agricultural exports to Hong Kong are transshipped to China. Transshipments of U.S. consumer-oriented agricultural products, for example, were valued by Hong Kong authorities at \$258 million in 1994, well above the nearly \$50 million in direct U.S. exports of the same products to China. Additionally, transshipments to China are estimated by the USDA Foreign Agricultural Service to account for nearly 70 percent of all exports of U.S. poultry products to Hong Kong. Taken together, the China-Hong Kong market represents a \$780-million annual market for U.S. poultry, dairy, and livestock products.

### **GAO Issues Report On Juice Adulteration**

As required by P.L. 103-448, the Comptroller General recently released a study of the costs and problems associated with the sale of adulterated fruit juice and juice products to the school lunch and breakfast programs. The study was prompted by several juice adulteration schemes prosecuted in the early 1990s. The report determined that the inspections necessary to detect this type of juice adulteration (such as the addition of water or beet sugar) would be expensive, potentially doubling the price of the juice. The USDA Food and Consumer Service has initiated nonprocurement debarment actions against the participants in several of the adulteration schemes and is evaluating possible action against those involved in another.

## **SECRETARY'S SCHEDULE**

Today, I announced food stamp action in Los Angeles, California and addressed the Agri-Growth Council in Bloomington, Minnesota. At the Agri-Growth Council, I addressed budget reconciliation, the 1995 Farm Bill, agriculture's role in the 21st Century, and food safety.

On November 17-22, I will travel to Israel for official and personal business.

On December 4, I will travel to Greensboro, North Carolina to address the North Carolina Farm Bureau.

On December 5, I will address the National Farmers Organization in Madison, Wisconsin.

On December 5, I will travel to Detroit, Michigan to address the Monroe County Agricultural Dinner, as requested by Congressman John Dingell.

On December 6, I will travel to Kansas City, Missouri to address Farmland Industries.

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

Deputy Secretary Richard Rominger will be in the office next week.

## **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

Through November 18, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will be participating in the Asia-Pacific Economic Cooperation Seventh Ministerial Meetings in Osaka, Japan; on November 30, he is scheduled to address the Texas Wheat Producers meeting in Amarillo; on December 4-14, he will visit Brazil, Chile, and Argentina to address the 1995 Latin American Association of Milling Industry and to meet with government and private sector agricultural officials.

On November 18, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Shirley Watkins will speak at the Coalition of 100 Blackwomen, Northern Virginia Chapter 1995 annual luncheon forum in McLean, Virginia.

On November 20-22, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will travel to Los Angeles, California to appear on the *Mike and Mattie Show* and meet with Disney Vice President Dennis Hightower (while in Los Angeles, she also plans to visit a soup kitchen, a food bank, and a Team Nutrition School); on November 29-December 6, she will travel with USDA Deputy Under Secretary for Farm and Foreign Agricultural Services Dallas Smith to South Africa as part of a Vice Presidential Commission; on December 13, she will speak at the Child Nutrition Directors Conference in New Orleans, Louisiana.

On November 28-December 1, USDA Inspector General Roger Viadero will be in the Office of Inspector General North Atlantic Region.

On November 28-29, USDA Assistant Secretary for Administration Wardell Townsend will travel to Raleigh, North Carolina for the North Carolina Agriculture Summit; on December 4, he will take a bus tour with local government and business leaders in eastern West Virginia.

On November 29, USDA Under Secretary for Research, Education, and Economics Karl Stauber will speak before the National Rural Studies Committee "Conference on Rural America" in College Park, Maryland.

On November 29, USDA Acting Under Secretary for Food Safety Michael Taylor will give a presentation before the National Milk Producers Federation annual meeting in Nashville, Tennessee; on December 4, he will participate in the Private and Public, Scientific, Academic, and Consumer Food Policy Committee at Harvard University's Graduate School of Business Administration in Boston, Massachusetts.

On November 29-December 2, USDA Under Secretary for Natural Resources and Environment Jim Lyons will participate in Ski Industry Week in Beaver Creek, Colorado; he is tentatively scheduled to attend the Ecosystem Management Conference in Tucson, Arizona sometime between December 4-15.

On December 1, USDA Acting Chief Financial Officer Ted David will travel to Kansas City, Missouri on official USDA business; on December 8, he will travel to New Orleans, Louisiana to conduct USDA business.

her friend, former Gov. Edmund G. (Jerry) Brown Jr., who appointed her to the court in 1977. "She's burnt."

Voters booted out Bird and two other justices in 1986 in an unprecedented expression of political displeasure with the state court. Conservatives, unhappy with her reversals of death sentences and rulings against corporations, portrayed Bird as a left wing zealot who arrogantly refused to implement laws the people wanted.

Until then, confirmation votes of Supreme Court justices were a mere formality. Now the California high court appears particularly attuned to the desires of the electorate. It affirms death sentences at one of the highest rates in the nation and seems to bend over backward to uphold voter initiatives, scholars say.

Even today, Bird's legacy remains a powerful campaign weapon for conservatives. Her name is a symbol, dragged out at election time to get votes. Almost a decade after fading from the scene, she is still, as one of her friends put it, "a political untouchable."

Friends say Bird lives modestly, largely on a \$12,000 annual state pension. (A \$43,400-a-year judicial pension will not start until 1999.) The elegance she acquired as chief justice has given way to mumus and jogging suits. Heavier now at age 59, Bird has discovered that

Please see BIRD, A20

cy to taxpayers through a rebate. This year, the state is barely four months into the fiscal year and most state officials are reluctant to begin counting their blessings. But with experts indicating that the positive trends are likely to continue, state officials are beginning to ponder a tax cut and more school funding, among other things.

"This looks to me like a keeper," said Ted Gibson, chief economist for the state Department of Finance. "We think that the economy is in a good, solid recovery mode—better than we had reason to expect six months ago."

The \$676 million in surplus revenue calculated this week by the Finance Department is largely a result of taxes on personal income, sales and corporations that have generated more money than lawmakers anticipated when they adopted the state budget in August.

Economists say the revenue boost is basically a reflection of job creation. For the first time since the late 1980s, a recent UCLA business forecast said, California is producing jobs at a faster rate than the nation.

The state's unemployment rate increased slightly in October after registering 7.2% in September, its lowest mark in 4½ years.

What threw off the state's economic predictions, experts say, is that the strong improvement is occurring even though two of California's key financial categories—

ment and recreation services— is up (more than 60% since 1986).

On trade, California Secretary of Trade and Commerce Julie M. Wright said Tuesday that interna-

Please see ECONOMY, A22

## Coalition's Olive Branch Saves Economy, Forest

By FRANK CLIFFORD  
TIMES ENVIRONMENTAL WRITER

QUINCY, Calif.—Ten years ago, Mike Jackson was lying under a logging truck, staring up at the four lumberjacks who had pummeled him in a local bar. A lawyer for environmental groups, Jackson had told them that their children would be thankful for a lawsuit he filed halting clear-cutting of the nearby forest.

Today, Jackson is a leader of a remarkable coalition of environmentalists and loggers that has achieved something that has eluded the federal government for a decade: a forest policy acceptable to environmentalists and people who work in the woods.

Known as the Quincy Library  
Please see LOGGING, A24

million advance obtained just last week by prosecutor Marcia Clark. "Let's just say we won again," said a Cochran confidant, who asked not to be identified.

Cochran's book, which will be titled "My Journey to Justice: The Autobiography of Johnnie L. Cochran, Jr.," will be published by Ballantine's One World imprint, and is scheduled for release in the spring of 1997. He has yet to select a collaborator.

Another of Simpson's defense lawyers, Robert L. Shapiro, also concluded a seven-figure publishing contract Tuesday. The Century City lawyer will receive \$1.5 million from Warner Books for a manuscript titled, "The Search for

CLARK SPEAKS OUT  
Trial was lesson in confidence, Marcia Clark tells forum. B1

Justice: A Defense Attorney's Brief on the O.J. Simpson Case." According to knowledgeable sources, Shapiro, who will collaborate with free-lance writer Larkin Warren, already has written more than 1,000 pages of his book, which is scheduled for publication in the spring.

The contracts secured by Cochran and Clark are the third- and fourth-richest for a single volume of nonfiction in the history of  
Please see COCHRAN, A25

The shutdown order of Clinton on Monday yet short-term measures to allow continued federal  
Please see IMFA

## Louisiana Ground E

By JESSE KATZ  
TIMES STAFF WRITER

BATON ROUGE, La.—He was his guide. Clark wouldn't be here right now the guest of honor's Rotary Club luncheon, mainly not as a candidate nor of Louisiana.

Physically, he's all we part, nothing like the swashbucklers and couple of boys who have earned its piquant political reputation. 32, with large tortoise shell dwarfing his youthful features, appears painfully thin, shunning lunch as his down a buffet of green potatoes and fried catfish.

Ideologically, the two congressmen also seem to be pushing a liberal Democratic agenda at a time when the

Los Angeles Times 11-15-95

## Koreatown Bucks Trend by Funding Police Station

Law enforcement: Faced with low city budgets and high crime, community bands together to raise \$400,000.

By PETER Y. HONG

expand. The Wilshire Division, which patrols West Adams and

### INSIDE TODAY'S TIMES

#### SUSPECT HAD AVOIDED JAIL

Accused serial killer Glen Rogers slipped through the cracks of the justice system at least three times, according to court records and interviews. A3

#### WELFARE REFORM DEAL

House and Senate Republican leaders reached agreement on most of their differences over



## Student's E-Mail U

Cyberspace: Growing problem.

By AMY HARMON  
TIMES STAFF WRITER

# LOGGING: Coalition Saves Economy

Continued from A1

Group, for the place they meet in this northern Sierra hamlet, the obscure alliance has gained national prominence by staying together even as Republican-led efforts in Congress seek to allow more logging in the West.

When it became apparent that the congressional moves would allow Quincy-area loggers more access to the national forests than the plan agreed to by the library group, the pact held. The group's timber industry representatives blocked a logging initiative in the midst of salmon habitat in the Lassen National Forest west of here.

For the timber companies, including one of the state's largest, Sierra Pacific Industries, it meant walking away from 2.5-million board feet of timber, not a huge amount but enough to build 250 houses, generate an estimated \$500,000 in profits and provide work for people in a region where 20% unemployment is not uncommon.

"We were under a lot of pressure to break with the group," said Bill Howe, forest manager for Collins Pine, one of the timber companies that persuaded the U.S. Forest Service to keep logging off-limits around Deer Creek.

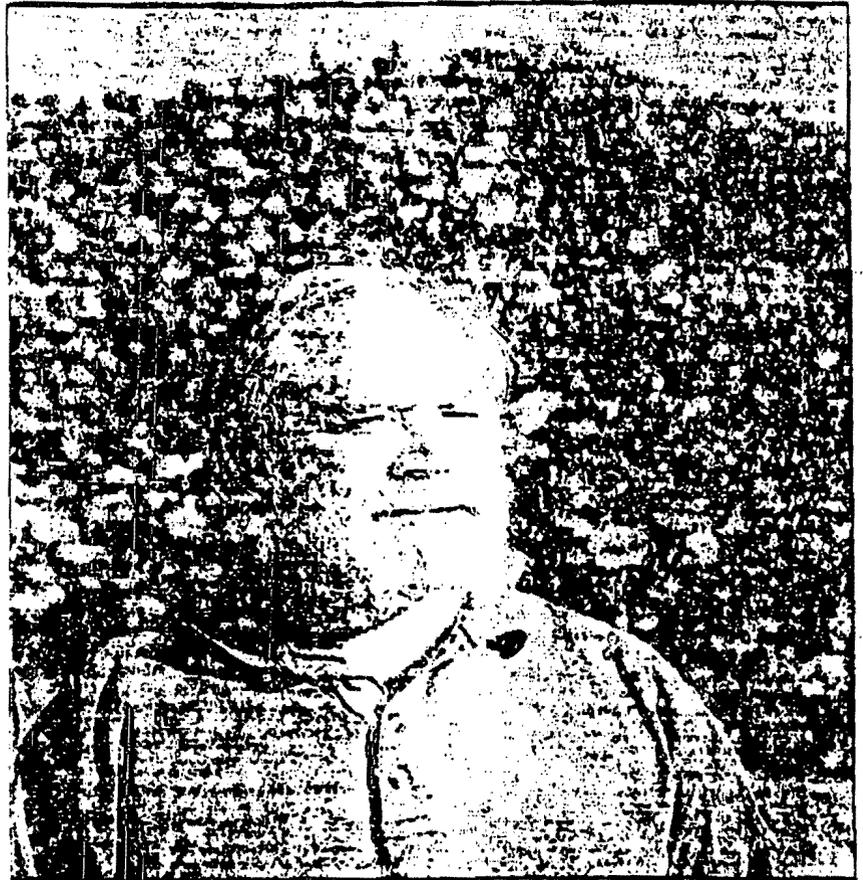
"Industry people were calling, saying, 'Are you crazy, or what?' But three years ago, we decided to speak with one voice," Howe said. "It was a matter of principle."

U.S. Agriculture Secretary Dan Glickman is scheduled to arrive in the area today to announce an expected \$4.7-million grant to help carry out the Quincy group's blueprint for conservation and logging in the three national forests surrounding the town.

"Here's a group that's not threatening each other or challenging the authority of the federal government," said a spokesman for Glickman. "They are the kind of model of consensus-building that the (Clinton) Administration wants to encourage."

The plan is based on the idea that Sierra Nevada forests can meet the needs of wildlife and human beings, providing the timber industry avoids the most sensitive habitat and shifts its focus from the dwindling supply of big, old trees to the more crowded stands of smaller trees.

The plan evolved from three years of painstaking negotiations by the 41-member Quincy group



STEVE FREBLER / Los Angeles Times

Mike Jackson is leader of coalition of environmentalists and loggers.

that had taken to meeting in the town library in hopes that the quiet atmosphere would discourage early inclinations to shout at one another.

"We were like the Israelis and the Palestinians," said Howe.

The group produced a color-coded map of the nearby Plumas and Lassen forests, as well as the northern tip of the Tahoe National Forest. The area takes in about 2.4-million mountainous acres of ponderosa and Jeffrey pine, incense cedar and white fir.

Green areas of the map can be logged, but carefully. Red is off-limits to logging. Gray represents disputed areas that the group agreed to set aside for the time being. The map's predominant color is green.

"The idea was to guarantee enough uncontested supply that the [timber] industry would invest in the plants and equipment needed to sustain our communities," said Bill Coates, a Plumas County supervisor, a founder of the Quincy Library Group and a Republican.

In other words, designating a portion of the forest off-limits was

worth it, Coates said, if it would bring an end to the protests, appeals and lawsuits that have led to a precipitous decline in logging in the Sierra since the 1980s.

For the three charter members of the Quincy group—Jackson, Coates and Tom Nelson of Sierra Pacific—collaboration grew out of the realization that they had more in common with one another than they first cared to admit.

"I would much rather live with the rednecks than the Brie eaters, even though I tend to represent the Brie eaters in court and agree with them on environmental issues," said Jackson, who came to California from rural Oklahoma. "I want Quincy to survive because I want to live here."

One threat to the community that Jackson and his neighbors could agree on immediately was fire.

As the largest trees were logged over the past half-century, a dense, brushy second growth took their place. Weakened by drought and insect infestation, Sierra forests, once open and park-like, have become almost impenetrable.

SHOP TODAY

# my, Forests

thickets of linder.

While thinning the forests was a high priority of the Quincy Library Group, there was surprising broad agreement that clear-cutting, widely practiced during the early 1980s, was a bad idea.

Slopes around here still show the scars of past clear-cutting—broad bald patches where new growth has yet to take hold. And former loggers like Jim Wilcox say that clear-cutting never produced the bonanza for small local operators that it did for industry giants.

"They were big jobs that many of the people around here couldn't bid on," he said. "A lot of the logs that were clear-cut in the '80s wound up in mills in Oregon and other parts of California."

Wilcox makes the point that the region's economy will depend increasingly on a healthy, pleasing environment.

"The guy who comes up here on a fishing trip or a hiking trip is the same guy who may decide to move his business here if he likes what he sees."

The economy is already changing. In surrounding Plumas County, employment in the timber industry has declined by 40% during the past decade while service sector employment has grown by the same amount. A steady trickle of retirees and urban transplants has boosted the county's population from about 13,000 to 20,000 since 1970.

For the time being, Plumas County is an odd blend of rural defiance and ex-urban sophistication. "We have the militia and we have the Sierra Club," said one Quincy Library Group member.

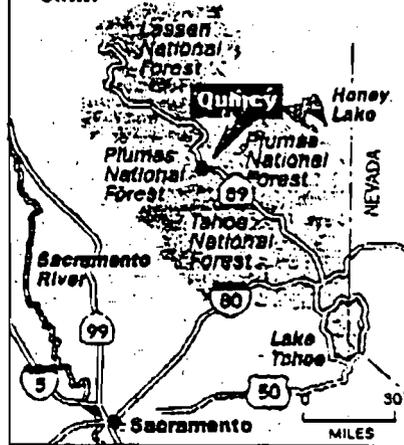
In Greenville, a down-at-the-heels logging town 20 miles from Quincy, the main street leads past abandoned sawmills to a commercial district disfigured by collapsed roofs, boarded-up windows and "closed" signs. Houses built for mill hands making \$15 an hour are now occupied by transient welfare recipients.

Half an hour away in a picturesque valley, a sign of the times on a remodeled former feed store reads "Last Chance Tofu." Nearby, thoroughbreds graze in the amber fall grass of a "hobby ranch," the weekend retreat of a wealthy San Francisco family. Further along, the weathered bunkhouse of an old cattle ranch has been converted into a bed-and-breakfast.

But growth is not expected to explode around here. "We don't

## Conservation Site

A coalition of environmentalists and loggers has developed a plan to allow logging while protecting wilderness in national forests near Quincy, Calif.



Los Angeles Times

expect all our problems to be solved by tourists or transplants," said Jackson. "We can't discount the old economy any more than we should discourage the new one."

Others in the Quincy library group are quick to point out that the old economy can't survive much longer without more opportunities to log the forests.

Members of the group say it has been three years since the Forest Service, the official gatekeeper of the national forests, has approved any logging operations in the three adjacent forests.

"It's great that we have gotten together and come up with a plan, but that still hasn't put one damn log on the ground," said Loretta Stringfellow, whose family has worked in the timber industry for four generations.

"Before the Quincy Library Group came along, we were a little logging community praying for some work in the woods before we disappeared. We're still praying."

## Hate Crime Incidents Off

WASHINGTON—Hate crimes reported to police declined in 1994, with the number of murders dropping from 20 to 13.

The FBI said Monday that 5,852 hate crime incidents were reported during 1994, compared to 7,684 incidents in 1993. But officials cautioned against precise year-to-year comparisons because not all the police departments that reported in 1993 did so again in 1994.

—Associated Press

# SHOOTING

Continued from A3

Fullerton had to find a last-minute replacement professor Tuesday for a criminal procedures class that Salovesh has taught since 1992.

"Everybody's pulling for him," said Richard Jenkins, an associate dean who has known Salovesh since they attended the law school together in the 1970s. "We're hoping everything turns out all right."

Salovesh attended law school while working as a marshal, then joined the Anaheim city attorney's office in 1978 to prosecute misdemeanors in the same Fullerton courthouse.

Since retiring from the city prosecutor's office in 1985, Salovesh has taught and occasionally volunteered as a judge pro tem in the Fullerton courthouse. He is among dozens of lawyers who sit as judges on mundane traffic and small claims cases when full-time judges are on vacations or cases are backlogged.

North Court administrator William J. Brennan said Salovesh presided only a few times each year and that it was "very unlikely" the shooting stemmed from one of his cases.

As an instructor at the police academy at Rio Hondo College in Whittier, Salovesh has taught legal principles to thousands of recruits and police officers taking refresher courses.

"He's touched a lot of people, and a lot of people are concerned for him," said Frank Patino, an academy official.

Investigators, who spoke with Salovesh before he underwent surgery, said the gunman demanded money as Salovesh parked in the 700 block of East Lake Drive. Salovesh handed over the wallet with \$20, then another \$5 when the man demanded more, police said.

When the robber began to pat down Salovesh for more money, investigators said, the attorney stopped back and withdrew his concealed weapon and started shooting. As a retired marshal, Salovesh is licensed to carry a concealed weapon, police said.

The only blood found at the scene belonged to Salovesh. The robber's gun, recovered at the scene, apparently malfunctioned after the first shots, Browne said. Salovesh's gun was found nearby. Police said two shots were fired from the suspect's gun and three from Salovesh's.

# Federal forest projects get funds

Plan called victory for Quincy coalition

By Jane Braxton Little  
See Correspondent

SAL BEB  
11/15/95

QUINCY - The federal government has decided to fund several experimental forest projects for the Plumas, Lassen and Tahoe national forests.

The projects, developed by a coalition of community, timber industry and environmental leaders, are aimed at returning the forests to a more natural state, reducing fire risk and improving the watershed while still providing for logging.

U.S. Secretary of Agriculture Dan Glickman is expected today to announce funding for the projects on approximately 2.5 million acres of national forest land between Lake Tahoe and Lassen National Park, said Tom Amortee, a spokesman for the Agriculture Department in Washington, D.C.

Although details won't be released until today, members of the coalition, called the Quincy Library Group, estimated the cost at around \$4.7 million.

They hailed Glickman's announcement, scheduled for a Sacramento gathering of the supervisors of California's 18 national forests, as a victory for the Quincy Library Group, which has been working to design alternatives to current national forest management practices since 1993.

Until now, however, the national forests have not had the money to put those proposals into effect, said Michael R. Jackson, a Quincy attorney.

"So far we're all talk. People want to call us successful because we're different and we're trying hard. But we've had no real opportunity to do anything on the ground - until now," said Jackson, who represents environmental interests in the group.

Tom Nelson, a forester with Sierra Pacific Industries, said the funding will remove any mystery about the federal government's commitment to the ideas proposed by the coalition.

"It's up front, real and specifically earmarked for the Quincy Library Group's proposals. It's a

Please see GRANT, page B6

## Grant: Strategic fire plan to affect swaths of forest

Continued from page B1

very big deal to us," Nelson said.

The Quincy Library Group is composed of loggers, lumber union officials, anglers, foresters and environmentalists who spent years fighting one another over national forest management.

They began meeting together in 1993 after President Clinton admonished warring interests to get out of the courtrooms and into meeting rooms, said Plumas County Supervisor Bill Coates, who founded the group with Nelson and Jackson.

"We've done that. Working together is the only way we can save our Western forests," Coates said.

The three national forests will use some of the federal allocation to implement the Quincy Library Group's strategic fire plan, Jackson said.

To reduce the risk of catastrophic fires, the plan outlines a network of quarter-mile wide strips where flammable brush, small trees and dead trees will be removed, permitting less-intense fires to burn as a natural part of the ecosystem.

The allocation also will fund administrative work that needs to be done to prepare for the harvest of green trees for processing at local sawmills, Jackson said. The Quincy Library Group plan calls for

logging trees singly or in small groups of up to 2.5 acres.

In addition, some of the money will cover the costs of reviewing the planned activities to meet federal environmental regulations and to determine their effectiveness, said Jackson.

The Quincy Library Group's plan has been endorsed by elected officials as politically diverse as Democratic U.S. Sen. Barbara Boxer and Rep. Wally Harger, R-Marysville.

U.S. Forest Service officials have endorsed the group's goal of restoring the forests to a more natural state, said Matt Mathea, a Forest Service spokesman in San Francisco.

He said a series of human activities, starting with dramatic overcutting during the Gold Rush, have changed the natural mix of species, creating stands of trees "too dense for their own good." The Forest Service itself increased the damage by "fighting fire with a vengeance," he said.

The results, combined with prolonged drought, have produced an accumulation of fire-prone brush and white fir stands weakened by disease and insect infestations.

"We've simply got too many dead trees out there right now," Mathea said.



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

November 22, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: SECRETARY DAN GLICKMAN**  
**SUBJECT: Report for the Week of November 20, 1995**

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**KEY DEPARTMENT NEWS**

**USDA To Hold Media Availability On Reorganization**

On November 30, I will hold a media availability to discuss the status of USDA's reorganization. USDA reorganization efforts are two years ahead of schedule. The General Accounting Office is also scheduled to brief the Senate Agriculture Committee on the Department's reorganization and streamlining activities, but the date of the briefing has been postponed due to budget activities.

**Farm Bill Update**

The farm provisions in the budget reconciliation conference report include a number of troubling provisions, which were mentioned in last week's report. However, with the new budget agreement, the House and Senate Agriculture Committees are waiting for further instruction from Congressional leadership.

On November 20, Senators Tom Daschle, Kent Conrad, Byron Dorgan, Howell Heflin, David Pryor, Paul Wellstone, James Exon, Patty Murray, Max Baucus, Dale Bumpers, and Tom Harkin, and Wendell Ford held a press conference indicating that Freedom to Farm or any variation was a nonstarter for the 1995 Farm Bill. Senator Heflin referred to Freedom to Farm as the Farmers Death Act of 1995.

**Welfare Reform Update**

On November 20, the budget reconciliation conference report was completed and is ready to be delivered to the White House. It includes provisions that threaten to undermine the national nutrition safety net that has successfully promoted the nutrition and health of children and families. By creating an optional food stamp block grant

and cutting nutrition benefits too deeply -- especially benefits for children -- the budget reconciliation bill could hinder our ability to get food to people who need it and jeopardize the nation's health.

A draft of a stand-alone welfare reform conference report has been circulated to conferees. Staff is analyzing the bill, which includes many of the provisions found in the reconciliation report as well as a food stamp obligations cap and an optional state block grant for child nutrition programs. We understand that several Republican Senate conferees have objections to the report in its present form, including the child nutrition block grant. While analysis of the bill is still underway, preliminary findings suggest that it could significantly impact the ability of the nation's food and nutrition programs to meet their health mission.

### **USDA To Hold Gleaning Conference**

On December 8, the Department will host a roundtable discussion to explore prospects for expanding U.S. gleaning and food rescue efforts. Participants will convene a dialogue on: existing programs and services; opportunities for expanding food rescue and gleaning efforts; ideas for new partnerships between direct delivery programs and food, equipment, and transportation donors; and appropriate interventions for the federal government in promoting and enhancing food recovery initiatives.

### **Market Concentration**

USDA has started an effort to review the market impact of concentration and vertical integration in the meat, poultry, and grain industries, as well as the railroad industry. The USDA Grain Inspection, Packers, and Stockyards Administration study on concentration in the red meatpacking industry will be an obvious component of the Department's review. The study should increase the Department's understanding of competitive forces in beef and pork meatpacking and improve our ability to monitor the industry. I will be establishing an Advisory Committee on Concentration and am supporting Senator Tom Daschle's legislation to establish a Commission on Concentration in the Livestock Industry.

### **Hotline Focuses On Holiday Food Safety**

With Thanksgiving approaching, USDA's Meat and Poultry Hotline has received considerable attention. November is the busiest month for the Hotline because many consumers, magazine and newspaper food editors, radio and television broadcasters, and food industry professionals call the Hotline's Food Safety and Inspection Service specialists with questions on the safe handling of holiday meals. USDA has received good press from the Hotline, including recent articles in *The Washington Post*.

## **Edwards Aquifer Report Due This Week**

A biological evaluation of the effect of USDA programs on threatened and endangered species in the Edwards Aquifer region of Texas will be transmitted to the U.S. Fish and Wildlife Service this week. The report, done by an independent consultant, concludes that USDA programs do not adversely affect the subject species. This has been a highly controversial issue among constituent groups and Members of Congress.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **USDA Receives Grant Under Environmental Technology Initiative**

The USDA Cooperative State Research, Education, and Extension Service (CSREES) was one of 100 organizations to receive an Environmental Protection Agency grant under the Presidential environmental technology initiative. Work is already underway to solve high-priority environmental problems for the food manufacturing industry. This joint effort will involve major trade associations and their member companies to improve food manufacturing productivity and environmental quality. The project has funding of over \$300,000 plus substantial matching funds.

### **Helping Native Americans**

The USDA Agricultural Research Service (ARS) has awarded its first graduate fellowship to Shaharra Usnick, a Native American enrolled in a Ph.D. program at the University of Colorado at Boulder. This new ARS fellowship was awarded in cooperation with the American Indian Science and Engineering Society.

### **Early Warning Weather Sites Update**

Proceeding under Vice President Gore's early warning system initiative, five Missouri electric cooperatives are awaiting delivery of transmitters to serve the Crawford and Shannon communities. Final approval of the arrangements by the Department of Commerce is expected soon.

## **CONGRESS**

### **Key Congressional Visits And Activities**

On November 28, I will meet with Congressman James Oberstar regarding Boundary Water Canoe Areas Wilderness.

On November 28, I will meet with Congressman John LaFalce regarding a USDA Food Safety and Inspection Service issue.

**AN EQUAL OPPORTUNITY EMPLOYER**

On November 28, I will meet with Congressman Porter Goss regarding U.S. imports of Mexican tomatoes.

On November 28, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will meet with Senator David Pryor to discuss welfare reform.

Senator Richard Lugar has requested a report on the status of USDA's resolution of \$1-million-plus farm loans. (*See Week In Review: Farm Loan Delinquency Rate Lowest In 10 Years*)

### **Congressional Hearings**

On November 29, the Senate Energy and Natural Resources Committee and the House Resources Committee will hold a hearing on implementation of the timber salvage provisions in the 1995 rescissions bill.

On November 30, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on salvaging dead and dying timber.

### **KEY REGULATORY ACTION**

#### **USDA Seeks Comments On Proposed Tart Cherry Marketing Order**

USDA is seeking written comments on a recommended decision proposing a federal marketing agreement and order for tart cherries grown in Michigan, New York, Pennsylvania, Oregon, Utah, Washington, and Wisconsin. The recommended decision is scheduled for publication in the November 29 *Federal Register*.

### **PRESS INQUIRIES**

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

On November 30, I will hold a media availability regarding USDA's reorganization. (*See Key Department News: USDA To Hold Media Availability On Reorganization*)

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

A number of inquiries have been received regarding my interest in running for retiring Senator Nancy Kassebaum's seat. All were told that I am not interested in running for the vacant seat.

*The Washington Post* inquired about Operation Checkout, USDA's food stamp fraud initiative.

AN EQUAL OPPORTUNITY EMPLOYER

*National Journal* asked about my priorities for changes to the agricultural provisions in the budget reconciliation bill.

*Federal Times* inquired about the shortage of food safety inspectors as a result of reductions in the budget of the USDA Food Safety and Inspection Service.

*Time* is working on a story about seed viability and how long seeds can survive.

*CNN*, a producer with the *Oprah Winfrey Show*, and others have expressed interest in the upcoming USDA gleaning roundtable. (*See Key Department News: USDA To Hold Gleaning Conference*)

### **FOIA REQUESTS**

*Newsday* requested copies of my travel records.

The Memphis, Tennessee *Commercial Appeal* requested information about commodity and marketing program payments.

### **WEEK IN REVIEW**

#### **U.S. Wheat Exports Allowed Into Mexico**

On November 20, USDA was notified by the U.S. Embassy in Mexico City that railcars at the border (carrying wheat) have been cleared and can proceed into Mexico. Mexican quarantine officials detained 55 railcars of wheat at the border in Eagle Pass, Texas because of the alleged presence of ergot and weed seeds. Last week, Mexican officials eventually agreed to allow the USDA Grain Inspection, Packers, and Stockyards Administration to sample the railcars at the border and conduct a new inspection for ergot according to U.S. standards. Our new inspection would be the basis for accepting or rejecting the cars. Deputy Secretary Richard Rominger issued a statement on November 20 announcing this agreement.

#### **Mexican Fruit Flies In California**

Mexican fruit flies continue to be found in the Los Angeles County area. A federal quarantine is being placed on a 57-square mile area. The California Department of Food and Agriculture plans to apply two ground treatments of malathion bait followed by the release of sterile Mexican fruit flies over a 16-square mile area beginning November 22.

## **Log Import Lawsuit**

On November 14, the Oregon Natural Resources Council, the Northcoast Environmental Center, and the Pacific Environment Resources Center filed a lawsuit in U.S. District Court in San Francisco, California against the USDA Animal and Plant Health Inspection Service (APHIS) to stop log imports. They claim that new APHIS regulations are not strong enough to stop foreign pest invasions and allege that the Department failed to evaluate the impacts of imported pests on forest ecosystems, human health, or regional economies.

## **USDA Research Helps Provide Bountiful Array Of Foods**

On November 21, a Department news release mentioned the success of USDA Agricultural Research Service research reflected in the wide array of foods served on Thanksgiving. Food is more abundant and affordable in the United States than in any other country, thanks in large part to agricultural research. The Department's cooperative work with state, university, and industry researchers helps find solutions for agricultural pest and disease problems, environmental concerns, and adapts to changing consumer demands so that U.S. food remains healthy, safe, and abundant.

## **Farm Loan Delinquency Rate Lowest In 10 Years**

The USDA Farm Service Agency recently reported that 13.4 percent of active USDA farm credit borrowers were delinquent on their direct farm credit program loans, the lowest level in 10 years. Since 1992, when the delinquency rate was at the highest level in seven years at 17.9 percent, the rate has steadily declined.

## **SECRETARY'S SCHEDULE**

On December 4, I will travel to Greensboro, North Carolina to address the North Carolina Farm Bureau.

On December 5, I will address the National Farmers Organization in Madison, Wisconsin.

On December 5, I will travel to Detroit, Michigan to address the Monroe County Agricultural Dinner, as requested by Congressman John Dingell.

On December 6, I will travel to Kansas City, Missouri to address Farmland Industries.

## DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On November 30, Deputy Secretary Richard Rominger will travel to Fort Lauderdale, Florida to address and participate in the roundtable discussion at the conference, "Non-native, Invasive Plants II: A Biological Disaster."

### SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On November 28, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will attend the first meeting of the President's Interagency Council on Women in Washington, D.C.; on December 13, she will speak at the Child Nutrition Directors Conference in New Orleans, Louisiana.

On November 28-December 1, USDA Inspector General Roger Viadero will be in the Office of Inspector General North Atlantic Region.

On November 28-29, USDA Assistant Secretary for Administration Wardell Townsend will travel to Raleigh, North Carolina for the North Carolina Agriculture Summit; on November 29, he will attend the Annual Legislative Conference of National Black Caucus of State Legislators in Birmingham, Alabama; on December 4, he will take a bus tour with local government and business leaders in eastern West Virginia; on December 6, he will travel to Williamsburg, Virginia for USDA business; and on December 7, he will travel to Louisville, Kentucky to speak before the Kentucky Farm Bureau Federation's commodity luncheon..

On November 29, USDA Acting Under Secretary for Food Safety Michael Taylor will give a presentation before the National Milk Producers Federation annual meeting in Nashville, Tennessee; on December 4, he will participate in the Private and Public, Scientific, Academic, and Consumer Food Policy Committee at Harvard University's Graduate School of Business Administration in Boston, Massachusetts.

On November 30, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos will address the Texas Wheat Producers meeting in Amarillo; on December 4-14, he will visit Brazil, Chile, and Argentina to address the 1995 Latin American Association of Milling Industry and to meet with government and private sector agricultural officials.

On November 30, USDA Under Secretary for Research, Education, and Economics Karl Stauber will speak before the National Rural Studies Committee "Conference on Rural America" in College Park, Maryland.

On December 1, USDA Acting Chief Financial Officer Ted David will travel to Kansas City, Missouri on official USDA business; on December 8 and 20, he will travel to New Orleans, Louisiana to conduct USDA business.



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

November 30, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: SECRETARY DAN GLICKMAN**  
**SUBJECT: Report for the Week of November 27, 1995**

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#### KEY DEPARTMENT NEWS

##### **Welfare Reform Conference Ends; Differences Remain**

Although the House-Senate conference on the welfare reform bill is now complete, significant differences remain on state option block grant provisions for the child nutrition portion of the bill. In addition, the draft report includes a cap on Food Stamp Program obligations that could seriously undermine the ability of the program to get food to those who need it. Senators Lugar and Jeffords have refused to sign the conference report, preventing it from being brought to the floor of either chamber. Efforts to resolve this impasse are continuing.

##### **FY96 U.S. Agricultural Exports Forecast At \$58 Billion**

Today, I announced that U.S. agricultural exports for FY96 are expected to reach a record \$58 billion, up nearly \$4 billion (more than 7 percent) from FY95. U.S. agricultural exports generate more than \$100 billion annually in business activity throughout the U.S. economy and provide jobs for nearly a million U.S. workers.

##### **Farm Bill Update**

On November 29, I met with a dozen leaders of the nation's principal conservation and environmental groups concerning the effects of budget reconciliation on agricultural conservation programs. The groups voiced strong opposition to the conference action on agricultural reconciliation, which substantially reduces funding for the Conservation Reserve (CRP) and Wetland Reserve Programs (WRP) and introduces provisions which undermine program integrity, such as allowing producers to leave the CRP whenever they choose and precluding permanent easements for the WRP. The groups voiced appreciation for the Administration's criticism of these conservation provisions.

On November 29, I also met with Minority Leader Daschle and 14 other Democratic senators in the Capitol to discuss the strategy for agriculture in the budget negotiations. The senators stressed their concern that the detrimental effects of conference action are not well understood in rural America and more education is needed. They agreed to produce a set of principles that would guide their criticisms of the Republican agricultural proposals and to develop a substitute proposal by the middle of next week.

Senators Daschle and Leahy are to take the lead in developing a consensus Democratic proposal based on the Farm Security Act, the Senate Democratic alternative which was defeated in committee and on the floor. The Farm Security Act would cap payments to grain producers based on production levels and would raise loan rates. Cotton and rice provisions are the same as current law, except non-payment acres are increased. Some of the senators believe there is little time to develop acceptable agricultural provisions in reconciliation negotiations. Many senators expressed the desire that reconciliation should lock in a savings target for agriculture but defer until 1996 any action on the mechanisms to achieve the savings.

#### **USDA To Hold Gleaning And Food Rescue Roundtable**

On December 8, I will hold a roundtable discussion on gleaning and food rescue to strengthen public and private cooperative efforts in addressing hunger and food distribution issues. Representatives of the restaurant food manufacturing industry, grocery and institutional food industries (cafeterias, hospitals), as well as relevant charities, feeding operations, corporate interests, and key members of Congress have been invited. The roundtable will identify existing methods and new opportunities, promote increased efforts by both private and public sectors, and provide information on gleaning and food rescue efforts.

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

##### **Department Reorganization Discussed At Media Availability**

Today, I held a media availability to highlight the Department's reorganization and downsizing progress. The Administration's reorganizing/streamlining plan for USDA has already resulted in staff year savings of more than \$900 million, which are ahead of schedule. The Department's streamlining plan calls for an overall reduction of 13,000 staff years, dropping from a level of 114,000 in FY93 to 101,000 staff years by the end of FY99. The Department's staff year usage at the end of FY95 was 104,000.

## **USDA Provides Homeownership Assistance**

On December 1, USDA Rural Housing Service Administrator Maureen Kennedy will host a meeting of the National Partners in Homeownership on expanding availability of capital and home financing in rural areas. Members of the partnership who signed up for Action 61, "Mortgage Credit for Rural Areas" and Action 63, "Rural Home Financing," and related organizations and constituencies were invited to participate.

## **CONGRESS**

### **Key Congressional Visits And Activities**

On November 29, Deputy Secretary Richard Rominger and I met with Senate Democrats to discuss the farm bill and budget reconciliation. We will meet soon with House Democrats to discuss similar issues.

Senator Connie Mack has requested that the General Accounting Office work with the Mortgage Bankers Association of America to score the privatization of USDA single family housing loan servicing.

At the request of House Budget Committee Chairman John Kasich, the General Accounting Office (GAO) is conducting a study of the economic impacts of phasing out agricultural programs. GAO's target date for reporting to Congress is March 1996.

### **Congressional Hearings**

On November 29, the Senate Energy and Natural Resources and House Resources Committees held a joint hearing on implementation of the timber salvage provisions in the rescissions bill for 1995.

Today, the House Resources Subcommittee on National Parks, Forests, and Lands held a hearing on salvaging dead and dying timber. USDA Forest Service Chief Jack Ward Thomas testified.

The Senate Energy and Natural Resources Committee today marked up S. 852, the Livestock Grazing Act and S. 907, ski fee legislation. Secretary of the Interior Bruce Babbitt and I are writing letters opposing the grazing legislation.

On December 6 or 7, the House Agriculture Subcommittee on Department Operations, Nutrition, and Foreign Agriculture will hold a hearing on risk assessment and cost benefit analysis.

The House Judiciary Immigration Subcommittee will hold a December 7 hearing on farm labor issues.

### **KEY REGULATORY ACTION**

The USDA Agricultural Marketing Service has proposed regulations to establish a sheep and wool promotion, research, education, and information order. A referendum must be conducted and approved by producers, feeders, and importers of sheep and sheep products for the program to become effective. These proposed regulations will be published in the *Federal Register* on December 5.

### **PRESS INQUIRIES**

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

Today, I held a media availability to highlight the Department's reorganization and downsizing progress. (*See USDA Work On Presidential Initiatives: Department Reorganization Discussed At Media Availability*)

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

*Wall Street Journal* is researching a story about market concentration in many sectors of agriculture.

*Bloomberg Business News* requested information about market concentration issues.

*USA Today* is researching food stamp program trends over time, especially information about U.S. working middle class participation in the program.

*Newsweek* is researching feeding and nutrition programs, including participation trends, program spending trends, and program eligibility criteria.

*Knight-Ridder* is working on a story about meat inspector "shortages" and complaints from processing companies about the reduced number of USDA Food Safety and Inspection Service inspectors.

*States News Service* inquired about whether USDA hires contractors who have a record of labor violations.

*Los Angeles Times* is working on a story about the Mexican spotted owl situation in northern New Mexico and Arizona.

*CNBC* is planning to be in New Mexico and Nevada to work on a county supremacy

story. Interviews with USDA Forest Service personnel are planned.

*The New York Times* is researching information on Section 318 timber sales in the Pacific Northwest Region.

*Christian Science Monitor* requested information from the USDA Economic Research Service for information on the effects of Republican budget cuts on rural areas.

*The Atlanta Journal-Constitution* is interested in the issue of whether piroplasmosis-positive horses will be allowed to enter the United States to participate in the Olympic Games.

*Newsweek* requested photographs of dead sheep to illustrate an article on problems in California caused by mountain lions.

### FOIA REQUESTS

The Memphis, Tennessee *Commercial Appeal* requested information about cotton program payments and the cotton user certification program.

*WOKR-TV* requested a list of meat processing companies in the Rochester and Buffalo, New York areas that have received letters of warning from the USDA Food Safety and Inspection Service concerning adulteration of meat products and the mixing of species in meat products.

### WEEK IN REVIEW

#### **USDA Food Stamp Fraud Efforts**

On November 28, an article in *The Washington Post* argued that, while USDA press releases on the Department's food stamp crackdown stressed action against fraud, most of the stores were not doing anything illegal or engaged in fraud. Most stores, about 90 percent of the 753 being removed from the program, were dropped because they do not meet the program's eligibility requirements. USDA responded that these actions represent preventing fraud at the source by removing stores that are not legitimate.

As part of the Department's ongoing anti-fraud efforts to ensure that only eligible stores redeem food stamps, on November 28, USDA Inspector General Roger Viadero announced that 35 Philadelphia-area residents were indicted, arrested, or convicted of trafficking in food stamps over the past nine months. USDA Office of Inspector General special agents have been working with the Philadelphia District Attorney's Office since last March to target individuals who buy food stamps at a discount from recipients as they exit issuance sites with their monthly allotment.

## **Trip Promotes Importance Of USDA Food Assistance**

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas traveled to Los Angeles, California last week, where she taped an interview on the *Mike and Mary Show*, discussing the health of children, improved school lunches, and Team Nutrition. The program aired across the country on November 27. While in Los Angeles, she visited Sunland Elementary School to announce it as the first Team Nutrition School in the area and visited the Regional Food Bank and Union Station Foundation's soup kitchen, where she served lunch and held press interviews on welfare reform and budget cuts to nutrition assistance programs.

Media coverage during the trip included *Los Angeles Times*, *Pasadena Star News* (article attached), *Orange County Register*, *KCOP News* (independent television), *TV 52 Telemundo*, *City News Service* (local wire service), and *Good Housekeeping* and *Parenting* magazines. On Thanksgiving day, an editorial appeared in the *Los Angeles Times* on the problem of hunger in America and the impact of proposed budget cuts in the Food Stamp Program and other federal nutrition programs on the nation's health and well-being.

## **Ruling Issued On Timber Salvage Sale, Rescissions Act Case**

On November 27, in Kentucky Heartwood v. U.S. Forest Service, the federal district court for the Eastern District of Kentucky granted the government's motion for summary judgment. This is the first ruling on the merits concerning whether this sale fell under the scope of timber salvage sale provisions of the Rescissions Act. The plaintiffs were also seeking to nullify the sale due to their claims that it would harm the Indiana bat.

The court ruled that: 1) the sale did fall under the Rescissions Act; 2) judicial review of the USDA Forest Service's decision-making is limited to the administrative record; 3) the review of agency action was subject to the "arbitrary and capricious" standard; and 4) the sale was exempt from all environmental and natural resource laws. Therefore, the Forest Service was not required by law to take actions to protect the Indiana bat. However, the Forest Service is complying with the environmental laws and took steps to mitigate any potential harm to the bat. The effect of the decision is to permit the Forest Service to go forward with the salvage sale. The court also ruled that the order was final and appealable.

## **Exxon Valdez Council Approves Purchase Of Land Parcels**

The Exxon Valdez Council recently approved 17 small parcels of land totaling over 5,000 acres for fee simple purchase. The Council also approved fee simple purchase of Shuyak Island, one large land parcel which includes more than 26,000 acres. The

Shuyak Island purchase will add to the existing state marine park on the island. The small parcels are primarily located on the Kenai Peninsula with two on Prince William Sound. One parcel of 64 acres near Seward (Grouse Lake) will be included in National Forest System Lands. The total purchase price of these parcels was slightly more than \$56 million.

### **Philippines To Import Up To 500,000 Tons Of Rice**

The Philippines has announced that it will import up to 500,000 tons of rice in the coming months to alleviate possible shortages resulting from damage to the domestic crop caused by Cyclone Angela. The rice will likely be purchased from Thailand, India, and Vietnam. Imports of U.S. rice will be limited by P.L. 480 availability. As the Philippine rice harvest was well underway before the storm arrived, the Philippines' linkage of imports and storm damage seems to be an attempt to soften political opposition to rice imports from local farmers.

### **United States, Vietnam Hold Talks On Debt Rescheduling**

This week, USDA officials are participating in talks with Vietnam to develop a bilateral agreement between the two countries to implement a Paris Club rescheduling agreement, originally signed in October 1994. Because of numerous issues involving the actual amount of the debt (including USDA P.L. 480) being rescheduled, a bilateral implementing agreement has still not been finalized.

### **U.S. Could Gain Market Share In Brazilian Market**

With the Brazilian import demand for wheat in 1995/96 currently in the range of 6.5 million tons, the United States already has sold 767,000 tons of wheat to Brazil for 1996/97, in addition to the 453,000 tons sold for delivery this marketing year. This is the highest level of U.S. wheat exports to Brazil since 1984/85, when the United States exported 3 million metric tons to Brazil, capturing 75 percent of the Brazilian market. The large purchases from the United States are a result of importer expectations of a poor Argentine crop and a shift in Canadian Wheat Board focus to China, a combination of factors that could increase U.S. export opportunities in Latin America.

### **Ruling Issued On Cajun Electric Power Case**

On November 13, the U.S. Court of Appeals for the Fifth Circuit issued an order which vacated the order of U.S. District Judge Polozola, who had appointed a trustee for Cajun Electric Power Cooperative Inc. Cajun, a USDA Rural Utilities Service borrower, currently in Chapter 11 bankruptcy, is indebted to the federal government in the amount of over \$4 billion. The trustee had been appointed at the Department's request because Cajun is controlled by 12 retail distribution cooperatives, which had

taken actions which were contrary USDA interests. The Court of Appeals ruled that Judge Palozola had abused his discretion by appointing the trustee. The rationale of the decision could have the effect of encouraging other cooperatives to file for bankruptcy.

The significance of this decision is that Cajun's reorganization in bankruptcy will be controlled by the retail distribution cooperatives, whose main objective is to lower their own power rates, thereby impairing the collection by the government of the outstanding loans. We are preparing a recommendation to the Department of Justice that we seek en banc review of the Fifth Circuit decision. The trustee is scheduled to be removed on December 7.

### **SECRETARY'S SCHEDULE**

On December 4, I will travel to Greensboro, North Carolina to address the North Carolina Farm Bureau. Governor Hunt, Congressman Rose, and Agriculture Commissioner Graham will be present. I will also participate in an event with Governor Hunt to highlight the signing of a conservation Memorandum of Understanding in north-central North Carolina. Senator Dole will address the Farm Bureau on December 5.

On December 5, I will address the National Farmers Organization in Madison, Wisconsin about farm bill and budget reconciliation issues. In addition, I will meet with state Democratic Party leaders, visit with dairy farmers, and participate in a school lunch event.

On December 5, I will travel to Detroit, Michigan to address the Monroe County Agricultural Dinner, as requested by Congressman Dingell.

On December 6, I will travel to Kansas City, Missouri to address Farmland Industries about the farm bill and expanding economic opportunities for agriculture. While in Kansas City, I will meet with state Democratic Party leaders and Governor Carnahan, meet with Federal Crop Insurance Corporation officials, and address USDA employees at a Service Center.

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

On November 30-31, Deputy Secretary Richard Rominger will be in Fort Lauderdale, Florida to address and participate in the roundtable discussion at the conference, "Non-native, Invasive Plants II: A Biological Disaster." While in Florida, he will visit the USDA Agricultural Research Service Aquatic Weed Control Laboratory to discuss good government and the sensible management of natural resources.

On December 7, Deputy Secretary Rominger will travel to Reno, Nevada to address the Rice Growers' annual meeting about the farm bill, budget reconciliation, and rice issues.

## **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On December 1, USDA Acting Chief Financial Officer Ted David will travel to Kansas City, Missouri; on December 8 and 20 and January 3-5, he will travel to New Orleans, Louisiana.

On December 2-7, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos is planning to visit Brazil to address the 1995 Latin American Association of Milling Industry Conference.

On December 4, USDA Assistant Secretary for Administration Wardell Townsend will take a bus tour with local government and business leaders in eastern West Virginia as part of the President's Management Council; on December 6, he will travel to Williamsburg, Virginia.

On December 4, USDA Acting Under Secretary for Food Safety Michael Taylor will participate in the Private and Public, Scientific, Academic, and Consumer Food Policy Committee at Harvard University's Graduate School of Business Administration in Boston, Massachusetts.

On December 7, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Shirley Watkins will attend a Miami, Florida town hall meeting of the steering/executive leadership committee of the Reinvention Laboratory located at Miami International Airport; on December 13, she will visit the USDA Animal and Plant Health Inspection Service Animal Damage Control Wildlife Research Center in Fort Collins, Colorado.

On December 11, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend a workshop on prescribed fire at Colorado State University, Fort Collins; on January 8, he is planning to attend the Partners Outdoors Conference in Orlando, Florida.

On December 11, USDA Under Secretary for Research, Education, and Economics Karl Stauber will speak at a University of Minnesota faculty management conference entitled "Scholarship In Chaos."

On December 11-14, USDA Inspector General Roger Viadero will be in the Office of Inspector General North Atlantic Region.

On December 13, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will speak at the Child Nutrition Directors Conference in New Orleans, Louisiana.

## PASADENA STAR-NEWS

THURSDAY, NOVEMBER 23, 1995

# Haas serves food at soup kitchen; warns of GOP budget cuts

By Daniel Sharfstein  
STAFF WRITER

PASADENA — The Clinton administration official who runs food programs affecting one in six Americans battled proposed budget cuts with burritos Wednesday. She served lunch to 25 homeless people at the Union Station

soup kitchen and talked about Republican plans to reduce funding.

Ellen Haas, Under Secretary of Agriculture for Food, Nutrition and Consumer Services, oversees 15 federal nutrition programs, including food stamps and subsidized school lunches.

She spent more than an

hour at the Union Station shelter and said that proposed budget cuts in Congress would devastate places like Union Station and cause more people to go hungry every day.

"If we cut the nutritional safety net — if we cut food stamps, infant nutrition programs, school lunch programs — the end result is more peo-

ple will be hungry. That's not what this country stands for," Haas said.

Last year, Union Station served more than 100,000 meals to the needy. According to Rabbi Marvin Gross, executive director of the shelter, many of the shelter's clients receive federal assistance like food stamps, and much of the

shelter's food comes from Department of Agriculture bulk-food allotments.

Haas seemed impressed with the shelter, but stressed, "What's so important is that this can only be a supplement. If we cut a hole in the safety net, I don't know how places like Union Station can continue."



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

December 7, 1995

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

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**KEY DEPARTMENT NEWS**

**USDA To Host Gleaning Roundtable**

On December 8, I will convene a gleaning and food rescue roundtable in Washington, D.C. to begin a dialogue on ways that the federal government can assist to improve and enhance gleaning efforts on a national level. During the conference, participants will have lunch at the D.C. Central Kitchen. Representatives of the restaurant food manufacturing industry, grocery and institutional food industries (cafeterias, hospitals), as well as relevant charities, feeding operations, corporate interests, and key Members of Congress have been invited. National media interest is expected. The Roundtable also offers an opportunity to highlight the importance of government feeding programs.

**Farm Bill Update**

Today, I met with key House and Senate Members involved in the budget and farm bill negotiations. USDA has had frequent meetings with House and Senate Members and staff over the past few weeks, and there are several proposals which are supported as alternatives to the current Congressional proposal on the 1995 Farm Bill. In my meetings with key Members, I am working to develop a unified Democratic farm bill alternative that reflects the Administration's commitment and priorities.

**Child Nutrition Block Grant Fight Delays Welfare Reform**

The welfare reform bill conference remains deadlocked due to the inclusion of a block grant of the child nutrition portion of the bill. Senators Lugar and Jeffords have refused to sign the conference report, preventing it from being brought to the floor of either chamber. House Education and Opportunities Committee Chairman Goodling is the leading advocate for block granting. Efforts to reach a compromise continue.

On December 4, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas was interviewed by *Philadelphia Tribune*, *Pittsburgh Post-Gazette*, and *Burlington Free Press* regarding child nutrition cuts in the budget reconciliation bill.

### **Agriculture Heats Up**

Florida tomato producers have been pushing for relief from Mexican imports that are subject to tariff-rate quotas under NAFTA. Florida vegetable producers recently dumped a truckload of eggplants in Palm Beach County to symbolize how Mexican growers are allegedly "dumping" produce on the U.S. market. USDA and the U.S. Trade Representative have been working to develop actions to respond to Florida tomato producers, including weekly tariff-rate quota administration, implementation of safeguards, and support of legislation to make Mexican tomatoes subject to federal marketing order size requirements. At the request of Senator Graham, I am traveling to Florida on December 11 to discuss these actions.

### **USDA To Participate In European Union Equivalency Talks**

USDA Office of the General Counsel, USDA Foreign Agricultural Service, and USDA Animal and Plant Health Inspection Service officials will travel to Brussels the week of December 11 for continued talks to develop a framework agreement for recognizing equivalency on technical measures affecting trade in meat and meat products. The equivalency talks are an attempt to implement commitments by the United States and the European Union (EU), made in the context of the Uruguay Round Agreement on Sanitary and Phytosanitary Measures. A meeting is also planned with officials of the European Union to determine the EU's initial reaction to proposals that were made by the United States in the recent Mutual Recognition Talks affecting trade in veterinary biological products.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **Budget Reconciliation Outreach Efforts**

Today and tomorrow, USDA subcabinet and other Department officials are targeting the following media markets regarding budget reconciliation: Toledo, Ohio; Green Bay/Appleton/Madison, Wisconsin; Sioux City, Iowa; Medford-Klamath Falls, Oregon; Omaha, Nebraska; Fresno, California; Kansas City, Missouri; Miami, Florida; Burlington, Vermont; and Kennebec, Maine. Additionally, the subcabinet will be conducting interviews with radio networks in: Chicago, Illinois; Denver, Colorado; Wichita/Topeka, Kansas; and Jefferson, Iowa. These radio networks, combined, represent 250 stations in 15 states. I was also featured on the USDA Radio Newslines yesterday and today, which reaches about 100 farm broadcasters/agricultural writers daily around the country.

Today, Special Assistant to the President Marion Berry traveled to Louisville, Kentucky to discuss budget reconciliation, the farm bill, and the Administration's tobacco policy before the Kentucky Farm Bureau's 76th annual state convention commodity luncheon. Deputy Secretary Richard Rominger also spoke to rice growers in Reno, Nevada today regarding budget reconciliation and the farm bill. On November 30, USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos addressed the Texas Wheat Growers Association in Amarillo, Texas regarding the farm bill, budget reconciliation, and other issues.

### **USDA Customer Service/Cost-Saving Efforts**

On December 6, I addressed USDA Federal Crop Insurance Corporation officials and other Department employees in Kansas City, Missouri about government service. Today, Deputy Secretary Richard Rominger visited with Department employees about government service while in Reno, Nevada.

A prime example of federal and state agencies working to improve customer service, the USDA Forest Products Laboratory in Wisconsin and the adjacent Veterans Administration Hospital in Madison this week celebrated a completed agreement with the state of Wisconsin to purchase steam from the university heating plant. The two federal agencies will be able to close their heating plant operations, saving \$620,000 annually, and the university will receive \$300,000 annually to upgrade its heating plant capacity and cover fixed costs. The project is a prime example of federal and state agencies working together to reduce the cost of operating government at all levels.

### **Forest Plan Issues**

Oral arguments were heard on December 4 in San Francisco on three appeals resulting from Judge Dwyer's December 21, 1994 federal district court decision upholding the Northwest Forest Plan. The appeals were brought by the Native Forest Council, Save the West, the Forest Conservation Council, and the Northwest Forest Resource Council. The Native Forest Council appeal is on the merits of the Northwest Forest Plan; the other appeals are based on questions of procedure.

### **Empowerment Zones/Enterprise Communities (EZ/EC) Update**

On November 30, USDA Under Secretary for Rural Economic and Community Development Jill Long Thompson signed a memorandum of agreement that finalizes Northampton and Accomack counties in Virginia as an Enterprise Community. The signing makes available nearly \$3 million in social service block grant funds through the Department of Health and Human Services. Today, Under Secretary Thompson traveled to Louisville, Kentucky for the Housing and Urban Development/USDA

regional Empowerment Conference, where she delivered the keynote address and met with the media. She also held an audio bridge from Kentucky with media from Enterprise Communities across the Southeast, including Virginia, West Virginia, Ohio, and Kentucky, in addition to talking with the Louisville media.

### **Helping Native Americans**

On December 12-14, the USDA Office of Civil Rights Enforcement is conducting a workshop in Tempe, Arizona for USDA and representatives of tribal governments to discuss issues and concerns about program delivery. Over 180 people are scheduled to attend the workshop, which will focus on ways to improve the Department's working relations with tribal governments.

### **Water 2000 Update**

Over the past three weeks, newspapers in West Virginia, Tennessee, Ohio, Arkansas, and Idaho have carried favorable stories on the Water 2000 initiative to provide clean running water to all American homes. Some articles have mentioned the President's support and Congressional budget cuts that could affect the program.

## **CONGRESS**

### **Key Congressional Visits And Activities**

Today, I met with House and Senate Agriculture Committee Democrats regarding budget reconciliation and the farm bill.

Today, I met with Senators Breaux and Johnston, Louisiana Commissioner of Agriculture Bob Odom, and Louisiana rice producers regarding their concerns with the proposed rice program in the Republican "Freedom to Farm Bill."

Today, I met with Senators Cohen and Snowe and Congressman Baldacci regarding imports of Canadian potatoes.

On December 13, I will meet with Senators Mikulski and Moynihan regarding sugar issues. Ambassador Kantor has been invited to participate.

On December 4, USDA provided a report to Senator Lugar regarding the progress that the Department's Loan Resolution Task Force has made in resolving million-dollar delinquent loans. Senator Lugar also released a press release that day that was critical of USDA's farm loan portfolio. The Department will be meeting with Senator Lugar's staff early next week to discuss the report.

On November 30, the Senate Judiciary Committee postponed its scheduled markup of S. 1340, Senator Daschle's Livestock Concentration Report Act of 1995, at the request of Senator Kyl. The bill would direct the President to appoint a special commission on concentration and reduced competition in the meat-packing industry.

Senator Heflin's office inquired about current efforts to amend the Federal Noxious Weed Act. A December 11 meeting will be held with Senator Heflin's staff.

### **Congressional Hearings**

Today, the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry held a hearing on the status of the Federal Agricultural Mortgage Corporation and on H.R. 2130, the Farmer Mac Reform Act of 1995.

The House Transportation and Infrastructure Subcommittee on Aviation held a hearing today on current regulations that restrict the use of aircraft operated by government agencies.

The House Judiciary Immigration and Claims Subcommittee held an oversight hearing today on the agricultural guest worker program.

On December 12, a House Agriculture subcommittee will mark up H.R. 2020, the Farm Credit System Regulatory Relief Act of 1995 and H.R. 2130, the Farmer Mac Reform Act of 1995.

### **KEY REGULATORY ACTION**

The USDA Farm Service Agency filed a final rule on 1996 prevented planting regulations, which was published in today's *Federal Register*.

### **PRESS INQUIRIES**

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

On December 13, I will be interviewed by Orion Samuelson for his *U.S. Farm Report*.

*Los Angeles Times* requested my foreign travel records for a story it is working on regarding all federal departments.

*Los Angeles Times* is researching federal agency statistics on budget, personnel, and communications (staffing, monitoring services) for use in an upcoming article on the Department of Energy. USDA is among several federal agencies being asked to provide information.

*Time* is working on a feature article on international financing, such as selling bonds and debt financing.

*Associated Press* inquired about a Congressional proposal to use \$300 million in food stamp funding for commodity purchases.

*Omaha World Herald* requested USDA Economic Research Service information on percentages of farms participating in farm programs.

### FOIA REQUESTS

*Wall Street Journal* requested travel, scheduling, telefax, and telephone message information from several USDA Rural Economic and Community Development Service officials.

### WEEK IN REVIEW

#### **Timber Sales Protests Continue**

The Vice President's office may be the target of a fax campaign by the group, "Kentucky Heartwood". The group opposes any and all logging and vehicle traffic on National Forest Lands. The group is believed to be small (approximately 20-30 people), and focuses primarily in Kentucky. Similar groups are also located in Indiana and Illinois. If such a fax campaign occurs, messages will likely express displeasure with the Administration's failure to veto the Rescission Act earlier this year.

In other protest activity, the temporary area closure surrounding the Sugarloaf timber sale has been the site of constant protest activity since it was opened on November 27. Demonstrators primarily protested the sale because it called for logging in a roadless area. However, no roads were built within the roadless area, all yarding of logs was done by helicopter, and approximately two-thirds of the trees growing at the site remain after harvest. Meanwhile, protests at the Warner Fire Recovery Project on the Willamette National Forest in Oregon continue. Demonstrators have built a log fort and a series of trenches on the only access road to the sale area. It is unknown when the purchaser will start logging the sale. Additionally, a hunger striker has camped for 60 days at the Willamette Forest Supervisor's Office in Eugene.

The USDA Forest Service will continue to carry out the salvage sale provisions of the Rescission Act consistent with the President's direction and the interagency Memorandum of Agreement on salvage sales.

## **Citrus Canker Affects Florida Exports To Caribbean**

The recent detection of citrus canker in the Miami area has caused a setback in acceptance of Florida fruit by Caribbean countries. The Bahamas imposed a temporary ban on U.S. fruit and nursery stock, and the French West Indies is less willing to accept U.S. fruit. USDA Animal and Plant Health Inspection Service officials are organizing a trip to Fort Pierce/Vero Beach the week of January 8-12 so that plant health authorities from Guadeloupe and Martinique can observe existing citrus export protocols for the European Union, Japan, and other countries. Today, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Shirley Watkins attended a press conference at Miami International Airport to highlight the citrus canker quarantine and encourage public cooperation.

### **SECRETARY'S SCHEDULE**

On December 8, I will host a roundtable to begin dialogue on how the federal government can assist in improving public and private gleaning and food rescue efforts on the national level. *(See Key Department News: USDA To Host Gleaning Roundtable)*

On December 11, I will travel to Orlando, Florida at the request of Senator Graham to explain the legislative proposals that are to be introduced concerning the U.S. winter tomato industry and administrative actions that USDA and other federal agencies will need to implement. *(See Key Department News: Agriculture Heats Up)*

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

Deputy Secretary Rominger will be in the office next week.

Today, Deputy Secretary Richard Rominger was in Reno, Nevada to address the Central Valleys Rice Growers annual meeting and to meet with USDA officials.

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

### **SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On December 8, USDA Assistant Secretary for Administration Wardell Townsend will address the Organization of Professional Black Natural Resources Conservation Service employees in Atlanta, Georgia.

On December 8 and 20, USDA Acting Chief Financial Officer Ted David will travel to New Orleans, Louisiana, site of the USDA National Finance Center.

On December 11, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend a workshop on prescribed fire at Colorado State University, Fort Collins; on January 8, he is planning to attend the Partners Outdoors Conference in Orlando, Florida.

On December 11, USDA Under Secretary for Research, Education, and Economics Karl Stauber will speak at a University of Minnesota faculty management conference entitled "Scholarship In Chaos."

On December 11-14, USDA Inspector General Roger Viadero will be in the Office of Inspector General North Atlantic Region.

On December 12-13, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Shirley Watkins will travel to St. Louis, Missouri to observe inspection of USDA licensed dog dealer facilities and hold another roundtable discussion as part of the White House Women's Initiative.

On December 12, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will be conducting a roundtable for the White House Office for Women's Initiatives and Outreach in New Orleans, Louisiana; on December 13, she will speak at the Child Nutrition Directors Conference in New Orleans.



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

December 14, 1995

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

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**KEY DEPARTMENT NEWS**

**Farm Bill Update**

The revised Congressional Budget Office (CBO) estimate for agricultural spending for fiscal years 1996-2002 is \$48.7 billion, down \$8 billion from its February estimate. The CBO estimate of savings under the Agricultural Reconciliation Act compared to the updated baseline is \$4.6 billion, \$8.8 billion less than the estimate of the February baseline.

House and Senate Democratic leaders have expressed a desire to "lock in" the new CBO spending levels, thus holding agriculture harmless from additional spending cuts. Options for dealing with the Republicans in budget negotiations included: seeking a one-year extension of current law while locking in the updated spending levels; establishing a "Transition Fund for Rural America" that would redirect a portion of the agricultural spending to conservation, research, and rural development; and increasing marketing loans.

**Child Nutrition Block Grant Fight Delays Welfare Reform**

The welfare reform bill conference remains deadlocked over whether to block grant the child nutrition portion of the bill. Senators Lugar and Jeffords have refused to sign the conference report until the block grant proposals are withdrawn, thereby preventing the report from being brought to the floor of either chamber. It is our understanding that House Education and Opportunities Committee Chairman Goodling may have agreed to delete the child nutrition block grant provisions, but no official agreement has yet been announced. Efforts to reach a compromise continue.

## **Forest Service Faces Possible Furlough**

On December 13, the House approved the Interior appropriations bill, which contains funding for the USDA Forest Service. Of major concern are provisions affecting the Tongass National Forest in Alaska, the Columbia River Basin, and the endangered red squirrel on Arizona's Mount Graham. The bill awaits Senate action. If a continuing resolution is not extended, the Forest Service will probably have to furlough most of its employees early next week. During the government shutdown last month, the Forest Service was able to operate using carryover funds.

## **Federal Wildlife Fire Management Report To Be Completed**

The final report of the Federal Wildland Fire Management Policy and Program Review is being prepared and will be submitted to me and Secretary of the Interior Babbitt on December 18 for approval. Press releases and Congressional briefings may be held in January, followed by preparation of the implementation plan for January through March. The report examines the need for uniform federal wildland fire policies and cohesive fire management programs. The interdepartmental review focused on fire management policies and programs, specifically the role of fire in resource management, the use of fire, fire preparedness and suppression, and wildland/urban interface protection.

## **USDA Decision Reached On Olympic Games Horse Issue**

Numerous Members of Congress have expressed opposition to a waiver of the requirement that horses imported for the Olympic Games test negative for equine piroplasmiasis (EP). The USDA Animal and Plant Health Inspection Service plans to inform the Congressional Members that the agency will only grant a waiver if USDA officials are convinced that EP-positive horses would not introduce the disease into the indigenous tick population in the United States. The protection of the U.S. equine industry may be possible if EP-positive horses compete only in dressage and jumping events, in which they are relatively contained. However, it does not appear possible for a proposed three-day cross country endurance event where horses travel through wooded areas.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **Helping Native Americans**

Four Department agencies have joined together in a new approach to provide USDA information to Native American producers and tribal governments. The USDA Natural Resources Conservation Service, Farm Service Agency, Animal and Plant Health Inspection Service, and Food Safety and Inspection Service have entered into a two-

year agreement with the Intertribal Agriculture Council whereby the Council will hire six people from its regions to provide information to Native American producers and tribal governments on Department programs. The employees will receive training in February at the Intertribal Agriculture Council in Billings, Montana and return to their regions to set up meetings and workshops with producers and tribal governments.

### **USDA Assists With Youth Projects**

On December 20, the USDA Forest Service and the American Camping Association (ACA) will sign a Master Service-Wide Memorandum of Understanding, which will lay the groundwork for ACA-affiliated camps to participate in various youth-related projects on national forest lands. The ACA represents owners and operators of 2,657 children's camps that serve more than 5.8 million children annually.

## **CONGRESS**

### **Key Congressional Visits And Activities**

Today, I met with Senators Murkowski and Stevens about the Tongass National Forest.

On December 13, I met with Senators Mikulski and Moynihan regarding sugar issues.

On December 12, I met with Senators Daschle and Leahy and Congressmen De la Garza and Stenholm about the farm bill.

On December 12, I met with Congressman Williams about Montana wilderness issues.

On December 11, I traveled to Orlando, Florida to join Senator Graham and Florida producers to discuss concerns over Mexican imports of tomatoes and other winter vegetables. (*See Week In Review: USDA Addresses Florida Concerns About Mexican Vegetable Imports*)

House Government Reform and Oversight Committee Chairman Clinger wrote USDA concerning a report that USDA employees attended training sessions at Disney World.

House Agriculture Committee Chairman Roberts and House Livestock, Dairy, and Poultry Subcommittee Chairman Gunderson wrote USDA about USDA Food Safety and Inspection Service travel.

## **Congressional Hearings**

Today, the House Agricultural Subcommittee on Risk Management and Specialty Crops and the House Judiciary Subcommittee on Immigration and Claims held a joint hearing to review the H-2A Temporary Worker Program and its impact on U.S. agriculture. USDA Acting Chief Economist Keith Collins testified, reaffirming the Administration's position on guestworker programs.

On December 19, the House Resources Committee Task Force on Timber Salvage will hold a hearing, originally scheduled for North Carolina, in Washington, D.C. The USDA Southeast Regional Forester has been invited to testify regarding USDA timber salvage efforts in the Southeast.

On December 20, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management is scheduled to mark up H.R. 924, the Snowbasin Ski Area Land Exchange.

## **KEY REGULATORY ACTION**

The 90-day comment period of the Draft 1995 Forest and Rangeland Renewable Resources Planning Act (RPA) Program continues through January 17. Focus group discussions to gather public comments were held in Atlanta on December 12 and in Milwaukee today. Briefings on the Draft Program were held for Congressional staff on December and for the National Association of State Foresters today. The RPA Program is updated every five years and is the strategic plan for USDA Forest Service programs. Following public comment, a USDA Recommended RPA Program will be prepared and submitted to Congress.

## **PRESS INQUIRIES**

### **Press Contacts With USDA**

Today, I was interviewed by *Farm Journal* regarding general farm issues submitted by subscribers.

On December 15, I will provide a year-end review interview to *Reuters*.

On December 18, I will be interviewed by *CNN* regarding food safety issues.

On December 18, I will be interviewed by *U.S. News & World Report* regarding nutrition issues.

On December 20, I will conduct a radio bridge and media availability with Kansas and other reporters.

On December 13, I gave a year-end, wrap-up interview to Orion Samuelson of *WGN*.

*CNN* requested related information on the food stamp program for an article it is preparing on former Senator George McGovern's successes in office.

*CNN* is also working on a story about food safety technology.

*Time* has requested an interview with Acting Under Secretary for Food Safety Michael Taylor regarding the Food and Drug Administration.

*Voice of America* is following up on the USDA gleaning roundtable and is working on a story to outline incentives for food companies to join the program and the legal aspects of food rescue.

*Nutrition Week* is doing a follow-up on the gleaning roundtable.

*Wall Street Journal* requested copies of several USDA Office of Inspector General audits.

*Newsday* requested information concerning the disposal of firearms under a waiver from the General Services Administration.

*USA Today* is researching the economic impact of the timber industry and reduction of timber harvest from national forest system lands in Oregon and Washington.

The National Newspaper Publishers Association and radio stations in Little Rock, Atlanta, and Thomasville, North Carolina interviewed USDA Rural Business Cooperative Service Administrator Dayton Watkins to discuss opportunities available through USDA for small, minority, and disadvantaged businesses.

#### **FOIA REQUESTS**

*Wall Street Journal* requested travel documents regarding several USDA officials.

*The Washington Post* requested information on renovations of USDA offices.

*The Washington Post* requested correspondence regarding Archer Daniels Midland Corporation.

## WEEK IN REVIEW

### **USDA Addresses Florida Concerns About Mexican Vegetable Imports**

On December 11, I traveled to Orlando, Florida to join Senator Graham and Florida producers to discuss concerns over Mexican imports of tomatoes and other winter vegetables. At an Orlando tomato loading dock, Senator Graham and I held a news conference attended by two Orlando television stations, *Associated Press*, and the *Orlando Sentinel Star*, where we discussed tomatoes, winter vegetables, sugar, and the Everglades.

I expressed support of legislation sponsored by Senator Graham to make changes favorable to Florida growers in current import safeguards and legislation concerning packaging requirements for imported tomatoes. Devaluation of the Mexican peso, increased access to U.S. markets due to NAFTA, and favorable weather conditions have led to increased imports of these commodities from Mexico, and has reduced U.S. producer prices.

### **FY95 U.S. Horticultural Exports Pass \$9 Billion Mark**

The USDA Foreign Agricultural Service announced recently that U.S. horticultural exports surged to \$9.1 billion in FY95, a 12 percent increase over the previous year and more than triple the value of 10 years ago. FY95 marked the 11th consecutive year that U.S. horticultural exports have increased.

Continued market liberalization, rising incomes, a growing demand for healthful foods, and ongoing USDA Market Promotion Program activities in major foreign markets like Japan and other Asian countries continued to drive up U.S. exports. Shipments to the two largest markets, Canada and Japan, were at \$2.6 billion and \$1.9 billion, respectively, nearly 15 percent above last year. For FY96, U.S. horticultural exports are projected at a record \$10.3 billion.

### **USDA Continues Work To Open Markets**

The recent detections of oriental fruit fly (OFF) in California are continuing to generate problems for California-produced fruit in some South American countries. Ecuador officials recently agreed to release Washington State product and permit trade to resume. Ecuador had implemented a total ban on imports of fruit from the United States on November 15 in response to OFF detections. Despite extensive discussion by USDA officials with their counterparts in Ecuador, fruit from California can enter the country only if fumigated. A visit to California by Ecuador quarantine officials in early January may help to clarify how future shipments of produce from that state are to be handled.

## **National Forest Receipts Distributed**

About \$273 million from national forest receipts for FY95 has been distributed to 41 states and Puerto Rico. An interim payment of \$199 million, based on estimated receipts, was made on October 11, and the final installment of \$75 million was distributed on December 13. By law, 25 percent of the revenues collected by the USDA Forest Service from the use of national forest system lands are returned to states where those lands are located. States are required to use the funds for schools and roads. Actual receipts collected from such uses as timber sales, grazing, and recreation totalled \$714 million for FY95.

## **In-Plant Trials Affirm Efficacy Of Steam Pasteurization On Beef Carcasses**

This week, the USDA Food Safety and Inspection Service announced that results of in-plant trials of the Cargill/Frigoscandia Steam Pasteurization Process affirm earlier laboratory studies that the process is an effective antimicrobial treatment on beef carcasses. The patented process can be used after final inspection and carcass wash in federally inspected beef slaughter plants.

## **United States To Seek En Banc Review Of Cajun Case**

The Solicitor General has determined that the United States will seek en banc review by the Fifth Circuit Court of Appeals of a November 13 decision concerning Cajun Electric Power Cooperative. Cajun, a USDA Rural Utilities Service borrower currently in bankruptcy, is indebted to the federal government for over \$4 billion. We are seeking en banc review of the decision and order by the Fifth Circuit which vacated a district court order appointing a trustee for the Cajun bankruptcy. The retention of the Cajun trustee is necessary in order to protect the government's interest in collecting the outstanding loans.

### **SECRETARY'S SCHEDULE**

I will be out of the office December 22-January 1.

On January 7, I will be the keynote speaker at the Harvard Business School's Senior Management Agribusiness Seminar in Boston.

On January 8, I will address the American Farm Bureau Federation annual meeting in Reno, Nevada.

On January 9-11, I will travel to Brussels to meet with European Union Commissioner for Agriculture and World Development Franz Fischler to discuss beef hormone issues.

On January 14-16, I will be in Mexico City to open the Food and Beverage Festival and discuss numerous bilateral issues.

**DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK**

Deputy Secretary Richard Rominger will be in the office next week.

On December 22-28, Deputy Secretary Rominger will be out of the office.

**SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

On December 20 and January 3-5, USDA Acting Chief Financial Officer Ted David will travel to New Orleans, Louisiana, site of the USDA National Finance Center.

On January 8, USDA Under Secretary for Natural Resources and Environment Jim Lyons is planning to attend the Partners Outdoors Conference in Orlando, Florida.

On January 26, USDA Acting Assistant Secretary for Marketing and Regulatory Programs Shirley Watkins will travel to Atlanta, Georgia to speak before the Southeastern Poultry Egg Association.



THE SECRETARY OF AGRICULTURE  
WASHINGTON  
20250-0100

December 20, 1995

**MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE**  
**FROM: SECRETARY DAN GLICKMAN**  
**SUBJECT: Report for December 20, 1995-January 3, 1996**

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### **KEY DEPARTMENT NEWS**

#### **Farm Bill Deadline Looms**

Notwithstanding the efforts of Senate Democrats to remove the agriculture provisions from the entire budget debate, the 1995 Farm Bill is still caught up in the overall budget negotiations. Timing is critical, since the current programs expire on December 31, 1995. At that time, the 1949 Agricultural Adjustment Act will go into effect unless current law is extended or new provisions are enacted into law. Farmers around the country are having difficulty obtaining credit due to the uncertainty over the 1995 Farm Bill. There is still no unanimity among House and Senate Democrats on alternatives to the current Congressional proposal, and I have been meeting with key Members of both parties in the House and Senate regarding the potential outcomes to the current stalemate. Today, I discussed the Farm Bill and the budget with the House "Blue Dog" Democrats.

On a related note, the House International Relations Committee marked up a one year extension of the food aid authorities of the Agricultural Trade Development and Assistance Act (P.L. 480) and the Food for Progress Act, which expire on December 31. Without the extension, USDA will be unable to enter into new P.L. 480 agreements, and will not be able to provide commodities overseas under Food for Progress in 1996. It is unclear when the House Agriculture committee, which shares jurisdiction over foreign food assistance with the International Relations Committee, and the Senate Agriculture Committee will act on an extension of these authorities.

#### **Welfare Reform**

A compromise over the school lunch provisions in the welfare reform bill may have been forged among Republican conferees. While USDA has not seen the specific legislative language, we believe that the agreement would permit seven States to collect school lunch funds as a "block grant demonstration." One State in each USDA Food and Consumer Services region would participate in the block grant demonstration. The measure may come to

the floor of the House and Senate this week. USDA continues to monitor legislative developments in welfare reform closely.

### **USDA Forest Service Furloughed**

The USDA Forest Service furloughed 29,000 employees and closed National Forest System lands last evening. The Forest Service's appropriation is part of the Interior Appropriations bill recently vetoed by the President.

### **Release of 1995 Dietary Guidelines for Americans**

On January 2, 1996, Secretary of Health and Human Services Donna Shalala and I will release the 1995 revision of the Dietary Guidelines for Americans, which reflects the strongest science yet on how Americans can choose diets that promote health. The Dietary Guidelines form the basis for Federal nutrition policy. The Administration's new school meals policy implements the Guidelines in the school meals programs, and plans are underway to incorporate the Guidelines into other nutrition programs.

### **USDA To Take Action on Advance Deficiency Payments**

Because of high commodity prices, wheat, feedgrain, and cotton producers will be required to repay \$1.7 billion of 1995 advance deficiency payments, with payments coming due in the latter part of 1996. Many of these producers have experienced crop disasters this year and will struggle to repay the advance deficiency payments. To address this situation, I will be announcing more favorable repayment terms in the near future. This announcement should be viewed favorably by the agricultural community. USDA has no authority to waive repayment.

### **Diamond Bar Allotment**

The Laney Cattle Company's term-grazing permit on the Laney Allotment, Gila National Forest (NM), expires on December 31, 1995. The permittee asserts that signing a new term permit will jeopardize its valid existing water and grazing rights and will not make application for, or sign, a new term-grazing permit. If the permittee maintains this position, the permittee will not have a grazing permit and the livestock will be in trespass on January 1, 1996. Appropriate civil and/or criminal action may be necessary to remove unauthorized livestock.

### **Wildland Fire Management Policy and Program Review**

The final report of the Federal Wildland Fire Management Policy and Program Review was submitted to me and Secretary Babbitt on December 18 for approval. While some delay has occurred due to the government shutdown and the subsequent furlough of Interior Department employees, press releases and congressional briefings may be held in January, followed by preparation of the implementation plan for January through March 1996. The review was

chartered to ensure uniform federal wildland fire management policy and cohesive fire management programs.

### **Mexican Spotted Owl**

Biological assessments for both existing and amended forest plans in the Southwestern Region are now being reviewed by the Fish and Wildlife Service, whose biological opinion on the existing forest plans is expected by the end of December and on amended plans by the end of February. These biological opinions are needed to remove an injunction that has sharply curtailed activities, including timber, in the Southwestern Region since August. The final recovery plan for the owl is also expected before the end of December.

### **Joint Grains Commission Report Nears Completion**

Final wording changes on the U.S.-Canada Joint Grains Commission report are being negotiated following a meeting between the chairmen in Toronto, December 9-10. The chairmen have been notified by Secretary Glickman and Canadian Agriculture Minister Goodale to issue a jointly-agreed upon Commission report by December 22, 1995, at which time the Commission's work will end.

## **USDA WORK ON PRESIDENTIAL INITIATIVES**

### **AmeriCorps**

The Department is completing its first annual report of the USDA AmeriCorps Program. In the 30% of the program sponsored by the Forest Service, Members constructed or maintained 682 miles of trails, protected 2,599 acres of wildlife habitat, improved 668 acres of timber stand, built or rehabilitated 446 campground sites, improved 760 acres of fisheries habitat, restored fire-damaged areas by planting 93,500 willow cuttings, and provided conservation education to 88,373 students in grades K-12.

### **Empowerment Zone & Enterprise Community (EZ/EC) Program**

USDA has approved a \$2.5 million Business & Industry Guaranteed Loan for Freshwater Farms, Inc., in Belzoni, Mississippi, which will create 65 jobs and save 170 jobs. USDA has also approved a number of Rural Business Enterprise Grants, including two grants totalling \$500,000 in California which should save or create over 60 jobs, two grants in Louisiana totalling over \$300,000 which save or create 23 jobs, two grants totalling \$1.5 million in Mississippi which save or create 96 jobs, one \$100,000 grant in North Carolina which will create 30 jobs, and two grants in Oklahoma totalling over \$800,000 which will create or save at least 50 jobs.

The final EZ/EC Memorandum of Agreement (MOA) was signed by USDA at Mississippi's North Delta Enterprise Community on December 18.

## **Building Partnerships with Tribal Governments**

Last week, over 200 USDA employees and several tribal leaders met in Tempe, Arizona to discuss the government to government relationship between the federal government and Indian nations. Participants heard from tribal leaders who shared their concerns and ideas about how USDA can improve service delivery to American Indian tribes. Key areas of concern included improving communications; increasing the understanding of USDA employees and managers about the unique relationship between American Indian tribes and the federal government; and ensuring adequate resources and staffing in USDA. USDA employees also focused on the need for teamwork and improved communications among USDA agencies.

## **CONGRESS**

### **Key Congressional Visits And Activities**

House Agriculture Committee Chairman Pat Roberts sent a follow-up request for information related to the Upland Cotton User/Exporter Marketing Certificate Step 2 Program. Chairman Roberts requested all documents, records, memoranda, and other any other materials generated by the Department since June that discusses or addresses the Step 2 Program. A list of payments made under the Program broken down by year, amount, and exporter, requested earlier by the Committee, has been provided. Interest in this program was fueled by recent newspaper articles regarding the execution of search warrants against major U.S. cotton exporters by the Internal Revenue Service and the USDA Inspector General.

The Public Rangelands Management Act, S. 1459, a replacement for S. 852, which was introduced in the Senate December 7 by Senators Frank Murkowski (R-AK) and Pete Domenici (R-NM), is scheduled to go to the Senate floor before recess.

On December 19, USDA Forest Service Chief Thomas and Katie McGinty, Director of the Council of Environmental Quality, met with Senator Kyl (R-AZ) regarding the renewal of grazing permits on the Apache-Sitgreaves National Forest.

USDA Under Secretary For Rural and Economic Community Development Jill Long Thompson met with Senator Leahy's staff to discuss RBEG allocations and implications of the DLOSS program.

### **Congressional Hearings**

On December 19, the House Resources Committee, Timber Salvage Task Force, held a hearing on timber salvage in the Southeastern Region.

On December 19, the House Resources Committee, Subcommittee on National Parks, Forests and Lands, held a hearing on bills to amend the National Forest Ski Area

## Permit Recreation Fees.

On December 20, the Senate Energy and Natural Resources Committee, Subcommittee on Forests and Public Land Management will hold a hearing on the Snow Basin Land Exchange.

### **KEY REGULATORY ACTION**

USDA's Food Safety and Inspection Service (FSIS) expects to publish several proposed rules in the near future as part of its regulatory review and food safety reform initiatives.

### **PRESS INQUIRIES**

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

USDA is scheduled to release the results of its survey of American diets, "What We Eat in America," on January 2 or 3. The study is conducted every three years, and the new results may generate considerable media interest.

Today I held a media availability to give a year-end wrap-up interview to in-house and other agricultural reporters who regularly cover the Department. I also met with Kansas reporters for year-end stories.

I gave a year-end, wrap-up interview to Orion Samuelson of WGN on December 18 that will be broadcast on 180 stations nationwide on December 30 and 31.

On December 18, I was interviewed by ILS News & World Report on current nutritional issues for a story that will appear in January.

On December 18, I was interviewed by CNN on E.coli and the status of food safety reform for a segment to air during the holidays.

On December 15, I gave a year-end wrap-up interview to Reuters' agricultural reporters; subjects centered on trade, export, and crop issues.

On December 14, I was interviewed by Sonya Hilgren of the Farm Journal on farm issues, who asked questions submitted by subscribers.

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas was interviewed by ABC News regarding community focused food and nutrition efforts.

USDA Under Secretary for Research, Education, and Economics Karl Stauber conducted an interview with Jocelyn Kaiser of Science Magazine regarding the closure of the Office of Ag

Biotechnology.

### Press Contacts With USDA

NBC's "Dateline" will do a follow up on a story aired last summer on the peanut program. "Dateline" wanted to know if the Administration requested any changes to the peanut program.

USA Today reporter Ray Tyson is working on a story on beef prices and lack of competition in the meat packing industry. Tyson is looking at the differences between the price producers get for their cattle and the prices consumers pay for that meat at the grocery store.

Voice of America is following up on the gleaning roundtable and is working on a radio piece that would outline the incentives for food companies to join the program and the legal aspects of food rescue.

Nutrition Week is also doing a follow up story on the gleaning roundtable.

The Los Angeles Times requested my foreign travel records for a story looking at all Departments.

USA Today is researching food stamp program trends over time. The researcher is interested in finding out information about the "hidden hungry" members of the working middleclass participating in the program.

Tom Kenworthy of The Washington Post is working on a story about bypass flows and USDA's Forest Service.

USA Today reporter Linda Canamine is researching the economic impact of the timber industry and reduction of timber harvest from National Forest System lands in Oregon and Washington. Her story is scheduled for release during the holidays.

USDA provided the Atlanta Journal-Constitution with the names of congressional offices that contacted USDA recently to discourage the waiver of equine piroplasmiasis requirements for Olympic horses. The reporter also requested an interview with USDA officials regarding international pressures to waive the testing requirement.

Gannett News Service requested the Executive Summaries of the USDA audit reports completed during November 1995.

A Los Angeles Times reporter based in Washington, DC, will be in the Eastern Region this week to investigate timber salvage sales.

## FOIA REQUESTS

The Commercial Appeal requested information on the cotton exporters survey and cotton export sales.

Newsday requested correspondence to and from Senator Dole.

Edward Henry, a journalist, requested all correspondence the Department has received from Senator Bob Dole since 1990 that mentions either The Archer Daniels Midland Corporation or Mr. Dwayne Andreas.

## WEEK IN REVIEW

### **Waiver for Some Olympic Horses**

On Dec. 13, USDA Animal and Plant Health Inspection Service (APHIS) Administrator Lonnie King and Tommy Irvin, Georgia Commissioner of Agriculture, sent a letter to the Secretary General of the Federation Equestre Internationale (FEI) informing him of a joint decision to waive the requirement that horses involved in certain events at the 1996 Olympic games must test negative for equine piroplasmiasis. FEI was asked to pay for the cost of mitigative measures to prevent horses that test positive from spreading the disease. A reply was requested by January 5. Equine piroplasmiasis is caused by a tick-borne microscopic parasite that destroys red blood cells, producing anemia and even death in some cases. Although the disease does not occur in the United States, the ticks that could spread it are present in the southern part of the country.

### **Montana Roadless Areas**

On December 15, I issued a directive to defer final decisions on certain activities that would alter the wilderness and roadless characteristics of parts of the Beaverhead, Custer, Kootenai, and Helena National Forests in Montana, until January 1, 1997. The decision will not affect grazing, recreational activities, post and pole sales, and related activities. Certain road building to allow property owners access to inholdings may continue. The Forest Service may continue, appropriate, and analyzing possible activities for these roadless areas. The Forest Service will proceed with its decisions on making land available for oil and gas leasing on the Helena, Beaverhead, and the Beartooth District of the Custer National Forest. However actual leasing activities on 344,000 of the 2.6 million acres will be deferred until January 1, 1997. The purpose of this decision is to protect pristine wilderness while Congress debates which lands in Montana will be designated by statute as permanent wilderness.

## **ARS-FSIS Food Safety Research Workshop Held Last Week**

The annual USDA Cooperative Food Safety Research Workshop was held Dec. 12-13 at the Crystal Gateway Marriott Hotel in Arlington, Va. This was the sixteenth such annual workshop, which is sponsored by USDA's Food Safety and Inspection Service and Agricultural Research Service. Each year, FSIS and ARS meet to discuss food safety research priorities and specific projects ARS plans to undertake in support of those priorities. The workshop provides a forum for scientists from government, academia, and the food industry to discuss food safety research needs and progress. This year's program included separate sessions on chemical technology, pathogen control, and zoonotic diseases. More than 400 persons--at least 65 more than last year--attended the annual research meeting.

## **Final Report Issued on "1,000 Plant Review"**

A final report summarizing findings from unannounced reviews conducted by USDA's Food Safety and Inspection Service (FSIS) is now available. In the Fall of 1993, FSIS began a "1,000 Plant Review" to assess sanitation and other food safety requirements in meat and poultry plants. The final report summarizes the findings of 1,014 plants reviewed between the period of October 1, 1993, and February 24, 1995.

## **Child Nutrition Activities**

USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas keynoted a meeting of the Directors of the State agencies which administer the school lunch, school breakfast, and other Child Nutrition Programs on December 12. She discussed the importance of Team Nutrition and Team Nutrition Schools in implementing healthier school meals. Under Secretary Haas also visited St. Frances Cabrini Elementary School in New Orleans, LA, to present its Team Nutrition School banner and enjoy a school lunch with students. After lunch, she hosted a roundtable of health, education, parents, commodity, and nutrition leaders to talk about ways that they can get involved in Team Nutrition Schools. The New Orleans Times-Picayune and the Clarion-Register covered the event.

## **SECRETARY'S SCHEDULE**

From December 23 to January 1, I will be on personal leave. I have contingency plans to return to Washington if necessary and will be actively engaged on budget developments.

On January 7, I address the Harvard University Agribusiness Symposium.

On January 8, I address the American Farm Bureau Federation meeting in Reno, Nevada.

On January 10, I will be in Brussels for a meeting with European Union Agriculture Commissioner Fischler.

On January 14-16, I will travel to Mexico City.

On January 25 to February 3, I will travel to India, China, and Korea.

**DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK**

Deputy Secretary Rominger will be on personal leave next week. He has contingency plans to return to Washington if necessary and will be actively engaged in budget developments.

**SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS**

Acting Chief Financial Officer Ted David will travel to New Orleans on December 20 for a meeting with FISVIS staff. He will also travel to New Orleans January 3 through 5, for the monthly management meeting at NFC.

On January 12, 1996, Under Secretary for Food, Nutrition, and Consumer Service Ellen Haas will visit a Team Nutrition School in Palm Beach County, Florida.

On January 8, Under Secretary for Natural Resources and Environment Jim Lyons will attend the Western States Land Commissioners Association meeting in Denver, CO. On January 9, Under Secretary Lyons will participate in a signing ceremony for the Cedar River land exchange with Seattle Mayor Norm Rice.

USDA Under Secretary for Farm and Foreign Agricultural Services Gene Moos is scheduled to go to London to address the 50th Anniversary of the Oxford Farming Conference, January 3-5.