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Secretary of Agriculture
to the White House

January 4, 1996-~~July 2, 1996~~

July 11, 1996





THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

January 4, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of January 1, 1996

KEY DEPARTMENT NEWS

Furlough Affects USDA Programs

The government shutdown has affected USDA in a number of ways. As of December 20, funding for the USDA Forest Service expired and about 24,000 permanent and 5,000 temporary employees were furloughed. Forest Service funding is provided through the Interior appropriations bill.

USDA Foreign Agricultural Service (FAS) employees working on a reimbursable basis for the Agency for International Development (AID), and in some temporary appointments, were also furloughed due to the lack of FY96 AID appropriations. Permanent employees of FAS and other USDA agencies, also working on a reimbursable basis in AID programs, were returned to their home agencies for further assignment or furlough.

Despite the best efforts by skeleton staffs in furloughed agencies, USDA does not have full interagency clearance on the interim Export Enhancement Program and Dairy Export Incentive Program January-March allocations. Also, indications from the National Economic Council are that work on permanent reform of the trade assistance programs will resume once a budget agreement is reached. The furlough has also delayed the release of U.S. trade data.

Farm Bill Update

Because of the budget debate, Congress failed to pass a farm bill in 1995. Much of the legislative authority for farm programs expired with the 1995 crops. Thus, producers face much uncertainty at a time when they will soon be making planting decisions and

seeking credit. Under the conference bill, producers would receive a fixed payment, regardless of market prices (the so-called Freedom to Farm provisions). The Administration has been critical of the proposal because it pays producers too much when prices are high and not enough when prices are low.

Without a new farm bill, the provisions of so-called "permanent" statutory authority take effect and would mean radical changes in certain commodity programs from recent years. Because of the confusion in the press over what constitutes "permanent" authority, I intend to announce tomorrow potential program provisions for the 1996 crops of various commodities that would take effect in absence of new farm legislation.

Because of high prices, producers of many program crops are required under current law to repay their advance deficiency payments they received for 1995 crops. Under the Freedom to Farm proposal, these repayments would be paid back to farmers in the form of 1996 crop payments. To defuse potential criticism, the Administration announced in December that it would allow farmers three years to repay and would forgive interest for distressed farmers.

Key provisions of conference action include: fixed annual payments; elimination of the Acreage Reduction Program; loan rates capped at 1995 levels; and elimination of the Farmer-Owned Reserve and Emergency Livestock Feed Assistance Program. USDA has concerns with the fixed payment and erosion of the safety net, the end of farm programs, the unraveling of conservation gains, and the undoing of crop insurance reform.

Dietary Guidelines For Americans Released

On January 2, Secretary of Health and Human Services Donna Shalala and I released the fourth edition of *Nutrition and Your Health: Dietary Guidelines for Americans* at a news conference at USDA headquarters. The *Guidelines* reflect the strongest science on how Americans can choose diets that promote good health. Major broadcast and print media covered the event, and *C-Span* broadcast the entire news conference live. There was extensive media and radio interest, including *ABC*, *CBS*, *NBC*, *CNN*, *National Public Radio*, in addition to print media including *The Washington Post*, *New York Times*, *USA Today*, *Associated Press*, *Reuters*, and other general and trade press.

After the announcement, Secretary Shalala and I joined USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas in convening a leadership roundtable attended by health, agriculture, medical, nutrition, and food industry groups to discuss new ways to use the *Guidelines* to promote better diets and health for all Americans.

The *Guidelines*, issued jointly every five years by USDA and the Department of Health and Human Services, are the federal government's key policies on nutrition and health and represent the consensus of federal health and nutrition professionals based upon the latest scientific evidence available. The Administration's new school meals policy implements the *Guidelines* in the school meals program and planning is underway to incorporate the policy into other nutrition programs. While the *Guidelines* incorporate much of the substance of the 1990 edition, they include for the first time recommendations on physical activity and weight maintenance as well as on weight loss. They also place increased emphasis on making food choices in the context of overall dietary intake.

Welfare Reform Actions Taken By USDA

On December 27, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas joined Congressional staff and Office of Management and Budget officials to discuss key issues in welfare reform and identify key points of unity and disagreement.

On December 28, the USDA Food and Consumer Service completed an analysis of the impact of H.R. 4, the Congressional welfare reform proposal on the national nutrition safety net. The analysis shows that the legislation threatens to undermine the national nutrition safety net that protects the nutrition and health of children and families. The legislation includes the creation of a school nutrition block grant demonstration, cutting nutrition benefits too deeply--especially benefits for children--creating an optional food stamp block grant and capping food stamp spending. This welfare reform plan hinders our ability to get food to people who need it and jeopardizes the nation's health.

An enrolled bill report on H.R. 4 was signed by Deputy Secretary Richard Rominger and sent to the White House on December 29, with the recommendation that the President veto the bill. This complemented a letter that I sent to you on December 22 urging that nutrition programs be taken out of the welfare reform process.

USDA To Streamline Food Safety Agency

Next week, the USDA Food Safety and Inspection Service plans to announce a proposal to reorganize in order to reallocate resources toward "front-line" inspection, while staying within budget constraints. The proposal would streamline the agency's Washington, D.C. headquarters office and replace its current 46 field management offices with 18 district offices and a technical services center. This reorganization is part of the Administration's streamlining efforts.

USDA WORK ON PRESIDENTIAL INITIATIVES

AmeriCorps/National Service

USDA continues to gather year-end data on the success of the first year (1994-95 program year) of its AmeriCorps program. USDA AmeriCorps members in anti-hunger projects cooked and served 40,155 meals at soup kitchens, implemented 51 new sites for the Summer Food Service Program that fed 40,912 children, provided 391,542 people with donated food, gave 25,257 food safety and nutrition presentations to students and senior citizens, and aided 152 community gardens.

USDA AmeriCorps members serving in rural development projects also helped 390 low-income families to secure new homes, 3,484 families to obtain running water or modern bathrooms for the first time, more than 100 counties to improve their emergency preparedness and response, and 867 families to repair health and safety hazards in their homes.

CONGRESS

Key Congressional Visits And Activities

On December 22, the Senate confirmed the nominations of David Carlin to serve as USDA Assistant Secretary for Congressional Relations and Michael Dunn to serve as USDA Assistant Secretary for Marketing and Regulatory Programs and a member of the USDA Commodity Credit Corporation board of directors.

At the request of Congressman Baldacci, USDA Foreign Agricultural Service Administrator Gus Schumacher recently visited Maine's potato-producing region to discuss problems associated with increased Canadian potato imports.

Congressional Hearings

On January 15, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management has tentatively scheduled a hearing regarding the General Accounting Office study of the USDA Forest Service's land and resource management policies and laws. Forest Service Chief Jack Ward Thomas may testify. Given the furlough status of the Forest Service, testifying at the hearing is still under review.

KEY REGULATORY ACTION

USDA Publishes Food Safety Regulatory Reform Actions

On December 29, the *Federal Register* published four USDA Food Safety and Inspection Service (FSIS) regulatory reform actions that support food safety initiatives, reduce the burden of outdated regulations, and streamline government activities. The Food and Drug Administration (FDA) and FSIS are coordinating announcements and publication of regulations which are targeted at improving food safety.

The four FSIS regulatory actions are: an advance notice of proposed rulemaking describing the Department's reform strategy, listing regulations identified for repeal or revision, and requesting public comments on the rules needing reform; a final rule expanding the kinds of product labels no longer requiring prior agency approval and substituting one review for two formerly required; a proposal to allow familiar labels, such as "low-fat" or "light", to be used on standardized products like hotdogs and turkey ham made with substitute ingredients that change the nutritional profile; and a proposal to eliminate duplicative rulemaking by the FDA and FSIS on substances that may be safely used in meat and poultry products.

USDA Extends Comment Period On Proposed Tart Cherry Order

USDA has extended until January 16 the comment period for a proposed federal marketing order for tart cherries grown in Michigan, New York, Pennsylvania, Oregon, Utah, Washington, and Wisconsin. Considerable industry and Congressional attention has been directed at the proposed order. The comment period was extended to accommodate those who were not able to submit comments because of severe weather in certain production areas, among other things.

Alaska Fishing Regulations Being Drafted

To comply with court direction in *Katie John vs. U.S. and Alaska*, proposed regulations are being drafted to extend federal jurisdiction for management of subsistence fisheries to all federally reserved waters in Alaska and to extend federal jurisdiction off federal lands to regulate nonsubsistence hunting or fishing which substantially interferes with subsistence hunting or fishing on federal lands. Extension of federal jurisdiction is opposed by the state and its Congressional delegation and will cost USDA about \$12 million annually. The draft regulations are scheduled to be approved by USDA and the Department of the Interior and published in the *Federal Register* as a proposed rule in late January.

PRESS INQUIRIES

Press Conferences/Statements

On January 2, I joined Secretary of Health and Human Services Donna Shalala in a press conference at USDA headquarters to announce the release of the 1995 revision of the *Dietary Guidelines for Americans*. (See *Key Department News: Dietary Guidelines For Americans Released*)

Press Contacts With USDA

On January 3, I was interviewed on *Fox Morning News* regarding the *Dietary Guidelines* announced on January 2. Major broadcast and print media covered the event, and *C-Span* covered the entire news conference live. (See *Key Department News: Dietary Guidelines For Americans Released*)

USA Today is working on a story on packer concentration.

Nutrition Week is following up on the gleaning roundtable held by USDA in December.

Details magazine contacted USDA regarding a story it plans to publish on a reporter who spent a month as a plant employee in Beef America in Nebraska. The story will be a first-person account of working in a beef slaughter plant.

FOIA REQUESTS

The Wall Street Journal requested correspondence to and from 18 Members of Congress.

Memphis, Tennessee's *Commercial Appeal* requested information on export sales of cotton.

WEEK IN REVIEW

Decision Reached On Rural Power Plant Bankruptcy

On December 28, the Seventh Circuit Court of Appeals rejected the federal government's appeal and upheld confirmation of the debtor's Plan of Reorganization in the bankruptcy of Wabash Valley Power Association Inc. (Wabash). Wabash is an Indiana generation and transmission cooperative that invested \$540 million of USDA Rural Utilities Service (RUS) guaranteed loan funds in the Marble Hill Nuclear Power Plant, and has since filed bankruptcy and sought to avoid repayment of its Marble Hill investment.

Under the Wabash Plan of Reorganization, the government is to receive about \$430 million on indebtedness of \$670 million as of the filing of bankruptcy. The Circuit Court decision addressed a number of relatively technical bankruptcy issues and must be analyzed, particularly in light of its implications for other troubled RUS borrowers.

USDA May Boost Breeder Livestock Exports To Mexico

On January 5, USDA and the Mexican Embassy will jointly host a meeting of representatives of the Mexican and U.S. livestock industries to discuss possible use of USDA GSM-103 credit guarantees to finance an export program to rebuild drought-reduced Mexican herds. This initiative is widely supported by the industry in both countries. It is rumored, but not certain, that the Mexican side may use the occasion to announce the withdrawal of their countervailing duty investigation of U.S. meat exports.

USDA Releases Hog Report

On December 28, USDA released its quarterly *Hogs and Pigs Report*, showing that U.S. hog producers were not liquidating herds like many in the industry had thought. While the report was in line with previous USDA estimates, February hog future prices opened limit down for two consecutive days and currently are trading about \$5/cwt less than they were last week. The unexpected increase in feed demand on top of an already very tight grain situation has boosted cash corn prices about \$0.13/bu and 1996 corn futures to record closes.

SECRETARY'S SCHEDULE

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

On January 8, I will 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 Franz Fischler.

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

On January 25 to February 3, I will travel to India, China, and Korea for discussions on trade issues.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On January 18-19, Deputy Secretary Richard Rominger will be in Berlin to discuss trade issues; on January 19-21, he will be in Copenhagen to discuss trade issues.

On January 24, Deputy Secretary Rominger will address a convention sponsored by the New Jersey Department of Agriculture in Atlantic City, New Jersey.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On January 8, USDA Under Secretary for Natural Resources and Environment Jim Lyons will attend the Western States Land Commissioners Association meeting in Denver, Colorado; on January 9, he will participate in a signing ceremony for the Cedar River land exchange with Seattle Mayor Norm Rice; on January 19, he will address the Club 20 Conference in Montrose, Colorado, regarding timber sales on national forests; on January 22, he is tentatively scheduled to speak before the Maryland Association of Conservation Districts in Annapolis, Maryland; on January 29, he will attend the National Cattlemen's Association convention and trade show in San Antonio, Texas.

On January 19, USDA Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will visit a Team Nutrition School in southern Florida.

On January 25, USDA Acting Under Secretary for Food Safety Michael Taylor will speak at the Annual International Poultry Exposition in Atlanta, Georgia.

On February 6, USDA Under Secretary for Research, Education, and Economics Karl Stauber will address the Southern Association of Agricultural Scientists in Greensboro, North Carolina; on February 20-22, he will attend the 1996 Extension Directors/Administrators meeting in San Diego, California.

On February 6-7, USDA Acting Chief Financial Officer Ted David will travel to Nevada for a meeting of the USDA Natural Resources Conservation Service Blue Ribbon Panel on Natural Resource Inventory and Performance Measurement.

On February 12-15, USDA Inspector General Roger Viadero will be conducting Department business in the Office of Inspector General's North Atlantic Region.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

January 18, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of January 15, 1996

KEY DEPARTMENT NEWS

Farm Bill Update

On January 23, I plan to meet with key House and Senate Members to underscore the need for Congress to enact new farm legislation. Members who will be invited to participate are Senators Dole, Daschle, Lugar, and Leahy and Congressmen Roberts, de la Garza, and Stenholm.

House Agriculture Committee Chairman Roberts intends to move, within the next few weeks, free-standing farm legislation (Agricultural Market Transition Program) incorporating provisions included in the budget bill. Absent new legislation, USDA is beginning preparation to implement the 1949 Agricultural Adjustment Act and is briefing Congressional staffs. The American Farm Bureau Federation has urged Congress and the President to resolve a budget stalemate and approve a farm bill so farmers can make 1996 planting decisions.

Furlough Continues To Affect USDA Programs

The Forest Service is developing an analysis of operating under a continuing resolution for the rest of the year. The final version will be provided to the Office of Management and Budget next week as requested. The delay in passage of Department of the Interior appropriations legislation has also prevented the opening of the Forest Service's AmeriCorps projects in 20 states.

Tongass Land Management Plan To Be Released

In mid-February, the Forest Service plans to release the draft revision to the Tongass Land Management Plan for the Tongass National Forest in Alaska. Language in the FY96 Interior Appropriations Bill would prevent implementation of these revisions and force the Forest Service to manage the Tongass on the basis of an outdated Plan.

Conservation Reserve Program Announcement To Be Made

USDA will soon announce that holders of Conservation Reserve Program (CRP) contracts expiring on September 30, 1996 will be eligible to terminate their contracts early. About 15.4 million acres are scheduled to expire on September 30. Of this total, less than 1 million acres are expected to take advantage of the early out. The move is consistent with the Administration's goal of ensuring that the CRP should be dedicated to the most environmentally sensitive lands.

By contrast, many of the acres initially enrolled in the program (and would be eligible for the early out) are productive agricultural land with relatively low environmental index values. Producers should have the opportunity to return this land to production given the current short supplies (tightest corn supply/demand in history), high prices, and strong export markets. The Administration seeks new enrollment authority to replace these acres with more environmentally sensitive land.

USDA WORK ON PRESIDENTIAL INITIATIVES

National Partners In Homeownership

Rural Housing and Community Development Service staff participated in the January 12 working group meeting for the Action 62 Rural Home Financing Demonstration Project, a federal-private sector partnership experimenting with new lending approaches to financing homes in rural areas. The working group met to review requests from Empowerment Zones, Enterprise Communities, and Champion Communities to develop and participate in demonstration projects to increase homeownership through these zones and communities.

Empowerment Zone/Enterprise Community Update

The National Association of State Development Agencies and the American Association of Enterprise Zones will hold a conference in Washington, D.C., February 1-2, to address concerns about federal and state initiatives to encourage targeted investment in disadvantaged communities. USDA officials will be participating in the conference.

CONGRESS

Key Congressional Visits And Activities

Today, Department officials briefed Democratic staff on the House Agriculture Committee regarding the affect that the 1949 Agricultural Adjustment Act will have on certain 1996 program crops absent the passage of a new farm bill or the extension of the 1990 farm bill. A similar meeting with Democratic staff of the Senate Agriculture Committee will be held on January 19.

On January 23, I plan to meet with key House and Senate Members to underscore the need for Congress to enact new farm legislation. Members who will be invited to participate are Senators Dole, Daschle, Lugar, and Leahy and Congressmen Roberts, de la Garza, and Stenholm.

House Democrats are circulating a letter to House Agriculture Committee Chairman Roberts requesting that the Committee hold hearings on the companion legislation to S. 1340, the Livestock Concentration Report Act of 1995. The Senate passed its version of the bill in December. I am establishing an advisory committee on concentration and the members should be announced in two weeks. At that time, we expect the Grain Inspection, Packers, and Stockyards Administration to release its report on concentration in the red meatpacking industry. In related news, the American Farm Bureau Federation recently asked Congress to investigate the growing concentration of livestock slaughter among a few big companies.

Senate Oversight and Government Management Subcommittee Chairman Cohen recently inquired about the USDA Section 515 Multiple Family Housing Program number of loans that are underfunded in the reserve account and how many are in workout for repayment. This interest may lead to an oversight hearing. Senate Housing Opportunity and Community Development Subcommittee Chairman Mack has indicated that he will conduct reform hearings on USDA rural housing programs.

On January 25, Senate Agriculture Committee Democratic staff will be briefed on USDA service center implementation and Forest Service reorganization.

On January 16, Agricultural Marketing Service (AMS) Administrator Lon Hatamiya and Congressman Baldacci met with potato growers and reviewed USDA inspection operations in Maine. After this review, AMS will decide how much longer to continue inspections as the budget has exceeded the amount originally set aside for increased inspections. Growers in Maine's potato-producing region have complained about problems associated with increased Canadian potato imports.

Congressional Hearings

The Animal and Plant Health Inspection Service has proposed holding three public hearings in February to solicit input and engage in discussions on making six additional regulatory changes to the Animal Welfare Act regulations regarding housing, care, handling, and transportation of dogs and cats in the commercial pet trade. The hearings will be held in Washington, D.C. (February 13-14), Kansas City, Kansas (February 21-22), and St. Louis, Missouri (February 23-24). Congressman Poshard will likely attend the hearing in Missouri.

On January 25, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold a hearing regarding the Forest Service's land and resource management planning process.

On January 25, the House Commerce Health and Environment Subcommittee will hold a hearing regarding the implementation and enforcement of the 1990 Clean Air Act Amendments, especially methyl bromide. Deputy Secretary Richard Rominger has been asked to testify.

PRESS INQUIRIES

Press Conferences/Statements

Today, the Food Safety and Inspection Service and Food and Drug Administration held a press availability to discuss regulatory reform food safety actions as part of the National Performance Review.

Press Contacts With USDA

Prime Time Live requested an interview with Acting Under Secretary for Food Safety Michael Taylor on the subject of the illegal drug, clenbuterol. The Food Safety and Inspection Service, the Food and Drug Administration, and the Department of Customs cooperated on a case involving the illegal import of the drug by a Wisconsin animal feed producer, who sold it to veal producers in several states. The program will note that despite the illegal status of the drug, some producers have been able to obtain it. FSIS has a test for the drug in meat and has found one positive in about 2,200 samples.

Associated Press is investigating the Forest Service historic aircraft program and will probably be releasing a story this week about a General Services Administration request to reclaim aircraft.

Associated Press is working on a story regarding the number of Forest Service employees retained during the recent furlough to administer specific timber salvage sales.

Under Secretary for Marketing and Regulatory Programs Michael Dunn was interviewed this week by the *New York Times* regarding the status of animal welfare reform legislation, among other related topics.

Hearst Newspapers is doing profiles on Cabinet members.

WEEK IN REVIEW

Mexico Trip Focuses On Trade Issues

On January 14-16, I attended the opening in Mexico City of the Food and Beverage Festival (USDA's most important international food show) and met with Mexico's Minister of Trade and Commerce Herminio Blanco and Agriculture Minister Francisco Labastida to discuss outstanding trade problems. Trade discussions focused on NAFTA-related issues, and, in particular, the problems Florida vegetable growers are facing due to increased imports from Mexico. Discussions were frank and thoughtful, with both countries agreeing that information exchange on production and seasonality is crucial to sorting out these problems. After the meeting, I held a media availability, which was covered by U.S. wire services. Minister of Agriculture Labastida and I issued a joint communique today on the results of our meetings.

I also participated as a witness at a formal signing ceremony by the presidents of the National Cattlemen's Association and its Mexican counterpart, which will result in the withdrawal of Mexico's anti-dumping case against U.S. beef exports, initiated in May 1994. While in Mexico, I announced an increase in USDA GSM-103 program credits to help finance additional U.S. cattle exports to Mexico to rebuild herds devastated by a severe drought.

Florida Hikes Inspection Of Imported Produce

The Florida Department of Agriculture and Consumer Services recently announced its intention to step up inspections of fruit and vegetable shipments and begin charging fees from shippers to stem what it calls a flood of pest-ridden produce from Mexico and Latin America. This action could be challenged under U.S. law and under NAFTA.

Florida producers have accused Mexico and Latin America of dumping cheap fruits and vegetables, mainly tomatoes from Mexico, on the U.S. market since implementation of NAFTA in 1993. 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.

Senator Graham introduced legislation on December 11 to amend the Agricultural Marketing Agreement Act of 1937 to provide that imported tomatoes be subject to packing standards contained in marketing orders issued by the Department. 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. I expressed support of the legislation sponsored by Senator Graham to make changes favorable to Florida growers in current import safeguards and legislation concerning packaging requirements for imported tomatoes.

Today, U.S. and Mexican trade officials began meetings in Washington, D.C. to discuss the Administration's proposed unilateral action to change tomato import quotas under NAFTA.

Appeal Filed In Mining Case Regarding National Forest

Several companies (M.A. Hanna, Noranda Mining, and Alumet) have appealed the Ninth Circuit District Court's dismissal of the Forest Service as a defendant in *State of Idaho v. M.A. Hanna Company*. This litigation involves the cleanup of contamination caused by Blackbird Mine, located on the Salmon National Forest in Idaho. Appellants who have already begun to clean the site and restore natural resources seek cleanup costs from the Forest Service under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Superfund statute.

The outcome of this appeal could have major consequences regarding Forest Service liability at numerous other mine sites within the National Forest System, because it raises issues on appeal for the first time regarding what government liability, if any, exists under CERCLA where the Department administers lands contaminated by mining conducted by private entities pursuant to the 1872 Mining Law.

Ruling Issued Regarding Timber Sales

On January 10, District Court Judge Hogan (Oregon) ordered that the Section 2001(k) timber sales provision of the rescission act of 1995 applies to all sales offered in the time period of FY90 to the date of enactment. Sales that are impossible to locate because of remarking or subsequent sales are not included in 2001(k). Sales that were returned by the high bidder must be offered to the next-high bidder. As to previously enjoined sales, the court issued an order that plaintiffs may take to the court that issued

the earlier injunction in order to get the injunction lifted. Finally, the order issues an injunction requiring the Forest Service to award "immediately" and allow to operate the affected sales. Environmentalists have appealed the January 10 decision. The government has yet to decide whether to appeal. Judge Hogan still has before him the issue of "known to be nesting."

Fast-Food Chain Sued Over Tainted Hamburger

The Jack-in-the-Box restaurant chain has been sued by the family of a Washington state child severely injured by a contaminated hamburger in a 1993 *E-coli* bacteria outbreak at several of the company's restaurants. The lawsuit, filed in U.S. District Court in Seattle, Washington, claims that the child suffered possibly permanent neurological and emotional damage after eating a hamburger at the restaurant. President Clinton called the child and his family to express his concern at the time. The *E-coli* outbreak in the Pacific Northwest caused three deaths, with about 500 more people getting sick, the majority of whom became ill after eating at the company's restaurants.

USDA Announces Increase In Sugar Import Quota

Following concurrence from the Interagency Sugar Working Group, I announced on January 17 that the tariff-rate quota (TRQ) for raw cane sugar has been increased by 400,000 metric tons. The new total FY96 TRQ level is now slightly more than 1.8 million metric tons. Country allocations of the increased TRQ will be announced soon by the U.S. Special Trade Representative. The decision to increase the TRQ caused little immediate response from the industry. Sugar user reaction ranged from appreciation for the action to a demand for a larger increase. Cane and beet sugar growers voiced only mild disappointment with the new level. The Department will continue to monitor the supply and use of sugar, and additional adjustments of the TRQ are possible based on U.S. import requirements.

Vesicular Stomatitis Outbreak May Be Over

Colorado recently removed from quarantine its last ranches affected by Vesicular Stomatitis (VS), a disease in cattle and horses. All six states affected by VS (Arizona, Colorado, New Mexico, Texas, Utah, and Wyoming) have now released all quarantines and are considered free zones, bringing the outbreak to an apparent end. However, surveillance has been heightened to determine if the virus will overwinter and reoccur in the spring. There has been considerable Congressional and media interest in the VS outbreak, because it affects cattle auctions and related ranch business and the interstate and international movement of livestock.

USDA Survey Shows Pork Producers Responsive To Environmental Concerns

Data from a recent Animal and Plant Health Inspection Service study reveals that 52.6 percent of producers with operations of 10,000 or more hogs made changes in the area of manure management in response to concerns or regulations about environmental quality. Of that same group, 36 percent made changes in the area of dust control. The Department has received numerous complaints from various groups in the past regarding pollution by large hog operations.

Sheep Research And Promotion Program Challenged

On January 11, a South Dakota sheep feeder filed a petition with USDA which challenges the proposed sheep research and promotion order on various constitutional grounds. The order will be voted on in a producer referendum in February. There has been considerable media interest in this issue, including a recent article in the *Washington Post* business section.

Grazing Fees Calculated

Data from the December National Agricultural Statistics Service *Agricultural Prices* report indicate that the calculated grazing fees, using the current formula, will decrease to \$1.29 from \$1.61 per Animal Unit Month, in part due to lower cattle prices. The fee charged to ranchers will be held up by the 1986 Executive Order mandated minimum of \$1.35. The grazing fee estimate has not been officially released by the Forest Service and Department of the Interior Bureau of Land Management.

SECRETARY'S SCHEDULE

On January 22, I will discuss the farm bill, with an emphasis on rural development, before the Farm Credit Council in Washington, D.C. About 1,000 people are expected to attend.

On January 25 to February 3, I will travel to India, China, and Korea for discussions on trade issues.

On February 5, I will address the annual Maryland Agriculture Breakfast in Waldorf, Maryland.

On February 7-8, I will address the National Association of Conservation Districts and National Association of Wheat Growers national conventions in Nevada.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Through January 19, Deputy Secretary Richard Rominger will be in Berlin to discuss trade issues; on January 19-21, he will be in Copenhagen to discuss trade issues.

On January 24, Deputy Secretary Rominger will address a convention sponsored by the New Jersey Department of Agriculture in Atlantic City, New Jersey.

On February 2-11, Deputy Secretary Rominger will be in New Zealand and Australia for several trade related events. In Australia, he will speak at Outlook '96, the country's largest forecasting conference.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On January 19, Under Secretary for Natural Resources and Environment Jim Lyons will address the Club 20 Conference in Montrose, Colorado, regarding timber sales on national forests; on January 22, he will speak before the Maryland Association of Conservation Districts in Annapolis, Maryland; on January 29, he will attend the National Cattlemen's Association convention and trade show in San Antonio, Texas; on February 7-8, he will attend the 50th anniversary meeting of the National Association of Conservation Districts in Nevada.

On January 19, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will visit a Team Nutrition School and meet with the *Palm Beach Post* editorial board in West Palm Beach, Florida; on January 29, she will speak at the National Cattlemen's Association annual convention in San Antonio, Texas.

On January 25, Acting Under Secretary for Food Safety Michael Taylor will speak at the Annual International Poultry Exposition in Atlanta, Georgia.

On February 6, Under Secretary for Research, Education, and Economics Karl Stauber will address the Southern Association of Agricultural Scientists in Greensboro, North Carolina; on February 20-22, he will attend the 1996 Extension Directors/Administrators meeting in San Diego, California.

On February 6-7, Acting Chief Financial Officer Ted David will travel to Nevada for a meeting of the USDA Natural Resources Conservation Service Blue Ribbon Panel on Natural Resource Inventory and Performance Measurement; on February 13-14, he will travel to New Orleans, Louisiana on Department business.

On February 9, Assistant Secretary for Administration Wardell Townsend will address USDA National Scholars and university and government officials at Tuskegee, Alabama; on February 16, he will address the Conference of Minority Public Administrators in Houston, Texas.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

January 25, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of January 22, 1996

KEY DEPARTMENT NEWS

Farm Bill Update

On January 23, I called a meeting with a bi-partisan group of House and Senate Members to discuss lack of consensus on farm bill legislation. By law, I must implement the Agricultural Adjustment Act of 1949, which will be both expensive and difficult to administer, unless Congress passes a farm bill. House and Senate Agriculture Committee Chairmen Roberts and Lugar, Representatives de la Garza and Stenholm, Senate Majority Leader Dole, and Senate Minority Leader Daschle attended the meeting.

I met with the media following the meeting, including interviews with *The Washington Post* and *New York Times*. On January 24, I had a telephone interview with the *Minneapolis Star-Tribune* editorial board. Deputy Secretary Rominger also spoke on the farm bill before the New Jersey State Agricultural Convention on January 24. On January 24, the Department issued a statement which answers questions concerning reverting to permanent legislation for 1996 wheat, feed grains, and rice crops.

Today, Representative Gunderson held a press conference announcing a bill to reform the dairy program. He indicated that the bill has bi-partisan support and he hopes to get it attached to the farm bill when the full House Agriculture Committee marks up next week. Chairman Roberts today said that he intends to mark up the Freedom to Farm Act on January 30. I remain optimistic that by working with House Committee Democrats, we can work to ensure that the legislation includes provisions closer to the Administration's positions.

legislation sponsored by Senator Graham to make changes favorable to Florida growers in current import safeguards and legislation concerning packaging requirements for imported tomatoes.

The FY96 Interior and Related Agencies Appropriations Act is still pending. The Forest Service is currently operating under a continuing resolution that will expire on January 26 for all operations, except recreation visitor services, which have been approved through September 30.

The General Services Administration recently informed USDA that the House Government Reform and Oversight Committee is conducting an inquiry into Executive Branch travel. The Committee has requested copies of all senior federal travel reports and other information related to compliance with President Clinton's February 1993 Executive Order regarding use of government aircraft.

Today, Under Secretary for Natural Resources and Environment Jim Lyons met with Representative Richardson to discuss the proposed expansion of Santa Fe ski area on the Santa Fe National Forest in New Mexico.

Representative Bass wrote USDA on behalf of numerous horse owners in New Hampshire who oppose any waiver of the equine piroplasmosis-testing requirements for imported horses. He was informed that equine health in the United States remains a priority of the Animal and Plant Health Inspection Service (APHIS) and that APHIS' proposed limited waiver for certain horses competing in the 1996 Olympic Games would adequately manage the risk associated with such imports.

On January 19, as part of implementation of the School Meals Initiative for Healthy Children and Team Nutrition, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas was joined by Representative Foley for a Team Nutrition event in Jupiter, Florida. In his public remarks, Representative Foley commended the Administration for the innovative approach of Team Nutrition to ensure healthier school meals in communities across the country. Local media covered the event.

Representative Chenoweth recently contacted the Forest Service to express opposition to the reintroduction of at least 30 gray wolves in central Idaho national forests and Yellowstone National Park, taking place this week. The Forest Service is cooperating with the Department of the Interior Fish and Wildlife Service in the transportation and release of wolves into the areas. In November 1991, Congress mandated that the federal government prepare a draft environmental impact statement for reintroducing gray wolves to these areas. In June 1994, a record of decision was signed to reintroduce the gray wolves. In January 1995, 15 wolves were reintroduced in central Idaho and 14 in Yellowstone.

Congressional Hearings

Today, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management held a hearing on management of national forests. Under Secretary for Natural Resources and Environment Jim Lyons testified.

The House Commerce Subcommittee on Health and Environment held a hearing today on Title VI of the Clean Air Act and the impact of the seventh meeting of the parties of the Montreal Protocol. Larry Elworth, the Department's pesticide policy specialist, testified.

On January 26, the House Commerce Subcommittee on Health and Environment will hold a hearing on priorities for reauthorization of the Safe Drinking Water Act.

KEY REGULATORY ACTION

Alaska Subsistence Fisheries Regulations Proposed

Proposed federal regulations have been drafted that extend federal jurisdiction for managing subsistence fisheries in all federally reserved waters in Alaska. The regulations, to be approved by USDA and the Department of the Interior, will be published in the *Federal Register* in February. The proposed rule stems from issues raised in the case of Katie John et al. v. the United States and Alaska and conforms to the Ninth Circuit Court decree issued in State of Alaska v. Babbitt.

Rule Published On Occupancy And Use of Developed Sites

In the January 23 *Federal Register*, the Forest Service published a rule on the occupancy and use of developed sites and areas of concentrated public use (expanded locations where admission fees may be charged). The rule became effective the date of publication.

Regulations Issued On Nonprocurement Debarment And Suspension

USDA recently published a final rule amending regulations on nonprocurement debarment and suspension. The amended regulation now includes timber sales. Therefore, before sending notices of timber sales and before awarding timber contracts, the Forest Service must determine whether a prospective purchaser has been precluded from doing business with the government via debarment or suspension by another federal agency. The regulation will become effective on February 5.

PRESS INQUIRIES

Press Conferences/Statements

On January 24, I was interviewed by the *St. Louis Post Dispatch* and the *Red River Radio Network*, a Louisiana National Public Radio affiliate, regarding the President's State of the Union address. The USDA Sub-cabinet also participated in the State of the Union media rollout. About 17 telephone interview took place, serving media markets in communities in West Virginia, Louisiana, and Indiana.

On January 24, I was interviewed by *The Washington Post* and *New York Times* regarding the farm bill. On January 24, I had a telephone interview with the *Minneapolis Star-Tribune* editorial board. (See *Key Department News: Farm Bill Update*)

Press Contacts With USDA

The Washington Post is working on a story analyzing how well salvage timber portions of the rescissions bill are working, including controversy over Section 318 timber sales.

On February 11, "In The Line of Duty: Smokejumpers" will air on *NBC* stations. The movie focuses on the life of Don Mackey as a Forest Service smokejumper. His life was ended while fighting a wildfire on Colorado's Storm King Mountain, July 6, 1994. The decision to make Mackey's life the focus of the movie went against his parents' wishes. The Forest Service declined any involvement in the movie.

CNN has indicated interest in coverage of timber sales on the Conecuh National Forest (Alabama). Salvage timber sales are underway to remove downed timber resulting from Hurricane Opal.

American Journal syndicated television series requested information about the Food Safety and Inspection Service *Listeria monocytogenes* testing program for hotdogs. They also sent a FOIA request for information about plants that were tested in the *Listeria* monitoring program.

A Current Affair has asked for a followup interview or response to their show in the fall about stolen pets being used for research.

The Denver Post inquired as to whether USDA is investigating, at the request of the National Cattlemen's Association, possible laundering of South American cattle through Mexico for importation into the United States. They were informed that,

under a bilateral agreement with the United States, Mexico implements similar import requirements, so illegal entry of cattle from South America is unlikely, even over the Mexico-Guatemala border. No investigation is taking place.

WEEK IN REVIEW

Government Overturned In Rescissions Act Timber Case

District Court Judge Hogan (Oregon) rejected the government's interpretation of the 1995 Rescissions Act, potentially forcing the Forest Service to release 57 timber sales totalling 230.56 million board feet, and the Department of the Interior Bureau of Land Management to release two timber sales in Oregon and Washington, totalling 10 million board feet. While the Rescissions Act allows the sales to be withheld if an endangered or threatened bird is "known to be nesting" in the timber sale unit, Judge Hogan rejected the government's approach of using a scientific protocol that infers nesting in a timber sale unit if a bird was observed flying into a nearby stand.

Judge Hogan held these sales could only be withheld under the Rescissions Act if the agencies had direct observation or evidence of current nesting within the boundaries of the timber sale. The January 19 decision in NERC v. Glickman is the fifth time Judge Hogan has rejected the government's interpretation of Section 2001(k) of the Rescissions Act, and two of his previous decisions are on appeal to the Ninth Circuit Court of Appeals.

Activities Occur Over Rescissions Act/Timber Sales

A western Washington environmental group recently submitted the top bid for the Thunder Timber Salvage Sale on the Okanogan National Forest (Washington). The Northwest Ecosystem Alliance outbid three logging companies for the rights to log the sale. This is the first time in Forest Service history that a group has bid on a timber sale with no intention of harvesting. The Forest will review the bid to determine whether to award the sale. Additional media attention is expected when the review is completed. Award is based on whether the bidder can fulfill the timber harvest contract. This salvage sale would harvest less than 2 percent of timber killed by the 1994 Thunder Mountain Fire.

Logging activities are expected to begin next week on the Rocky Timber Sale on the Olympic National Forest (Washington) and Forest Service personnel anticipate a demonstration by environmental group Earth First! over the Rescissions Act (Section 318 timber sale). The theme for the protest is "logging without laws." The agency is operating under the law and has explored alternatives and made modifications to the

sale. This protest has the potential to be highly controversial. Representative Dicks was interested in seeing a federal buyout of this sale, but efforts to buyout the sale or find substitute timber volume were not successful.

The North Umpqua Ranger District of the Umpqua National Forest (Oregon) was the site of a January 19 demonstration by 200 people concerned about the Rescissions Act. The event was organized by a local environment group, Umpqua Watershed. The rally theme was "cutting green timber under the salvage rider is illegal and killing fish." Local media were present at the non-violent protest.

USDA Moves To Resolve Airtanker Ownership Issue

Airtanker contracts for the 1996 fire season were awarded on December 22. The Forest Service has contacted the General Services Administration regarding its direction to take action to put ownership of the exchanged aircraft under Forest Service control. Draft legislation has been submitted by USDA providing for acquisition of excess military aircraft by the airtanker industry and draft legislation ratifying the historic aircraft exchange program, and resolving the aircraft ownership issue, if forthcoming. A legislative strategy is being developed for these two legislative proposals.

Rainbow Family To Gather In Southern Region

The communal group Rainbow Family is planning a regional gathering in Florida sometime in mid-February to test the constitutionality of the non-commercial group use regulation, which became effective on September 29, 1995. It is likely the group will not obtain a permit as required under those regulations. If the group does not find a suitable site in Florida, it may move to Georgia. The regional gathering has taken place on the Ocala National Forest in recent years. Forest Service officials are working closely with other federal officials in Florida and Georgia.

Russia Stalls Payment Waiting For Paris Club Action

The Paris Club has agreed to meet in 1996 to discuss Russian financing needs, but dates have not been set. Russia's International Monetary Fund agreement must be in place before Paris Club negotiations can begin. In the meantime, in hopes of forcing a more favorable repayment schedule, a payment of close to \$103 million in principal, relating to the 1993 former Soviet Union rescheduling, and due January 1, was not fully paid by Russia. Only a partial payment of \$16 million in interest was paid to the Commodity Credit Corporation.

Colombia Requiring Fumigation Of U.S. Fruits And Vegetables

After oriental fruit fly (OFF) detections in California and Florida, Colombia is now fumigating all fruits and vegetables from the United States with methyl bromide. Colombia's action represents the latest in a series of trade-restrictive moves by countries in the region in response to OFF detections. Ecuador has required fumigation for California produce since December 1995, and Argentina has banned all California produce since October 1995. On January 24, I discussed the issue with Colombia's Ambassador to the United States. He called Colombian authorities and, we understand, was able to work out a solution that will enable U.S. fruits from the Pacific Northwest to be imported. The Northwest Horticultural Council is grateful for this action.

Texas Growers Vote To End Boll Weevil Eradication Program

Earlier this month, Texas' Lower Rio Grande Valley growers voted to end the cooperative boll weevil eradication program in their area, contending that eradication activities during the past growing season resulted in reduced crop yields. While program operations may have been a limited contributing factor, Animal and Plant Health Inspection Service (APHIS) officials have determined that extreme weather conditions, including flooding, drought, and hail, were the principal factors affecting crop yields.

The boll weevil program is grower driven, so this decision effectively ends eradication activities in that part of the state. APHIS officials do not believe the decision will adversely impact boll weevil program operations in other parts of Texas. These areas are located more than 60 miles away from the Valley, and growers there continue to support the boll weevil program. This issue has received considerable press and Congressional attention.

SECRETARY'S SCHEDULE

Today through February 3, I will travel to India, China, and Korea for discussions on trade issues.

On February 5, I will address the annual Maryland Agriculture Breakfast in Waldorf, Maryland with Representative Hoyer.

On February 7-8, I will address the National Association of Conservation Districts and National Association of Wheat Growers national conventions in Nevada.

On February 13, I will travel to New York for a food stamp event with Representative Schumer.

On February 19-20, I will travel to Idaho to tour the Boise Fire Center and address the Idaho Agriculture Summit and Boise City Club.

On February 23, I will travel to Kansas to address the Kansas Farmers Union Forum.

The end of February, I will travel to the Pacific Northwest on timber related issues.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On February 2-11, Deputy Secretary Rominger will be in New Zealand and Australia for several trade related events. In Australia, he will speak at Outlook '96, the country's largest forecasting conference.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On January 29, Under Secretary for Natural Resources and Environment Jim Lyons will attend the National Cattlemen's Association convention and trade show in San Antonio, Texas; on February 7-8, he will attend the 50th anniversary meeting of the National Association of Conservation Districts in Nevada.

On January 29, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will speak at the National Cattlemen's Association annual convention in San Antonio, Texas.

On January 30, General Counsel James Gilliland will speak at the Mid-South Farm Forum at the Agri-Center in Memphis, Tennessee.

On February 2, Acting Chief Financial Officer Ted David will visit the Forest Service Regional Office in Milwaukee, Wisconsin; on February 6-7, he will travel to Nevada for a meeting of the USDA Natural Resources Conservation Service Blue Ribbon Panel on Natural Resource Inventory and Performance Measurement; on February 13-16, he will travel to New Orleans, Louisiana on National Finance Center business.

Through February 3, Under Secretary for Research, Education, and Economics Karl Stauber will accompany me on my trip to India, China, and Korea; on February 6, he will address the Southern Association of Agricultural Scientists in Greensboro, North Carolina; on February 20-22, he will attend the 1996 Extension Directors/Administrators meeting in San Diego, California.

On February 9, Assistant Secretary for Administration Wardell Townsend will address USDA National Scholars and university and government officials at Tuskegee, Alabama; on February 16, he will address the Conference of Minority Public Administrators in Houston, Texas.

On February 11-15, Inspector General Roger Viadero will be conducting USDA business in the Office of Inspector General (OIG) North Atlantic Region; on February 25-28, he will be in the OIG Southeast Region.

On February 15, Acting Under Secretary for Food Safety Michael Taylor will speak at the opening session of the National Meat Association's convention in San Francisco, California.

On February 27, Under Secretary for Farm and Foreign Agricultural Services Gene Moos will be the keynote speaker at Grain World '96, a Canadian Wheat Board sponsored event in Winnipeg.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

February 1, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for the Week of January 29, 1996

KEY DEPARTMENT NEWS

Farm Bill Update

On January 30, the House Agriculture Committee approved Chairman Roberts' Freedom to Farm legislation (H.R. 2854) by a vote of 29 to 17. The vote was party line, except for Representatives Peterson, Condit, and Bishop, who voted for the bill. Committee Democrats offered several amendments that were defeated on party line votes or withdrawn, except for a CRP amendment by Representative Peterson. Representative Peterson's amendment, which deletes the restrictions on CRP enrollments in 1997 and eliminates the provision that allows producers to give a 60-day notice to leave the program, passed by voice vote. Representative Emerson's amendment to extend the authority of P.L. 480 and Food for Progress also passed by voice vote.

The bill is awaiting action in the Rules Committee, and may not reach the floor until the weekend or sometime next week. Originally, Chairman Roberts wanted a floor vote no later than February 2. However, Representative Volkmer reportedly plans to take the full three days allowed for the minority to file dissenting views. There are also a significant number of majority party Members who oppose Chairman Roberts' request for a closed rule.

The Senate is debating its version of the farm bill today. The plan is similar to the farm policy provisions included in the budget reconciliation bill, which was vetoed by the President earlier this year. Senator Leahy is also expected to offer a compromise co-sponsored by Senators Breaux, Johnston, and Graham. The substitute amendment contains several conservation measures, nutrition provisions, and dairy language that would allow New England states to set their own milk prices. I sent a letter to Senators Daschle and Dole which acknowledges the improvements included in the Leahy amendment, but reiterates the recommendation that the Lugar bill, as modified by the Leahy amendment, be

vetoed by the President. A cloture vote on the Lugar bill, without the Leahy amendments, was defeated earlier today, 53 to 45. At this time, negotiations are underway between all parties to develop compromise legislation.

New Zealand/Australia Mission To Promote U.S. Trade Perspective

On February 2-11, Deputy Secretary Rominger will travel to New Zealand and Australia to discuss pending agricultural trade issues with government officials. The focal point of the mission will be an address at the international agricultural outlook conference in Canberra, Australia. The visit to New Zealand will include a courtesy meeting with Prime Minister James Bolger, meetings with New Zealand meat industry representatives, and the Ministers of Trade and Agriculture. Deputy Secretary Rominger will provide the U.S. perspective on our domestic and international agricultural policy, which are often presented in an unfavorable light by officials in these countries. This visit has been long sought by New Zealand and Australia officials.

Asia Trip Brings Agreement With India

Today, I returned from my Asia trip in order to be present to work with Congress on farm bill issues. While in India, I signed an agreement with the Indian Minister of Agriculture for cooperation in the agricultural sciences. Under Secretary for Research, Education, and Economics Karl Stauber joined me on the trip.

USDA To Participate In *E. coli* Education Initiative In New York

The Food Safety and Inspection Service (FSIS) will be participating in a New York state consumer food safety education campaign in 1996, when federal, state, and local government officials join forces to coordinate an intensive campaign aimed at preventing illness from the bacteria *E. coli* O157:H7. The campaign is expected to kick-off in the spring, although the primary focus and attention will be during the summer months when the majority of *E. coli* outbreaks occur.

In related action, the Economic Research Service will release on February 5 *Tracking Foodborne Pathogens From Farm To Table*. This report is a proceedings of a conference of food safety policymakers and scientists held in January 1995 to evaluate data available for analyzing control of foodborne microbial pathogens. Of special concern is the inability to link pathogen data throughout the food chain.

Five Mid-Atlantic States Seek EWP Funding

Five Mid-Atlantic states, hit with blizzards and then flooding in January, have requested nearly \$19 million in funding from the Emergency Watershed Protection (EWP) program. Pennsylvania, New York, West Virginia, Virginia, and Maryland have identified areas where immediate repairs are needed, including roads and bridges. The Natural Resources Conservation Service has requested that \$9 million of the \$35.5 million authorized in a supplemental appropriation, held for previous storms, be released to these states.

USDA WORK ON PRESIDENTIAL INITIATIVES

Helping Native Americans

Rural Utilities Service (RUS) Deputy Administrator Adam Golodner recently visited two Arizona Native American tribes, the San Carlos Apache and the Tohono O'Odham, to discuss bringing the Information Superhighway and the President's Education and Technology Initiative to the reservations.

The Tohono O'Odham has been a RUS borrower for the past 10 years and is on the verge of bringing the internet, distance learning, and telemedicine to its reservation. The San Carlos Apache is becoming a first-time RUS borrower with a \$14 million loan to allow the tribe to purchase an outdated telephone exchange and upgrade the facilities, with the express purpose of aiding in education, health care, and economic development. During the trip, Golodner met with the vice chairman of the Tohono O'Odham tribe and explained the Administration's Information Superhighway vision.

On February 6-8, USDA will sponsor a national meeting in Albuquerque, New Mexico for all 33 Indian Tribal Organizations which administer the Women, Infants, and Children (WIC) program. The meeting, the second of its kind sponsored by the Department, is geared to the special challenges of administering WIC in small, primarily rural entities and to culturally diverse Native American populations. The meeting is being held at the request of the Indian Tribal Organizations and in compliance with President Clinton's April Executive Order setting forth federal responsibilities to understand and respect the right of native American tribal governments.

USDA Participates In Gore-Chernomyrdin Commission Meetings

Deputy Secretary Richard Rominger attended the January 29-30 sessions of the Gore-Chernomyrdin Commission (GCC) of U.S.-Russian Economic and Technological Cooperation at the State Department. At the meeting, Deputy Secretary Rominger and Russian Prime Minister Chernomyrdin briefed Office of the Vice President officials on the progress of the agribusiness committee.

CONGRESS

Key Congressional Visits And Activities

On January 26, the Senate passed Senator Graham's bill (S. 1463), modifying the definition of "domestic industry" in Section 202 of the Trade Act of 1974. The new definition would allow the International Trade Commission, in cases involving perishable agricultural products such as tomatoes, to define the industry to include only domestic producers who produce the product during a particular growing season. In the House, Representative Shaw's companion bill (H.R. 2795) was pulled from the suspension calendar this week due to opposition generated by Mexico and Canada. I recently traveled to Florida, where 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.

On January 26, the Senate passed S. 2929, the Farm Credit System Regulatory Relief Act of 1995. The bill mirrors the House-passed version and is now awaiting the President's signature.

On January 24, the Senate passed S. 1494, sponsored by Senator D'Amato, reauthorizing the Rural Housing Service Section 515 Multi-Family Housing Program through FY96. House-Senate final agreement has not been resolved.

As part of the FY96 continuing resolution bill, certain Housing and Urban Development programs were extended or modified. As a result, USDA's Rural Housing Service Multi-Family Housing projects (RHS 515) were minimally impacted. In the late 1970s and early 1980s, some RHS 515 projects received Section 8 subsidies instead of USDA Section 521 rental assistance. Only these specific projects, totaling seven in four states, will be impacted by changes made regarding Section 8 rental assistance. The remaining RHS 515 projects will not be impacted by the continuing resolution.

The FY96 continuing resolution also prohibits USDA from issuing or implementing regulations regarding log exports that may have originated after September 8, 1995. The language would prohibit any restraints on domestic transportation or storage accountability requirements on unmilled timber targeted for export.

The Food Safety and Inspection Service (FSIS) recently received calls from Senator Kerrey and Senator Harkin regarding steam vacuuming of beef carcasses. FSIS plans to publish a *Federal Register* notice announcing a new agency directive on the use of steam vacuuming later this winter.

Congressional Hearings

On January 30, the House Agriculture Committee marked up H.R. 2854, the Agriculture Market Transition Act. (*See Key Department News: Farm Bill Update*)

Today, the House Commerce Subcommittee on Energy and Power held a hearing on the Public Utility Regulatory Policies Act and its role in the competitive electricity markets.

On February 6, the Senate Energy and Natural Resources Subcommittee on Oversight and Investigations will hold a hearing to review trends in federal land ownership.

On February 15-16, the House Resources Committee will hold field hearings in Wrangell and Ketchikan, Alaska on H.R. 2413, the Tongass Transition Act.

On February 23, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a field hearing in Maine on potatoes.

On February 28, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a hearing on research and promotion programs.

On March 6-7, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold hearings on the impact of NAFTA on fruits and vegetables.

On March 12, 19, and 27, the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold hearings on the research title of the farm bill.

KEY REGULATORY ACTION

Oil/Gas Lease Records Of Decision To Be Released

Some Records of Decision for oil and gas leasing in the Greater Yellowstone Area will be released this month on the Shoshone National Forest (Wyoming), and in April on the Beaverhead National Forest (Montana) and Beartooth unit of the Custer National Forest (Montana). The release of these decisions had been delayed pending review to ensure this program meets the requirements of ecosystem management.

Yogurt May Be Permitted As Meat Alternate In Meal Programs

USDA has cleared a proposed rule to permit yogurt as a meat alternate in the National School Lunch, School Breakfast, Summer Food Service, and Child and Adult Care Food Programs. The Food and Consumer Services will cite public demand and scientific findings indicating the overall benefits of yogurt and advantages for lactose intolerant children as justifications for proposing yogurt as a meat alternate.

Business And Industry Guaranteed Loan Program Final Rule

The Office of Management and Budget has cleared the Business and Industry Guaranteed Loan Program proposed rule. Publication in the *Federal Register* is expected soon, after which there will be a 60-day comment period before it can be prepared for clearance as a final rule.

Rural Technology And Cooperative Development Grants Final Rule

Public comments to the Rural Technology and Cooperative Development Grants proposed rule have been addressed. The final rule will be published soon in the *Federal Register*.

Comment Sought On Added-Sugar Cereals In WIC Program

USDA will publish a *Federal Register* notice soon to seek input on whether the Food and Consumer Service should publish a proposed rule permitting cereals with specified amounts of sugar to be permitted for use in the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The WIC statute requires FCS to guard against excessive sugar in foods.

PRESS INQUIRIES

Press Contacts With USDA

On February 2, *NBC's Dateline* will air a story on the Animal and Plant Health Inspection Service investigation of D&T Kennels in Oregon, which led to the imprisonment of the facility owner over Animal Welfare Act violations.

NBC's Dateline is working on a story about a person fined by the Animal and Plant Health Inspection Service for transporting food from Mexico into the United States. The person disputed the fine and lost. The segment is titled "Red Tape Tales."

The *Los Angeles Times* and several other newspapers inquired about the status of the Animal and Plant Health Inspection Service's proposal on allowing the importation of Mexican avocados into 19 northeastern states. The agency is finalizing its response to public comments and a decision will be made after careful consideration. There has been considerable Congressional attention to this issue.

WEEK IN REVIEW

Trip Focuses On U.S.-European Union Trade Issues

Deputy Secretary Richard Rominger returned from his trade-related travel to Berlin and Copenhagen, January 18-20. While in Berlin, he attended Green Week ceremonies and met with German Minister of Agriculture Jochen Borchert, European Union (EU) Agriculture Commissioner Franz Fischler, and Polish Agriculture Minister Roman Jagielinski. In Copenhagen, he met with Danish Agriculture Minister Henrik Dam Kristensen, Danish Permanent Under Secretary of Environment Leo Bjornskov, and Danish Farmers' Union Chairman Peter Gamelke.

Meetings focused on discussions of mutual interest in the areas of improving trade relations, including U.S. concerns with EU policies prohibiting the importation of U.S. meat products containing certain Food and Drug Administration approved growth hormones, and the mandatory labeling of agricultural products which contain genetically modified organisms (GMOs). While some progress was made in fully explaining the U.S. position on these concerns, little tangible results were evident, especially on the hormones issue. EU representatives seemed more sympathetic to the specific concerns expressed with their proposed GMO policy. These contacts will serve to build a foundation for further discussion and mutual agreements in the future.

Procedural Dates Set For Packers and Stockyards Act Case

A pre-hearing telephone conference in the IBP Inc. case was held on January 25. Chief Administrative Law Judge (ALJ) Palmer has filed a summary of the conference and sets forth procedural dates in the case. The hearing is set for September 24-27 in Kansas City, Missouri. On April 8, the complainant (Packers and Stockyards Administration) will provide their list of exhibits and witnesses to IBP. On June 3, IBP will provide a list of exhibits and witnesses. The ALJ has asked each party to file pre-hearing briefs. This case involves alleged violations of the Packers and Stockyards Act by IBP by giving preferential treatment to a group of Kansas feedyards.

Supreme Court Review Sought In Fruit Advertising Program Case

The Solicitor General filed a petition on January 24 seeking Supreme Court review of a decision of the Ninth Circuit Court of Appeals holding that the California tree fruit generic advertising program, which was funded by mandatory industry assessments under the Agricultural Marketing Agreement Act of 1937 (AMAA), was unconstitutional. The Ninth Circuit reasoned that the mandatory assessments compelled industry members to engage in commercial speech, implicating their First Amendment rights, and that the program was unconstitutional unless the Department could show that the generic advertising carried out under the program was more effective than individualized advertising and was sufficiently narrowly tailored.

This decision could affect all of the advertising programs under the AMAA, as well as those conducted under free-standing "check-off" legislation and under numerous state programs. Over \$200 million is spent annually on such programs, which are intended to increase consumption of targeted agricultural commodities. The Solicitor General's petition argues that the Ninth Circuit applied the wrong test in striking down the tree fruit advertising program and that its decision is in conflict with a decision by the Third Circuit upholding the constitutionality of the beef promotion program.

Oral Argument To Be Held In Log Importation Case

On January 22, the United States filed a motion to dismiss plaintiffs' complaint for improper venue or, in the alternative, to transfer plaintiffs' complaint to the United States District Court for the District of Maryland in a civil action filed by three environmental groups seeking to enjoin the Animal and Plant Health Inspection Service (APHIS) from continued implementation of its regulation governing the importation of logs, lumber, and other unmanufactured wood articles (wood import regulation). Oral argument on APHIS' motion will be heard by the court on March 1.

On November 14, 1995, the Oregon Natural Resources Council, the Pacific Environment and Resources Center, and the Northcoast Environmental Center filed a civil action against APHIS in the United States District Court for the Northern District of California. This regulation, which became effective on August 23, 1995, sets forth prohibitions and restrictions with regard to the importation of unmanufactured wood articles in order to eliminate any associated plant pest risks. Prior to the enactment of the regulation, there were no regulations specifically addressing wood imports. APHIS had been dealing with such imports only by detaining shipments at ports of first arrival for inspection, and ordering further action if warranted pursuant to the Federal Plant Pest Act and the regulations issued thereunder.

The plaintiffs' complaint alleges that the final Environmental Impact Statement (EIS), which was written to address the potential impact of the proposed wood import regulation, fails to comply with certain requirements of the National Environmental Policy Act (NEPA), the regulations of the Council on Environmental Quality (CEQ) implementing NEPA, and the Administrative Procedure Act (APA). The plaintiffs specifically request the court to order APHIS to discontinue the importation of shipments of raw logs until APHIS prepares a supplemental EIS.

Update On Rescissions Act Cases

The Administration is considering whether the government should appeal the latest two adverse rulings by Judge Hogan in *NERC v. Glickman* interpreting Section 2001(k) of the 1995 Rescissions Act. The court has directed the Forest Service to award 15 timber sales to the next-highest bidder of a sale if the high bidder for the sale is not able to take award of the contract (January 10 decision) and to release 55 sales unless the Forest Service has evidence that an endangered or threatened bird species (marbled murrelet) is currently nesting within the sale boundaries (January 19 decision). Judge Hogan stayed his January 19 order for 60 days to allow an appeal to be taken. Environmental groups have filed appeals to the Ninth Circuit on both decisions.

Mexican Spotted Owl Recovery Plan Released

On January 24, the Fish and Wildlife Service finalized the Mexican Spotted Owl Recovery Plan. The Draft Environmental Impact Statement (DEIS) amending national forest plans in the Southwestern Region includes amended Mexican spotted owl standards and guidelines. The comment period for the DEIS will be extended 30 days past the publication date of the Recovery Plan.

Mexico Permits Texas Citrus Imports

Culminating several years of effort, U.S. and Mexican officials have finalized a phytosanitary protocol that will permit exports of Texas citrus to Mexico. With the Texas citrus industry's shipping season winding down by April, the full benefits of the Mexican market opening are not expected to be realized until next year's crop. Texas now joins California in being approved to export citrus to Mexico. The process of gaining market access for Florida and Arizona is ongoing. (*See Congress: Key Congressional Visits And Activities*)

United States Asks For WTO Consultations On EU Hormone Ban

On January 25, the United States requested consultations within the World Trade Organization (WTO) over the European Union's (EU) import ban on meat from livestock treated with growth hormones. Despite the U.S. action and the findings of the November 1995 EU Hormone Conference that use of the five U.S.-approved hormones in livestock raising poses no health risk, both the European Parliament and the Council of Agriculture Ministers have reaffirmed their commitment to maintaining the import ban on such beef.

USDA Issues Deficiency Payments For Cotton And Rice

Farm Service Agency county offices will issue 1995 final deficiency payments for upland cotton and rice after today to eligible producers. The producers who were enrolled in the 0/50, 0/85, or 0/92 program options will make up the majority of those receiving cotton payments. Cotton producers who planted cotton and received advance payments may be overpaid for 1995.

Cooperation Program With Vietnam Being Developed

The second meeting of the U.S.-Vietnam committee on agriculture was held on January 23 in Hanoi to discuss a 1996 program of agricultural cooperation. Discussions initiated by Deputy Secretary Richard Rominger in a general memorandum of understanding on technical cooperation were continued. Also discussed were a 1996 program of cooperation in Vietnam. Possibilities for cooperations include: a USDA agricultural attache to Hanoi; technical seminars by agricultural cooperators; visits of high-level U.S. private sector and state government teams to discuss trade opportunities; and Department-supported scientific exchanges.

Department Signs Farm Credit Agreement With Alaska

In a major step forward, Alaska's Department of Natural Resources has signed a Farm Credit Lending Agreement with the Farm Services Agency (FSA), which will open Alaskan agricultural land to eligibility for federal farm loans. Producers interested in FSA loans have been awaiting this agreement, and loan applications are expected to exceed the budget allocations now that the agreement is in place.

Cajun Electric Power Cooperative Bankruptcy Update

On January 25, the Fifth Circuit reversed on rehearing its earlier order and affirmed the appointment of a trustee in the bankruptcy of Cajun, a Rural Utilities Service (RUS) borrower with more than \$4 billion in government debt. The order on rehearing not only permits the retention of a bankruptcy trustee, considered critical to a satisfactory resolution of this case, but also avoids a damaging precedent for the RUS program.

Pistachio Industry Requests Marketing Order

The Agricultural Marketing Service recently received a formal request from the California Pistachio Commission and the Western Pistachio Association for a marketing order for pistachios grown in California, Arizona, Nevada, New Mexico, and Utah.

Company To Withdraw From Domestic Infant Formula Market

Wyeth-Ayerst Laboratories Division of American Home Products Corp. (Wyeth) has announced that it will withdraw from the domestic infant formula market by April 1996. Wyeth has contracts with 13 state agencies and Native American state agencies to provide infant formula to the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC). The Office of General Counsel has been advising the Food and Consumer Service on a number of issues created by Wyeth's withdrawal, including what options state agencies with Wyeth contracts may consider in securing a new supplier.

SECRETARY'S SCHEDULE

On February 5, I will address the annual Maryland Agriculture Breakfast in Waldorf, Maryland with Representative Hoyer.

On February 7-8, I will address the National Association of Conservation Districts (NACD) and National Association of Wheat Growers national conventions in Nevada. At the NACD event, I will host a mutual agreement partnership event and sign symbolic mutual agreements to be displayed at USDA and around the country by NACD regional representatives.

On February 13, I will travel to New York to address the second annual Institute for Public Affairs--Orthodox Union and possibly participate in a food stamp event with Representative Schumer.

On February 19-20, I will travel to Idaho to tour the Boise Fire Center and address the Idaho Agriculture Summit and Boise City Club.

On February 21, I will address USDA's annual Outlook Forum in Washington, D.C.

On February 22, I will address the USA Rice Federation in Washington, D.C.

On February 23-24, I will be in Kansas to address the Kansas Farmers Union Forum and participate in other possible activities.

On February 26, I will address the National Association of State Departments of Agriculture meeting in Washington, D.C.

The end of February, I will travel to the Pacific Northwest on timber related issues. I will also address the Agriculture Council of California 77th annual meeting in Sacramento and the Commonwealth Club in San Francisco on February 28-29.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

On February 2-11, Deputy Secretary Rominger will travel to New Zealand and Australia to discuss pending agricultural trade issues with government officials. *(See Key Department News: New Zealand/Australia Mission To Promote U.S. Trade Perspective)*

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On February 2, Under Secretary for Rural Economic and Community Development Jill Long Thompson will travel to Pine Bluff, Arkansas to speak at the University of Arkansas-Pine Bluff.

On February 2, Acting Chief Financial Officer Ted David will visit the Forest Service Regional Office in Milwaukee, Wisconsin; on February 6-7, he will travel to Nevada for a meeting of the USDA Natural Resources Conservation Service Blue Ribbon Panel on Natural Resource Inventory and Performance Measurement; on February 12-16 and February 28-March 1, he will travel to New Orleans, Louisiana on National Finance Center and other Department business.

On February 5-7, Inspector General Roger Viadero will be conducting USDA business in the Office of Inspector General (OIG) Western Region; on February 11-15, he will be in the North Atlantic Region; on February 25-28, he will be in the OIG Southeast Region; on March 4-8, he will be in the Western Region.

On February 5-8, Under Secretary for Natural Resources and Environment Jim Lyons will attend the 50th anniversary meeting of the National Association of Conservation Districts in Nevada. During this visit, he will meet with Forest Service Region 3 leadership in Albuquerque, New Mexico and with Natural Resources Conservation Service leadership in Las Vegas.

On February 6, Under Secretary for Research, Education, and Economics Karl Stauber will address the Southern Association of Agricultural Scientists in Greensboro, North Carolina; on February 20-22, he will attend the 1996 Extension Directors/Administrators meeting in San Diego, California.

On February 7-8, Assistant Secretary for Administration Wardell Townsend will be in Tuskegee, Alabama to address USDA National Scholars and university and government officials; on February 16, he will address the Conference of Minority Public Administrators in Houston, Texas; on March 25, he will travel to San Antonio, Texas to address the Safety and Health Conference.

On February 9, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the International Public Market Conference and hold a Team Nutrition school event in Philadelphia, Pennsylvania.

On February 12, Under Secretary for Farm and Foreign Agricultural Services Gene Moos will address the Independent Bankers Association annual winter membership meeting in Naples, Florida; on February 27, he will be the keynote speaker at Grain World '96, a Canadian Wheat Board sponsored event in Winnipeg; on March 22, he will address the Rural Community Insurance Services Association annual convention in San Diego, California.

On February 13-14, Acting Under Secretary for Food Safety Michael Taylor will speak at the Food Safety and Inspection Service management meeting in College Station, Texas; on February 15, he will give the opening session of the National Meat Association's convention in San Francisco, California.

On February 26-28, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will participate in the Screwworm Commission meeting, Exotic Animal Diseases meeting, and Medfly meeting in Mexico City; on March 8, he will speak to the National Farmers Union Convention in Cincinnati, Ohio.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

February 8, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of February 5, 1996

KEY DEPARTMENT NEWS

Farm Bill Passes In Senate

Yesterday, the Senate passed a \$46 billion farm bill, known as the Freedom to Farm Act. The 64-32 vote split largely along party lines, with Democratic Senators Akaka, Baucus, Biden, Boxer, Feinstein, Ford, Graham, Heflin, Inouye, Johnston, Leahy, Lieberman, Mosley-Braun, Nunn, Pell, Robb, Simon, and Wyden voting for final passage.

None of the adopted amendments fundamentally changed the farm bill's defining features, which remain virtually identical to the agriculture provisions of the vetoed budget reconciliation bill. Over its seven years, the legislation guarantees fixed payments to wheat, feed grains, cotton, and rice farmers, undoing the counter-cyclical nature of current farm programs. The legislation frees farmers to plant whatever they wish by ending land-idling and historic practices requirements. Although this provision is somewhat more expansive than what the Administration proposed, it is not objectionable.

Major amendments approved that address the Administration's priorities include: the Ford amendment, which establishes the Fund for Rural America for research and rural development; the Leahy en bloc amendment that, among other things, reauthorizes nutrition and conservation programs; an amendment to retain permanent law; and a Lugar en bloc amendment that, among other things, increases the price support for oilseeds and includes research, trade, credit, and rural development titles consisting largely of Administration farm bill recommendations and passed by the Agriculture Committee last year.

Other adopted amendments of note include: the Wellstone amendment, striking the Northeast Dairy Compact; the Brown amendment, restricting the ability of the Forest Service to obtain water rights in certain circumstances; the Bryan-Bumpers

amendment, restricting the Market Promotion Program to small businesses and prohibiting brand name promotions; and the Graham amendment, addressing assorted Florida-related crop insurance concerns. The Senate rejected the Dorgan amendment and Daschle substitute, which would have required farmers to plant to earn payments under the bill.

Following up on the Senate passage of the farm bill, Farm Service Agency (FSA) staff is working on policy papers, regulations, software, and procedures to implement farm bill conference language. A task force of state executive directors and county office staff is scheduled to meet the week of February 19 to finalize policy papers.

Preparatory work also continues in FSA in the event that a new farm bill not be enacted, and USDA programs revert back to permanent legislation. An example of the kind of effort needed is the establishment of state and local farm level wheat allotments to accompany the \$7.82 per bushel price supports. The possible result would be a \$6 billion-\$7 billion first-year program cost, a 50-percent reduction in wheat exports, and the Canadians turning the United States into their largest wheat market.

FSA county offices are reporting that many farmers are convinced that the 1949 Act will go into effect for the 1996 crop. The agency is preparing to implement needed policy pronouncements for two 1996 crop programs under the Commodity Credit Corporation Charter Act authority. The 1996 Extra-Long Staple cotton and rice programs are due to be announced soon as required under permanent law. On February 12, the Economic Research Service will release *Rice Outlook*. The report will reveal significant market uncertainty over the farm bill outcome. U.S. export volume in 1996 depends, in large part, on planting decisions linked to the farm bill outcome.

USDA Keeps Eye On State Disasters

Florida producers are reporting significant crop damage after a recent arctic freeze, with the majority of damage in southern counties where the planting season lasts all year. Primary crops reported to be non-recoverable were green beans and sweetcorn. Although these crops have a short growing period, producers fear they have missed the market window, making it uneconomical for them to replant. Florida Gulf Coast producers are reporting major tomato crop losses. Central and eastern Florida growers have reported minimal damage to their tomato crops and expect a normal harvest. Orange and other citrus producers are reporting minimal damage to their crops. Damaged fruit that cannot be sold as solid produce will be converted to juice or frozen concentrated products. At this time, there are not any requests for disaster assistance.

Farm Service Agency (FSA) staff has been in close touch with the Oregon FSA state office regarding the severe flooding situation in the state. Local FSA offices are monitoring the evolving disaster and beginning to assess the impact on crops, livestock, farm structures, and farmland. FSA is prepared to react to any request for a disaster declaration.

Pennsylvania FSA county offices continue to receive inquiries about the Emergency Conservation Program (ECP) as a result of recent floods in the state. All Pennsylvania counties have been designated for federal disaster assistance. With most counties experiencing flooding on farmlands, there is a definite potential for ECP, but at this time there are no funds available. Disaster assistance for crops, including fish and greenhouse plants, is also being sought. With FY96 ECP funding exhausted, and demand for the program strong in many states, possible consideration is being given to an Administration request for supplemental funding, providing that an offset can be found within the Department's budget.

Progress Made On Import/Export Issues

Next week, USDA and Mexican Ministry of Agriculture officials will continue consultations regarding tomatoes and facilitate conversations between representatives of agricultural producer organizations in both countries. Mexican Minister of Agriculture Labastida and I agreed to the consultations at our meeting in Mexico City on January 15.

Devaluation of the Mexican peso, increased access to U.S. markets due to NAFTA, and favorable weather conditions have led to increased imports of tomatoes and other produce from Mexico, and has reduced U.S. producer prices. The Florida Congressional delegation was notified of these consultations, which fulfill a commitment that Ambassador Kantor and I made to the delegation earlier this year.

Russia has requested that the United States compile a list of poultry diseases present in each U.S. state as a prerequisite for accepting U.S. poultry meat exports. The Animal and Plant Health Inspection Service is negotiating this issue with Russia, which represents an estimated \$600 million market for U.S. poultry meat. In addition, Foreign Agricultural Service Administrator Gus Schumacher recently met with Japanese officials in Tokyo to discuss the impact of the country's import restriction on tobacco blue mold on U.S. tomato exports to Japan.

USDA To Release Concentration Report/Announce Advisory Committee

Next week, USDA will release a long-awaited study on concentration in the meat packing industry. Mandated by Congress, the study was initiated during the previous Administration and examines a number of key issues, including procurement markets for livestock, price determination, the effect of captive supplies, and the potential use of market power in the red meat packing industry. It also examines the hog industry to a lesser extent. Simultaneously with the release of the report, I will announce the establishment of an advisory committee on concentration which will review the report as well as a number of other issues relative to concentration in agriculture. The advisory committee will issue a report to me by June 1996 regarding potential steps the Department could take to address concerns regarding concentration in agriculture.

Both the report and the advisory committee will be the subject of substantial industry, Congressional, and media interest. The Department is planning a press conference, followed by constituent and Congressional briefings as well as media outreach. I will also be conducting a radio bridge with Senator Daschle, who sponsored legislation to establish a Presidential Commission to examine the concentration report. The legislation passed the Senate but has stalled in the House, where it is sponsored by Representative Johnson.

Agreement Being Sought On Tongass National Forest Lawsuit

This week, Under Secretary for Natural Resources and Environment Jim Lyons and Assistant Attorney General Lois Schiffer are in Seattle, Washington meeting with Forest Service officials and plaintiffs in AWRTA (Alaska Wilderness Recreation and Tourism Association) v. Morrison, in an effort to seek tentative agreement on a settlement offer. Governor Knowles has appealed to the President and USDA for assistance in attempting to reach an out-of-court settlement to free up some timber. Senator Stevens included sufficiency language to override the injunctions in the Interior appropriations bill, vetoed by the President.

Over 280 million board feet of Tongass National Forest (Alaska) timber is currently enjoined under this lawsuit, which alleges the Forest Service violated the National Environmental Policy Act and the Alaska National Interest Lands Conservation Act by failing to consider, through a public process, any alternatives in offering timber that had been prepared to meet contract commitments with the Alaska Pulp Company (APC) prior to the termination of its long-term contract. The contract was terminated because APC failed to operate its pulp mill under the terms of the contract.

USDA WORK ON PRESIDENTIAL INITIATIVES

Welfare Reform Update

The Food Stamp Program and the food distribution programs were reauthorized in the farm bill passed yesterday by the Senate. If these provisions are enacted, Congress will not need to pass welfare reform legislation to ensure that these programs are authorized through the year 2002.

Food, Nutrition, and Consumer Services (FNCS) staff continue to monitor the ongoing welfare reform debate and to provide support to the Office of Management and Budget. On February 1, FNCS forwarded legislative language making changes to the Food Stamp Program for use by the White House in ongoing welfare reform negotiations.

On February 6, the National Governors Association (NGA) unanimously agreed to a policy paper on welfare reform. Under the plan, NGA agreed to support a modified version of H.R. 4, the Congressionally-passed plan, with the exception of the alien provisions in the bill. Changes impacting federal nutrition programs include elimination of the Food Stamp Program authorization cap and changes in food stamp income deductions to match the previous Senate-passed bill. This may give Congress impetus to take action on welfare reform. FNCS received a copy of the NGA proposal, which is now being reviewing. To date, USDA has not released an analysis.

Helping The Homeless

This week, USDA released *Rural Homelessness--What Can be Done?*, a report which summarized the perspectives of people across the country that provide assistance to the homeless in rural communities. The report provides national and state policy makers with insights on rural homelessness. Rural Housing Service (RHS) Administrator Maureen Kennedy made a series of commitments and recommendations to be implemented by RHS. These efforts will combat homelessness through such methods as targeting a portion of RHS' rental assistance budget for homeless families transitioning into permanent housing.

CONGRESS

Key Congressional Visits And Activities

In March, the House Committee on Economic and Educational Opportunities will mark up reauthorization of the Older Americans' Act, including reauthorization of the Nutrition Program for the Elderly (NPE). The Administration has proposed that NPE be transferred from USDA to the Department of Health and Human Services.

Congressional Hearings

On February 15, Senator Bumpers will hold a field hearing in Arkansas regarding a land exchange between Weyerhaeuser and the Ouachita National Forest in Arkansas and Oklahoma.

On February 15 and 16, the House Resources Committee will hold field hearings in Wrangell and Ketchikan, Alaska on H.R. 2413, the Tongass Transition Act.

On February 23, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a field hearing in Maine on potatoes.

On February 26, the House Transportation and Infrastructure Subcommittee on Water Resources and Environment will hold a hearing on the Water Resources Development Act.

On February 28, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold a hearing on Research and Promotion Programs.

On March 1, the Senate Banking, Housing, and Urban Affairs Subcommittee on Housing Opportunity and Community Development will hold a hearing on the Housing Reform Act.

On March 6 and 7, the House Agriculture Subcommittee on Risk Management and Specialty Crops will hold hearings on the impact of NAFTA on fruits and vegetables.

On March 12, 19, and 27, the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold hearings on the farm bill research title.

On March 19, 20, 21, 26, 27, and 28, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies will hold hearings on the 1997 Agriculture Appropriations bill. The Subcommittee plans to invite me to appear on March 19.

In March, the Senate Energy and Natural Resources Committee is expected to hold a hearing regarding H.R. 924 and S. 393, which would prohibit a land exchange to transfer Elsmere Canyon on the Angeles National Forest (California) to the Elsmere Corp. in return for privately held inholdings to develop a solid waste management facility for Los Angeles County. A draft environmental impact statement released by the Forest Service last year recommended against such an exchange.

The House Resources Committee is likely to hold a hearing next month on Forest Service decision-making.

KEY REGULATORY ACTION

USDA Plans Puppy Mill Field Hearings

The Animal and Plant Health Inspection Service is planning three public hearings to solicit input from concerned parties on Animal Welfare Act enforcement with regard to commercial animal dealers. These hearings are tentatively scheduled for February 21-22 in Kansas City, Missouri; February 23-24 in St. Louis, Missouri; and early March in Washington, D.C. Representative Poshard, a leading advocate of puppy mill reforms, plans to participate in the St. Louis hearing.

PRESS INQUIRIES

Press Conferences/Statements

The Food Safety and Inspection Service Meat and Poultry Hotline will soon release a new feature on sending food gifts to U.S. troops in Bosnia.

Press Contacts With USDA

On February 11, "In the Line of Duty: Smokejumpers" will air on *NBC* stations, focusing on the life of Don Mackey as a Forest Service smokejumper who lost his life while fighting the South Canyon Fire in Colorado on July 6, 1994. The decision to make Mackey's life the focus of the movie went against his parents' wishes, thus the Forest Service declined involvement in the movie.

An article in the January issue of *Money* magazine on "How to Afford the American Kid" relies heavily on the annual report prepared by the USDA Center for Nutrition Policy and Promotion, *Expenditures on Children by Families*. The article notes that USDA economists estimate it will cost the average upper-middle income family \$198,060 to support a child born in 1994 through age 17. If one

factors inflation into the picture, the figure rises to \$343,630. The amount balloons to \$43,000 for the first child in a family. These figures do not take college education into account.

FOIA REQUESTS

NBC News requested information from the Farm Service Agency on individuals receiving more than \$100,000 in funds, especially from the livestock feeding program.

The Memphis, Tennessee *Commercial Appeal* requested documents of payments to USDA for 1995 and 1996.

The *Commercial Appeal* requested information regarding the Upland Cotton Domestic User/Exporter Program.

Following up on a recent request for information about the Food Safety and Inspection Service *Listeria monocytogenes* testing program for processed meat, particularly hotdogs, *American Journal* has submitted a FOIA request for additional material on the program.

WEEK IN REVIEW

County Supremacy Grand Jury Held In Nevada

On February 7, Elko County, Nevada officials convened a grand jury to investigate alleged criminal activity by federal land management officials. In the latest round of the so-called "Sagebrush Rebellion," the grand jury was established by public petition under provisions of Nevada law for alleged "violations of the rights of the citizens of Elko County by [Federal] Government agencies." USDA has not received an update on actions taken by the grand jury.

General Counsel James Gilliland met with Departments of Justice and Interior and Forest Service officials on February 6, where it was discussed that there has been no criminal wrongdoing by federal employees and that this grand jury is an attempt to further the county supremacy movement by intimidation of federal employees. The county supremacy movement has apparently led to attacks on USDA employees in Nevada, including the bombing of the Carson District Office of the Toiyabe National Forest. Today, I visited with Forest Service employees at that office while traveling in Nevada.

Permittees Appeal Grazing Decision

Grazing permittees Kit and Sherry Laney have appealed a June 19, 1995 decision by the Gila National Forest (New Mexico) supervisor to reduce permitted numbers of cow-calf pairs on the Diamond Bar grazing allotment. On January 17, 20 percent of the Laney's term grazing permit on the forest were canceled due to continued violations of their permit. The Laney's are expected to remain in noncompliance, since they believe that in order to have their water and grazing rights confirmed in court, their permit must be in jeopardy. Senator Domenici has been interested in this case.

Team Nutrition Program Expands

There are now nearly 2,000 Team Nutrition Schools in the United States, leading the way to local implementation of the School Meals Initiative for Healthy Children. Last week, I sent a letter to the nation's school principals, inviting them to join Team Nutrition Schools, which actively engage children and their parents, food service staff, teachers, agricultural organizations, and other community leaders at the local level to improve school meals. They are already responding enthusiastically, and we anticipate that there will be 10,000 Team Nutrition Schools by the 50th anniversary of the National School Lunch Program in June. On February 9, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will visit a school in Philadelphia, where she will recognize the city as the nation's first Team Nutrition Schools City.

Positive articles applauding USDA's Team Nutrition Program and improvements to school lunches were recently published in the *Boston Globe* and *Palm Beach Post*. In addition, two food stamp articles appeared in the *Chicago Sun Times*--one on fraud and retailer integrity and the other on Electronic Benefits Transfer and the future of the Food Stamp Program.

U.S. Agricultural Exports Continue To Grow

Old-crop wheat prices hit 15-year highs on the strength of foreign demand and damaging weather for prospective new-crop supplies. Exporters reported to USDA sales totaling 2.6 million tons of U.S. wheat for the week ending January 25, the second-highest weekly total since weekly reports began in 1973. China's recent purchases of 2.1 million tons were unexpectedly strong, and now there are trade reports that China may be interested in another million tons, possibly a mix of old and new crop. As for Russia, attempts to secure U.S. ExIm Bank guaranteed credits have fueled industry rumors of impending major sales of old crop wheat. In late January and early February, I was in China to discuss trade issues--including wheat concerns--with Chinese government officials.

On February 12, the Economic Research Service will release *Cattle and Sheep Situation and Outlook Report*, which will reveal that beef exports are forecast to continue to keep growing, with the United States likely becoming a net exporter for the first time since World War II. However, cow-calf producers have recently curtailed expansion plans over the past year as they failed to cover cash costs for the first time since 1985.

United States Arrears To FAO Continue to Grow

As of February 1, U.S. arrears to the United Nations Food and Agriculture Organization (FAO) were about \$148 million, with an additional assessment of \$81 million due in 1996. Although a U.S. payment of about \$2.5 million is expected soon, the level of arrears is rapidly reaching the point where the United States may lose its voting rights and seat on the FAO Council. The availability of funding for all international organizations has remained problematic, as Administration funding requests for these activities are lowered by Congress during the appropriations process.

Rural Development Technology Program Transferred To USDA

The Appropriate Technology Transfer for Rural Areas (ATTRA) program has been transferred to USDA from the Department of the Interior for FY96. This program was included in the rural technology and cooperative development grant account, and funds totaling \$3.8 million were requested to fund both programs; ATTRA's share was to be \$1.3 million.

Congress appropriated a total of \$2.3 million for the programs and provided report language that up to \$1.3 million could be used for ATTRA. Funding ATTRA at this level would reduce funding for the equally popular rural technology and cooperative development program. Rural Economic and Community Development officials decided that it was more equitable to divide the \$2.3 million by a pro-rata share of the total received in FY95. This split would provide \$966,000 for ATTRA and about \$1.3 million for rural technology and cooperative development. The National Center for Appropriate Technology, a national nonprofit organization specializing in sustainable technologies and processes, developed ATTRA to encourage agricultural producers to adopt sustainable agricultural practices.

Telephone/Electric Program Loans Approved

The Rural Utilities Service Telephone Program recently approved the following loans: James Valley Cooperative Telephone Co., Groton, South Dakota, \$4.2 million; and Pine Island Telephone Co., Hector, Minnesota, \$2.6 million and \$1.5 million.

The following loans have been approved for electric systems in rural areas under the Rural Electrification Loan Restructuring Act of 1993. Funds from these loans will be used to extend electric service to new consumers, build new distribution facilities, upgrade existing distribution facilities, and make other system improvements. Municipal interest rate loans include: Indian Electric Cooperative Inc., Cleveland, Oklahoma, \$3.2 million; Sullivan County Rural Electric, Forksville, Pennsylvania, \$1.4 million; Central Electric Membership Corp., Sanford, North Carolina, \$5.5 million; and Upson County Electric Membership Corp., Thomaston, Georgia, \$980,000. A hardship loan was approved for Lyon-Coffey Electric Cooperative Inc., Burlington, Kansas, \$2 million.

SECRETARY'S SCHEDULE

Today, I addressed the National Association of Wheat Growers national convention and held a media availability in Reno, Nevada. In addition, I visited with Forest Service employees in Carson City. On March 30, a bomb exploded outside the Carson District Office of the Toiyabe National Forest.

On February 19-20, I will travel to Idaho to tour the National Interagency Fire Center (formerly known as Boise Fire Center) and address the Idaho Agriculture Summit and Boise City Club.

On February 21, I will address USDA's annual Outlook Forum in Washington, D.C.

On February 22, I will address the USA Rice Federation in Washington, D.C.

On February 23-24, I will be in Kansas to address the Kansas Farmers Union Forum and participate in other activities.

On February 26, I will address the National Association of State Departments of Agriculture meeting in Washington, D.C.

The end of February, I will travel to the Pacific Northwest on timber related issues. I will also address the Agriculture Council of California 77th annual meeting in Sacramento and the Commonwealth Club in San Francisco on February 28-29.

DEPUTY SECRETARY'S SCHEDULE FOR NEXT WEEK

Through February 11, Deputy Secretary Richard Rominger is conducting discussions with New Zealand and Australia government officials regarding pending agricultural trade issues. In a news conference in Australia, he discussed U.S. actions to reduce farm subsidies and direct farmers to get more income from the marketplace. Deputy Secretary Rominger called on Australia to drop its wheat board in order to make a freer market and criticized the country's long-term trade contracts with Asian nations and their slowness in accepting imports of U.S. fruit.

SUB-CABINET TRAVEL/MAJOR SPEAKING ENGAGEMENTS

On February 9, Under Secretary for Research, Education, and Economics Karl Stauber will meet with the 1890s Extension Directors in Washington, D.C.; on February 10, he will address the American Association for the Advancement of Science meeting in Baltimore, Maryland; on February 22, he will travel to San Diego, California to address the Extension Directors and Administrators meeting.

On February 9, Under Secretary for Rural Economic and Community Development Jill Long Thompson will travel to Institute, West Virginia to address the annual meeting of the West Virginia State Rural Development Council; on February 10, she will travel to Albany, Georgia to address the Federation of Southern Cooperatives annual meeting.

On February 9, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the International Public Market Conference and hold a Team Nutrition school event in Philadelphia, Pennsylvania; on February 14-16, she will travel to California to, among other activities, visit a Team Nutrition School in the Pajaro Valley School District with Congressman Farr. (*See Week In Review: Team Nutrition Program Expands*)

On February 12, Under Secretary for Farm and Foreign Agricultural Services Gene Moos will address the Independent Bankers Association annual winter membership meeting in Naples, Florida; on February 27, he will be the keynote speaker at Grain World '96, a Canadian Wheat Board sponsored event in Winnipeg; on March 22, he will address the Rural Community Insurance Services Association annual convention in San Diego, California.

On February 13-14, Acting Under Secretary for Food Safety Michael Taylor will speak at the Food Safety and Inspection Service field management meeting in College Station, Texas; on February 15, he will give the opening session of the National Meat Association's 50th anniversary convention in San Francisco, California.

On February 15-16, General Counsel James Gilliland will travel to Puerto Rico on Office of General Counsel business; on March 1, he will address the Mid-South Environmental Forum in Memphis, Tennessee.

On February 23, Under Secretary for Natural Resources and Environment Jim Lyons will speak at the Seventh American Forest Congress in Washington, D.C.; on March 22, he will speak to the Anne Arundel Soil Conservation Society in Annapolis.

On March 25, Assistant Secretary for Administration Wardell Townsend will travel to San Antonio, Texas to address the USDA Safety and Health Conference.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

April 11, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of April 8, 1996

I. KEY DEPARTMENT NEWS

Farm Bill Update: Secretary Glickman pledged that USDA would work quickly to implement the 1996 Farm Bill, which the President signed on April 4. The Secretary pledged that the Department would disseminate information to the public in a timely manner and stated that he remained concerned that the bill fails to provide an adequate safety net for family farmers.

On April 10, the Secretary announced that producers of spring-planted crops have until May 2 to obtain catastrophic risk protection coverage. This will help provide producers with the maximum amount of time to evaluate their risk management needs. Given the diminished safety net in the new farm bill, producers will need crop insurance now more than ever to secure credit and manage risk.

USDA transmitted informational materials to Congress on April 5 and will soon hold Congressional briefings on the implementation aspects of the legislation. Significant media and press interest has been received, and USDA Subcabinet members have conducted a number of interviews. The Department has also developed material for an extensive public information effort to explain the farm bill provisions to the public.

USDA Makes Progress With Karnal Bunt Issue: On April 4, Secretary Glickman released a statement announcing the successful conclusion of technical discussions with Canada on the issue of U.S. grain moving through Canada. Canada had recently banned U.S. durum wheat and required testing of other classes of U.S. wheat for Karnal bunt before entering the country.

USDA is holding a series of meetings with interested parties. On April 12, the Agricultural Research Service will host a meeting in Phoenix, AZ, where researchers from several states will discuss science applied to handle Karnal bunt activities. On April 18, a follow-up meeting will be held in Minneapolis, MN with National Association of State Departments of Agriculture (NASDA) officials. On April 10, a meeting was held in St. Louis, MO with state officials, milling industry representatives, and Animal and Plant Health Inspection Service (APHIS)

officials. On April 4, the Secretary met with grain industry and NASDA representatives and Assistant Secretary for Marketing and Regulatory Programs Michael Dunn met with National Grain and Feed Association officials. USDA officials briefed House staff on April 10 regarding the Department's efforts, with a similar briefing provided for Senate staff on March 28.

Following the Secretary's declaration of emergency, authorizing the transfer and use of Commodity Credit Corporation funds to conduct a program to identify, control, and eradicate the Karnal bunt fungus in wheat, APHIS and Farm Service Agency (FSA) representatives are working to manage the impact in Texas, California, New Mexico, and Arizona. APHIS officials met with affected producers and issued emergency action notices to destroy wheat on certain premises. FSA risk management staff are confirming procedures for adjusting losses on any acreage the Department requires to be destroyed to control the wheat disease. Crop insurance losses will not be paid on acreage ordered destroyed for which producers receive the emergency declaration compensation.

European Union/United Kingdom Agree On BSE Policy: The European Union (EU) and United Kingdom (UK) agreed on April 3 to most details on a policy to restore consumer confidence to an EU beef market that has been damaged by concerns over a link between Bovine Spongiform Encephalopathy (BSE) and Creutzfeld-Jakob disease. The policy is divided into several categories, including consumer confidence and market support. Consumer confidence is expected to be boosted by a ban on the slaughter for food of all bovine animals in the UK over 30 months of age. Market support will consist of funding for the purchase of cull cows and adult bulls over 30 months, with 70 percent funding from the EU, 30 percent from the UK, and with the UK absorbing the costs of destruction. The EU and UK continue to negotiate final details of the policy.

USDA Works To Meet Russian Poultry Import Requirements: The General Conference Committee of the Animal and Plant Health Inspection Service's (APHIS) National Poultry Improvement Plan (NPIP) held a conference call with APHIS import-export veterinarians and North Carolina and Alabama state officials to discuss how the NPIP will meet the requirement of the Russian Poultry Export Meat Certificate. The certificate states that "poultry comes from flocks that are in good standing with respect to poultry salmonellosis according to the U.S. National Poultry Improvement Plan." The NPIP state agencies will send an official document to the Food Safety and Inspection Service (FSIS) area supervisor attesting that poultry meat covered by this export certificate originates from broilers that are progeny of multiplier breeding flocks participating in the NPIP.

Court Affirms Ruling Upholding President's Forest Plan: On April 10, the 9th Circuit Court of Appeals agreed with Judge Dwyer's 1994 ruling sustaining the Northwest Forest Plan. The 1994 Plan (the President's Forest Plan) was found to be in compliance with federal environmental law and legal authority regarding the National Forest and Department of Interior Bureau of Land Management. The 9th Circuit rejected challenges from environmental groups and timber industry claims were added to the environmental claims.

USDA Announces Agreement On First and Last Timber Sales: On April 6, the Forest Service reached an agreement that will halt the logging of the First and Last old-growth timber sales on the Umpqua National Forest in Oregon. The agreement states that Scott Timber will voluntarily accept alternative timber in a less environmentally sensitive area in exchange for the First and Last timber sales. The agreement culminates weeks of efforts by the Forest Service and Administration officials to find a way to implement a workable solution that protects the First and Last sales. The agreement reflects broad-based support from the Administration, environmental groups, and the timber industry.

Forest Service Seeks Resolution In Timber Lawsuit: On April 9, the Federal District Court in Alaska deferred ruling on a proposed settlement offer and ordered all of the parties in the Alaska Wilderness, Recreation, and Tourism Association (AWRTA) v. Morrison litigation, including the timber industry, to re-engage in settlement negotiations, until all parties can reach agreement. All parties are to report back to the court on April 17 to report the status of negotiations. Over 280 million board feet (mmbf) of timber from the Tongass National Forest in Alaska is currently enjoined under a lawsuit by AWRTA that alleges the Forest Service violated the law by failing to consider, through a public process, any alternatives in offering timber that had been prepared to meet contract commitments with the Alaska Pulp Company (APC) prior to the termination of APC's long-term contract. USDA and the Department of Justice and the plaintiffs sought approval by the courts of an offer to settle a portion of the lawsuit to lift injunctions on 105 mmbf.

Ground Breaking Ceremonies Set For Wildland Firefighters Monument: On April 13, the ground breaking ceremony for the Wildland Firefighters Monument will be held in Prineville, OR. Official dedication of the monument honoring all wildland firefighters -- past, present, and future -- will be held June 15. While the monument is privately funded, it honors all wildland firefighters, including Forest Service employees, and also memorializes the 14 who died at Storm King Mountain, CO on July 6, 1994.

Court Reverses Dismissal Of Bull Trout Lawsuit: On April 2, the 9th U.S. Court of Appeals in San Francisco, CA overturned an earlier ruling and ordered the case back to federal district court in Oregon. The ruling reversed a dismissal of a lawsuit filed by four Montana-based conservation groups accusing the Fish and Wildlife Service (FWS) of acting illegally to keep the bull trout off the list of threatened or endangered species. The dismissal had been made by U.S. District Judge Robert E. Jones of Portland, OR. The FWS ruled last year that the bull trout deserved protection under the Endangered Species Act, but refused to list it as threatened or endangered, saying other higher priority species were on a waiting list. Environmentalists say formal listing is necessary to prevent the Forest Service from pushing the bull trout to the brink of extinction in Oregon, Washington, Montana, and Idaho.

Barkley Fire Salvage Sale Withdrawn: The 2.5 million metric board feet Barkley timber sale, in the former Polk Springs roadless area, was advertised but withdrawn last week. The proposed salvage timber sale ran into opposition from several groups, including the Quincy Library Group, due to entry into the former roadless area, particularly the roughly two miles of temporary road to be constructed, and impacts on Deer Creek's spring chinook salmon run. Representatives Herger and Fazio have expressed opposing concerns.

Boll Weevil Program Recall Petition Planned For Winter Garden: Organizers of Sincere Weevil Eradication Elimination Program (SWEEP OUT II) are planning to mail a petition to all eligible voters, landowners, and cotton farmers in the South Texas Winter Garden area asking for a recall referendum of the Boll Weevil Eradication Program there. 1995 cotton yields were disastrously low in the south Texas growing region, especially in the Rio Grande Valley, and the Boll Weevil Eradication Program has been blamed by many for the disaster. Proponents of the eradication program, however, blame a regional drought for low yields. Growers in the Rio Grande Valley, south of the Winter Green area, recently initiated a recall referendum and voted to cancel the program.

New Zealand Indicates Plans To File Suit Against USDA: On April 3, USDA officials met with New Zealand Meat Producers Board and Embassy of New Zealand representatives to discuss the sheep and wool promotion and research program. The New Zealanders indicated that they intend to file a lawsuit against the Department based on alleged inadequate importer representation on the Sheep Promotion, Research, and Information Board. The New Zealanders indicated that they will file the suit after the final Sheep and Wool Promotion, Research, Education and Information Order has been published in the *Federal Register* later this month.

Rice Research Laboratory To Be Established: On April 12, Deputy Secretary Rominger will join Senator Bumpers and Agricultural Research Service (ARS) Administrator Floyd Horn in Stuttgart, AR for the Ground breaking ceremony for the new ARS National Rice Germplasm Evaluation and Enhancement Center. This world-class Center will enable scientists to conduct germplasm research dedicated to the needs of the U.S. rice industry. Representatives from the Arkansas rice industry and the University of Arkansas will also be present.

USDA Works To Increase U.S. Exports To Mexico: USDA recently increased the Mexican GSM-102 export credit guarantee program from \$1.1 billion to \$1.15 billion, making the total allocation operational. A Foreign Agricultural Service/Farm Service Agency team will visit Mexico the week of April 21 to re-evaluate the economic and banking conditions in the country and the need for additional credit guarantees to support U.S. exports.

Mexico appears to be gearing up for an unexpectedly large near-term import program of U.S. corn. A recent increase in the country's 1996 corn import quota (from 3.1 million tons to 4.2 million tons), as well as the entrance of CONASUPO (the state purchasing agency) into the corn import market for the first time in five years, indicate tight domestic supplies and a possible surge in imports. Press reports indicate that over 1 million tons of vessel transportation have been reserved by Mexico for Gulf ports for July through September.

In addition, U.S. beef and cattle exports to Mexico grew sharply in January, posting the largest monthly trade figures since the December 1994 peso devaluation. Larger exportable beef and cattle supplies in the United States and more competitive U.S. prices were key to increased Mexican purchases. Both increases, for beef and cattle, are perhaps a preliminary indication that the Mexican livestock and meat economy has bottomed out following the recent Mexican economic slowdown, and is poised for expansion.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

Compensation Being Expedited: The National Finance Center is expediting processing of unpaid compensation for federal employees killed in the accident which took the lives of Commerce Secretary Brown and others.

Earth Day Activities Planned: USDA will celebrate Earth Day on April 22 in a variety of ways. In Milwaukee, WI, America's Outdoors (a center for conservation, recreation, and resources) is scheduled to open. A Forest Service-Department of the Interior partnership, the center was created to enhance customer service, encourage urban-based conservation, and serve urban and suburban residents. Earth Day in Wise River, MT will feature talks at local schools, cleanup of roadsides and riverbanks, and a community barbecue (Beaverhead-Deerlodge National Forests). In Morgantown, WV, the Forestry Sciences Laboratory (Northeastern Station) will conduct tree-planting exercises with elementary and junior high students. In Washington, DC, an Urban Tree House will be erected at Anacostia Park, as well as community work days on April 21-22. In addition, USDA provided information to be included in a book being published by the White House regarding Earth Day.

Pacific Northwest Economic Adjustment Initiative: USDA recently approved a \$1.5 million loan for the Beckett Christmas Tree Partnership, a business in Siskiyou County, CA, which has been impacted by the Pacific Northwest timber industry. The loan to the company will allow the business to expand and will create four jobs and save an additional 29 jobs. The borrower operates a large timber operation and Christmas tree farm.

AmeriCorps Update: Senator Leahy recently sent a letter to House Appropriations Subcommittee Chairman Bond praising the USDA AmeriCorps program and seeking a compromise that would allow the program to continue. On April 10, Secretary Glickman met with project managers for USDA's "Summer of Gleaning" AmeriCorps projects.

On April 12, a dedication ceremony for a new housing development in Holly Grove, AR will be held. The new housing development replaces one damaged by flood waters. Last year, a team of Forest Service AmeriCorps Rural Development volunteers helped the Holly Grove community relocate from a flood-prone area to higher ground. The AmeriCorps volunteers completed appraisals, helped acquire land, and assisted residents with paperwork. The Forest Service and the Natural Resources Conservation Service coordinated the work and provided technical assistance to the community.

Empowerment Zone/Enterprise Community (EZ/EC) Update: Rural Housing Service Administrator Maureen Kennedy recently notified EZ/EC leaders in Rio Grande Valley, TX, Bolivar, TN, and McDowell County, WV that they were selected for a demonstration project under the National Homeownership Strategy. The partnership invited rural EZs/ECs to indicate their interest in developing a model to increase homeownership at the local level by bringing the national partnership to the local community. The next step involves the national partners working with their local counterparts and in assisting the communities in developing and finalizing a demonstration proposal.

III. NOTABLE CONGRESSIONAL ACTIVITY

Congressional Hearings:

On April 16, 18, 23, 25, and 30, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold hearings on the FY97 agriculture appropriations bill. Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify April 16; Under Secretary for Natural Resources and Environment Jim Lyons will testify April 18; Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify April 23; Under Secretary for Rural Economic and Community Development Jill Long-Thompson will testify April 25; and Under Secretary for Research, Education, and Economics Karl Stauber will testify April 30.

On April 16, 17, and 18, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies will hold hearings on the FY97 agriculture appropriations bill.

On April 17, the House Resources Committee will hold a hearing to review the implementation and administration of the Endangered Species Act of 1973. Forest Service Chief Jack Ward Thomas will testify.

On April 18, the Senate Energy and Natural Resources Committee will hold a hearing on the Tongass Land Management Plan. Forest Service Alaska Region 10 Forester Phil Janik will testify.

On April 23, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on a bill to provide for the orderly disposal of federal lands in southern Nevada and for the acquisition of certain environmentally sensitive lands in Nevada.

On April 24, the Senate Appropriations Subcommittee on Interior will hold a hearing on FY97 Interior appropriations, which includes funding for the Forest Service. Under Secretary for Natural Resources and Environment Jim Lyons will testify.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold an April 24 hearing on consideration of meat and poultry inspection in foreign countries, as well as comparison of federal and state inspection and requirements of trade agreements.

On April 25, the House Appropriations Subcommittee on Interior will hold a hearing on FY97 Interior appropriations, which includes funding for the Forest Service. Under Secretary for Natural Resources and Environment Jim Lyons will testify.

On April 30, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on Wild and Scenic Rivers Oversight and the Snake and Green rivers.

On May 2, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing on review of science-based meat and poultry inspection, emerging technologies, and the approval process for new technology.

On May 9, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing on review of seafood inspection.

IV. SECRETARY'S SCHEDULE

On April 12, Secretary Glickman will attend the memorial service in West Sayville, NY for Gail Dobert, who died in the accident which took the lives of Commerce Secretary Brown and others. While in New York, the Secretary will join Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas in presenting awards to the directors of two USDA Service Centers with high Food Stamp Program accuracy rates.

On April 14, Secretary Glickman will tour a farm and participate in other activities with Representative Fields in Baton Rouge, LA.

On April 15, Secretary Glickman will speak at the dedication of the University of Arkansas Dale Bumpers College of Agricultural, Food, and Life Sciences at Fayetteville, AR.

On April 16, Secretary Glickman will attend the U.S. Holocaust Museum Day of Remembrance at the Capitol.

On April 19, Secretary Glickman will address the Food Chain annual conference in Minneapolis, MN and attend a reception in West Memphis, AR for Congressional candidate Marion Barry.

On April 22, Secretary Glickman will address the National Association of Agricultural Journalists spring meeting in Washington, D.C.

V. DEPUTY SECRETARY'S SCHEDULE

On April 12, Deputy Secretary Rominger will attend the Ground breaking ceremony for the National Rice Germplasm Evaluation and Enhancement Center in Stuttgart, AR. (*See Key Department News: Rice Research Laboratory To Be Established*)

On April 15, Deputy Secretary Rominger will address the National Forum on Insect Resistance to *Bacillus thuringiensis* (Bt) in Bethesda, MD.

VI. SUB-CABINET SCHEDULE

On April 12, Under Secretary for Natural Resources and Environment Jim Lyons will address the Pacific Fisheries Enhancement Committee meeting in San Francisco, CA; on April 16, he will address the Land and Water Conservation Fund conference in Washington, D.C.; on April 21, he will attend the Tall Bull Lodge tribal ceremony in Denver, CO; on April 22, as part of Earth Day activities, he will attend the grand opening of the America's Outdoors Center in Milwaukee, WI. (*See USDA Work On Presidential Initiatives: Earth Day Activities Planned*)

On April 12, Under Secretary for Rural Economic and Community Development Jill Long Thompson will travel to Pennsylvania to visit several rural development sites.

On April 12, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will be in New York, NY to join Secretary Glickman in presenting awards to the directors of two USDA Service Centers with high Food Stamp Program accuracy rates; while in New York, Under Secretary Haas will also conduct a series of magazine interviews and editorial board meetings as part of a comprehensive plan to reach children and mothers with strong, consistent nutrition education messages; on April 30, she will address the Johnson and Wales University Conference in Providence, RI.

On April 15, Under Secretary for Farm and Foreign Agricultural Services Gene Moos will address the Asian-Pacific Economic Cooperation Conference Agricultural Trade Policy Forum in Kohler, Wisconsin.

On April 15, Under Secretary for Research, Education, and Economics Karl Stauber will give the opening remarks at the National Forum on Insect Resistance to *Bacillus thuringiensis* (Bt) in Bethesda, MD; on April 24, he will speak at the Animal Agriculture Coalition annual meeting in Washington, DC.

On April 15-18, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will be in Montana and Colorado to observe animal damage control field work; on April 18, he will travel to Minneapolis, MN to attend a meeting on Karnal bunt (*See Key Department News: USDA Makes Progress With Karnal Bunt Issue*); on April 23, he will tour Wehrman Angus Farm and meet with farmers in New Market, VA; on May 1, he will speak at the National Grain and Feed Association transportation summit in St. Louis, MO.

On April 19, Assistant Secretary for Administration Wardell Townsend will speak at the open house ceremony for Indian Springs Processing and Marketing Facility in Indian Springs, MS.

VII. PRESS/MEDIA INQUIRIES

The Lubbock, TX *Avalanche Journal* requested a copy of an Office of Inspector General audit report concerning improper handling of loans in Texas.

The Agricultural Research Service National Animal Disease Center at Ames, IA has been inundated with inquiries from the press and media concerning the Bovine Spongiform Encephalopathy (BSE) situation in England. (*See Key Department News: European Union/United Kingdom Agree On BSE Policy*)

Wall Street Journal is working on articles on the Foreign Agricultural Service and on sales of nursery stock, bedding plants, and perennials.

Readers' Digest inquired about programs with the former Soviet Union, primarily the Export Enhancement Program and Food for Progress.

Chronicle of Higher Education asked if the Animal Welfare Act applies only to federally funded research sites. Research facilities above the secondary school level which use warm-blooded animals protected under the Act were regulated for compliance under the Act.

NBC's Dateline requested copies of licenses for two animal exhibitors who conduct bear-wrestling matches with the general public.

National Public Radio is developing a story on what it is like to be a federal employee in rural America amid today's anti-government environment. Interviews with Forest Service employees from various forests around the country will occur. The Forest Service would like to highlight areas where the agency has good relationships with the communities serviced.

NBC News is interested in doing a comprehensive story on the Endangered Species Act in connection with the release of caribou on the Colville National Forest in Washington.

VIII. FOIA REQUESTS

Sidley and Austin (law offices) requested travel records of former Secretary of Agriculture Espy's assistants.

U.S. News & World Report requested USDA correspondence to and from Senator Dole.

USA Today requested information regarding transfer of powers by the President to the Vice President in the event of Presidential incapacity.

Los Angeles Times asked for information on trips taken by House Appropriations Committee staff at the expense of USDA.

NBC's Dateline requested information about large producers' deficiency payments. The requests were denied.

Time asked for farm program information on Montana Freeman.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

April 18, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of April 15, 1996

I. KEY DEPARTMENT NEWS

USDA Gleaning/Food Rescue Program Gains Ground: On April 19, Secretary Glickman will be in Minneapolis-St. Paul to address the Foodchain annual conference, a network of 131 perishable and prepared food rescue programs in 35 states -- including Minnesota. At the conference, the Secretary will announce a USDA initiative to promote gleaning and food rescue. The major effort to be announced is the AmeriCorps "Summer of Gleaning," just one part of the Department's overall plan. Under this effort, USDA rural development projects in 10 states have been selected for AmeriCorps gleaning efforts this summer in rural and urban America. AmeriCorps members will serve as volunteer generators working with farmers, kitchens, and food banks in California, Connecticut, Indiana, Kentucky, Mississippi, New Mexico, Oregon, Pennsylvania, Rhode Island, and Texas. Empowerment Zones will benefit from these projects. A press release about the initiative will be issued on April 18.

While in Minneapolis-St. Paul, the Secretary will help serve dinner at the 410 Shelter, operated by People Serving People, a non-profit organization that uses two refrigerated vans to collect food from the local prepared and perishable food rescue program and other donors.

Child Nutrition Highlighted: On April 18, Secretary Glickman was featured on *NBC's Today Show*, where he discussed the *Children's Nutrition Research Survey*, a USDA study about trends in children's eating habits and what parents should know about nutritional requirements. USDA is also promoting child nutrition with the Cooperative State Research, Education, and Extension Service-Sugar Association jointly introduced child nutrition education package called "Label Power." Through a series of games, children can learn how to make healthy food choices. The Cooperative Extension System will use these new materials in education programs supporting the Team Nutrition initiative.

Work Continues On Wheat Disease Issue: On April 18, Secretary Glickman met with state agriculture commissioners/secretaries in Minneapolis-St. Paul, MN regarding USDA work to combat the Karnal bunt virus in wheat. Representatives from 14 states attended the meeting. On April 15, USDA negotiators reached an agreement with Algeria and South Africa indicating that the countries agree to accept shipments of U.S. wheat certified by the Department to

originate from U.S. areas free of the wheat virus. In additional efforts to quarantine the disease and as a result of tracing infected wheat to areas in California, the Karnal bunt declaration of extraordinary emergency was amended on April 12 to include that state. Additional briefings for Congressional staff will be held soon.

USDA Continues Response To Bovine Spongiform Encephalopathy (BSE) Issue: USDA continues its response to media/press inquiries about BSE and Creutzfeld-Jakob (CJD) disease, often called mad cow disease. Several community newspapers in the United States reported on deaths from CJD, but most reports were careful to note the lack of evidence that the human disease is traceable to BSE or meat consumption. Two International Center for Technology Assessment officials recently submitted a petition to the Department and Food and Drug Administration, urging them to take action to prevent the potential development of BSE in the United States. Our response will clarify that USDA already inspects downed cows under current surveillance activities and that the Animal and Plant Health Inspection Service conducts antemortem cattle inspections.

Farm Bill Update: The passage of the 1996 farm bill changes the way USDA conducts business with its customers. The one-time signup period for producers wishing to enroll their farms in a Production Flexibility Contract will occur in Farm Service Agency local offices, May 20-July 12. The contracts end in 2002, and certain farms with a planting history of wheat, corn, grain sorghum, barley, oats, upland cotton, or rice are eligible to be enrolled. The farm bill legislation authorizes only one signup period, except for acreage coming out of the Conservation Reserve Program.

On April 11, Secretary Glickman held a media availability to discuss limited grain supplies, the current tight market, and crop sign-up dates under the new farm bill. Major news media was present for the availability. On April 17, USDA announced amended program provisions for the 1996 peanut crop. The new legislation sets the national quota price support level at \$610 per ton for the 1996-2002 crop years, down from the \$679.25 announced on February 15. We expect to announce other program details later.

On April 19, while in Minneapolis-St. Paul, MN, the Secretary will discuss the farm bill on *Minnesota Public Radio*. On April 14, the Secretary toured a farm in Baton Rouge, LA and participated in other activities with Representative Fields and Louisiana Commissioner of Agriculture Bob Odom, including farm bill interviews with two local television stations, the *Baton Rouge Advocate*, and the *Louisiana Agriculture Network* (six television markets and 70 radio stations). On April 15, the Secretary spoke at the University of Arkansas Dale Bumpers College of Agricultural, Food, and Life Sciences dedication in Fayetteville and was interviewed by local print reporters and the local ABC and CBS affiliates on the farm bill. The USDA Sub-Cabinet has been conducting interviews on the farm bill with targeted radio stations in Arkansas, Iowa, Kentucky, and Pennsylvania.

USDA Export Issues: With the 1995/96 marketing year nearly half over, U.S. corn export commitments of 53.3 million tons are running about 25 percent ahead of the 1994/95 level. Year-to-date export commitments represent 93 percent of USDA's corn export projection for 1995/96, compared to 78 percent for 1994/95. The rise in U.S. corn export prices to record levels has sparked Chinese interest in corn exports; China reportedly approved the export sale of 1.5 million tons of corn to Japan and South Korea. Such exports would be the first since the declaration of a corn export ban in December 1994. USDA's 1995/96 corn export forecast for China remains at 1 million tons. High prices apparently have also enticed Brazil, usually not a significant corn exporter, to export a reported 100,000 tons of corn to Morocco and Libya. Brazil is expected to remain a net corn importer, but with domestic corn prices far below current world prices, exporters are looking to capitalize on lucrative overseas sales.

Exports of U.S. wheat to China reported for the week ending April 4 totaled 135,700 tons, with exports to date for the June/May 1995/96 marketing year totaling 2.3 million tons. Outstanding sales of U.S. wheat to China scheduled for shipment before May 31 total 1.1 million tons, while 1 million tons are booked for shipment in 1996/97. France and China are also preparing a framework agreement for purchasing unspecified quantities of French wheat over the next three years. The agreement indicates China's continued concern over food security and supplier diversification.

Tongass Land Management Plan Released: On April 18, the draft environmental impact statement for the revision of the Tongass Land Management Plan (TLMP) and recommended preferred alternative was released, following the Senate Energy and Natural Resource Committee oversight hearing on the plan. Public meetings in 32 communities in southeast Alaska will begin in mid-May and there will be a 90-day public comment period. The final decision on TLMP is expected to be released in mid-August.

Forest Service Southern Region To Be Treated For Gypsy Moth Control: Suppression and eradication projects for the gypsy moth are set to begin in the Forest Service Southern Region around April 20. About 60,000 acres will be treated, a significantly reduced acreage from previous years, as a naturally occurring fungus caused the gypsy moth populations to collapse throughout Virginia last year. Eradication projects will take place outside the generally infested area in Virginia, North Carolina, Georgia, and Tennessee.

Protest Filed In Timber Sale Offer: The Okanogan National Forest in Washington recently made the official offer on the Thunder Salvage Timber Sale to Double A Logging, the highest qualified bidder. Northwest Ecosystem Alliance originally bid the sale, but acknowledged it could not fulfill the contract obligations. In spite of their acknowledgment, Northwest has filed a bid protest with the Government Accounting Office, which handles all bid protests.

Grazing Lawsuit Filed: On April 1, the Diamond Bar Cattle Company (DBCC) filed a lawsuit against the Forest Service seeking a declaratory judgment that DBCC is the lawful owner of water and range sufficient for maintaining 2,500 head of cattle on the Diamond Bar allotment and 475 head on the Laney allotment of the Gila National Forest in New Mexico. The lawsuit also seeks to enjoin the Forest Service from interfering with or preventing normal improvement to the range use by the DBCC. This case raises similar issues to those raised by grazing permittees in Nevada in other pending litigation. The government was preparing, but had not filed, a trespass action against the DBCC (permittees have refused to sign a permit to graze on Forest Service lands) at the time this action was filed.

Commerce Raises Aquaculture Concerns: The Department of Commerce has expressed concern over a proposal to designate an Animal and Plant Health Inspection Service (APHIS) official as the government's spokesperson on animal health issues relevant to aquatic animals and animal products moved in international trade. USDA is interested in continuing discussions about this proposal to provide a primary contact for other countries regarding aquaculture while respecting the authority of other Departments. Other federal agencies, such as the Department of Health and Human Services, are supportive of APHIS' role.

Three States Receive Warnings About Federal Pesticide Recordkeeping: Warning letters have been sent to private applicators in Alabama, Kansas, and Virginia for failing to maintain required records for federally restricted-use pesticide applications. These random inspections were conducted by the state departments of agriculture in Kansas and Virginia and by the Animal and Plant Health Inspection Service in Alabama.

Spearmint Oil Producers Approve Reducing Marketing Order Area: Far West Marketing Order spearmint oil producers recently approved excluding California and Montana production areas from their federal marketing order. Of those voting in the referendum, 85 percent (representing 87 percent of the volume of oil produced by those voting) favored the amendment proposed by USDA. Since the Order was established in 1980, there has never been commercial production in the California and Montana production areas. However, the Order will continue to regulate spearmint oil produced in Idaho, Nevada, Oregon, Utah, and Washington.

Crop Report Release Time Changed: Ending a 100-year tradition, the National Agricultural Statistics Service (NASS) issued its last 3 p.m. ET crop report on April 10. From now on, all NASS crop reports will be released at 8:30 a.m. ET. This was made possible when legislation repealed the formerly stipulated 3 p.m. release time for certain reports. All livestock reports will continue on a 3 p.m. release schedule.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

USDA To Participate In Earth Day Events: On April 22, Deputy Secretary Richard Rominger will be in California for the Los Angeles Urban Resources Partnership Earth Day Celebration. The mission of the Partnership -- a federal-state-local initiative -- is to protect and enhance the natural resources of the urban ecosystem of the city and to make government more effective and responsive through innovative partnerships. The Alternative Agricultural Research and Commercialization Corporation will host an exhibit at the Department of Transportation to highlight companies that are benefiting the environment by formulating agricultural byproducts and creating more jobs. Other USDA activities are being planned, which were reported in last week's report.

Oklahoma City Bombing Remembered: Following my address to the Foodchain annual conference in Minneapolis-St. Paul, MN on April 19, I will ask participants to observe the Moment of Silence designated by the President in remembrance of the victims and survivors of the bombing of the federal building in Oklahoma City. In addition, USDA AmeriCorps members nationwide will observe the April 23 Day of National Service with tree-planting and other activities commemorating the first-year anniversary of the bombing.

Team Nutrition Update: USDA announced on April 12 that Team Nutrition, the program to improve school meals and promote health and education of children, is already reaching millions of children at thousands of school. The program's dietary messages stress lower fat, more variety, and more fruits, vegetables, and grains. USDA and the Sugar Association has introduced a new child nutrition education package in support of the Team Nutrition initiative. On April 18, Secretary Glickman was featured on *NBC's Today Show*, where he discussed the *Children's Nutrition Research Survey*. (See Key Department News: *Child Nutrition Highlighted*)

Food Stamp Electronic Benefits Transfer Update: The national food stamp Electronic Benefits Transfer (EBT) system is growing, with Utah recently becoming the fifth statewide EBT system. The Utah system delivers about \$6.75 million in Food Stamp Program benefits and \$5.25 million in cash benefits each month. About 900 Utah food stamp authorized retailers are connected to the system.

Empowerment Zone/Enterprise Community (EZ/EC) Update: Ohio's Greater Portsmouth Enterprise Community will serve as one of 10 volunteer Communities in the National EZ/EC Learning Initiative. This initiative will involve participation by learning teams (stakeholders from the EZs/ECs, local citizens, and community organization representatives), local learning coordinators, regional researchers, the local EZ/EC organization, national coordinators at the University of Tennessee, and Department officials. Team members will help monitor and document the EZ/EC program impact. Communities will be able to build the additional knowledge and capacity to do their own evaluations.

All three USDA Empowerment Zones will benefit from a USDA AmeriCorps gleaning project in 10 states. (See *Key Department News: USDA Gleaning/Food Rescue Program Gains Ground*)

III. NOTABLE CONGRESSIONAL ACTIVITY

The Senate is expected to take up legislation aimed at curbing illegal immigration. Senator Wyden may offer an amendment which pertains to proposed revisions to the Agricultural Guest Worker Program.

House Agriculture Committee Chairman Roberts, in an April 12 letter to *The Washington Post*, defended the Safe Meat and Poultry Inspection Panel he added to the Federal Agricultural Improvement and Reform Act of 1996. USDA has concerns about the panel.

Congressional Hearings:

On April 23, 25, and 30, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold hearings on the FY97 agriculture appropriations bill. Under Secretary for Farm and Foreign Agricultural Services Gene Moos will testify April 23; Under Secretary for Rural Economic and Community Development Jill Long-Thompson will testify April 25; and Under Secretary for Research, Education, and Economics Karl Stauber will testify April 30. Under Secretary for Natural Resources and Environment Jim Lyons testified at the April 18 Subcommittee hearing.

On April 18, the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies held a hearing on the FY97 agriculture appropriations bill.

The Senate Energy and Natural Resources Committee held an April 18 hearing on the Tongass Land Management Plan. Forest Service Alaska Region 10 Forester Phil Janik testified.

The House Resources Committee held an April 18 markup of various bills regarding federal lands (expediting land exchanges; employee housing; uniform concessions policy; and matching contributions toward the purchase of the Sterling Forest in New Jersey).

On April 23, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on a bill to provide for the orderly disposal of federal lands in southern Nevada and for the acquisition of certain environmentally sensitive lands in Nevada.

On April 24, the Senate Appropriations Subcommittee on Interior will hold a hearing on FY97 Interior appropriations, which includes funding for the Forest Service. Under Secretary for Natural Resources and Environment Jim Lyons will testify.

The House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold an April 24 hearing on consideration of meat and poultry inspection in foreign countries, as well as comparison of federal and state inspection and requirements of trade agreements.

The Senate Energy and Natural Resources Committee will hold an April 24 markup of the Federal Lands Forest Health Protection and Restoration Act. The proposed bill provides authorization for appropriations for expedited preparation and implementation of forest health protection and restoration activities on federal lands for a 10-year period.

The House Resources Committee is expected to mark up a grazing bill on April 24 or 25. The markup vehicle is expected to mirror the recently passed Senate version of the bill. The Administration opposes the Senate bill and has indicated that the President will veto the measure unless it is significantly modified by the House or in conference.

On April 25, the House Appropriations Subcommittee on Interior will hold a hearing on FY97 Interior appropriations, which includes funding for the Forest Service. Under Secretary for Natural Resources and Environment Jim Lyons will testify.

The House Ways and Means Subcommittee on Trade will hold an April 25 hearing on investigations of perishable agricultural goods.

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on a bill to extend the deadline for completion of certain land exchanges involving the Big Thicket National Preserve in Texas.

On April 30, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing to review the Forest Service's river management policy.

On May 2 and 9, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold hearings on meat, poultry, and seafood inspection. Additional hearings are also expected.

On May 14, the House Agriculture Committee will hold a hearing on the research title of the farm bill. The Committee also plans to hold conduct a series of oversight hearings in June, July, and August on USDA's progress in implementing the dairy title of the farm bill; hearings are also expected this summer on the fluid milk checkoff program.

On May 15 and 16, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing to review issues raised by a recently released study of trading practices and procedures on the National Cheese Exchange.

IV. SECRETARY'S SCHEDULE

On April 19, Secretary Glickman will meet with state commissioners/secretaries of agriculture about Karnal bunt, address the Foodchain annual conference, and conduct a gleaning event in Minneapolis-St. Paul, MN and attend a reception in West Memphis, AR for Congressional candidate Marion Barry. *(See Key Department News: USDA Gleaning/Food Rescue Program Gains Ground and Work Continues On Wheat Disease Issue)*

On April 22, Secretary Glickman will address the National Association of Farm Broadcasters and the National Association of Agricultural Journalists spring meeting in Washington, D.C.

On April 23, Secretary Glickman will address the Independent Bankers Association in Washington, D.C.

On April 23, Secretary Glickman will address the Jewish Leadership Luncheon in Washington, D.C.

On April 30, Secretary Glickman will address the National Association of County Agriculture Agents in Washington, D.C.

On May 6-7, Secretary Glickman will be in Mexico City for the 1996 U.S.-Mexico Bi-National Commission meeting.

On May 8-10, Secretary Glickman will be in Vienna, Austria for a meeting with European Union (EU) Commissioner of Agriculture Franz Fischler to discuss U.S.-EU bilateral trade issues, including the EU's ban on U.S. beef, meat inspection issues, Bovine Spongiform Encephalopathy (BSE), the world grain supply situation, and long-term agricultural policy initiatives.

V. DEPUTY SECRETARY'S SCHEDULE

On April 22, Deputy Secretary Richard Rominger will travel to St. Louis, MO to attend the National Appeals Division Training Conference.

On April 22, Deputy Secretary Richard Rominger will be in California for the Los Angeles Urban Resources Partnership Earth Day Celebration. *(See USDA Work On Presidential Initiatives: USDA To Participate In Earth Day Events)*

VI. SUB-CABINET SCHEDULE

On April 19, Assistant Secretary for Administration Wardell Townsend will speak at the open house ceremony for Indian Springs Processing and Marketing Facility in Indian Springs, MS.

On April 21, Under Secretary for Natural Resources and Environment Jim Lyons will attend the Tall Bull Lodge tribal ceremony in Denver, CO; on April 22, as part of Earth Day activities, he will attend the grand opening of the America's Outdoors Center in Milwaukee, WI; on April 23, he is scheduled to address the Eastern and Western Land Managers Conference in Washington, D.C. (*See USDA Work On Presidential Initiatives: USDA To Participate In Earth Day Events*)

On April 23, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will tour a farm and meet with farmers in New Market, VA; on May 1, he will speak at the National Grain and Feed Association transportation summit in St. Louis, MO; on May 2-3, he will visit the National Contract Poultry Growers Association in Ruston, LA; on May 5-6, he will be in Chicago, IL to speak at the National Association of State Departments of Agriculture Supermarket Industry/U.S. Food Export Showcase and participate in customer outreach.

On April 24, Under Secretary for Research, Education, and Economics Karl Stauber will speak at the Animal Agriculture Coalition annual meeting in Washington, DC.

On April 30, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the Johnson and Wales University Conference in Providence, RI.

VII. PRESS/MEDIA INQUIRIES

On April 19, Secretary Glickman will be interviewed by *Minnesota Public Radio*. One of the topics of discussion will be the farm bill. (*See Key Department News: Farm Bill Update*)

On April 16, *The Atlanta Constitution* ran an interview with Secretary Glickman regarding gleaning. (*See Key Department News: USDA Gleaning/Food Rescue Program Gains Ground*)

The Oprah Winfrey Show carried an April 16 segment on Bovine Spongiform Encephalopathy (BSE), also known as Mad Cow Disease, and food safety. *CNN*, *ABC*, *CBS*, *NBC*, the nationally syndicated news and entertainment television show *Extra*, and many local media have run or will be running stories about BSE. (*See Key Department News: USDA Continues Response To Bovine Spongiform Encephalopathy Issue*)

Associated Press requested information on the Animal and Plant Health Inspection Service's role in preventing the spread of cryptosporidium, a deadly bovine and equine parasite.

Newsweek inquired about the Export Enhancement Program sale of frozen pork to the former Soviet Union.

The Alpine Sun (Alpine, CA) is preparing a story about the impacts of illegal immigration on the Descanso Ranger District of the Cleveland National Forest. The Forest Service is one of the cooperating agencies working with the Department of Justice U.S. Border Patrol to deal with the illegal immigrant trafficking on National Forest System lands.

Harper's Bazaar requested an interview with Acting Under Secretary for Food Safety Michael Taylor regarding U.S. inspection. Anticipated publication date is the July issue.

USDA continues to receive numerous media and press calls regarding Karnal bunt. (*See Key Department News: Work Continues On Wheat Disease Issue*)

VIII. FOIA REQUESTS

Attorney Ronald Woods is seeking Forest Service records pertaining to Terry Lynn Nichols. Mr. Woods represents Nichols in United States of America v. Tomothy James McVeigh and Terry Lynn Nichols.

Minneapolis Star Tribune requested correspondence regarding Senator Dole and Archer Daniels Midland.

Inside Edition inquired about the FOIA process in order to obtain information about slaughter of animals suspected of nervous system disorders and inspection reports.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

April 25, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of April 22, 1996

I. KEY DEPARTMENT NEWS

Secretary To View Texas/Kansas Drought-Stricken Areas: On April 26, Secretary Glickman will visit the Texas panhandle area to meet with farmers and state agriculture officials and to view drought-stricken areas. In Tulia, he will visit Middleton Farm to discuss drought problems and tour damaged wheat fields. The Secretary will then hold a town hall meeting at Dimmitt. Wheat production in Kansas, Texas, and Oklahoma has been devastated by drought, wide temperature swings, and high winds.

In Texas, the Secretary will announce that producers who qualify, due to drought conditions, to graze their acres enrolled under the Conservation Reserve Program (CRP), will only have to pay a 5 percent reduction in their CRP annual payment on a monthly basis, but no more than 25 percent over a five-month period. Under the former procedures, producers had to pay the 25 percent upfront, even if they only grazed their acres for one month.

On April 27, the Secretary will discuss drought conditions with Kansas farmers at Metz Farm in Oxford and Neises Farm in Belle Plaine. While in Oxford, the Secretary will also hold a town hall meeting to discuss farm bill implementation. In Wichita, the Secretary will be interviewed on *NBC* television affiliate *KNSW*.

More Progress Made On USDA Gleaning/Food Rescue Program: On April 29, Secretary Glickman will join Baltimore, MD Mayor Schmoke for an event at Second Helping, a local perishable and prepared food rescue program.

In furthering the food rescue cause, USDA will work with the Atlanta Committee for the Olympic Games and the Atlanta Community Food Bank regarding opportunities to collect and distribute surplus food to the needy during this summer's Games.

Appropriations Conference Action Affects USDA Programs: Conference action on the omnibus FY96 appropriations bill includes provisions that affect USDA programs, including continued FY96 funding for the Forest Service under the Interior appropriations bill. A final vote on the conference action is expected on April 25.

The bill will provide a one-year moratorium on the establishment of a new management plan for the Tongass National Forest and authority to allow certain timber sales to be awarded if the Forest Service determines that additional analysis under the National Environmental Policy Act and the Alaska National Interest Lands Conservation Act is not necessary. Authority is provided to the President to waive these provisions. A new Southeast Alaska disaster assistance fund totaling \$110 million is established under the Forest Service to address the job losses and economic impacts of a declining federal timber program on the Tongass, should the President exercise a waiver.

The recently enacted farm bill altered conditions under which certain farm operating and emergency loans could be made, effective at the time of enactment. These changes limit the availability of additional credit to borrowers who are delinquent or have benefitted from debt forgiveness on prior loans and provide other limits on farm loans. The FY96 appropriations bill includes language that allows USDA to make or guarantee an operating or an emergency loan to a loan applicant who was less than 90 days delinquent on April 4, if the loan applicant had submitted an application for the loan prior to April 5. This provision allows borrowers, whose application had been submitted, to complete the process. The provision also provides that credit should not be extended to any applicant who is more than 90 days delinquent.

Work Continues On Wheat Disease Issue: On April 16, Secretary Glickman agreed that USDA would compensate, on a one-time basis, grain handlers whose facilities are found to be contaminated with the wheat virus, Karnal bunt. The compensation rate for infected grain would not include any salvage value and compensation for facility decontamination would be on a one-time shared basis with a maximum limit.

Arizona and parts of California, Texas, and New Mexico are under federal quarantine because of Karnal bunt. On April 1, USDA announced that growers with infected fields in Texas and New Mexico that had to be plowed under would be paid \$275 per acre, plus \$25 per acre for the costs of the plow-down. Compensation for Arizona and California growers is being determined.

USDA Report On Block Granting To Be Released: On May 2, the Economic Research Service will release the report, *How Would Rural Areas Fare Under Block Grants?* With recent proposals to convert many domestic assistance programs into federal block grants to be administered by state governments, this report examines the block grant idea from both perspectives. Whether or not block grants are adopted, rural communities will fare better if aid formulas and delivery systems account for rural-urban differences.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

USDA Wraps Up Earth Day Activities: On April 24, Secretary Glickman and Deputy Secretary Richard Rominger toured the Natural Resources Defense Council's (NRDC) office.

This was a first-hand look at an office constructed with environmentally friendly agricultural materials that might otherwise go to waste -- products that have been developed with the help of the USDA Alternative Agriculture Commercialization Corporation. The site, located in Washington, D.C., will utilize the latest in "green" building technology.

On April 22, Secretary Glickman announced that USDA will award \$4 million for community based environmental action in eight Urban Resources Partnership (URP) cities across the country. The URP, which began in 1994, is a coalition of seven federal agencies, as well as state and local governments in Atlanta, Chicago, Denver, East St. Louis, Los Angeles, New York, Philadelphia, and Seattle. The Partnership provides funding and technical assistance to community based groups participating in a variety of natural resource projects. On April 23, Deputy Under Secretary for Natural Resources and Environment Brian Burke presented a \$500,000 grant in a ceremony in East St. Louis to support the URP.

In a ceremony at Elysian Park in Los Angeles, CA on April 22, Deputy Secretary Richard Rominger presented \$500,000 for community conservation assistance. The Deputy Secretary and Los Angeles Mayor Richard Riordan highlighted the successes of the URP and kicked off this year's request for new projects.

On April 22, Under Secretary for Natural Resources and Environment Jim Lyons spoke at the dedication for America's Outdoors Center for Conservation, Recreation, and Resources in Milwaukee, WI. The Center is a multi-agency effort through the URP, created to serve the environmental interests of urban residents and visitors.

Empowerment Zone/Enterprise Community (EZ/EC) Update: Rural Utilities Service Deputy Administrator John Romano will be in Portsmouth, OH on May 1 to announce a \$60,000 Rural Business Enterprise Grant to the Ohio Valley Regional Development Corporation (OVRDC), located in the Greater Portsmouth Enterprise Community. The grant will be used to provide specialized technical assistance at the OVRDC's Synergy Center, a business support center for rural businesses.

AmeriCorps/National Service Update: USDA Arkansas AmeriCorps members are assisting with tornado disaster assistance at Fort Smith, AR. The AmeriCorps team focused on clean-up and debris removal.

President's Forest Plan/Pacific Northwest Economic Adjustment Initiative Update: The Round Valley Institute of Man and Nature received a \$45,478 federal grant to develop a Community Action Plan (CAP) as part of the Northwest Forest Plan Economic Adjustment Initiative. The Institute, with the help of Mendocino County, CA personnel and interested individuals, is developing the CAP, which will be used to create and attract business to the depressed community of Round Valley.

Welfare Reform Update: The Office of Management and Budget has cleared a Food Stamp Program final rule -- Failure to Comply with Federal, State, or Local Welfare Assistance Program Requirements. The final rule is expected to be published in the *Federal Register* the week of April 29. This rule will prohibit an increase in food stamp benefits when a household's benefit from another program decreases as a result of a penalty imposed on the household for intentionally failing to comply with a requirement of the other program. This regulatory change is necessary to more fully implement Congressional intent that the Food Stamp Program reinforce, not mitigate, another program's penalties. President Clinton announced to the National Governors' Association in July 1995 of his intent to move the rule quickly as part of his welfare reform plan.

III. NOTABLE CONGRESSIONAL ACTIVITY

Conference action on the omnibus FY96 appropriations bill includes provisions that affect USDA programs, including funding for the Forest Service and farm loan changes. (*See Key Department News: Appropriations Conference Action Affects USDA Programs*)

Congressional interest is high on emergency grazing of Conservation Reserve Program (CRP) acreage. Senator Kassebaum and Representative Roberts have asked to be kept informed on USDA county approvals for CRP grazing. Their interest stems from the drought. (*See Key Department News: Secretary To View Texas/Kansas Drought-Stricken Areas*)

USDA continues to receive Congressional inquiries about the Karnal bunt virus in wheat. On April 25, USDA officials briefed Senate Agriculture Committee staff on the Department's efforts to combat Karnal bunt. A similar briefing was provided for House staff on April 10.

Congressional Hearings:

On April 25, the House Resources Committee marked up a grazing bill, which mirrors the recently passed Senate version of the bill. The Administration opposes the Senate bill and has indicated that the President will veto the measure unless it is significantly modified by the House or in conference.

The House Appropriations Subcommittee on Interior held an April 25 hearing on FY97 Interior appropriations, which includes funding for the Forest Service. Under Secretary for Natural Resources and Environment Jim Lyons testified.

The House Ways and Means Subcommittee on Trade held an April 25 hearing on investigations of perishable agricultural goods, especially surges of Mexican tomato imports into the United States.

The Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation held an April 25 hearing on a bill to extend the deadline for completion of certain land exchanges involving the Big Thicket National Preserve in Texas.

The House Judiciary Subcommittee on Crime held an April 25 hearing on the Captive Exotic Animal Protection Act.

On April 30, the Senate Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies will hold a hearing on the FY97 agriculture appropriations bill. Under Secretary for Research, Education, and Economics Karl Stauber will testify. Under Secretary for Rural Economic and Community Development Jill Long-Thompson testified at the April 25 hearing.

On April 30, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing to review the Forest Service's river management policy. Under Secretary for Natural Resources and Environment Jim Lyons will testify.

On May 2, 9, and 22 and June 6, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold hearings on meat, poultry, and seafood inspection. Additional hearings are also expected.

On May 6, the Senate Banking, Housing, and Urban Affairs Subcommittee on Housing Opportunity and Community Development will hold a hearing on housing reform.

On May 8, the House Agriculture Committee will hold an oversight hearing on Food, Nutrition, and Consumer Services procurement policies.

On May 14, the House Agriculture Committee will hold a hearing on the research title of the farm bill. The Committee also plans to hold conduct a series of oversight hearings in June, July, and August on USDA's progress in implementing the dairy title of the farm bill; hearings are also expected this summer on the fluid milk checkoff program.

On May 15 and 16, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing to review issues raised by a recently released study of trading practices and procedures on the National Cheese Exchange.

IV. SECRETARY'S SCHEDULE

On April 25-26, Secretary Glickman will be traveling to Texas and Kansas for drought-related events. This trip will give the Secretary a first-hand account of the disaster, and he will visit farm sites and talk with farmers about the situation, especially for wheat. (*See Key Department News: Secretary To View Texas/Kansas Drought-Stricken Areas*)

On April 29, Secretary Glickman will meet with Farm Service Agency State Executive Directors in Annapolis, MD. His appearance is part of a training session on farm bill implementation. He will then participate in a gleaning event in Baltimore.

On April 30, Secretary Glickman will address the National Association of County Agriculture Agents in Washington, D.C.

On May 2, Secretary Glickman will meet with Farm Service Agency State Executive Directors in Denver, CO and participate in other activities.

On May 6-7, Secretary Glickman will be in Mexico City for the 1996 U.S.-Mexico Bi-National Commission meeting.

On May 8-10, Secretary Glickman will be in Vienna, Austria for a meeting with European Union (EU) Commissioner of Agriculture Franz Fischler to discuss U.S.-EU bilateral trade issues, including the EU's ban on U.S. beef, meat inspection issues, Bovine Spongiform Encephalopathy (BSE), the world grain supply situation, and long-term agricultural policy initiatives.

V. DEPUTY SECRETARY'S SCHEDULE

On May 3-4, Deputy Secretary Richard Rominger will be Atlanta, GA to participate in Planting Day and in Athens, GA to present a Hammer Award to Natural Resources Conservation Service (NRCS) employees. The NRCS Plant Materials Center and U.S. Olympic Organizing Committee are organizing planting events involving NRCS Earth Team volunteers, AmeriCorps personnel, and others. Partners will work together planting erosion control vegetation at Olympic event site locations.

VI. SUB-CABINET SCHEDULE

On April 25-26, General Counsel James Gilliland is joining other USDA officials in Blytheville, AR and Alamo, TN to participate in a farm bill briefing; on April 25, he will give the Ed Jones Lecture at the University of Tennessee at Martin.

On April 25-26, Under Secretary for Farm and Foreign Agricultural Services Gene Moos is participating in a grain seminar hosted by Paine Weber.

On April 26, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the Johnson and Wales University Conference, meet with school food service directors, and have lunch at a Team Nutrition School in Providence, RI; on April 30 or May 1, she will travel to Jacksonville, FL for a press conference on food stamp fraud. (*See Press/Media Inquiries*)

On May 1, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will speak at the National Grain and Feed Association transportation summit in St. Louis, MO; May 2-3, he will visit the National Contract Poultry Growers Association in Ruston, LA; on May 5-6, he will speak at the National Association of State Departments of Agriculture Super-market Industry/U.S. Food Export Showcase and participate in customer outreach in Chicago, IL.

On May 4, Under Secretary for Natural Resources and Environment Jim Lyons will address the Los Angeles Urban Team Rivers Conference in California; on May 8, he will speak to the Society of American Foresters in Ashland, OR regarding the political perspective of ecosystem management; on May 9, he will attend the Central Valley Habitat Joint Venture Celebration in Sacramento, CA.

On May 17, Assistant Secretary for Administration Wardell Townsend will be a panelist at the Association of Social Workers National Forum on Public Policy in Baltimore, MD.

VII. PRESS/MEDIA INQUIRIES

Secretary Glickman received considerable media/press coverage during his trip to Minneapolis-St. Paul, MN last week to highlight gleaning and food rescue, including interviews with the *Minneapolis Star Tribune*, the ABC television affiliate, WCCO radio, and *Minnesota Public Radio*.

CBS' 60 Minutes is doing a piece on the battles over old-growth logging in the Pacific Northwest resulting from Congress' Section 318 timber rider.

CBS Evening News inquired about Dr. James Moss, a former Agricultural Research Service scientist who has research on the Gulf War Syndrome. USDA did not review Dr. Moss' employment contract when it expired; this has created some controversy.

The Boston Herald is doing a story on unclaimed property in the government; each federal agency is being asked how much unclaimed property it is holding.

The Wall Street Journal inquired about the number of USDA officials classified as "acting" in their positions.

The Wall Street Journal is gathering information for a long-term project (to be published in 1997) to develop a *Wall Street Journal Almanac*, much like the *World Almanac*. Information requested included data on the changing number of farms, annual food consumption, and changing food costs.

On April 24, *The Maury Povitch Show* taped a segment about *E. coli* 0157:H7 food poisoning victims and salmonella. The broadcast date is not known.

Associated Press inquired about financing for the Safe Meat and Poultry Inspection Panel and how the panel would affect meat inspection.

Associated Press is covering the alternative volume issue as it relates to Section 318 timber sales and Forest Service efforts to offer alternative timber to purchasers in the Pacific Northwest. The alternative timber offers would have a less negative impact on the environment.

Business Week interviewed Foreign Agricultural Service Administrator Gus Schumacher about agribusiness opportunities in China.

USDA has received several inquiries about animal import requirements, prompted by recent stories about monkeys infected with the Ebola virus. The Department can refuse animals entry or refuse to issue import permits based on the pest or disease status of an animal.

Esquire magazine is working on a story about issues affecting South Dakota's Black Hills National Forest, such as the forest plan, ecosystem management, and mining activities.

The Los Angeles Times is investigating the Tongass Land Management Plan and related issues in Alaska. Tongass National Forest officials have been interviewed.

On April 30 or May 1, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will hold a national press conference in Jacksonville, FL to discuss the successful completion of Operation Trident, a food stamp fraud retailer investigation.

Under Secretary for Research, Education, and Economics Karl Stauber was interviewed by *Diversity* magazine about genetic resources.

McCall's magazine interviewed Deputy Under Secretary for Research, Education, and Economics Catherine Woteki on the Food Guide Pyramid.

VIII. FOIA REQUESTS

The Miami, FL law firm, Gunster, Yoakley, Valdes-Fauli, and Steward has requested copies of all records related to the Administration's Everglades Restoration Plan.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

May 2, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of April 29, 1996

I. KEY DEPARTMENT NEWS

Administration Moves To Help Cattle Producers: Cash prices for slaughter cattle have hit a 10-year low. After a meeting on April 30 with President Clinton and a bipartisan group of lawmakers, Secretary Glickman announced a five-point plan to address the problems affecting the nation's cattle industry. These steps are designed to help relieve pressures to the industry and assist in ensuring a stable, affordable supply of beef for American consumers.

The plan includes: permission for producers to graze cattle and soon cut hay on certain land enrolled in the Conservation Reserve Program; further use USDA and other federal programs to promote U.S. beef exports; starting USDA's beef purchase program for the 1996-97 school year by immediately purchasing beef; surveying the credit needs of livestock producers and report back to the President any recommendations on the need for leniency; and meeting with livestock producers, industry representatives, and others to monitor the five-point plan. On May 1, Secretary Glickman announced that USDA will provide market support to the nation's beef industry by accelerating its beef purchases for the 1996-97 National School Lunch Program.

U.S. beef exports, however, have increased. Recently released January-February trade data indicate that the volume of U.S. beef exports are up 29 percent from a year ago, with U.S. beef prices key to expanded purchases. Leading the advance was a 37-percent increase in Japanese beef purchases. Sales to top buyers Canada, Korea, and Mexico also rose, but at a more moderate pace. Big increases occurred in shipments to the European Union, the Middle East, Eastern Europe, and Colombia.

In related news, the Committee on Agricultural Concentration in the meat-production industry met on April 29-30 to hear final public comments on concentration issues and began finalizing their report to Secretary Glickman, due on June 7. The issue of concentration continues to be a major concern for the industry.

Conservation Theme Promoted In Colorado: On May 2, Secretary Glickman will be in Denver, CO to conduct conservation events with Governor Romer at Fairview Elementary School, where a \$500,000 Urban Resources Partnership grant will be awarded. A Mutual Agreement on conservation-issues will also be signed by the Governor and Secretary. The

Denver Urban Resources Partnership is a joint effort among private and public organizations and seven federal agencies to enhance, restore, and sustain urban ecosystems. In Denver, the Secretary will also address the West/Southwest Farm Service Agency State Executive Directors and State Committee Members Conference about farm bill issues.

Australia Bans Any Product With Possible Karnal Bunt Infestation: Australia has suspended imports of bulk commodities (i.e. fertilizer, stockfeed), secondhand machinery, and new field-tested agricultural harvesting machinery that might be contaminated with the wheat fungus, Karnal bunt. The suspension will be in force until Australia is satisfied that data is available to show that the United States knows the precise distribution of the disease and the extent of contamination. Australia also wants to ensure that measures are taken to prevent contamination of U.S. goods destined for Australia. Quarantine rules are also tightened for seed imports.

Forest Service Negotiates To Buy Conservation Easement: On April 29, Under Secretary for Natural Resources and Environment Jim Lyons and Governor Dean met about Forest Service negotiations with the John Hancock Mutual Life Insurance Company to purchase a conservation easement on 31,493 acres of timberland owned by the company in northeast Vermont. Agreement was reached where the Forest Service will extend a \$3.3 million block grant to Vermont from obligated Forest Legacy funds for the state to acquire conservation easements or fee title on desired tracts. This authority was granted under the farm bill. The state will be required to meet a criteria which includes, among other things, providing free public access, attaining easements in perpetuity, maintaining state appraisal methods to meet federal standards, and placing restrictions on subdividing.

USDA Issues Food Safety Regulatory Reform Proposals: On May 2, the Food Safety and Inspection Service (FSIS) announced two reform proposals as part of its ongoing effort to improve food safety and modernize meat and poultry inspection. One proposed revision would establish objective performance standards for the safe production of cooked beef products, uncured meat patties, and certain fully and partially cooked poultry products. These standards would ensure the safety of such products and permit innovation by industry in the specific steps they take to produce a safe product. The second proposed rule would eliminate requirements for industry to obtain FSIS prior approval for facility blueprints and equipment and for most quality control programs. This will reduce unproductive paperwork burdens and foster sharper focus on the achievement of acceptable sanitation and food safety results.

Cattle Slaughter Proposal Announced In United Kingdom: The United Kingdom (UK) has announced a proposed Bovine Spongiform Encephalopathy policy involving a selective cattle slaughter. The policy proposes the slaughter of around 42,000 cattle in about 1,000 dairy herds considered to be high risk and represents 2 percent of the total national dairy herd. This is in addition to the removal of cattle over 30 months of age from the food chain at the end of their productive lives. This proposal was submitted to EU agricultural ministers on April 29. Indications are that the proposal is not enough to result in a lifting of the EU export ban.

National Grain Car Council Meets: On April 26, the National Grain Car Council held its second meeting, and carrier and shipper members indicated that rail cars are now available again for the grain industry. USDA is represented on the Council.

U.S. Agricultural Exports Continue Strong: Recently released trade statistics place the value of U.S. agriculture, fish, and forest product exports in February at \$6.1 billion, a 5 percent increase over the February 1995 level. February's shipments brought the five-month FY96 value of total exports to \$30.3 billion, 11 percent higher than the same period in FY95. Exports to six of the top U.S. markets rose in February, with sales up sharply in Russia, Egypt, and Mexico, and moderate gains in Japan, the European Union, and Canada.

USDA To Release Reports: On May 10, the Economic Research Service (ERS) will release *How Would Changes to the Earned Income Tax Credit Affect Rural Recipients?* The earned income tax credit has become a major source of income support for low-income rural workers and their families, especially in the South, where the rural poor are concentrated. Proposed changes to improve the targeting of benefits would exclude many farmers from the program.

ERS will also release *Food Cost Review* on May 10, which will reveal that the prices farmers received for commodities, as measured by the farm value of USDA's market basket of foods, fell 3.7 percent. The farm value share of the food dollar spent in grocery stores in 1994 was 24 percent, a decline of 2 percent from 1993. The farm-to-retail price spread of the Department's market basket of foods rose 4.5 percent, partly reflecting higher prices of inputs, such as labor.

The Agricultural Marketing Service is reviewing the first draft of *Farmers' Markets Survey Report*, based on a nationwide survey to develop a statistical and practical repository of information that can help states and localities operate farmers' markets more efficiently. The study will evaluate management issues at these markets, such as participation in the Women, Infants, and Children (WIC) Farmers' Market Nutrition Program and the identification of various market rules that affect growers' use of farmers' markets.

USDA Catches 331 Food Stamp Retailers In Fraud Sweep: On May 1, Secretary Glickman announced that USDA undercover investigators, working intensively in Tidewater, VA, Jacksonville, FL, and Seattle-Takoma, WA in April, caught 331 merchants in the act of committing food stamp fraud. A press conference was held in Jacksonville, FL on May 1 to announce the results of the sweep, known as Operation Trident. The stores caught in violations redeemed over \$11 million worth of food stamps last year, and the 82 caught trafficking redeemed more than \$3.2 million. The stores caught trafficking bought \$13,500 worth of food stamps from investigators for just over \$6,900 in cash -- about half the stamps' face value. *National Public Radio* ran a story about the food stamp fraud sweep.

Federal Income Tax Refund Offset Program Productive: Cumulative collections through the Federal Income Tax Refund Offset Program from January 1992 through April 1996 have exceeded \$100 million. Collections for 1996 have already exceeded \$30 million, with 40 state agencies now participating. This program continues to be one of the most effective methods of collecting overissued food stamp benefits.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

Council On Environmental Quality: The Natural Resources Conservation Service is completing the draft compilation of the 25th annual *Environmental Quality Report*, which will include data and reports from over 25 federal agencies, plus interviews with well-known environmentalists and naturalists.

AmeriCorps/National Service Update: In Baltimore, MD on April 29, Secretary Glickman met with a representative of a Summer of Gleaning AmeriCorps project partner. Final adjustments are being made in preparation for hiring 52 AmeriCorps members for the Summer of Gleaning initiative. (*See Media/Press Inquiries*)

The Rural Development AmeriCorps program is finalizing plans for the 1997 program year. Application materials are being completed in order to send to all Empowerment Zones (EZ), Enterprise Communities (EC), and Champion Communities, as well as rural development state directors in all 35 states that have EZ/EC or Champion Communities.

The Forest Service and four partners will receive the Cooperative Public Service Award on May 8 in Minneapolis, MN for providing leadership to AmeriCorps members who completed successful projects in Minnesota. The award, given by Partnership Minnesota, recognizes outstanding examples of innovative governmental and civic cooperative efforts.

Empowerment Zones/Enterprise Communities/Champion Communities (EZ/EC) Update: Clinton County, KY has been selected by the Department of Housing and Urban Development (HUD) to receive a \$125,250 Ounce of Prevention Program grant. The grant was one of nine allocated by HUD, and the only one awarded to a rural community. This grant will help the Clinton County School District keep area youth in school.

On May 6, USDA officials will be in Jasper, AR, a Champion Community, to participate in a ground breaking ceremony for a \$1.3 million expansion of the community sewer system. The improvements will add 140 people to the system, which currently serves more than 500 residents. This project will protect the health of citizens of Jasper and improve the water quality of the Little Buffalo River.

Partnerships For Stronger Families: In accordance with the White House Partnerships for Stronger Families initiative, the Food, Nutrition, and Consumer Services (FNCS) has been asked to organize a USDA working group to discuss cross cutting issues affecting families and children. The Department's programs have a wide-ranging impact on families and children and better internal coordination will increase these program's effectiveness on the grass roots level. FNCS will be USDA's representative on the Administration's working groups and will work with other federal agencies to ensure this program's goals are met.

III. NOTABLE CONGRESSIONAL ACTIVITY

USDA officials have completed their FY97 appropriations testimony before both the House and Senate appropriations panels. Public hearings are expected to conclude in May. On May 3, Under Secretary for Natural Resources and Environment Jim Lyons will meet with Senator Reid regarding appropriations related to the Forest Service.

The Senate is debating an immigration reform bill, and an amendment to the bill includes a provision that would require the Comptroller General to review the H-2A Program (immigration reform) to ensure that it provides a "workable safety valve" in the event of future shortages of domestic farm workers. The provision was added to the manager's amendment at Senator Wyden's request.

Congressional Hearings:

On May 9 and 22 and June 6, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold hearings on meat, poultry, and seafood inspection. Additional hearings are also expected. Food Safety and Inspection Service Associate Administrator Thomas Billy testified before the Subcommittee on May 2.

On May 6, the Senate Banking, Housing, and Urban Affairs Subcommittee on Housing Opportunity and Community Development will hold a hearing on housing reform.

On May 7, the House Appropriations Subcommittee on Interior and Related Agencies will hold an oversight hearing on the status and future options of the Columbia Basin Ecosystem Assessment.

The Senate Energy and Natural Resources Committee will hold a May 7 hearing on Oregon's Opal Creek, and setting aside land for a preservation area.

On May 8, the House Agriculture Committee will hold an oversight hearing on Food, Nutrition, and Consumer Services procurement policies. Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify.

On May 9, the House Resources Subcommittee on Fisheries, Wildlife, and Oceans will hold a hearing on the Domesticated Salmonid Broodstock and Seedstock Act of 1996. This bill would promote international trade and interstate commerce by authorizing the Secretary of Agriculture to provide diagnostic and certification services to reduce the risk of disease transmission associated with domesticated salmonid.

On May 14, the House Agriculture Committee will hold a farm bill research title hearing.

On May 15 and 16, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold a hearing to review issues raised by a recently released study of trading practices and procedures on the National Cheese Exchange.

On May 18 and 20, the House Agriculture Subcommittee on General Farm commodities will hold field hearings in Coeur D'Alene, ID and Bend, OR to review the impact of agricultural imports from Canada.

On May 22, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on the Food Quality Protection Act.

IV. SECRETARY'S SCHEDULE

On May 2, Secretary Glickman will join Governor Romer for conservation events and address Farm Service Agency state executive directors and state committee members in Denver, CO. *(See Key Department News: Conservation Theme Promoted In Colorado)*

On May 8-10, Secretary Glickman will be in Vienna, Austria to meet with European Union (EU) Commissioner of Agriculture Franz Fischler and discuss U.S.-EU bilateral trade issues, including the EU's ban on U.S. beef, meat inspection issues, Bovine Spongiform Encephalopathy, the world grain supply situation, and long-term agricultural policy initiatives.

V. DEPUTY SECRETARY'S SCHEDULE

On May 3-4, Deputy Secretary Richard Rominger will be Atlanta, GA to participate in Planting Day and in Athens, GA to present a Hammer Award to Natural Resources Conservation Service (NRCS) employees. The NRCS Plant Materials Center and U.S. Olympic Organizing Committee are organizing planting events involving NRCS Earth Team volunteers, AmeriCorps personnel, and others. Partners will work together planting erosion control vegetation at Olympic event site locations.

VI. SUB-CABINET SCHEDULE

On May 4, Under Secretary for Natural Resources and Environment Jim Lyons will address the Los Angeles Urban Team Rivers Conference in California; on May 4-10, he will be in California, Oregon, and Washington for various Departmental activities; on May 17, he will receive the George Hammel Cook alumni excellence award at Rutgers University, NJ.

On May 5-6, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will speak at the National Association of State Departments of Agriculture Supermarket Industry/ U.S. Food Export Showcase and participate in customer outreach in Chicago, IL.

On May 6, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the American Federation of School Administrators conference in Washington, D.C.

On May 17, Assistant Secretary for Administration Wardell Townsend will be a panelist at the Association of Social Workers National Forum on Public Policy in Baltimore, MD.

VII. PRESS/MEDIA INQUIRIES

On April 29, Secretary Glickman joined Baltimore, MD Mayor Schmoke for an event at Second Helping, a local perishable and prepared food-rescue program. The event was covered by *WBAL* television. In Baltimore, a food-rescue round table was also held. USDA is planning four additional food-rescue roundtables to be held across the country, with locations to be announced soon. The Secretary also met with a representative of Civic Works, a Summer of Gleaning AmeriCorps project partner while in Baltimore. (*See USDA Work On Presidential Initiatives: AmeriCorps/National Service Update*)

On April 26, Secretary Glickman visited Texas and Kansas to hold town hall meetings, meet with farmers/state agriculture officials, view drought areas, and announce a new policy on emergency grazing fees. Good media/press coverage was received, including Texas and Kansas local television/radio stations and newspapers, *CBS Evening News*, *Mid-America Agriculture Network*, *Agriculture Producers Radio Network*, *Futures World News*, *The Wall Street Journal*, *Reuters*, *Associated Press*, *Amarillo Daily News*, and *Lubbock Avalanche-Journal*.

On May 5, *CBS' 60 Minutes* is expected to run a story on timber salvage.

On May 1, Secretary Glickman was interviewed by *CNBC* regarding crop and commodity market issues. On April 30, the Secretary was interviewed by *Business Week* on similar issues. *The Wall Street Journal* and *CNN* have also requested interviews.

New York Times requested an interview with Under Secretary for Research, Education, and Economics Karl Stauber for a story on insect resistance.

Thompson Newspapers has inquired about a Russian poultry shipment last year.

NBC, ABC, Reuters, and Associated Press inquired about the proposed food safety rule known as Hazard Analysis and Critical Control Points (HACCP).

National Geographic is developing a story on the recreational uses provided to the 20 million-plus people living close to California's Angeles and San Bernardino National Forests.

Los Angeles Times is working on a story about timber theft and Forest Service investigations.

Business Week, Kansas City Star, and Feedstuffs magazine inquired about the status of a field directive on the advanced meat separation process. The Food Safety and Inspection Service is evaluating information requested about the process from industry.

Chicago Tribune inquired about Food Safety and Inspection Service (FSIS) policy on irradiation and the status of a petition on beef. FSIS does not regard irradiation as a "silver bullet" ensuring food safety, but sees it as one of many technologies that might be made available to fight pathogens. The petition is still under review at the Food and Drug Administration.

USDA continues to receive media and press inquiries about Bovine Spongiform Encephalopathy. (See *Key Department News: Cattle Slaughter Proposal Announced In United Kingdom*)

Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas was interviewed on *CNN* and *NBC Nightly News* has requested an interview, both concerning an upcoming hearing on food stamp contracts. (See *Norable Congressional Activity: Congressional Hearings*)

VIII. FOIA REQUESTS

Nothing to report.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

May 9, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of May 6, 1996

I. KEY DEPARTMENT NEWS

Agricultural Trade Issues To Be Discussed In Austria: On May 8-10, Secretary Glickman will be in Vienna, Austria to meet with European Union (EU) Commissioner of Agriculture Franz Fischler about a number of trade issues, including the world grain supply and outlook situation, progress in establishing equivalence in sanitary measures for animals and animal products, the EU hormone ban, and EU enlargement to the East. The Secretary will also discuss issues related to preparations for the Food and Agriculture Organization World Food Summit that will be held in Rome in November and tour a farm with Commissioner Fischler. On May 10, Secretary Glickman will address the EU's grain trade association annual meeting and participate in a media availability.

USDA Continues With Assistance To Cattle Producers: On May 6, USDA announced details for emergency haying and grazing, following the April 30 White House announcement of measures to assist cattle producers. Secretary Glickman also announced provisions to maintain environmental protection on Conservation Reserve Program (CRP) acres released for the emergency haying or grazing. These steps are designed to provide relief to the cattle industry, which is suffering from low cattle prices, record high feed costs, and scarcity of available hay and forage.

On May 13, the Economic Research Service will release *Cattle and Sheep Situation and Outlook Report*, which will indicate that the beef sector is being pressured in several ways. As the early spring barbecue season begins and slaughter begins to decline, beef prices have not risen seasonally as is usually the case. Fed cattle prices dropped from \$62-\$63 per cwt in March to the mid-\$50s in late April. Fed cattle supplies are likely to decline as feedlot placements, although large, continue well below a year ago. The increasingly uncertain crop and pasture-range conditions for spring and summer are another issue affecting the livestock sector.

Farm Bill Update: On May 1, USDA officials briefed House and Senate Agriculture Committee staff on the Department's efforts to implement the commodities provisions of the 1996 farm bill. Questions focused on the Department's proposed implementation of the bill's planting flexibility provisions and the continued utility of certain acreage reporting requirements. Hill briefings on other farm bill titles are planned for later this month.

The Sierra Club intends to file a motion soon to enjoin the May 20 signup for participation in the recently enacted farm bill commodity programs. Last year, in one of the first lawsuits seeking application of the Endangered Species Act (ESA) to federal farm programs, the Sierra Club sued USDA for failure to enter into formal consultation under the ESA, principally over the impact of the Department's commodity programs on threatened and endangered species dependent on the Edwards Aquifer. The plaintiff argues that USDA programs encourage and support pumping water from the Edwards Aquifer, an underground reservoir that underlies San Antonio, TX and the surrounding area. The drought that has adversely affected the winter wheat crop has now reduced to flow in the springs, which also support threatened and endangered species.

USDA Responds To Wildfires: The Forest Service continues its response to wildfires on National Forests in New Mexico and Arizona. About 2,000 people have been evacuated from Lava, Questa, San Cristobal, and Red River due to the Hondo Fire burning on the Carson National Forest in New Mexico. This fire was caused by negligence and has destroyed 23 structures and scorched 3,500 acres. The Clark Peak Fire on the Coronado National Forest (New Mexico) have burned 6,317 acres with numerous spot fires in the area. No losses have been reported, but residential and scientific structures are threatened.

Over 300 acres have burned on the Coconino National Forest (Arizona) where the Side Fire has been fully contained. The Dome Fire on the Santa Fe National Forest (New Mexico) was successfully burned out. Each fire is believed to have been caused by humans. Two people were arrested by Forest Service Southwestern Regional Law Enforcement Officers in connection with the Dome Fire. Arraignment was held on April 29 and the pretrial hearing on April 30. The date for trial is pending.

On May 8, USDA officials briefed the White House on fire forecasting, incident command operations, and opportunities for White House support. On May 8, Under Secretary for Natural Resources and Environment Jim Lyons traveled to New Mexico to meet with Governor Johnson and discuss the wildfire situation.

USDA To Hold Civil Rights Forum: On May 14, Secretary Glickman will participate in a forum on civil rights in Washington, D.C. The theme for the event is "Building Bridges for a Better USDA: A Departmental Forum on Civil Rights." The forum will be the first of several efforts to promote greater dialogue and understanding within the Department on civil rights. The Department's primary objective at the forum is to listen to managers and employees and to learn from them about the problems they are facing, as well as the possible solutions.

USDA Continues Karnal Bunt Response: On May 2, the Animal and Plant Health Inspection Service (APHIS) announced a decision to allow millers within quarantined areas to transport millfeed (a milling co-product) to offsite locations within quarantine areas to be pelletized. Previously, APHIS required millfeed produced in the quarantine area to be pelletized at the

mill. Once the product is pelletized, APHIS considers it to be not infected with the Karnal bunt virus of wheat. APHIS will now look at possible ways to physically devitalize the Karnal bunt spores. As for compensation, a panel is reviewing the needs of all segments of the agricultural community, and a decision is forthcoming.

Funding Announced For Export Promotion: On May 3, Secretary Glickman announced FY96 allocations of \$90 million to 66 U.S. trade organizations for export promotion under the Market Access Program (MAP), formerly the Market Promotion Program (MPP). The goal of MAP is to put U.S. high-value products in the grocery baskets of foreign consumers and in the process, to create more U.S. jobs. Since its inception in 1985, the MAP and its predecessors, the Targeted Export Assistance Program and MPP, have provided cost-share funds to nearly 800 U.S. companies, cooperatives, and trade associations to promote U.S. products overseas.

Under Secretary For Research, Education, Economics Announces Resignation: This week, Under Secretary for Research, Education, and Economics Karl Stauber announced that he will leave USDA in mid-June to assume the presidency of the Northwest Area Foundation in St. Paul, MN. The Northwest Area Foundation is one of the most innovative private funders in the United States that addresses issues of balancing economic opportunities and protecting the environment, urban and rural poverty alleviation, and building new community development partnerships.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

USDA To Host Presidential Advisory Committee Development Bank Meeting: On May 10, USDA will host the Presidential Advisory Committee on the North American Development Bank (NADBank) U.S. Community Adjustment and Investment Program. NADBank, a bilateral bank in Mexico, was created during the passage of NAFTA with authorities that include lending in communities with significant levels of adversely impacted workers. The bank will work with federal agencies to provide loans and loan guarantees for business development.

Empowerment Zones/Enterprise Communities/Champion Communities (EZ/EC) Update: Construction on a \$1.9 million houseboat manufacturing facility will soon begin in the Kentucky Highlands EZ. The company will initially employ 20 people, and by the third year of operation projects hiring another 50. The average wage will be slightly higher than the average manufacturing wage in the area. The company's owner said that he is opening his business in the Kentucky Highlands EZ because of the Federal Empowerment Program. Through USDA assistance, a federal loan was provided to start the operation. USDA continues to recruit and attract businesses such as this to the various EZs/ECs.

On May 7, Under Secretary for Rural Economic and Community Development (RECD) Jill Long Thompson was in Charleston, South Carolina to discuss the Administration's second round of EZs/ECs at a Champion Community training session. On May 8, she was in Homestead, FL to dedicate a farm labor housing project that was funded following destruction of original housing facilities by Hurricane Andrew.

On May 7, a RECD official was in Little Rock, AR to participate in the Arkansas Champion Communities Conference. The Winthrop Rockefeller Foundation, in partnership with the University of Arkansas Cooperative Extension Service and the W.K. Kellogg Foundation, convened the conference to build support and strengthen Arkansas Champion Communities.

III. NOTABLE CONGRESSIONAL ACTIVITY

On May 16, Secretary Glickman will meet with Senator Bingaman to discuss New Mexico drought relief.

On May 16, Secretary Glickman will participate in Representative Farr's television show.

On May 2, the Senate passed legislation aimed at curbing illegal immigration. The bill includes a provision that would require the Comptroller General to review immigration reform to ensure that it provides a "workable safety valve" in the event of future domestic farm worker shortages.

Congressional Hearings:

On May 8, the House Agriculture Committee held an oversight hearing on the use of federal funds authorized under the Food Stamp Program to obtain services from private contractors. The Committee's focus was on USDA's decision to retain pollster Celinda Lake to conduct focus groups on the food stamp reform issue. This was the subject of an article in *The Washington Post* on May 9 and a segment on *NBC Nightly News' Fleecing of America* on May 8.

On May 9, the House Resources Subcommittee on Fisheries, Wildlife, and Oceans held a hearing on the Domesticated Salmonid Broodstock and Seedstock Act of 1996. This bill would promote international trade and interstate commerce by authorizing the Secretary of Agriculture to provide diagnostic and certification services to reduce the risk of disease transmission associated with domesticated salmonid. Animal and Plant Health Inspection Service Deputy Administrator for Veterinary Services Don Luchsinger testified.

On May 14, the House Agriculture Committee will hold a farm bill research title hearing.

On May 15 and 16, the House Agriculture Subcommittees on Livestock, Dairy, and Poultry and Risk Management and Specialty Crops will hold a joint hearing to review issues raised by a recently released study of trading practices and procedures on the National Cheese Exchange.

On May 15, the Senate Energy and Natural Resources Committee will mark up a bill to authorize and direct the Secretaries of Agriculture and Interior to undertake activities to halt and reverse the decline in forest health on federal lands.

On May 18 and 20, the House Agriculture Subcommittee on General Farm commodities will hold field hearings in Coceur D'Alene, ID and Bend, OR to review the impact of agricultural imports from Canada.

On May 22, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on the Food Quality Protection Act.

On May 22 and June 6, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold hearings on meat, poultry, and seafood inspection. A hearing was held on May 9 and additional hearings are also expected.

IV. SECRETARY'S SCHEDULE

On May 8-10, Secretary Glickman will be in Vienna, Austria to meet with European Union (EU) Commissioner of Agriculture Franz Fischler and discuss trade issues. (*See Key Department News: Agricultural Trade Issues To Be Discussed In Austria*)

On May 14, Secretary Glickman will participate in the USDA Civil Rights Forum. (*See Key Department News: USDA To Hold Civil Rights Forum*)

On May 18, Secretary Glickman will give the commencement address for the Santa Clara University School of Law in California and possibly conduct events in Portland, OR.

V. DEPUTY SECRETARY'S SCHEDULE

On May 9-13, Deputy Secretary Richard Rominger will be in Sacramento, CA to present awards at the Central Valley Habitat Joint Venture's "Wings Over the Valley" banquet to celebrate accomplishments in the North American Waterfowl Management Plan and to address the Northern California Food and Agricultural Industry Executive Update; in Santa Clara, CA, the Deputy Secretary will address the Santa Clara University Institute of Agribusiness Conference.

VI. SUB-CABINET SCHEDULE

On May 9-10, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will be in San Diego, El Centro, and Blythe, CA and Phoenix, AZ to meet with state agriculture officials and growers about Karnal bunt. (*See Key Department News: USDA Continues Karnal Bunt Response*)

On May 13, Under Secretary for Rural Economic and Community Development Jill Long Thompson will be the keynote speaker at the Corporate Roundtable on Rural Health Care in Atlanta, GA; on May 22, she will announce approval of a Rural Utilities Service grant to the Twin Lakes Water and Sewer Project in Monticello, IN; on May 23, she will speak at Wabash College in Crawfordsville, IN.

On May 15, Acting Under Secretary for Food Safety Michael Taylor will participate in an informal discussion with American Meat Institute representatives in Washington, D.C.

On May 17, Under Secretary for Natural Resources and Environment Jim Lyons will receive the George Hammel Cook alumni excellence award at Rutgers University, NJ and participate in an Urban Resources Partnership meeting in Philadelphia, PA; on June 7, he will attend the World Pork Expo in Des Moines, IA.

On June 8-13, Acting Chief Financial Officer Ted David will speak at the Association of Government Accountants conference in Little Rock, AR.

VII. PRESS/MEDIA INQUIRIES

On May 7, Secretary Glickman spoke at the launching of *CommonQuest*, a joint American Jewish Committee-Howard University magazine.

On May 8, Secretary Glickman was interviewed by *ABC News* about the Karnal bunt issue and by *NBC News* regarding cattle prices. (See *Key Department News: USDA Continues With Assistance To Cattle Producers*)

On May 16, Secretary Glickman will participate in Representative Farr's television show.

NBC News requested a USDA Office of Inspector General audit report on Forest Service timber theft prevention controls. Interviews have also been requested.

NBC's Dateline requested information about Pennsylvania poultry farms that participated in the quality assurance program to prevent *Salmonella enteritidis* in eggs.

ABC News asked for information on daily fat consumption by Americans.

ABC's Prime Time Live requested copies of USDA letters sent to a Virginia cattle dealer who has pleaded guilty to causing adulterated food to be introduced into interstate commerce with the intent to defraud.

NOVA, a *Discovery Channel* program, is evaluating several wildfires and how the Forest Service has benefited from research conducted on the fires.

The Washington Post requested a USDA Office of Inspector General audit report concerning the school lunch program.

The Washington Post requested information on large importers/exporters of tobacco.

New York Times requested information about the organics program.

Associated Press requested information about the status of the Food Safety and Inspection Service directive for inspectors on the enforcement of the rule for use of advanced meat separation equipment. The agency is evaluating information requested from processors who use the equipment.

On May 16, Under Secretary for Natural Resources and Environment Jim Lyons will be interviewed by *Northwest Newspapers* regarding timber issues.

VIII. FOIA REQUESTS

Associated Press requested records on farm subsidy payments.

CBS News requested information on contracts between USDA and Celinda Lake Public Opinion polling firm. This was the subject of an article in *The Washington Post* on May 9. (See *Notable Congressional Activity: Congressional Hearings*)

NBC News and *NBC's Dateline* requested the full file concerning a closed investigation regarding Miami Seaquarium.

The Sierra Club Legal Defense Fund Inc. requested information on timber and correspondence from the timber industry to USDA.

The National Security Archive has requested records on the Reagan Administration's decision-making with respect to Poland.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

May 16, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of May 13, 1996

I. KEY DEPARTMENT NEWS

Secretary To Visit California, Illinois: On May 18, Secretary Glickman will present the commencement address for Santa Clara University School of Law graduates. On May 19, the Secretary will address board members of the National Restaurant Association in Chicago, IL about USDA efforts to build its gleaning and food rescue program. This organization's 28,000 members represent more than 150,000 food service outlets.

On May 20, the Secretary will join Representative Durbin in Illinois for several activities, including farm program sign-up in Taylorsville and the Tri-Township Water System groundbreaking event in Highland. To support outreach efforts alerting producers to the significance of the May 20-July 12 sign-up for Market Transition Program benefits, Farm Service Agency county offices are getting the word out through the media and press.

Winter Wheat Production Down: Winterkill in the soft red winter wheat production areas, coupled with dry conditions in the hard red winter areas, are expected to cripple the 1996 winter wheat harvest. Based on conditions as of May 1, the U.S. crop is expected to produce 1.36 billion bushels, the lowest level since 1978. Average yield is forecast at 35.9 bushels per acre, the lowest in five years. Winter wheat acres to be harvested for grain, at 37.9 million, are at the lowest level since 1972.

USDA Focuses On Timber Theft: On May 17, Secretary Glickman will request that the Forest Service reconsider creating a national timber theft detection and prevention team to provide training, oversight, and guidance of regional timber theft prevention and investigation efforts. Recent news articles on the Forest Service's timber theft prevention and investigation efforts have created the perception that the Forest Service may be turning a blind eye on timber theft. USDA wants to ensure that the timber theft prevention and investigation program is strong and vigorous. The Secretary requested a report back from the Forest Service on this request to strengthen the program.

Vermont Forest Legacy Program Agreed Upon: As a follow-up to his recent meeting with Vermont Governor Dean, Under Secretary for Natural Resources and Environment Jim Lyons sent a letter relating the draft terms of the agreement to implement the Forest Legacy Program

in Vermont under the newly enacted state grants provision of the Cooperative Forestry Assistance Act. The agreement will enable the state to pursue negotiations for the purchase of a conservation easement on 31,493 acres of timberland owned by John Hancock Mutual Life Insurance Company in northeast Vermont. The agreement also resembles the draft revised guidelines to the Forest Legacy Program that the Forest Service will release for public comment the week of May 20.

Fire Update: The Coronado National Forest in Arizona has been contained, with only spot fires threatening some summer homes and telescopes. More than 6,300 acres have burned and no structures have been lost. Arizona Governor Symington has banned all smoking and open fires on public and private lands due to dry conditions and high probability of fires.

The Hondo Fire on Carson National Forest in New Mexico was 100 percent contained by May 10 after burning more than 7,500 acres, destroying 32 structures, and displacing 2,000 people from their homes near the Forest. Along with New Mexico Governor Johnson, Under Secretary for Natural Resources and Environment Jim Lyons met with local community leaders and representatives affected by the fire. Governor Johnson has imposed a state-wide fire restriction covering state and private lands and issued a smoking ban on the Forest.

Public Meetings Scheduled On Tongass Land Management Plan: Public meetings on the Tongass National Forest Land Management Plan will run for three weeks, beginning May 20 in 32 southeast Alaska communities. The revised supplement to the draft environmental impact statement (RSDEIS) and proposed Forest Plan has been mailed to more than 1,400 people in southeast Alaska and across the country. The RSDEIS contains the preferred alternative recommended by the three Tongass forest supervisors and announced at an April 18 Senate hearing. The preferred alternative balances Forest commodity production with natural resource protection. Meetings will also be held in Anchorage, AK and Washington, D.C. in mid-June.

USDA Moves Ahead On Food Safety Rules: Because of complaints received on a new rule regarding the advanced meat recovery system, the Food Safety and Inspection Service (FSIS) will issue a *Federal Register* notice this summer requesting comments and information on the appropriate location for calcium tests to be taken on meat products under the system. Under the new rule which will be implemented, companies using systems that do not crush bones can label the product "meat," provided that calcium limits are not exceeded. FSIS will also be collecting additional information about how the advanced meat recovery system is performing, as well as new technologies that are being used. This information will be used to determine what improvements are warranted in ensuring compliance.

Administrative review of the pathogen reduction and Hazard Analysis and Critical Control Points (HACCP) food safety final rule continues. USDA anticipates formally sending the final rule to the Office of Management and Budget by May 17.

Symposium To Focus On Genetic Resources: On May 19-22, USDA will host the 1996 Beltsville Symposium XXI, which will focus on "Global Genetic Resources: Access, Ownership, and Intellectual Property Rights," a critical subject to those who use genetic resources in their research. Laws are being considered around the world that would severely restrict access to these biological resources. The symposium, held in Beltsville, MD, will discuss the issue and possible solutions.

USDA To Release Trade Report: On May 24, the Economic Research Service will release *Former USSR International Agriculture and Trade Report*, which will reveal that FY96 U.S. agricultural exports to the countries of the former Soviet Union (FSU) are projected to increase for the first time in four years to \$1.5 billion, up 30 percent from FY95. Rising exports of high-value products are driving the growth. The persistent contraction of the livestock sector in the FSU region continues to keep FSU grain imports at record lows. The report will also discuss increasing trade barriers from some of the FSU countries.

USDA Holds Civil Rights Forum: On May 14, Secretary Glickman held a Civil Rights Forum: "Building Bridges for a Better USDA" to address employee concerns and state his commitment to diversity at USDA. Employees from across the country were brought together by satellite. The forum was opened with statements by Special Assistant to the President Robert Nash, Equal Employment Opportunity Commission Chairman Gilbert Casellas, and Assistant Attorney General for Civil Rights Deval Patrick. Each of these speakers discussed the Administration's achievements in the area of civil rights, as well as outlining the impact recent legal decisions have had on employment and outreach efforts within government. The main program item was four hours of a "town hall" meeting to allow employees to ask questions and voice concerns. The forum concluded with smaller discussion groups on a variety of current civil rights issues.

European Union Meeting Successful: Secretary Glickman's May 9 Vienna, Austria meetings with European Union (EU) agriculture officials, agribusiness representatives, and farmers were productive. The Secretary addressed an international grain organization, focusing on EU export taxes on wheat and barley, and said that he was against restricting exports -- particularly in light of the short supply situation. He also commented that there was no possibility of an embargo on U.S. wheat exports. Media coverage was good at a media availability, including *Reuters*, *Associated Press*, and *Bloomberg*. While in Austria, the Secretary also visited a dairy farm with EU Agriculture Commissioner Franz Fischler.

Recommendations Offered On Rural Revitalization: On May 8, Rural Development Deputy Under Secretary Art Campbell met with representatives of the Northern Great Plains Rural Development Commission, who presented a preliminary report on Commission findings on rural revitalization. The Congressionally mandated Commission has developed recommendations on revitalizing the region and Northern Great Plains region (Iowa, Minnesota, Nebraska, North

Dakota, and Minnesota) and stemming out-migration of rural population. The group commissioned seven working papers, including value-added agricultural businesses, business development, telecommunications, health care, regional air service, international trade, and civic capacity. Final reports are expected in September.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

USDA Promotes Sales Of U.S. Beef: On May 15, USDA authorized credit guarantees for sales of U.S. beef cattle, beef, and products to seven Central America countries, Morocco, Poland, and Turkey under several Department export programs. Wherever possible, the Department will include coverage for chilled or frozen beef and offals and breeder livestock under the Commodity Credit Corporation's export credit guarantee programs (GSM-102/103) to help address the problems affecting the nation's cattle industry. The Administration's five-point program to fight low cattle prices includes boosting U.S. beef and livestock product exports through credit programs like GSM-102 and GSM-103.

Forest Plan/Pacific Northwest Economic Adjustment Initiative Update: On May 15, Rural Utilities Service Deputy Administrator John Romano presented a \$9 million loan/grant check to the Mason County Commissioners in Shelton, WA as part of the Pacific Northwest Economic Adjustment Initiative. USDA is awarding the loan/grant to the county to construct a new sewage treatment facility.

Empowerment Zones/Enterprise Communities/Champion Communities (EZ/EC) Update: The Kentucky Highlands Empowerment Zone is reaping the benefits of the Cyber Ed program, an unprecedented effort to bring technology training directly to teachers, students, and community leaders. Hands-on internet and advanced on-line communications training are being provided from facilities within a large truck that was parked at Jackson County High School. Cyber Ed was created in support of the White House initiative to foster public-private partnerships to improve educational resources in economically disadvantaged areas. Throughout the summer, the Cyber Ed program will visit schools in 15 designated EZs across the country.

USDA Director of National Service Joel Berg recently visited the Watsonville EC in California to meet with representatives from the youth component of the EC's Strategic Plan, where they discussed at-risk youth and gang prevention activities and the Summer of Gleaning program.

USDA Work On Homelessness: Rural Housing Service (RHS) Administrator Maureen Kennedy recently met with 50 representatives of organizations interested in ending homelessness. She discussed RHS policy and program issues related to rural homelessness.

Water 2000 Update: On May 17, Rural Utilities Service Administrator John Romano will present \$2.2 million in a grant/loan to the Fortuna, CA City Council for the Palmer Creek water system, a Water 2000 project. The new system will provide a public water supply and fire protection to 500 Humboldt County residents.

Welfare Reform Update: On May 3, South Carolina's Family Independence Program (FIP) welfare reform demonstration proposal received final approval. The FIP demonstration will run for seven years from the date of implementation and includes waivers to exclude from income an amount up to \$400 in interest and dividends for food stamp households statewide. An exclusion, with condition, will also apply to lump sum payments of \$10,000 or less deposited into a household's Individual Development Account within 30 days of receipt.

National Service/AmeriCorps Update: The May 9 weekly USDA satellite feed included a feature on AmeriCorps efforts to rebuild forests after fires. USDA AmeriCorps Director Joel Berg recently traveled to California to visit existing AmeriCorps sites and announce the new Summer of Gleaning sites. There was extensive media coverage.

III. NOTABLE CONGRESSIONAL ACTIVITY

Secretarial Courtesy Visits: On May 16, Secretary Glickman met with Senator Bingaman and Representatives Farr, Oberstar, Roberts, and Skeen. On May 15, the Secretary met with Representatives de la Garza and Richardson.

Food Stamp Contracting: On May 8, the House Agriculture Committee held one of several hearings on the use of federal funds authorized in the Food Stamp Program to obtain services from private contractors, specifically the food stamp focus groups conducted under a sub-contract with Lake Research Inc. in 1995. Committee staff has indicated that a second hearing focusing on Team Nutrition will likely be held in June. The General Accounting Office has stated that it will expedite a review of USDA-wide procurement procedures.

Appropriations: The House and Senate Budget Committees are scheduled to approve Subcommittee 602-b allocations on May 22. During the last week of May, the House Appropriations Subcommittee on Agriculture will likely mark up the Department's FY97 appropriations bill. The FY97 Interior appropriations bill (with Forest Service funding) will likely be considered shortly after the USDA appropriations markup. Final action is expected to be completed before the July 4 recess.

House Passes Dietary Guidelines Flexibility Bill: On May 14, the House passed legislation that would give more flexibility to schools to meet the Dietary Guidelines for Americans under the school lunch and breakfast programs. According to Senate staff, the Administration-supported bill could be passed soon.

Congressional Hearings:

On May 18, the House Agriculture Subcommittee on General Farm commodities will hold a field hearing in Coeur D'Alene, OR to review the impact of agricultural imports from Canada. Foreign Agricultural Service Associate Administrator Tim Galvin will testify.

On May 21, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on eco-regional assessments. Under Secretary for Natural Resources and Environment Jim Lyons will testify.

On May 22, the Senate Agriculture, Nutrition, and Forestry Committee will hold a hearing on legislation on the Food Quality Protection Act. USDA officials will brief White House staff on this issue on May 17.

On May 22 and June 6, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold hearings on meat, poultry, and seafood inspection.

On May 28, the Senate Energy and Natural Resources Committee will hold a field hearing in Ketchikan, AK to review the Ketchikan Pulp Company contract extension.

On May 29, the Senate Energy and Natural Resources Committee will hold a field hearing in Juneau, AK on socio-economic impact analysis and the Tongass Land Management Plan. (*See Key Department News: Public Meetings Scheduled On Tongass Land Management Plan*)

On June 5, the House Agriculture Committee will hold a hearing on trade opportunities in the Pacific Rim.

IV. SECRETARY'S SCHEDULE

On May 18, Secretary Glickman will give the commencement address for the Santa Clara University School of Law in California.

On May 19, Secretary Glickman will speak to the National Restaurant Association board in Chicago, IL about the Department's gleaning/food rescue program.

On May 20, Secretary Glickman will join Representative Durbin in Illinois for several activities, including a farm program sign-up event in Taylorsville and the Tri-Township Water System groundbreaking event in Highland. (*See Key Department News: Secretary Glickman To Participate In Farm Program Sign-Up*)

On May 21, Secretary Glickman will address the agriculture fraternity Alpha Gamma Rho in Washington, D.C.

On May 23, Secretary Glickman will address the U.S. Feed Grains Council in Washington, D.C.

V. DEPUTY SECRETARY'S SCHEDULE

The Deputy Secretary has no travel scheduled for next week.

VI. SUB-CABINET SCHEDULE

On May 17, Under Secretary for Natural Resources and Environment Jim Lyons will receive the George Hammel Cook alumni excellence award at Rutgers University, NJ and participate in an Urban Resources Partnership meeting in Philadelphia, PA; on May 21, he will attend an Urban Resources Partnership meeting in Chicago, IL; on May 30-31, he will participate in the Russian River event in Sacramento, CA; on June 1, he will participate in a celebration for National Trails Day in northern California; on June 4, he will participate in the Wildlife Habitat Incentive Program in Laurel, MD; on June 7, he will attend the World Pork Expo in Des Moines, IA.

On May 17, Assistant Secretary for Administration Wardell Townsend will be a panelist at the National Association of Social Workers Forum on Public Policy in Baltimore, MD; on May 29-30, he will participate in the USDA Partnership Council Roundtable Conference in Silver Spring, MD; on June 3, he will address the Summer Institute on Aging, School of Social Work and Center on Aging, at West Virginia University at Morgantown.

On May 20, Under Secretary for Research, Education, and Economics Karl Stauber will attend the Federal Crop Insurance Corporation board meeting in St. Louis, MO.

On June 8-13, Acting Chief Financial Officer Ted David will participate and speak at the Association of Government Accountants conference in Little Rock, AR.

VII. PRESS/MEDIA INQUIRIES

Secretary Glickman held a media availability following his address to the international grain organization in Vienna, Austria last week, including *Reuters*, *Associated Press*, and *Bloomberg*. (See *Key Department News: European Union Meeting Successful*)

The Washington Post requested information on the number of cattle by state. On May 15, Secretary Glickman met with representatives of the cattle and banking industries about cattle prices. (See *USDA Work On Presidential Initiatives: USDA Promotes Sales Of U.S. Beef*)

Wall Street Journal requested various information about food safety, including an interview with a Food Safety and Inspection Service official in charge of the Performance-Based Inspection System.

Time is researching the prescribed fire issue and has contacted the Boise National Forest in Idaho.

CNN requested information regarding the May 14 USDA Civil Rights Forum and interviewed Secretary Glickman on civil rights at the Department. (See *Key Department News: USDA Holds Civil Rights Forum*)

CNN contacted the Animal and Plant Health Inspection Service regarding the transfer of primates from New York University's Medical Center Laboratory for Experimental Medicine and Surgery in Primates to the Coulston Research Foundation in Alamogordo, NM. USDA has charges against both facilities for Animal Welfare Act violations. The story is not expected to air until November.

NBC's Dateline asked for copies of various USDA Inspector General investigative and audit reports concerning payment limitations.

ABC News inquired about a Virginia businessman who pled guilty to federal charges and is awaiting sentencing for selling slaughter animals containing illegal drug residues.

On May 9, Deputy Under Secretary for Research, Education, and Economics invited the media to join her for lunch as part of a small-scale demonstration of environmentally friendly cutlery made from corn starch.

VIII. FOIA REQUESTS

Kansas City Star requested information on 1995 food stamp redemption records.

CBS News asked for information on contracts for public opinion polls. (*See Notable Congressional Activity: Food Stamp Contracting*)

Harrisburg Patriot News requested information on correspondence between USDA and Pennsylvania Congressional Members and the Governor.

Tampa Tribune requested information on correspondence between USDA and three House Agriculture Committee Members from Florida.



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

May 22, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of May 20, 1996

I. KEY DEPARTMENT NEWS

USDA Focuses Attention On Wildfire Situation: On May 20, Secretary Glickman was on the Pike National Forest near Denver, CO to view a forest fire that to date has burned about 10,000 acres and a number of structures. The Buffalo Creek fire has been burning out of control near the communities of Buffalo Creek and Pine, with about 700 firefighters battling the blaze. Governor Romer is seeking federal disaster relief for the drought-stricken counties. A media availability was held at the fire's incident command post, with coverage by the *Denver Post* and *Rocky Mountain News*.

In Alaska, the Hidden Creek and Prator Lake fires were contained on May 17. The Hidden Creek fire burned 5,200 acres of Department of Interior Fish and Wildlife Service land, much of which is covered with dead and bark beetle-infested spruce trees. The Prator Lake fire burned 120 acres and several houses, causing a nearby subdivision to be evacuated. In Arizona, no estimate of containment has been reported on the Coconino National Forest Horseshoe fire, which has burned 7,500 acres. The Pike National Forest Buffalo fire in Colorado has burned 9,700 acres and two houses, with no estimate of containment. The Major No. 1 fire in Florida's Ocala National Forest Juniper Prairie Wilderness has burned 1,510 acres and is 48 percent contained.

Five USDA AmeriCorps members from throughout New Mexico are helping with cleanup of community structures damaged by the wildfires in Lama and Questa, NM. The Department is working with the local community to determine whether more AmeriCorps assistance is needed.

World Trade Organization Panel To Review Hormone Ban: Secretary Glickman and Acting U.S. Trade Representative Barshefsky announced on May 20 that the Dispute Settlement Body of the World Trade Organization (WTO) has established a panel to examine the European Union's (EU) ban on imports of beef from animals raised with benefit of growth hormones. The EU directive has severely restricted U.S. beef exports to the EU. The panel will hear the arguments on both sides and report its findings around the end of this year.

U.S. Forum For World Food Summit Scheduled: The U.S. Forum for the World Food Summit will take place in Washington, D.C. on June 3, providing an opportunity for public comment on the U.S. position at the World Food Summit in Rome on November 13-17. The theme of the U.S. Forum is "The United States' Contribution to World Food Security." Senior federal officials will welcome comments on the following topics: assessment of world hunger problem; U.S. domestic food security programs; U.S. record of contribution to world food security; role of countries in helping themselves; trade and world food security; food aid and development assistance; and environment and sustainability of global agriculture. As the National Secretariat for the Summit, USDA is working with the State Department and the U.S. Agency for International Development.

Farm Program Signup Period Begins: Secretary Glickman and Representative Durbin visited the Christian County USDA service center on May 20 in Taylorsville, IL, where they met with farmers and employees and kicked off a one-time signup period for producers wishing to enroll their farms in a Production Flexibility Contract. The signup period runs until July 12. The contracts, authorized by the 1996 Farm Bill, are for seven years, ending in 2002. Producers have been reminded that compliance with conservation and wetlands provisions continues to be a condition of participation. Farmers may plant as they wish under the program, but fruits or vegetables may not be planted on contract acres, except under certain circumstances. A producer may enroll all or part of the farm's contract base acreage in the program and, after signup, may request a permanent reduction in the acreage without penalty.

Mexican Spotted Owl Decision To Be Released: The Forest Service Southwestern Region expects to issue the Record of Decision (ROD) the first week in June that will take into account the Mexican Spotted Owl Recovery Plan and the May 14 Biological Opinion to formally amend forest plans. The Region has used special guidelines since 1989 to protect owl habitat. The ROD will finally amend the forest plans.

Sheep Referendum Results Voided: On May 17, USDA announced that it will be necessary to hold a second referendum concerning the sheep and wool research and promotion program. Though the Agricultural Marketing Service (AMS) had earlier announced that the referendum authorizing such a program passed by 1,600 votes, challenges called that result into question. As a result of rules being applied inconsistently and improperly, AMS was unable to determine whether the program would have passed without the inconsistencies. The agency has already begun to draft new rules to address the earlier problems. These will be published in the *Federal Register* for comment before a new referendum.

Emergency Loan Funds Depletion Causes Concern: FY96 farm credit emergency loan (EM) funds were exhausted on May 14, with an initial FY96 allocation of \$109.3 million. Possible options to provide funding for EM loans for the remainder of the year are being considered, including requesting a supplemental appropriation of funds and transferring unused funds from another Farm Service Agency program into the EM loan program. Nationwide, about 1,200

EM loan applications are pending. Four states (Mississippi, Texas, Arkansas, California) account for 50 percent of the total EM loan obligations at this time. There is strong Congressional interest in obtaining additional funding for this program, which the Administration proposed to eliminate in its FY97 budget.

New York Launches Food Safety Education Campaign: On May 20, federal, state, and local officials announced the kickoff of an intensive consumer education campaign in New York state aimed at preventing illness from the bacteria, *E. Coli 0157:H7*. The campaign partners include the Food Safety and Inspection Service.

USDA To Release U.S. Export Report: On May 30, the Economic Research Service will release *Outlook for U.S. Agricultural Exports*, which will update the export and import forecast for FY96. High grain prices and strong demand for U.S. meat and poultry will likely result in an upward revision in the export forecast. However, lower than previously anticipated horticultural exports will offset some of the rise. Imports may be revised upward slightly due to advances in cocoa, rubber, fruit, and oilseed imports.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

USDA Continues Efforts To Assist Cattle Producers: Low numbers of cattle placed on feed during April indicate that feed prices are so high and cattle prices so low that producers are reluctant to place cattle and calves in feedlots. Estimates released by the National Agricultural Statistics Service show that April placements in the traditional seven cattle on feed states reporting monthly fell 18 percent from the same period last year to 1.15 million head. More cattle are being left on pasture rather than moving into feedlots. These animals are expected to be placed on feed in the third and fourth quarters at heavier weights. Through mid-May, beef production was up 7 percent from 1995. Beef supplies are expected to fall below year-earlier levels by the end of this quarter through the first quarter of 1997. Beef prices are expected to remain below year-earlier levels until late in 1996 or early 1997.

During late spring 1995, cash prices for fed steers and heifers fell over \$10 per hundredweight. This decline mainly occurred within a four-month period (February-May). Many livestock producers voiced concerns to USDA that the use of "captive supplies" by the major packers was the probable cause of this drop in market prices. As a result of these concerns and allegations, the Grain Inspection, Packers and Stockyards Administration initiated an investigation in Kansas involving the top four U.S. steer and heifer slaughter firms. Kansas is the only state where each of the top four firms has a steer and heifer slaughter plant.

Detailed procurement data for several months were obtained from the six major Kansas slaughter plants. This investigation included an analysis of all pricing and procurement methods currently used by major packers. More than 15,000 transactions involving over 2 million head

of cattle were analyzed. The analysis did not disclose any evidence of anticompetitive practices. Supply and demand factors appear to have been the primary cause of the price decline. The Senate Agriculture Committee staff will be briefed on the findings on May 23.

The Administration has initiated a program to stabilize low cattle prices and help U.S. cattle producers through the current period of high feed costs and reduced feed availability.

Pacific Northwest Economic Adjustment Initiative/Forest Plan: California national forests will receive nearly \$2 million as part of the President's Pacific Northwest Economic Adjustment Initiative. The funds will be disbursed in varying amounts to the following national forests: Klamath; Lassen; Mendocino, Shasta-Trinity; and Six Rivers. These funds are to be used for grants for rural community assistance projects that have been approved for funding under the Forest Plan. The funds will be distributed to projects in Siskiyou, Lassen, Tehama, Lake, Glenn, Trinity, Shasta, Humboldt, Del Norte, and Mendocino Counties.

Water 2000: On May 20, Secretary Glickman and Representative Durbin presented \$3.5 million to community leaders of the Tri-Township water system in Highland, IL for a new water system, as part of the Administration's Water 2000 initiative to provide safe running water to the estimated 1 million rural Americans living without water piped directly into their homes.

Homeownership: On June 6-7, the Rural Housing Service will participate in the National Homeownership Summit, an event to commemorate the one-year anniversary of the President's homeownership initiative. RHS staff is working closely with a number of partners to develop workshops focusing on rural homeownership.

AmeriCorps/National Service: USDA AmeriCorps members from New Mexico are assisting with cleanup of community structures damaged by the wildfires in Lama and Questa, NM. (*See Key Department News: USDA Focuses Attention On Wildfire Situation*)

III. NOTABLE CONGRESSIONAL ACTIVITY

The House Appropriations Committee announced its 602b allocations on May 20. Under the plan, the Agriculture Subcommittee will receive about \$1 billion less in budget authority in FY97. It appears that the Subcommittee will mark up USDA's FY97 appropriations bill on May 31. The FY97 Interior appropriations bill (which includes Forest Service funding) is likely to be considered shortly thereafter, and House action on both bills is expected to be completed before the July 4 recess. On May 23, Secretary Glickman will meet with Senators Cochran and Bumpers and Representative Livingston to discuss appropriations issues.

At the request of House Appropriations Committee staff, the Forest Service is planning a June 3 field briefing on the Shenandoah National Park in Virginia for Congressional staff on protection of forest health in the East.

On May 24, Secretary Glickman will meet with Senator Grams about the Northeast Interstate Dairy Compact and how it might affect Minnesota.

On May 23, USDA officials will brief Senate Agriculture Committee staff regarding the Kansas fed cattle procurement investigation by the Department. House Agriculture Committee staff were briefed on May 20. (*USDA Work On Presidential Initiatives: USDA Continues Efforts To Assist Cattle Producers*)

On May 22, the Senate Energy and Natural Resources Committee marked up a bill introduced by Senator Craig aimed at improving forest health. The Administration does not support the legislation. Although Senator Craig has reportedly been meeting with Committee Democrats to craft an alternative bill that could receive bipartisan support, it does not appear that those negotiations have been successful.

On May 22, Under Secretary for Natural Resources and Environment Jim Lyons attended a meeting convened by Federal Emergency Management Agency Director Witt to coordinate an intergovernmental response to the drought situation in New Mexico. Governor Johnson and the New Mexico Congressional delegation attended. (*See Key Department News: USDA Focuses Attention On Wildfire Situation*)

On May 20, USDA officials briefed House and Senate staff regarding the Department's May 17 announcement to suspend the sheep and wool promotion referendum due to certain voting irregularities. Questions focused on whether the Department or industry would bear the cost for conducting a new referendum. (*See Key Department News: Sheep Referendum Results Voided*)

Congressional Hearings:

On May 23, the House Government Reform and Oversight Subcommittee on Human Resources and Intergovernmental Relations will hold a hearing on monitoring of foodborne pathogens by the Centers for Disease Control and Prevention. Food Safety and Inspection Service Epidemiological Division Director Glenn Morris will testify.

The House Resources Subcommittee on National Parks, Forests, and Lands will mark up a bill on May 23 to improve the process for land exchanges with the Forest Service and the Department of the Interior Bureau of Land Management.

On May 28, the Senate Energy and Natural Resources Committee will hold a field hearing in Ketchikan, AK to review the Ketchikan Pulp Company contract extension. Forest Service Supervisor Brad Powell will testify.

On May 29, the Senate Energy and Natural Resources Committee will hold a field hearing in Juneau, AK on socio-economic impact analysis and the Tongass Land Management Plan. Regional Forester Phil Janik, Forest Supervisor Gary Morrison, and Tongass National Forest Team Leader Fred Everett will testify.

On June 5, the House Agriculture Committee will hold a hearing on trade opportunities in the Pacific Rim. Secretary Glickman is scheduled to testify.

On June 6, the House Agriculture Subcommittee on Livestock, Dairy, and Poultry will hold hearings on meat, poultry, and seafood inspection.

On June 18, the Senate Agriculture, Nutrition, and Forestry Subcommittee on Research, Nutrition, and General Legislation will hold a hearing on the Concentration Commission study.

IV. SECRETARY'S SCHEDULE

On May 23, Secretary Glickman will speak to the U.S. Feed Grains Council in Washington, D.C.

On May 29, the Secretary will provide remarks to the USDA Partnership Council/Labor Management Group in Washington, D.C.

On May 29, the Secretary will address the St. Louis Agri-Business Council live via satellite from Washington, D.C.

On May 30, the Secretary will address the Food Research and Action Center in Washington, D.C.

On May 30, the Secretary will address the U.S. Chamber of Commerce Food and Agriculture Committee in Washington, D.C.

On June 7, Secretary Glickman will travel to Chicago, IL to give the Chicago High School for Agricultural Sciences commencement address.

On June 8, Secretary Glickman will travel to Little Rock, AR to address the Farm Foundation.

On June 10, Secretary Glickman will address Second Harvest in Chicago, IL.

On June 13, Secretary Glickman will participate in the first Food Recovery Leadership Summit in Pittsburgh, PA. The Secretary will also participate in the second Summit in Detroit, MI on June 17. Summits are also being planned throughout the country for late June and early July.

V. DEPUTY SECRETARY'S SCHEDULE

Deputy Secretary Rominger has no speaking engagements/travel scheduled for next week.

VI. SUB-CABINET SCHEDULE

On May 23-24, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will be in Madison, WI to meet with agricultural groups about dairy issues and conduct an editorial board meeting.

On May 24, Under Secretary for Rural Development Jill Long Thompson will visit a food and nutrition site in St. Joseph, MI.

On May 29-30, Assistant Secretary for Administration Wardell Townsend will participate in the USDA Partnership Council Roundtable Conference in Silver Spring, MD; on June 3, he will address the Summer Institute on Aging, School of Social Work and Center on Aging, at West Virginia University at Morgantown; on June 20, he will speak at the Small Minority and Women's Business Conference in Chicago, IL.

On May 30, Under Secretary for Natural Resources and Environment Jim Lyons will attend the National Cotton Council meeting in Litchfield Park, AZ; on May 30-31, he will participate in the Russian River event in Sacramento, CA; on June 1, he will participate in a celebration for National Trails Day in northern California; on June 4, he will participate in the Wildlife Habitat Incentive Program in Laurel, MD; on June 6, he will meet with Natural Resources Conservation Service leadership in Columbus, OH; on June 7, he will attend the World Pork Expo in Des Moines, IA.

On June 8-13, Acting Chief Financial Officer Ted David will participate and speak at the Association of Government Accountants conference in Little Rock, AR.

On June 18, Acting Under Secretary for Food Safety Michael Taylor will address a meeting of the Association of Food and Drug Officials in San Francisco, CA.

VII. PRESS/MEDIA INQUIRIES

A media availability was held by Secretary Glickman on May 20 at the Pike National Forest near Denver, CO after he viewed the Buffalo Creek fire. Media included the *Denver Post* and *Rocky Mountain News*. (See Key Department News: *USDA Focuses Attention On Wildfire Situation*)

Media coverage was heavy, including 10 print reporters, *Knight-Ridder*, and *Associated Press* for Secretary Glickman's May 20 farm program signup event in Taylorsville, IL. (See Key Department News: *Farm Program Signup Period Begins*)

Secretary Glickman's May 19 food rescue/gleaning address to the National Restaurant Association board in Chicago, IL resulted in good media coverage, including *Chicago Sun-Times*, *Chicago Tribune*, *Knight-Ridder*, *Reuters*, *Dow Jones*, and *Fox* television.

The Washington Post requested information regarding farm subsidy programs.

Wall Street Journal is working on a story to be released this week regarding the shortage of food safety inspectors.

Science Magazine contacted the Cooperative State Research, Education, and Economics Service for information about agricultural research and the National Research Initiative (NRI). A proposed article is to focus on the high-quality NRI competitive research program and may spotlight research benefits that go beyond agriculture.

Journal of Commerce, *Associated Press*, and *San Angelo Times* (Texas) inquired about suspension of the sheep research and promotion program. (See *Key Department News: Sheep Referendum Results Voided*)

ABC News contacted the Agricultural Research Service Food Safety Research Unit in Wyndmoor, PA for information concerning the efficacy and safety of treating meat and poultry with ionizing radiation to control foodborne pathogens while extending shelf life and maintaining the quality of the products.

NBC's Dateline, *Courtroom TV* in Los Angeles, CA, and *The Times-Herald* (Long Island, NY) inquired about Animal and Plant Health Inspection Service Animal Welfare Act decisions.

CNN is researching the impacts of timber protests in the Pacific Northwest Region in California.

CBS' Sunday Morning program recently visited the canopy crane site in the Gifford Pinchot National Forest Wind River Ranger District in Washington.

USA Today is expected to run a feature article soon on the Ocoee River, the 1996 Olympic Whitewater site.

Federal Times requested information on the role of the Natural Resources Conservation Service in the federal partnership effort in the Everglades.

VIII. FOIA REQUESTS

NBC News requested documents regarding a Florida facility closed with a history of Animal Welfare Act violations.

The Huntsville Times (Alabama) received documents concerning the state's Boll Weevil Eradication Program.

Week of

May 28



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

June 6, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of June 3, 1996

I. KEY DEPARTMENT NEWS

Concentration Report Released: On June 6, the Committee on Concentration in the agricultural economy presented its findings and recommendations to Secretary Glickman. A news conference was held following the presentation. Earlier this year, the Secretary named 21 private citizens to serve on the advisory committee to offer recommendations on competition in the agricultural industry. USDA will study each of the Committee's suggestions before releasing its views. The Committee's proceedings have attracted significant media/press and public attention. On June 10, USDA officials will brief Senate Agriculture Committee staff on the Concentration Commission report.

USDA FY97 Appropriations Bill Marked Up: On June 6, the House Appropriations Committee marked up USDA's FY97 appropriations bill. (*See Notable Congressional Activity: Appropriations Update*)

Concern Expressed Over Number Of Federal Food Inspectors: An activist association representing federal food inspectors, the Government Accountability Project (GAP), issued a report recently citing the shortage of federal inspectors in meat and poultry plants. GAP's planned press conference was canceled, but a press release was issued that has received scattered coverage, including a follow-up column by *Associated Press*. The column noted how Congressional budget and appropriations committees have trimmed Food Safety and Inspection Service (FSIS) budgets in fiscal years 1995 and 1996. Acting Under Secretary for Food Safety Michael Taylor's prepared statement on the GAP report noted that FSIS has frequently reported to Congress about the inspector shortages, which in February totaled about 1,369 actual operational vacancies.

Concerns Arise Over Nebraska Beef Campaign: *Associated Press* and *Omaha World-Herald* have reported the Nebraska Department of Agriculture's (NDA) concerns on a pending USDA response to the state's new beef promotion labeling program. Last fall, the NDA developed a program for beef packers, restaurants, wholesalers, and retailers to label beef products identifying them as "Beef from Nebraska." Food Safety and Inspection Service (FSIS) regulations state that geographic terms referencing a locality other than that where the product is prepared may only be used when qualified by the word "style," "type," or "brand."

FSIS staff has maintained the position that the "Beef from Nebraska" label can only be used if there is a certification program showing that the animals were actually Nebraska-raised. FSIS officials will travel to Nebraska next week to work with NDA staff to try and resolve this matter. On June 6, Secretary Glickman talked to Governor Nelson about this issue.

USDA Opposes Proposed Railroad Merger: On June 3, Secretary Glickman announced USDA's opposition to the proposed merger of the Union Pacific and Southern Pacific railroads in comments filed with the Surface Transportation Board (STB). The STB is considering the proposed merger. The Department cited the adverse effects of continuing consolidation and concentration in the railroad industry and the substantial impacts this latest merger would have on grain production and marketing in the Midwest and West. Agricultural producers would be likely to receive lower farm income if the proposed merger is approved, thus reducing competition in key transportation corridors. Evidence shows that rail rates are likely to increase as competition declines. The proposed merger also has the potential to adversely affect U.S. competitiveness in foreign trade, because affordable service to export points is essential.

Electronic Benefits Transfer Contracts Approved: The Food and Consumer Service (FCS) has approved Electronic Benefits Transfer (EBT) contracts for Illinois and Missouri. EBT provides electronic delivery of food stamp, Aid to Families with Dependent Children, child support, and direct federal benefits to recipients. The Illinois contract is for five years with a two-year option for extension, with plans to begin in Sangamon County with about 7,000 households and 535 FCS-authorized retailers. Missouri plans to implement the program this fall in St. Louis, Kansas City, and one rural location. Missouri is the first contract approved for states participating in the Southern Alliance of States in the EBT Task Force initiative with the Department of Treasury.

Counterfeit Food Stamp Coupons Found: The Philadelphia, PA Federal Reserve Bank has reported that it has found a large quantity of counterfeit \$5 and \$10 food stamp coupons, deposited by the same Philadelphia store within a short period of time. The local Secret Service office and USDA Office of Inspector General were immediately advised.

USDA WIC Film Wins Award: USDA was recently notified that its new Women, Infants, and Children (WIC) program videotape, *Sacred Trust: Protect Your Baby Against Fetal Alcohol Syndrome*, was awarded the prestigious Council on International Non-Theatrical Events Cinema and Industry Golden Eagle Award. It was also awarded a bronze plaque in the International Association of Audio-Visual Communications competition. This videotape is targeted to Native American and Alaska Native women of child-bearing age.

USDA Project Funding Promotes Rural Tourism: A rural tourism project funded in part through a USDA rural tourism grant will help strengthen the economic base of rural areas through tourism using telecommunication technologies as an advertising medium. TeleSonic, a national voice/fax processing company in Annapolis, MD, recently launched the test of its *Travel Guide*, a free 24-hour direct phone line to the latest travel information for West Virginia's Potomac Headwaters region.

Wildfires Continue Receiving USDA Attention: Fire is burning on 37,000 Alaska acres (Millers Reach #2 fire), with only 5 percent containment. About 1,000 people in the state have been evacuated and 150 houses have been destroyed. Alaska's 5,470-acre Graveyard Creek fire is burning near the town of Central with no containment as of June 6.

The Short fire on California Department of Forestry (CDF) land has burned 500 acres and is 16 percent contained. The cause of the fire is under investigation. On the San Bernardino National Forest (California), the Deep Creek fire burned 1,100 acres of CDF land and is 70 percent contained. In the Reche fire, 800 acres have burned, with 80 percent containment.

In Florida, the Magnolia fire on the Ocala National Forest has been fully contained after burning 526 acres. Hot and dry weather is expected to continue in the Southwest with extreme fire danger in Arizona, New Mexico, and southern California.

USDA Continues Work On Wheat Disease Issue: As of June 2, about 70 percent of the 4,589 Arizona wheat fields have been sampled for Karnal bunt, the fungus that has affected some U.S. wheat. Of these, 156 fields (7,000 acres) have tested positive. In California, 84 percent of the 129,138 acres of wheat in the quarantine area has been sampled. To date, 65 fields comprising 3,276 acres have tested positive. About three-fourths of the Arizona detections are near Phoenix and in the western part of the state. In California, 99 percent of the infection has been in the Blythe area in Riverside County. Only a few positive fields have been found in California's Imperial County. In New Mexico, three of 177 wheat fields have been sampled at pre-harvest, with tests results pending.

Secretary Glickman met on May 29 with members of the National Association of State Departments of Agriculture about the Karnal bunt issue. Most states support USDA's strategy for containing and eradicating the wheat disease.

Gleaning/Food Rescue Program Moves Forward: Several states are participating in USDA's food rescue initiative. Maryland's recruitment of AmeriCorps food bank team members is scheduled for completion soon. Rhode Island will be working with the Department on an AmeriCorps food bank project. An Illinois AmeriCorps project has begun, with public and private cooperation strongly in support of the project and the hoped-for benefits of feeding the hungry. USDA will hold its first Food Recovery Leadership Summit in Detroit, MI on June 17. Secretary Glickman will attend this event, in which he will announce the Summer of Gleaning project. Summits are also being planned across the country for late June-early July.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

Efforts Continue To Assist Cattle Producers: On June 6, the Senate passed a concurrent resolution urging the Secretary of Agriculture to release about 45 million bushels of feedgrains in the disaster reserve maintained under the Agricultural Act of 1970 to help distressed livestock producers. The House passed a similar version of the resolution on June 4. Secretary Glickman has asked the President to grant this authority.

On May 30, USDA issued a fact sheet outlining other actions taken by the Department to help livestock producers suffering from drought. The following assistance will be available through USDA: emergency haying and grazing on certain Conservation Reserve Program acres; about \$56 million in loans or guarantees through the Department's emergency loan program; and the extension of the 1996 Livestock Feed Program.

In addition, USDA's report on concentration in the agricultural economy was released June 6. (*See Key Department News: Concentration Report Released*)

AmeriCorps/National Service Update: (*See Key Department News: Gleaning/Food Rescue Update*)

Electronic Fund Transfer Update: National Finance Center (NFC) staff are discussing with the Department of the Treasury and other government agencies the use of Electronic Fund Transfer (EFT) to make child support payments. Treasury plans to implement the process in September and NFC supports the use of EFT for these payments.

III. NOTABLE CONGRESSIONAL ACTIVITY

Appropriations Update: The full House Appropriations Committee marked up USDA's FY97 appropriations bill on June 6. They were reviewing the recommendations of the House Appropriations Subcommittee resulting from their markup on May 30. While complete information on the actions of the Committee is not yet available, they appear to have taken some steps to improve the bill. Specifically, they deleted the \$100 million reduction in farm program transition payments which had been recommended by the Subcommittee, they restored the proposed reduction of \$20 million in the Environmental Quality Incentives Program, and they modified a number of proposed funding reductions in other conservation programs.

However, the Committee further reduced funding for the Export Enhancement Program from \$150 million to \$100 million, and they have not yet addressed Administration concerns in a number of key areas including funding levels for the WIC program, rural development, integrated pest management, and substantial reductions in a number of salaries and expenses

accounts which could require significant reductions in force and imperil the Department's orderly implementation of its reorganization and downsizing effort. One strong point of the bill is the Subcommittee's decision to fully fund the meat and poultry inspection program. (*See Key Department News: Concern Expressed Over Number Of Federal Food Inspectors*)

The Interior Appropriations Subcommittee marked up the FY97 Interior appropriations bill on June 5. Funding for the Forest Service is included in this bill, and represents more than 18 percent of the total discretionary funding provided in the bill. Detailed information on this markup is not yet available. However, based on limited information provided by Subcommittee staff, it appears that the Subcommittee provided \$2.198 billion for the discretionary appropriations of the Forest Service, a reduction of \$149 million below the President's budget request.

The Subcommittee disapproved the Administration's request for \$109 million in additional firefighting funds and reduced other Forest Service discretionary programs by approximately \$40 million. Within the budget totals, there are disagreements with respect to priorities, including Congressional reductions below the budget for Forest Stewardship Programs. Subcommittee materials indicate they have approved a timber program of 4.29 billion-board-feet (BBF). This is 140 million board feet above the President's budget request, but substantially below the 6.5 BBF urged on the Subcommittee by some industry sources.

Trade Testimony: On June 5, Secretary Glickman testified before the House Agriculture Committee on trade with the Pacific Rim.

Livestock Producer Assistance: On June 6, the Senate passed a concurrent resolution urging the Secretary of Agriculture to dispose of all remaining commodities in the disaster reserve maintained under the Agricultural Act of 1970 to help distressed livestock producers.

On June 6, Secretary Glickman met with the Texas Congressional delegation to discuss continuing efforts to provide assistance to livestock producers suffering from the ongoing drought. The Secretary assured the delegation that the Administration would continue to provide appropriate assistance to affected producers and summarized all of the programs that have already been initiated to assist drought-stricken communities. (*See USDA Work On Presidential Initiatives: Efforts Continue To Assist Cattle Producers*)

On June 10, USDA officials will brief Senate Agriculture Committee staff on the Concentration Commission report. (*See Key Department News: Concentration Report Released*)

Good Samaritan Legislation: On May 31, the House Economic and Educational Opportunities Subcommittee on Post Secondary Education, Training, and Life-Long Learning held a hearing on legislation introduced by Representative Danner that would encourage the donation of food to nonprofit organizations for distribution to needy individuals. This would make the Federal Good Samaritan Model Act (FGSMA) permanent law.

In the recent debate concerning Congress' proposals concerning tort reform, the Administration took the position that the federal government ought not limit recovery by injured parties, but should leave that matter to the states. It may be difficult to remain consistent with the Administration's position, yet draw a distinction in the case of liability limitations for persons engaged in gleaning efforts. The Office of Management and Budget has been attempting to develop a standard Administration position on this bill. States have had six years in which to adopt the FGSMA, and many have declined to do so. It may not be appropriate for the federal government to step in and impose a national standard concerning liability. *(See Key Department News: Gleaning/Food Rescue Program Moves Forward)*

Congressional Hearings:

On June 11, the Senate Commerce Committee plans to hold a hearing on the concentration issue. *(See Key Department News: Concentration Report Released)*

The House Resources Committee will hold a June 11 hearing on The Kenai Natives Association Equity Act and a bill to amend the Alaska Native Claims Settlement Act.

On June 12, the Senate Energy and Natural Resources Committee will mark up a bill to authorize and direct the Secretaries of Agriculture and Interior to undertake activities to halt and reverse the decline in forest health on federal lands, among other things.

On June 18, the Senate Agriculture, Nutrition, and Forestry Subcommittee on Research, Nutrition, and General Legislation will hold a hearing on the Concentration Commission study. *(See Key Department News: Concentration Report Released)*

The House Resources Committee will hold a June 18 hearing on citizens' perspectives on federal land use policies.

On June 20, the House Resources Subcommittee on National Parks, Forests, and Lands will hold an oversight hearing regarding the Forest Service administrative appeals process.

The House Resources Subcommittee on Energy and Mineral Resources will hold a June 20 hearing on the oil and gas inspection, enforcement responsibilities, and regulatory burdens on small operations.

IV. SECRETARY'S SCHEDULE

On June 7, Secretary Glickman will travel to Chicago, IL to give the Chicago High School for Agricultural Sciences commencement address and attend a School Lunch Program 50th anniversary celebration event at Horace Greeley Elementary School. *(See Press/Media Inquiries)*

On June 8, Secretary Glickman will travel to Little Rock, AR to address the Farm Foundation, a non-profit organization that focuses on agriculture and rural development.

On June 10, Secretary Glickman will address Second Harvest in Chicago, IL and the National Audubon Society in Washington, D.C.

On June 13, Secretary Glickman will participate in the first Food Recovery Leadership Summit in Detroit, MI on June 17. (*See Key Department News: Gleaning/Food Rescue Program Moves Forward*)

V. DEPUTY SECRETARY'S SCHEDULE

On June 18, Deputy Secretary Richard Rominger will address the Georgia Farm Bureau Federation board of directors and officers in Washington, D.C.

On June 21, Deputy Secretary Rominger will address the Kellogg Foundation board of trustees in Washington, D.C.

VI. SUB-CABINET SCHEDULE

On June 7, Under Secretary for Natural Resources and Environment Jim Lyons will attend the World Pork Expo in Des Moines, IA; on June 10, he will speak at the Partnership for Shared Resources meeting in Crystal City, VA; on June 11, he will speak at the Watershed '96 Conference in Baltimore, MD; on June 21, he will attend the Midewin Tallgrass Prairie dedication ceremony in Midewin, IL; on June 21-22, he will attend the Great Plains Partnership Council and Western Governors Association annual meeting in Omaha, NE.

On June 8-13, Acting Chief Financial Officer Ted David will participate and speak at the Association of Government Accountants conference in Little Rock, AR.

On June 11, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will participate in the Screwworm Commission meeting in Washington, D.C.; on June 26, he will address Department employees at a conference in Memphis, TN, as well as tour the Memphis USDA Cotton Division complex.

On June 18, Acting Under Secretary for Food Safety Michael Taylor will address a meeting of the Association of Food and Drug Officials in San Francisco, CA.

On June 20, Assistant Secretary for Administration Wardell Townsend will speak at the Small Minority and Women's Business Conference in Chicago, IL.

VII. PRESS/MEDIA INQUIRIES

After the June 3 U.S. Forum on World Food Summit in Washington, D.C., Secretary Glickman talked with wire service and agricultural reporters.

Media at the June 3 commemoration of the 50th Anniversary of the National School Lunch program in Washington, D.C. included *New York Times*, *Bloomberg Press*, *Associated Press*, *Dow Jones*, and other media/press. At the event, Secretary Glickman joined school children, school food service workers, representatives of nutrition, health, and food industry groups, and other USDA officials.

Secretary Glickman addressed the National Recreational Fisheries Coordination Council on June 3, and later joined other Cabinet Secretaries at the Constitution Gardens Pond to kick off National Fishing Week. The Secretary was interviewed by *ESPN*, *News Channel 8* (northern Virginia all-news cable television station), and the *Associated Press*.

Secretary Glickman commemorated National Trails Day on June 1 by hiking the Big Blue Trail in Virginia's George Washington and Jefferson National Forests. He was joined by reporters from *Futures World News* and *Agri-Pulse*.

CNN interviewed Secretary Glickman on May 31 regarding a USDA report on the cost of raising a child.

Time requested information on drought, the Administration's response, and USDA efforts to help livestock producers. (See *USDA Work On Presidential Initiatives: Efforts Continue To Assist Cattle Producers*)

Portland Oregonian is doing a comprehensive piece on salvage logging and Section 318 old growth logging in the Northwest.

Readers Digest requested information the Market Access Program; they are focusing on using taxpayer dollars to help large corporations advertise overseas.

Los Angeles Times asked to interview Forest Service Chief Jack Ward Thomas about timber theft in Alaska's Tongass National Forest.

CBS Radio News requested information on AgrAbility, a USDA program that helps disabled farmers.

The Washington Monthly asked to be put in contact with USDA secretaries for a story on secretaries and clerical workers in the federal government.

Time interviewed a Forest Service Southwestern Regional Office employee concerning the fire situation in the Southwest. (See *Key Department News: Wildfires Continue Receiving USDA Attention*)

There have been media requests from national news networks, *20th Century Fox*, and *Discovery Channel's NOVA* to film fires and fire crews; these requests are on hold until a task force of representatives of public affairs and fire staffs throughout the agency complete its works.

Harpers Bazaar is researching a story on women who work in high-risk jobs, focusing on women firefighters.

Associated Press is working on a story on the upcoming fire season in the Northwest.

ABC's World News Tonight is working on several stories on forest health and fires.

SPAN intends to tour Alaska's Mendenhall Glacier and surrounding area and has requested interviews on the state's natural wonders and issues involved in preserving and maintaining these natural sites.

VIII. FOIA REQUESTS

(Nothing to report)



THE SECRETARY OF AGRICULTURE
WASHINGTON
20250-0100

June 13, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of June 10, 1996

I. KEY DEPARTMENT NEWS

First Gleaning/Food Recovery Summit To Be Held: On June 17, Secretary Glickman will participate in the first Food Recovery Leadership Summit at Gleaners Community Food Bank in Detroit, MI, the first in a series of meetings to discuss local successes and identify challenges or barriers to food recovery efforts. Participants will include representatives of food manufacturers and processors, restaurants, agriculture producers, wholesale and retail grocers, anti-hunger groups, storage and transportation industries, labor, local government, and organizations serving the needy. In Detroit, the Secretary will also help local food bank volunteers pack crates of produce that will be distributed to needy families.

Dairy Producers Express Concerns: Dairy interests continue to express concern about the effects of high grain prices and low cull cow prices. Various groups have proposed accelerating USDA cheese purchases for the School Lunch Program, using the Dairy Export Incentive Program more aggressively, and raising Class I milk prices (milk used in fluid products) in Western and Southern markets to help dairy producers who must buy feed. However, this latter proposal could increase regional differences in milk prices, a primary source of discontentment with the current federal order system in the Upper Midwest, and circumvent the process to reform and consolidate federal orders mandated by the farm bill. (*See USDA Work On Presidential Initiatives: Cattle Producers/Drought Victims Receive Assistance*)

In related news, the public comment period on whether a compelling public interest exists in implementing the Northeast Interstate Dairy Compact ended on June 3. In the 1996 farm bill, Congress consented to the Compact and permitted the Secretary of Agriculture to grant it following a USDA finding of a compelling public interest in the Compact region. USDA is summarizing over 1,300 public comments to aid in making the decision on whether to grant the Compact, which is opposed by consumer groups and dairy interests outside of the Northeast.

Tight Rice Supplies Keep U.S. Prices High: U.S. farmers have been reluctant sellers of old-crop rice, causing domestic prices to stay unusually firm. Producers anticipate a smaller 1996 harvest as a result of a decline in planted area and believe that even higher rice prices can be expected soon. However, the high prices are beginning to negatively affect U.S. rice exports to

important Latin American markets, the Middle East, and Europe. Less expensive Thai and Vietnamese rice are gaining market share. Recently, Vietnam sold some high-quality long-grain milled rice to Brazil, traditionally an important U.S. rough-rice market.

Crop Forecasts Revised: On June 12, USDA's official supply, demand, and price forecasts for major commodities were released for the 1995/96 and 1996/97 marketing years. The forecast of 1996 corn-planted acreage was reduced from last month's 81 million acres to 79 million as a result of Midwest cool, wet weather. Rain has delayed field work past the last planting date for corn in many areas. Corn production was reduced 3 percent from last month's forecast to 9.1 billion bushels. While this will mean a tighter corn market in 1996/97 than previously thought, the new production forecast is still a year-over-year increase of 24 percent. Much of the 2-million-acre reduction in corn plantings will likely go to soybeans, so forecast soybean planted area was raised 1.5 million acres to 64 million. This increase will only raise production marginally as the expected soybean yield per acre was reduced to reflect this year's abnormally slow planting progress caused by the wet weather.

The pressure of tight wheat supplies lifted a little as wheat exports have slowed below expectations in recent weeks. Exports for 1995/96 were lowered and the June 1 end-of-season carryover wheat stocks were increased from 305 million bushels to 352 million, thus increasing supplies available for the new 1996/97 marketing year. Even so, the wheat market will remain tight with a 1996/97 carryover now forecast at only 340 million bushels. Exports are expected to decline 22 percent and farm prices are projected to be \$4.70-\$5.30 per bushel, a record high.

Animal Welfare March Scheduled: The 10th anniversary of World Animal Awareness Week will be held in Washington, D.C., June 18-24, and will include a June 23 march and a June 24 Capitol Hill lobby day. Among groups participating are the Humane Society of the United States, People for the Ethical Treatment of Animals, and the American Society for the Prevention of Cruelty to Animals. Unfounded reports (*U.S. News & World Report*, June 11) are circulating that top-level USDA officials have asked to participate in the march. No such inquiries have been made.

USDA Participates In Watershed Conference: Cooperative State Research, Education, and Extension Service (CSREES), Environmental Protection Agency (EPA), and nearly 50 private and government organizations sponsored the June 8-12 Baltimore, MD conference, "Watershed '96: Moving Ahead Together." Landowners and managers, public works officials, planners, lawmakers, educators, environmentalists, scientists, and engineers joined federal, state, and local government officials to exchange ideas about watershed management and focus on building partnerships for solutions that strengthen citizen cooperation and involvement. The conference had a host of speakers, including CSREES Administrator Bob Robinson, EPA Administrator Browner, and Representative Boehlert.

Florida Ecosystem Restoration Meeting Held: The Federal-South Florida Ecosystem Restoration Task Force Interagency Working Group met recently in West Palm Beach for discussion on farm bill project priorities. The Economic Research Service is a member of the Task Force. Secretary of Interior Babbitt asked the organization to make recommendations regarding the most beneficial applications of Everglades ecosystem restoration funds provided by the farm bill. The Working Group gave its preliminary project ranking at public meetings and to the Governor's Commission for a Sustainable South Florida. Those that are not funded by the farm bill allocation will be carried forward in the Task Force's Integrated Financial Plan.

At stake is the \$200 million made available in the farm bill for land acquisition and related Everglades restoration activities. Acquisition of sugarcane-producing land as part of these efforts continues to be controversial, and affects, in part, public perceptions of the need for the Administration's recently proposed one-cent-per-pound tax on Florida sugar.

Wildfires Continue Receiving USDA Attention: Fire activity in the United States continues in the Southwest, Great Basin, and Rocky Mountain areas and a fire weather watch remains in effect for dry lightning in southwest Colorado. Proposed legislation to address future air tanker needs has been cleared by USDA and is under Office of Management and Budget review.

In New Mexico, the Rojo fire has burned 900 acres with 65 percent containment, and the Langstroth/Black fire is burning in the Gila Wilderness on 8,000 acres with no containment. Colorado's Dipping Vat Complex fire has burned 7,000 acres. In Alaska, three fires are burning and the 100 Mile Creek fire is in a military ordinance "hot zone," hindering suppression efforts. It has burned 66,560 acres with only 15 percent containment. In Nevada, two fires are burning: the Railroad fire has burned 1,400 acres with 60 percent containment; the Rainbow Complex fire has burned 22,675 acres with 98 percent containment. The Department continues to provide the White House with daily fire reports.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

Cattle Producers/Drought Victims Receive Assistance: Secretary Glickman announced on June 7 that the Administration is taking additional steps to aid drought victims, promising that insured dryland cotton farmers in west Texas and east New Mexico will have to wait only seven days after the final planting date, rather than the standard 25 days, to put their land to another use if their cotton crop fails. The decision to approve an appraisal deviation for releasing insured cotton acres could mean the difference between success and failure for thousands of growers. The Administration is committed to providing growers as much flexibility as possible within the framework of the crop insurance program.

In related news, Secretary Glickman received a report from the Concentration Committee on Concentration in the Meat Packing Industry on June 6. The Secretary held a news conference, where he expressed his commitment to promptly analyze recommendations in the full Committee and minority reports. A Department review and response team has been set up to coordinate the process. *(See Key Department News: Dairy Producers Express Concerns)*

USDA Works On Homeownership Issue: Deputy Secretary Richard Rominger took part in the June 7 National Homeownership Summit by signing the Rural Home Loan Partnership Initiative. Initiative partners (USDA Rural Housing Service (RHS); Federal Housing Finance Board; Rural Local Initiatives Support Corporation) will join to increase availability of rural-area mortgage credit. California, Florida, Louisiana, Maryland, Michigan, Minnesota, Nebraska, New York, and Ohio pilot communities will demonstrate the program through local partnerships. Additional RHS funding for a Rural Housing Capacity Building Demonstration program was made to explore the effectiveness of assisting Native Americans and Alaskan Natives in underserved areas in obtaining homeownership. About \$2 million is being added to the technical assistance self-help grant program to help many rural families build homes.

AmeriCorps/National Service Update: Secretary Glickman recently visited a food pantry built by USDA AmeriCorps members at Robert Taylor Homes, a Chicago, IL public housing development that President Clinton visited last year. The Secretary met with AmeriCorps members and swore in new AmeriCorps members. The AmeriCorps participants described their ongoing efforts on protecting the environment, gleaning and food rescue, and renovating public housing. The Secretary also met with community leaders, local anti-hunger activists, and Chicago Housing Authority officials.

USDA Provides Land For Drug Control Training: During the week of June 9, the Los Padres National Forest in California hosted military units for training and drug interdiction missions. Both ground and helicopter missions will be scheduled from June through October. These missions are made possible through a formal relationship between the Department of Defense and local, state, and federal law enforcement agencies working as Operation Alliance. The missions support the President's National Drug Control Strategy in curtailing illegal drug manufacture on public lands and provides tactical training for military units in varied terrain not generally available at military installations.

III. NOTABLE CONGRESSIONAL ACTIVITY

Meetings Scheduled: On June 19, Secretary Glickman will meet with Senator Lugar to discuss the Loan Resolution Task Force, Senator Byrd to discuss Forest Service appropriations, and Senators Conrad, Daschle, and Wellstone and Representatives Johnson, Peterson, and Pomeroy to discuss the Conservation Reserve Program.

Appropriations Update: The House passed the USDA FY97 appropriations bill on June 12. Several amendments were rejected during floor consideration of the bill, including Representative Schumer's proposal to eliminate funding for the Market Access Program, Representative Durbin's amendment to prohibit the Department from administering the tobacco crop insurance program, and Representatives Kolbe's and Lowey's amendment to cap peanut program loan rate payments.

The FY97 Interior appropriations bill (which includes Forest Service funding) was marked up by the Senate Appropriations Committee on June 12. The House is expected to take up the measure some time next week. Secretary Glickman briefed Representatives Regula and Yates prior to the full Committee markup regarding the Administration's priority issues, including increased funding for firefighting activities and the Forest Legacy Program. The Secretary also met with Senator Gorton on June 12 to discuss Forest Service funding.

Welfare Reform/Food Stamp Program Update: The House Agriculture Committee marked up the food stamp portion of the Personal Responsibility and Work Opportunity Act of 1996 on June 13 for inclusion in this year's budget reconciliation bill. The Committee rejected Representative de la Garza's amendment in the nature of a substitute that was composed of the Administration's food stamp proposal. In addition, only two amendments required recorded votes. Representative Thurman's amendment, allowing for a yearly adjustment in the value of a vehicle from a base of \$4,600 reflecting a change in the Consumer Price Index, was defeated by a vote of 20 to 21. The Act will freeze the level at \$4,600. Representative Pomeroy's amendment striking the provision that freezes the excess shelter deduction at \$247 per month was defeated by a vote of 18 to 22.

Salvage Sale Visit: On June 14, Forest Service Chief Jack Ward Thomas will visit the Boise National Forest in Idaho to view the Thunderbolt timber salvage sale. Senator Craig has requested a briefing on Chief Thomas' findings.

Congressional Hearings:

On June 18, the Senate Agriculture, Nutrition, and Forestry Subcommittee on Research, Nutrition, and General Legislation will hold a hearing on the Concentration Commission study. (*See USDA Work On Presidential Initiatives: Cattle Producers/Drought Victims Receive Assistance*)

The House Resources Committee will hold a June 18 hearing on citizens' perspectives on federal land use policies.

On June 19, the House Banking and Financial Services Subcommittee on Financial Institutions and Consumer Credit will hold a hearing on Electronic Benefits Transfer (EBT). Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will testify.

The House Agriculture Committee will mark up the Food Quality Protection Act on June 19.

The Senate Energy and Natural Resources Committee is expected to mark up on June 19 a forest health bill that would authorize and direct the Secretaries of the Interior and Agriculture to undertake certain activities to halt and reverse the decline in forest health on federal lands. Both parties are attempting to negotiate a bipartisan proposal and Senator Craig is seeking to legislate a forest health bill. *(See Notable Congressional Activity: Salvage Sale Visits)*

On June 20, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on the Forest Service administrative appeals process.

The House Resources Subcommittee on Energy and Mineral Resources will hold a June 20 hearing regarding Forest Service oil and gas mineral receipts, particularly the sharing of receipts with states.

On June 25, the House Resources Committee will hold a hearing on lifting the moratorium on listing species under the Endangered Species Act.

On July 11, the Senate Energy and Natural Resources Committee is expected to hold a field hearing regarding the management of the Boundary Waters Canoe Area Wilderness within the Superior National Forest in Minnesota.

IV. SECRETARY'S SCHEDULE

On June 17, Secretary Glickman will participate in the first Food Recovery Leadership Summit and help local food bank volunteers in food distribution to needy families in Detroit, MI. He will also address the International Center for Canadian-American Trade conference in Port Huron. *(See Key Department News: First Gleaning/Food Recovery Summit To Be Held)*

On June 21, Secretary Glickman will speak at the dedication of the Urban Tree House at Anacostia Park, Washington, D.C.

V. DEPUTY SECRETARY'S SCHEDULE

On June 18, Deputy Secretary Richard Rominger will address the Georgia Farm Bureau Federation board of directors and officers in Washington, D.C.

On June 21, Deputy Secretary Rominger will address the Kellogg Foundation board of trustees in Washington, D.C.

VI. SUB-CABINET SCHEDULE

On June 16, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the American Public Welfare Association conference in Washington, D.C.

On June 17-21, Under Secretary for Farm and Foreign Agricultural Services Gene Moos will participate in the International Grains Council conference in London.

On June 17-18, Under Secretary for Rural Development Jill Long Thompson will be in Anchorage, AK, where she will announce a water project with officials from Governor Knowles' staff and possibly tour wildfire-impacted areas.

On June 18, Acting Under Secretary for Food Safety Michael Taylor will address a meeting of the Association of Food and Drug Officials in San Francisco, CA.

On June 20, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will meet with Delaware Secretary of Agriculture/National Association of State Departments of Agriculture President John Tarburton in Dover, DE; on June 25, he will travel to Little Rock and Forrest City, AR to attend two farmers' market meetings, and conduct other USDA business; on June 26, he will address Department employees at a conference in Memphis, TN, as well as tour the Memphis USDA Cotton Division complex.

On June 20, Assistant Secretary for Administration Wardell Townsend will speak at the Small Minority and Women's Business Conference in Chicago, IL; on June 23-26, he will conduct USDA site visits in Denver and Fort Collins, CO and Sacramento, CA.

On June 21, Under Secretary for Natural Resources and Environment Jim Lyons will attend the Midewin Tallgrass Prairie dedication ceremony in Midewin, IL; on June 21-22, he will attend the Great Plains Partnership Council and Western Governors Association meetings in Omaha, NE; on July 8-9, he will attend the Soil and Water Conservation Society meeting in Keystone, CO; on July 13, he is scheduled to speak at the dedication ceremony marking 10 years of the Columbia River Gorge National Scenic Area Act in Mt. Hood, OR.

VII. PRESS/MEDIA INQUIRIES

Knight-Ridder, Associated Press, Futures World News, Reuter, and Endangered Species and Wetlands Report covered Secretary Glickman's June 11 Audubon Society address in Washington, D.C.

Associated Press, Arkansas Democrat-Gazette, and CBS affiliate KARN covered Secretary Glickman's June 8 trip to Little Rock, AR, where he addressed Farm Foundation, a nonprofit organization that focuses on agriculture and rural development.

Media covering Secretary Glickman's June 7 trip to Chicago, IL included *Chicago Tribune*, *Chicago Sun-Times*, *Reuter*, and wire service *City News*. In Chicago, the Secretary participated in a 50th anniversary celebration of the National School Lunch Program and ate lunch with students at Horace Greeley Elementary School.

Money magazine requested information on a USDA report regarding the cost of raising a child.

ABC News requested an interview with an Agricultural Research Service scientist who studies Africanized honey bees.

Under Secretary for Rural Development Jill Long Thompson was interviewed by *Wall Street Journal* for an article on a rural grant for Orange, VA.

El Dorado, a documentary on the impacts of declining national forest timber supply on Sierra Nevada communities, will premiere in San Francisco, CA on June 21. The production will be marketed to public television and shown at various venues in the Sierra Nevada.

Unsolved Mysteries is expected to interview a former Forest Service employee about the bombing of their vehicle at their home in Carson City, NV last year.

ABC's 20/20 requested a USDA inspection report on a licensed animal exhibitor in Texas.

National Geographic magazine requested a USDA press release regarding a USDA Animal Welfare Act case.

Los Angeles Times asked for a response to the Government Accountability Project report on the shortage of meat and poultry inspectors.

VIII. FOIA REQUESTS

Newhouse News Service requested USDA correspondence to and from Representative Cooley.



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

July 2, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Weeks of June 24 and July 1, 1996.

I. KEY DEPARTMENT NEWS

Salvage Timber Sale Directive To Be Released: On July 3, Secretary Glickman will issue a directive to address public concerns about the manner in which the Forest Service has implemented salvage timber sales. The Secretary will, among other things, direct the Forest Service to make policy clarifications in the emergency salvage logging program to increase public knowledge and involvement in decision making. The directive is aimed at ensuring that timber sales offered under the emergency salvage logging rider, which exempts all such sales from public appeals, full judicial review, and environmental laws, are truly an emergency.

Progress Made On Wheat Disease Issue: USDA is making progress on actions designed to assist those affected by the Karnal bunt fungus that has been detected in some U.S. wheat. On July 5, an interim rule will be published in the *Federal Register* to provide details on the Karnal bunt compensation plan for certain growers and handlers, owners or operators of grain storage facilities, and flour millers, in order to mitigate losses and expenses incurred because of the Karnal bunt quarantine and emergency actions. The rule became effective on June 27. Another July 5 *Federal Register* interim rule will remove areas of Arizona, New Mexico, and Texas from the quarantine.

During the week of June 24, Chile changed its previous position of not allowing transshipments of U.S. wheat from Chilean ports to Bolivia. Chile has now agreed to allow wheat to cross its territory if it can be delivered within 12 days. The first export shipment of wheat twice-tested negative for Karnal bunt originating from the quarantine area was loaded at Corpus Christi, TX recently and is en route to Germany; a second shipment is now on its way to Italy.

Karnal bunt pre-harvest sampling in California is 99.9 percent complete with 69 positive results, which equals 3,389 out of 129,806 acres. In Texas, 100 percent is complete with no Karnal bunt-positive samples. New Mexico is 76 percent complete with no positive results.

USDA Pushes Forward On Increasing U.S. Exports: Secretary Glickman registered a strong protest to South Korean Ambassador Kun Woo Park in a meeting on July 1 regarding the second consecutive year that Korea has failed to fulfill a verbal understanding assuring substantial U.S.

participation in its rice imports. After an absence of more than 18 months from the rice export market, China has sold more than 70,000 tons of japonica brown rice to South Korea. China's resumption of rice exports came as a shock to many U.S. rice exporters who expected to land the lion's share of Korea's 1996 minimum access rice purchases.

At the most recent NAFTA Sanitary-Phytosanitary Committee meeting in Ottawa, Mexico indicated that additional work remained to be done before a work plan governing the export of sweet cherries could be completed. With the U.S. cherry export season now underway, continued delays in finalizing an agreement could result in the loss of the entire 1996 Mexican export season. The U.S. industry views Mexico as a promising market for its sweet cherries, with sales reaching up to \$15 million annually. USDA continues to work within the NAFTA framework to reach a solution to the cherry restriction.

Livestock/Drought Situation Still On Focus: Using the authority granted by the President's emergency declaration, Secretary Glickman recently announced that USDA will make available \$40 million of assistance for the purchase of feed in drought-stricken areas of the country. To generate proceeds for the program, the Department will sell up to 16 million bushels of grain from the 45-million-bushel disaster reserve. Transferring the proceeds rather than the grain to the drought-affected areas -- mostly the Southwest -- was judged the most efficient way to provide assistance to needy livestock producers.

The June 21 *Cattle On Feed* report provides a good representation of the current situation for cattle producers. The report showed the number of cattle on feed (as of June 1) down 11 percent from a year ago. Cattle feeders placed 18 percent fewer cattle in feedlots during April and 22 percent fewer in May than they did the previous year, the result of high feed costs and poor returns to the cattle feeding enterprise. Fed cattle marketings during May were up 5 percent from the previous year. The sharp drop in placements will result in a decline in marketings later this summer.

The June 28 *Grain Stocks* report indicated that feed grain supplies will be extremely tight this summer. This means that cattle feeders will be reluctant to raise their bids for feeder cattle and feeder cattle prices will remain under strong downward pressure. With cattle in feedlot placements expected low this summer, forage supplies will be critical for cow-calf operators. The pressure to liquidate breeding stock will increase if forage supplies are not plentiful, particularly in regions hard hit by dry conditions this year. Further, the June 28 *Hogs and Pigs* report revealed that despite considerable improvement in hog prices, producers intend to reduce output because of the tight grain supplies and high feed costs.

USDA continues to take steps implemented recently by President Clinton to assist farmers and ranchers through this unstable period.

Market/Crop Conditions Reported: The weekly average cash price and futures prices for wheat were down again because of rapid harvest progress, weak export demand, and larger-than-expected plantings of spring wheat and forecast harvested acres of winter wheat. USDA's June 28 *Acreage* report forecast harvested acres 8 percent larger than previously expected. The larger supplies will put downward pressure on wheat prices.

The weekly average cash and futures prices of corn moved up again last week because of tight old-crop supplies. USDA's *Grain Stocks* report on June 28 showed that corn stocks are down 50 percent from a year earlier and much below trade expectations. This means that supplies for the remainder of the September 1995-August 1996 year are much tighter than expected and that prices will continue to remain strong at least until this fall's harvest begins. Weather developments will be the major factor affecting corn prices over the coming months.

Soybean stocks at the end of this marketing year (August-July) are expected to be the lowest as a percentage of total use since the mid 1970s. Poor corn planting conditions have encouraged some producers to switch to soybeans. Soybean plantings are projected to reach nearly 64 million acres this year, up from 62.6 million acres last year. Drier weather has recently been beneficial for soybean plantings in Illinois, Indiana, and Ohio, which are now near normal.

Assuming average weather through the remainder of the growing season, soybean and soybean meal prices for 1996/97 are expected to average near this year's average level of \$6.80 per bushel. Recent cash soybean prices have been in the \$7.50-\$8 per bushel range. Current prices have also been influenced by recent June purchases of U.S. and optional origin soybean meal by China. China's turning to the United States could indicate tightness in other origin markets as well as rising needs there. This is the first U.S. soybean meal bought by China since 1988.

Cotton acreage for 1996 is projected at 14.36 million acres, 6 percent below earlier intentions and 15 percent below 1995 plantings. Major factors behind the decline include attractive competing crop prices and adverse weather in Texas.

Mediterranean Fruit Fly Detected: A Mediterranean Fruit Fly (Medfly) was detected in the Los Angeles Basin on June 17, only three days after the Animal and Plant Health Inspection Service (APHIS) and California Department of Food and Agriculture (CDFA) removed quarantine restrictions from the area. The unmated female with fully developed eggs is the first detected in the area since July 1994 and the first in the Burbank area since 1989. APHIS is working with CDFA on intensified trapping and survey activities and no regulatory or treatment activities will take place until the presence of Medfly infestation is confirmed by detection of an additional adult or larval specimen. APHIS expects to find occasional female Medflies in the Los Angeles area due to the substantial movement of foreign travelers and commodities into the area from Medfly infested countries.

Food Program Labeling Demonstration Program Praised: Vice President Gore and Senator Levin released statements on June 22 praising the Department for its demonstration project in which foods with commercial labels, rather than USDA labels, will be purchased and distributed through the Food Distribution Program on Native American reservations and the Commodity Supplemental Food Program. In cooperation with state and local administering agencies, an in-house evaluation will be conducted to determine whether allowing commercial labeling reduces costs and increases the variety of products available for distribution. The impact on program participants and their product preferences will also be assessed. Products under consideration for inclusion in the demonstration include cereals, infant formula, juices, and nonfat dry and evaporated milk.

USDA Continues To Fight Wildfires: On June 28, Secretary Glickman traveled to Denver, CO for a joint news conference with Interior Secretary Babbitt to discuss this year's fire season and federal efforts to cope with the dry conditions prevalent throughout much of the West. Over 30 reporters attended the event, including three local television stations, the *ABC* affiliate, the *NBC* affiliate, *Newsweek*, *New York Times*, and *Associated Press*.

To date, there have been over 68,000 fires reported (totaling more than 2.4 million acres), twice the five-year average for this time of year. There are nine fires larger than 500 acres that are less than 100 percent contained: one in Arizona; three in California; one in Idaho; one in Nevada; one in Utah; one in Washington; and one in Canada. Fires with significant activity include: Arizona's Kaibab National Forest fire where 49,000 acres are scorched with 60 percent containment; California's San Bernardino National Forest fire where 7,600 acres have burned with no containment; and Washington's Spokane District fire (Department of the Interior Bureau of Land Management land) where 11,000 acres are burned with 90 percent containment.

Fire activity is expected to increase in several areas of the West as warmer and drier weather returns, coupled with the risk associated with the upcoming July 4 holiday.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

USDA Focuses On Timber/Environmental/Recreation Communities: A U.S. District Judge recently ruled that the National Marine Fisheries Service must decide by the end of July on whether to recommend federal protection for the West Coast steelhead trout under the Endangered Species Act. A decision to list the species would have wide-ranging effects on logging, farming, fishing, and development throughout the range of the trout, which includes portions of California, Idaho, Oregon, and Washington.

Secretary Glickman and Interior Secretary Babbitt announced on June 27 agreements with Plum Creek Timber Company to protect habitat for threatened and endangered species and other wildlife on private lands and national forests. This action took place during Secretary Glickman's recent visit to the Mount Baker-Snoqualmie National Forest in Washington.

Secretary Glickman continues to garner Cabinet-level signatures to extend the Memorandum of Understanding among various federal departments to coordinate federal activities in the Pacific Northwest. In addition, over \$600,000 in USDA funding has been approved under the Rural Business Enterprise Grant program for projects in timber impacted areas in Oregon and Washington. These projects will spur rural small businesses and create jobs that will improve local economies.

National Service/AmeriCorps Members Work On Gleaning/Food Rescue Program:

USDA's Summer of Gleaning and Food Rescue Program continues to move ahead, with Kentucky, Michigan, and New York AmeriCorps members recently sworn in. The Kentucky team has already gleaned 2,000 lbs. of tomatoes, serving over 300 needy families. Michigan team members will lead urban gleaning efforts in Detroit and rural gleaning in East Lansing. Senator Levin and Under Secretary for Farm and Foreign Agricultural Services Gene Moos participated in the Michigan swearing in ceremony. New York's gleaning program was announced on June 17, and Albany area AmeriCorps members will help recover fresh fruits and vegetables for distribution to food pantries in surrounding counties. New York gleaning program members were sworn in on July 1 by Representative McNulty.

In related activity, after completing biological control studies on cantaloupe grown on a field on Animal and Plant Health Inspection Service land in Mission, TX, agency officials worked with the Food Bank of the Rio Grande Valley to ensure that the fruit did not go to waste. A church youth group from Houston picked and packed over 10,000 lbs. of cantaloupe to feed the needy.

USDA Continues With Water Initiative: On or around July 17, Water 2000 award announcements will take place for over 50 locations. Secretary Glickman, and other Administration and USDA officials are expected to attend events in over 19 states. The Water 2000 Administration initiative was established to provide clean, safe water by the year 2000 to the more than 400,000 rural residents who do not currently have water.

Empowerment Zones/Enterprise Communities Update: The next cycle of project funding selections for earmarked FY96 Rural Business Enterprise Grants have been approved. Notification has been sent to the White House for about \$2.3 million in Empowerment Zone/Enterprise Community (EZ/EC) projects in Arkansas, California, Florida, Louisiana, North Carolina, Oklahoma, and West Virginia.

In addition, EC sites in Florida, Mississippi, and West Virginia have been selected to receive technical assistance under USDA's food access project. The project builds on previous work by the Department in the area of improving access to food in low-income and underserved areas and populations. These communities will receive assistance in developing food access projects and in applying for funding, particularly from Rural Business Cooperative Service loan and grant programs.

Homeownership Initiative Moves Forward: In honor of the first anniversary of the Homeownership initiative, Rural Development state directors have held events across the country to promote increased homeownership. Activities have been held in Arkansas, Illinois, Kansas, Kentucky, Louisiana, Mississippi, and Tennessee.

National Information Infrastructure Initiative Grant Applications Being Accepted: Secretary Glickman announced on June 28 that USDA is accepting applications for its Distance Learning and Telemedicine grant program funding. This program is a key component of the Administration's National Information Infrastructure initiative. About \$7.5 million is available for eligible applicants, which include rural schools, vocational training and community facilities, libraries, hospitals, and Native American tribes. Deadline for submitting grant applications for the program is August 5.

USDA Continues Work With South Africa: On July 3, Under Secretary for Farm and Foreign Agricultural Services Gene Moos and Acting Under Secretary for Research, Education, and Economics Catherine Woteki will meet with members of a South African Parliamentarian delegation to discuss U.S.-South African agricultural issues.

USDA representatives recently met to discuss the upcoming Joint U.S.-South Africa Forum on Marketing and Regulatory Programs (a technical assistance initiative) scheduled to be held in South Africa, September 9-20. The forum will consist of government-to-government meetings to establish working groups and information exchange on each country's marketing and regulatory systems, and private sector to government forums to discuss each country's regulatory, import, export, labeling, and quality requirements. The meetings will be held in Cape Town and Pretoria with site visits to local Provincial agricultural offices, packing facilities, port facilities, and marketing board offices.

USDA Prepares For Gore-Chernomyrdin Commission Meeting: The Agribusiness Committee, one of the committees under the U.S.-Russian Commission on Economic and Technological Cooperation (Gore-Chernomyrdin Commission or GCC), is preparing for the next Plenary Session of the GCC, scheduled July 15-16 in Moscow. Deputy Secretary Richard Rominger is scheduled to attend. During the GCC Plenary Session, Deputy Secretary Rominger will brief Vice President Gore and Russian Prime Minister Chernomyrdin on accomplishments of the three joint working groups and will announce formation of a new working group on Agricultural Science, Education, and Extension.

III. NOTABLE CONGRESSIONAL ACTIVITY

House Marks Up Good Samaritan Bill: The House Economic and Educational Opportunities Committee marked up on June 27 Representative Danner's legislation to encourage donation of food to nonprofit organizations for distribution to needy individuals by making the Model Good Samaritan Food Donation Act permanent. The Committee unanimously accepted Representative Goodling's amendment, transferring the proposal from the National Community Service Act to

the Child Nutrition Act, exempting nonprofit handlers from civil and criminal liabilities, and renaming the bill the Bill Emerson Good Samaritan Food Donation Act. Representative Danner hopes that the bill can be considered on the floor soon. The Good Samaritan Bill is a positive step forward in USDA's gleaning/food rescue initiative. *(See USDA Work On Presidential Initiatives: National Service/AmeriCorps Members Work On Gleaning/Food Rescue Program)*

Appropriations Update: The Senate Agriculture Appropriations Subcommittee is expected to mark up the FY97 Agriculture appropriations bill on July 10. The full Appropriations Committee may take up the bill on July 11.

Meeting Scheduled To Discuss Wheat Disease Issue: On July 10, Secretary Glickman is scheduled to meet with Representative Pastor to discuss the Karnal bunt wheat disease issue. *(See Key Department News: Progress Made On Wheat Disease Issue)*

Electronic Benefits Transfer Hearing Held: The House Banking Subcommittee on Financial Institutions and Consumer Credit held a June 19 hearing on the impact of Regulation E on Electronic Benefits Transfers (EBT), including food stamps. Regulation E limits consumer liability for lost or stolen credit cards. If applied to EBT, states with EBT systems argue that the cost of administering food stamp programs will increase dramatically because states will be required to provide additional benefits to food stamp recipients whose cards are lost or stolen.

Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas testified, along with representatives from the Office of Management and Budget, the Federal Reserve, and several states. Representative Roukema stated that she hoped the states and the federal government could compromise on this issue. On a related note, the House Agriculture Committee postponed markup of legislation sponsored by Representative Roberts that would exempt state-administered EBT programs for food stamps from Regulation E liability limitations.

Forest Service AmeriCorps Funding Questioned: Representative Regula sent a letter to Secretary Glickman on June 25 stating that the House Interior Appropriations Subcommittee does not concur with USDA's request to reprogram Forest Service funds for AmeriCorps projects.

Congressional Hearings:

On July 3 and 5, the House Resources Committee is expected to hold field hearings in Sitka and Thorne Bay, AK, respectively, regarding a proposal to transfer the Tongass National Forest to the state. USDA Forest Supervisors will testify in opposition to the legislation.

On July 9, the House Resources Subcommittee on National Parks, Forests, and Public Lands will hold a hearing on a bill to designate the Clarion River in Pennsylvania's Allegheny National Forest as a wild and scenic river.

On July 10, the Senate Energy and Natural Resources Committee will hold a hearing on a bill regarding issues related to management of Alaska's Tongass National Forest. On July 11, the House Resources Subcommittee on National Parks, Forests, and Lands and the House Agriculture Subcommittee on Resource Conservation, Research, and Forestry will hold a joint hearing on similar matters.

On July 11, the Senate Energy and Natural Resources Subcommittee on Forests and Public Land Management will hold a field hearing regarding the management of the Boundary Waters Canoe Area Wilderness within the Superior National Forest in Minnesota. On July 16, the House Resources Subcommittee on National Parks, Forests, and Lands will conduct a hearing which would expand the existing wilderness area and further restrict motorized use.

The House Agriculture Committee expects to hold a July 11 hearing on the livestock dealer trust-milk trust bill, which will probably be introduced on July 8.

On July 12, the Senate Appropriations Interior and Related Agencies Subcommittee is expected to mark up Interior appropriations, which includes Forest Service funding.

On July 17, the House Government Reform and Oversight Subcommittee on Government Management, Information, and Technology will hold a hearing to discuss compliance with the Information Technology Management Reform Act. Deputy Secretary Richard Rominger is scheduled to testify.

The House Agriculture Subcommittee on Resource, Conservation, Research, and Forestry will hold a July 17 hearing on a review of agricultural extension programs administered by USDA.

The House Resources Subcommittee on Native American and Insular Affairs will hold a July 17 hearing on a land conveyance between the Forest Service and the Hoopa Valley tribe.

On July 18, the House Resources Committee will hold a hearing regarding a Government Accounting Office report on the economic differences between state and federal timber programs in the Pacific Northwest.

On July 23, the House Resources Subcommittee on National Parks, Forests, and Lands will conduct a hearing on the President's Pacific Northwest Forest Plan and the economic adjustment initiative.

On July 25, the Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on a bill to protect Yellowstone National Park, the Clarks Ford of the Yellowstone National Wild and Scenic River, and the Absaroka-Beartooth Wilderness Area.

The House Agriculture Committee will hold a July 25 hearing on the Fluid Milk Promotion Program.

The Senate Energy Parks, Historic Preservation, and Recreation Subcommittee has scheduled a July 25 hearing regarding a proposed bill to protect Yellowstone National Park and other areas. It is believed that this is a reaction to the proposed New World Mine and that the bill would withdraw the areas from mineral entry and place certain controls on the approval of plans of operation which may affect these areas.

In July, the House Resource Conservation, Research, and Forestry Subcommittee is expected to hold a hearing on the USDA Inspector General's report regarding the Texas Loan Mediation Program.

IV. SECRETARY'S SCHEDULE

On July 15, Secretary Glickman is scheduled to speak at the International Agriculture Summit in Kansas City, MO.

On July 16, the Secretary will address the Agricultural Communicators Congress in Washington, D.C.

V. DEPUTY SECRETARY'S SCHEDULE

On July 8, Deputy Secretary Richard Rominger will travel to Keystone, CO to address the Soil and Water Conservation Society annual conference.

On July 15-16, Deputy Secretary Rominger will be in Moscow for the Plenary Session of the U.S.-Russian Commission on Economic and Technological Cooperation (Gore-Chernomyrdin Commission). *(See USDA Work On Presidential Initiatives: USDA Prepares For Gore-Chernomyrdin Commission Meeting)*

VI. SUB-CABINET SCHEDULE

On July 8-9, Under Secretary for Natural Resources and Environment Jim Lyons will attend the Soil and Water Conservation Society meeting in Keystone, CO; on July 25, he will speak at the Quail Unlimited national convention in Nashville, TN.

On July 8-9, Under Secretary for Rural Development Jill Long Thompson will travel to Illinois, Iowa, Wisconsin, and Minnesota for various rural development award announcements; on July 10, she will travel to Mississippi for a National Education Technology initiative event.

On July 16, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will address the American Public Welfare Association conference in Washington, D.C.

VII. PRESS/MEDIA INQUIRIES

Over 30 reporters, including three local television stations, the *ABC* and *NBC* affiliates, *Newsweek*, *New York Times*, and *Associated Press* attended a June 28 joint press conference on fire preparedness held by Secretaries Glickman and Babbitt in Denver, CO. (See *Key Department News: USDA Continues To Fight Wildfires*)

Media attending Secretary Glickman's June 27 joint announcement with the Department of the Interior regarding a new Habitat Conservation Plan and a proposed land swap with Plum Creek Timber Company in Seattle, WA included the *ABC*, *NBC*, *CBS*, and *NPR* affiliates, *Associated Press*, *Capitol Press*, *Tacoma News Tribune*, and *Snoqualmie Valley Reporter*. (See *USDA Work On Presidential Initiatives: USDA Focuses On Timber/Environmental/Recreation Communities*)

Secretary Glickman was interviewed by *U.S. News & World Report* on June 26 regarding concentration in the meat industry.

NBC Nightly News requested information on the amount of U.S. land in agricultural production.

NBC News contacted the Food Safety and Inspection Service regarding food safety in meat and poultry inspection.

On July 4, *National Public Radio* is expected to air a story about the shortage of USDA inspectors in meat and poultry processing plants. The story is a follow up to a May 23 *Wall Street Journal* article that discussed the number of unperformed inspection tasks in plants in the Madison, WI area.

The Washington Post asked for information on Small Business Innovations Research grants administered through the Research, Education, and Economics mission area.

Newsweek requested information regarding firefighting and the problems in coping with the number of people building homes in the forests. (See *Key Department News: USDA Continues To Fight Wildfires*)

The Los Angeles Times requested information regarding the drought and its impact on forests, forest fires, farmers, and ranchers. (See *Key Department News: USDA Continues To Fight Wildfires*)

Harper's Bazaar is working on a story about the changing Forest Service and the direction it will take under the leadership of Forest Service Chief Jack Ward Thomas and Under Secretary for Natural Resources and Environment Jim Lyons.

Parade magazine is working on a story about the state of American forests.

Government Executive magazine requested information on the top five USDA contractors (in terms of contract award value) for its August "Top 200 Contractors" issue.

VIII. FOIA REQUESTS

Nothing to report.



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

July 11, 1996

MEMORANDUM FOR: LEON PANETTA, THE WHITE HOUSE
FROM: SECRETARY DAN GLICKMAN
SUBJECT: Report for Week of July 8, 1996

I. KEY DEPARTMENT NEWS

First Major Overhaul Of Federal Food Safety Rules Announced: The Administration's first major overhaul of federal food safety rules for meat and poultry has received a positive response from the public, the media, constituent groups, and Members of Congress. Following the President's July 6 radio address on the new meat and poultry inspection system, known as Hazard Analysis and Critical Control Points (HACCP), Secretary Glickman held a news conference in the White House briefing room. Industry leaders and constituent group representatives have been briefed and the Secretary and Acting Under Secretary for Food Safety Michael Taylor issued statements and press releases explaining the rule's scope and its important food safety improvements. Stories and editorials have run on the wires, on all networks, in front-page stories in *The Washington Post*, *New York Times*, *The Wall Street Journal*, and in other newspapers across the country.

USDA To Announce Water Initiative: The Administration is moving ahead on its plan to provide all Americans with clean water. On July 15, Secretary Glickman, several Members of Congress, and other USDA and Administration officials will participate in the national roll-out of Water 2000 -- established to provide clean drinking water to lower income families in distressed rural communities by the year 2000. On July 15-17, USDA will announce \$70 million in grants and loans in events in 34 states, kicked off by the Secretary and Representative Volkmer on July 15 in Hannibal, MO. The Department has been working with the White House to include appropriate federal, state, and local officials in the roll-out.

The FY96 Agriculture Appropriations Act gave USDA the authority to transfer carry-over funds from another Department program to fund water and sewer projects as part of the Water 2000 initiative. The Department has selected 54 high priority safe drinking water projects in which it will fund in many states. This initiative has already received considerable press coverage in seven statewide and more than 100 local newspapers around the country. The Department has already funded more than \$300 million in Water 2000 projects since the beginning of FY95.

Crop Sign-Up Progressing Steadily: Farm Service Agency state offices report that about 84 percent of total base acres have been enrolled in seven-year production flexibility contracts. County offices are working to ensure that all producers who have not enrolled in the program are contacted and reminded to sign up. USDA is also extending outreach to Native American producers to ensure participation. The deadline for signing up will likely be extended to August 1 to make the program more farmer friendly.

Changes Made In Crop Insurance Program: Taking another step in implementing the 1996 Farm Bill, Secretary Glickman advised producers in 14 states who had purchased catastrophic crop insurance coverage through the Farm Service Agency that they must now obtain coverage through a private insurance agent. By shifting the work-intensive delivery process to private firms, USDA can strengthen the public/private partnership while saving federal resources.

Secretary Glickman also announced on July 11 that the Federal Crop Insurance Corporation board of directors has approved expansion of both the Income Protection and Crop Revenue Coverage programs for the 1997 crop year. The expansion of innovative risk management programs like this demonstrates the Administration's commitment to maintain the safety net for farmers as we move toward a more market oriented agriculture. The programs are designed to help farmers protect against both price and yield losses.

Court Says USDA Violated Endangered Species Act: A Texas federal district court recently issued an order finding that USDA violated the Endangered Species Act and several statutory authorities by failing to consult with the Department of the Interior Fish and Wildlife Service (FWS) and by failing to develop a plan to protect threatened and endangered species dependent on the Edwards Aquifer. By November 1, USDA must implement a program to preserve natural resources and a program for the conservation of Edwards Aquifer dependent endangered or threatened species.

The court denied Sierra Club's application for an injunction against the issuance of production flexibility payments (PFPs). USDA is consulting with the FWS about conservation program implementation authorized under the 1996 Farm Bill. Trial is set for July 23 to determine if the PFPs will adversely affect listed species. We are exploring with the Department of Justice the implications of the order.

USDA To Hold Conference For Agricultural Attaches: On July 15-19, USDA will host the Washington, D.C. Global Attache Conference for agricultural attaches, counselors, and trade officers from around the world. Secretary Glickman will address the group on July 18. Farm Service Agency state offices across the country will be hosting the Foreign Agricultural Service attaches on July 12 and 22 for trade development events.

Wheat Concerns Addressed: USDA will hold a series of public forums on its Karnal bunt program to gather public input about the wheat fungus issue. The first forum will be held in Washington, D.C. on July 17, with more forums to be held in Arizona and California. Information gathered at these forums will be considered in developing guidelines and procedures for conducting the Karnal bunt program for the 1996-97 wheat growing season in affected areas.

On July 9, Secretary Glickman issued a statement expressing concern about canceled U.S. wheat sales to China due to alleged TCK smut. Seeking an acceptable approach to reversing the rejections of U.S. wheat, Under Secretary for Farm and Foreign Agricultural Services Gene Moos met recently with wheat industry representatives. The wheat rejections represent a significant change in the manner in which alleged TCK-infested shipments are handled; continued rejections could halt all shipments and new sales of U.S. wheat to China. The U.S. industry believes that the Chinese have not lived up to sales contracts nor past practices. USDA will facilitate an exchange of experts to address the situation. China has canceled 650,000 tons scheduled for delivery in marketing year 1996/97. Total 1996/97 commitments of U.S. wheat to China now stand at just over 1.7 million tons, with 257,000 tons already shipped.

In related news, a 15,500-ton shipment of U.S. wheat was refused entry recently at the Brazilian port of Santo because of the TCK concern. U.S. wheat sales to Brazil for marketing year 1996/97 total 1.1 million tons.

International Trade Commission Rules Against Florida Tomato Growers: The U.S. International Trade Commission has made a final ruling that imports of Mexican tomatoes and bell peppers do not injure Florida growers. An antidumping case against Mexican tomatoes is still pending, with a preliminary finding on whether dumping has occurred to be issued by the Department of Commerce scheduled for September.

USDA Keeps Eye On Beef Industry: Cattle slaughter for the week ending July 6 was down 2 percent from the previous year and beef production was down 4 percent as average slaughter weights declined. Fed cattle prices were \$2-\$3 higher than a week earlier, as packers have found more difficulty in acquiring slaughter cattle. Wholesale beef prices also have moved up.

The rate of cow slaughter determines the size of the cattle breeding herd and thus future beef supplies. This year, cow slaughter has not shown as much seasonal decline as usual or as expected. On a week-to-week basis, cow slaughter normally declines in the spring and early summer as pastures and ranges green up. Cow slaughter for the week ending June 22 (latest data available) continued at a high level. Total cow slaughter as a percentage of total cattle slaughter jumped 18.1 percent, up from 16.8 percent the previous week. Beef cow slaughter as a percentage of total cattle slaughter increased to 11.2 percent, up from 10.1 percent the previous week.

Commodity Forecasts/Crop Report To Be Released: On July 12, USDA will update official commodity supply and demand forecasts. The new forecasts will incorporate the results of the June acreage summary, which indicated 5 million more acres of wheat will be harvested in 1996 than previously thought. The forecasts will also reflect the June 1 corn stocks estimate, which showed corn supplies available this summer to be far below previously anticipated.

The weekly cash and futures prices for wheat dropped the first week of July on the expectation that USDA would raise the production forecast, and because of continued good harvest weather and continued weak demand by importers and mills. The trade expects USDA to raise forecast production around 10 percent in the July 12 *Crop Production* report because of increased area and yields.

Fight Against Wildfires Continues: There have been 70,151 fires reported to date (the five-year average is 42,763), with a total of over 2.7 million acres burned. The week of July 1-7 saw increased initial attack activity in the Southern Zone, Western and Eastern Great Basin Areas, and the Rocky Mountain Area. Large range fires occurred in Idaho, Utah, and Nevada, primarily on Department of Interior lands. There are currently four fires larger than 500 acres that are less than 100 percent contained (two in Utah; one in Idaho; one in California), plus 33 fires totaling over 380,000 acres in Alaska that are in a limited suppression strategy.

USDA Issues Healthy Meals For Children Act Guidelines: The Food and Consumer Service (FCS) recently issued guidance to state agencies implementing provisions of the Healthy Meals for Children Act. This new law increases flexibility for local school meal planners and reaffirms the Dietary Guidelines as the nutrition standards for the school meals programs. FCS will follow up with a rulemaking later this year to clarify aspects of the new law that could benefit from public input and comment.

II. USDA WORK ON PRESIDENTIAL INITIATIVES

Administration Moves Forward On Food Safety Reform: President Clinton announced on July 6 reform of federal food safety rules for meat and poultry -- modernizing a 90-year-old inspection program and fulfilling the Administration's commitment to protect the public's health by improving food safety. (See *Key Department News: First Major Overhaul Of Federal Food Safety Rules Announced*)

USDA To Roll Out Water Initiative: On July 15, Secretary Glickman and other officials will participate in the national roll-out of Water 2000. (See *Key Department News: USDA To Announce Water Initiative*)

Olympics Update: The Animal and Plant Health Inspection Service and the Georgia Department of Agriculture (GDA) have been clearing horses for entry into the United States from other countries that will be going to the Georgia International Horse Park as part of the Olympic Games. There was concern about piroplasmis-positive horses being brought into the United States.

USDA and the GDA addressed the concerns by establishing stringent protocols so a limited number of piroplasmosis-positive horses could participate in the Games. Under the protocols, some positive horses can participate in jumping and dressage, but not the three-day cross country event.

Gleaning/Food Rescue/National Service/AmeriCorps Update: Farm Service Agency AmeriCorps members are on board in Baltimore, MD, and have been recruiting and coordinating other volunteers to participate in a gleaning/food rescue program. The members are signing up homeless shelters and soup kitchens to accept produce donated by producers and reaped from local fields. A kickoff event is being planned in Baltimore for July 28.

USDA's AmeriCorps is investigating how to respond to the fires in New Mexico, working closely with representatives of the Corporation for National Service and the New Mexico Congressional delegation.

Timber Update: In a recent decision, a federal district judge placed the Forest Service and Department of Interior's Bureau of Land Management on a 60-day schedule for the "identification and release" of replacement timber. This order covers all of the outstanding alternative timber that must be provided under Section 2001(k)(3) of the 1996 Rescission Act for those sales where marbled murrelets are known to be nesting.

Thirteen of 20 eligible southeast Alaska communities and boroughs have had direct payment requests certified recently by the Forest Service for over \$8 million of the \$10 million authorized for direct payment this fiscal year as part of the Southeast Alaska Economic Assistance Fund. The Forest Service is responsible for distribution of the fund that was established in the FY96 Appropriations Act. The fund totals \$110 million over a four-year period and the money is being delivered to southeast Alaska communities in an effort to offset economies adversely affected by the declining timber program on the Tongass National Forest.

Welfare Reform/Electronic Benefits Transfer Update: The Food and Consumer Service has advised Michigan of its decision to deny two food stamp waiver requests to amend the state's "To Strengthen Michigan Families" welfare reform demonstration. The requests were denied because the welfare reform demonstration would have reduced benefits to teenage parents.

The Minnesota Department of Human Services has selected a contractor to expand statewide the current Electronic Benefits Transfer services available in Minneapolis and St. Paul. The state plans to have statewide implementation completed by January 1999.

III. NOTABLE CONGRESSIONAL ACTIVITY

Meetings Scheduled: On July 12, Secretary Glickman will meet with Representative Dicks regarding proposed language to amend the Forest Resources Conservation and Shortage Relief Act of 1990.

On July 17, Secretary Glickman will participate in Representative Stenholm's monthly television show.

Briefings Held On Food Safety Announcement: House and Senate staff were briefed the week of July 8 regarding the Department's recently announced final rule on pathogen reduction and Hazard Analysis and Critical Control Points (HACCP) systems. *(See Key Department News: First Major Overhaul Of Federal Food Safety Rules Announced)*

Representative Gunderson may hold a hearing on the new food safety rule before the August recess. The Senate Agriculture Committee has also indicated that it might also hold a hearing on the rule.

Good Samaritan Bill Update: The House Judiciary Committee may seek sequential referral of the Bill Emerson Good Samaritan Food Donation Act. The House is expected to consider the bill soon.

Congressional Hearings:

On July 12, the Senate Appropriations Interior and Related Agencies Subcommittee is expected to mark up Interior appropriations, which includes Forest Service funding.

On July 16, the House Resources Subcommittee on National Parks, Forests, and Lands will hold a hearing on a bill to provide for improved access to and use of the Boundary Waters Canoe Area Wilderness and a bill to enhance the conservation and protection of the Wilderness.

On July 17, the House Agriculture Subcommittee on Resource, Conservation, Research, and Forestry will hold a hearing on a review of agricultural extension programs administered by USDA.

The House Resources Subcommittee on Native American and Insular Affairs will hold a July 17 hearing on a land conveyance between the Forest Service and the Hoopa Valley tribe. National Forest System Associate Chief Janice McDougle will testify.

The Senate Energy and Natural Resources Committee will hold a July 17 hearing on a bill to amend the Alaska National Interest Lands Conservation Act.

On July 18, the House Resources Committee will hold a hearing regarding a Government Accounting Office report on the economic differences between state and federal timber programs in the Pacific Northwest.

On July 23, the House Resources Subcommittee on National Parks, Forests, and Lands will conduct a hearing on the President's Pacific Northwest Forest Plan and the economic adjustment initiative.

On July 25, the Senate Energy and Natural Resources Subcommittee on Parks, Historic Preservation, and Recreation will hold a hearing on a bill to protect Yellowstone National Park, the Clarks Ford of the Yellowstone National Wild and Scenic River, and the Absaroka-Beartooth Wilderness Area.

The House Agriculture Committee will hold a July 25 hearing on the Fluid Milk Promotion Program.

The House Resources Subcommittee on National Parks, Forests, and Lands will hold a July 25 hearing on a bill to dispose of certain federal properties at Dutch John, UT.

IV. SECRETARY'S SCHEDULE

On July 15, Secretary Glickman is scheduled to speak at the International Agricultural Summit in Kansas City, MO. The Secretary will also conduct a Water 2000 event in Hannibal with Representative Volkmer.

On July 16, the Secretary will address the Agricultural Communicators Congress in Washington, D.C.

On July 17, Secretary Glickman will hold the first public forum (Washington, D.C.) on the Department's Karnal bunt program. (*See Key Department News: Wheat Concerns Addressed*)

On July 18, Secretary Glickman will participate in a bald eagle release event at the National Arboretum in Washington, D.C.

On July 18, Secretary Glickman will address the U.S. Agricultural Development Council/Global Attache Conference in Washington, D.C. (*See Key Department News: USDA To Hold Conference For Agricultural Attaches*)

On July 24, the Secretary will speak at the Delaware Agricultural Breakfast in Harrington at the request of Senator Biden.

Secretary Glickman will be out of the office August 4-7.

V. DEPUTY SECRETARY'S SCHEDULE

On July 15-16, Deputy Secretary Rominger will be in Moscow for the Plenary Session of the U.S.-Russian Commission on Economic and Technological Cooperation (Gore-Chernomyrdin Commission).

VI. SUB-CABINET SCHEDULE

On July 15, Assistant Secretary for Marketing and Regulatory Programs Michael Dunn will speak at two Water 2000 events in Santa Fe, NM. (*See Key Department News: USDA To Announce Water Initiative*); on July 16, he will speak at the Bird Strike Committee USA meeting in Phoenix, AZ; on July 22, he will be in Portland, OR to tour grain facilities; and on July 23-26, he will be in California to tour the Oakland Zoo as part of the animal welfare program, to attend the Almond Board meeting, and to meet with producers.

On July 15-16, Assistant Secretary for Administration Wardell Townsend will attend Water 2000 events in McBee, SC and Leadsville and Downs, WV. (*See Key Department News: USDA To Announce Water Initiative*)

On July 15-16, Under Secretary for Natural Resources and Environment Jim Lyons will attend the Forest Service National Leadership Conference in Colorado Springs, CO; on July 25, he will speak at the Quail Unlimited national convention in Nashville, TN; on August 5, he will speak at the National Association of Conservation Districts meeting in North Conway, NH.

On August 7 and 9, Acting Chief Financial Officer Ted David will speak at sessions of the Federal Financial Managers Council conference in Monterey, CA.

On July 15, Under Secretary for Food, Nutrition, and Consumer Services Ellen Haas will give remarks at a Water 2000 event in Salisbury, MD 2000. (*See Key Department News: USDA To Announce Water Initiative*); on July 23, she will be in Frankfort, KY to present state officials with an Enhanced Funding Award for the Food Stamp Program and to hold a Team Nutrition Leadership Forum; on July 30, she is tentatively scheduled to hold an Electronic Benefits Transfer anti-fraud event in Camden, NJ.

VII. PRESS/MEDIA INQUIRIES

USDA has received considerable press attention following the Presidential announcement of sweeping reforms to food safety. (*See Key Department News: First Major Overhaul Of Federal Food Safety Rules Announced*)

NBC News requested a USDA Inspector General audit report concerning the Women, Infants, and Children food program, among other things.

PBS requested information on USDA involvement with farmers markets and will interview Agricultural Marketing Service Administrator Lon Hatamiya.

Farm Journal requested information on the sheep research and promotion referendum.

The Washington Post inquired about the International Trade Commission's decision regarding the tomato dispute between the United States and Mexico. (See Key Department News: *International Trade Commission Rules Against Florida Tomato Growers*)

Knight-Ridder News Service is working on a story regarding the increasing intensity of wildfires in the West and measures the Forest Service is taking to prevent them. (See Key Department News: *Fight Against Wildfires Continues*)

Newsweek has contacted the Bridger-Teton National Forest in Wyoming for interviews on firefighting and other issues. (See Key Department News: *Fight Against Wildfires Continues*)

New York Times is developing a story regarding fees and the declining Forest Service budgets.

New York Times is doing a story about the harvesting of green timber in salvage sales.

VIII. FOIA REQUESTS

Wall Street Journal requested daily schedule and other information about Grain Inspection, Packers, and Stockyards Administration top officials.

July 16

Through

December