

green scissors 2000

An update of Green Scissors '99

**Cutting Wasteful
and Environmentally
Harmful Spending**

**Friends of
the Earth**

**Taxpayers for
Common Sense**

**U.S. Public Interest
Research Group
Education Fund**

**Alliance for
Nuclear Accountability**

American Lands Alliance

**Center for Science
in the Public Interest**

Clean Water Action

Concord Coalition

Defenders of Wildlife

Earthday Network

**Earthjustice Legal
Defense Fund**

Greenpeace

**Mineral
Policy Center**

**National
Audubon Society**

**National
Environmental
Trust**

**National Parks
and Conservation
Association**

**National
Priorities Project**

**National
Wildlife Federation**

**Natural Resources
Defense Council**

**New England
Environmental Voters**

**Physicians for
Social Responsibility**

**Public Employees
for Environmental
Responsibility**

**REP America
(Republicans for
Environmental Protection)**

**Safe Energy
Communication Council**

Sierra Club

The Wilderness Society

20/20 Vision

The organizations listed above do not necessarily endorse or have expertise on every recommendation in this report.

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Introduction

Every day, our government uses taxpayer dollars for programs and subsidies that harm our natural resources and threaten public health. For six years, the Green Scissors Campaign has worked to eliminate or reform these programs and subsidies.

This report is the product of the Green Scissors Campaign, a diverse coalition of environmental, taxpayer, budget watchdog and other groups that have come together to cut environmentally harmful spending and subsidies. This report updates *Green Scissors '99* and is meant to be a supplement to that report. *Green Scissors '99* offers policymakers 72 common-sense recommendations. The *Green Scissors 2000* report adds five new projects, bringing the combined total of the recommendations to 77, costing taxpayers nearly \$50 billion.

The Green Scissors Campaign has a proud record of accomplishment. We have helped to eliminate more than \$24 billion of programs and subsidies. However, much more remains to be cut.



With a few exceptions, 1999 saw little progress on Green Scissors issues. Despite some victories in Congress, and an Administration that supports several Green Scissors recommendations, wasteful government spending that is harmful to the environment still runs rampant in Washington. This waste of taxpayer resources is an injury to every American, for it is our money that is used to pollute our nation's rivers, destroy habitats, create radioactive waste, and squander our natural resources. It is doubly outrageous when taxpayer money is often required to clean up the environmental damage that many of these activities leave behind.

Green Scissors is Leading; Will Politicians Follow?

The Need to Cut Taxpayer Waste

While the federal budget surplus has received great publicity, the Congressional Budget Office has consistently warned that future surpluses are not guaranteed. These surpluses will depend, in part, on Congress and the President cutting spending by several billions of dollars as they promised in the 1997 Balanced Budget Act. But last year, both Republicans and Democrats actually increased spending, thereby jeopardizing the projected budget surplus. In order to cover this increased spending, Congress resorted to budget gimmicks that give the appearance of a balanced budget. Even if Congress had kept the spending promises made in the Balanced Budget Agreement, wasteful spending would still be wrong no matter the state of the federal budget.

These budget-counting games cannot postpone difficult decisions forever. Congress and the President will be called to account for the missing budget surplus, and budget cuts will become necessary. The government will have to choose whether to continue subsidizing environmental destruction, or to inject some common sense into government and help protect natural resources. Green Scissors reports offer recommendations that could release tens of billions of taxpayer dollars that Congress and the President could use to reduce pressure on spending caps and free money for debt reduction, tax cuts, or higher priority spending programs.

What's New in Green Scissors 2000

Green Scissors 2000 reflects ongoing research and responds to recent events and initiatives. *Green Scissors 2000* adds five new proposals to the target list this year. Four of the new proposals are existing programs, while Deep-Draft Dredging is a new initiative. All these proposals are initiatives being pushed by Members of Congress or the Administration and need to be eliminated or reformed.

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Deep Draft Dredging	page 23
Forest Highways	page 24
Low Frequency Active Sonar	page 25



Breaking the Logjam

The Green Scissors Campaign believes that success depends on finding areas of agreement. The spending and subsidies targeted in *Green Scissors '99* and *Green Scissors 2000* were programs created by both Democrats and Republicans, and by both Congress and the Administration. The same parties that once conspired to create these subsidies must now cooperate to end them.

The Green Scissors Campaign targets a range of subsidies and programs, from nuclear research projects to agricultural promotion. All have one thing in common — they threaten our long-term economic and environmental future. This report is intended to help politicians and policy-makers put aside partisan differences to ensure that American taxpayers are not left holding the bill for cleanups, handouts or bailouts.

The future is at stake. Taxpayers and environmentalists believe that Americans should not borrow from future generations, leaving unbearable fiscal or environmental debts.

Our leaders should act now to ensure that our children inherit both sound finances and a clean environment. This means cutting wasteful and environmentally harmful subsidies and spending now.

The Green Scissors Campaign recommends eliminating or modifying programs that:

- subsidize practices that can wreak major damage to the environment or public health;
- distort the economy in ways that encourage exploitative and environmentally destructive activities;
- fail to provide a fair return on the taxpayer investment or undervalue taxpayer resources;
- conflict directly with other beneficial federal policies;
- leave the taxpayer holding the bill for pollution cleanup or uncollectible debts;
- do not provide the intended benefit to people or institutions; and
- subsidize corporate, community and individual irresponsibility.

The supporters of the Green Scissors Campaign come from different perspectives:

Taxpayers, budget watchdogs and free-market advocates support the Green Scissors Campaign because it helps shrink government, saves tens of billions of dollars and stops government activities that are economically unjustified.

These organizations support these cuts because they seek to reduce wasteful spending and economic harm caused by misguided government subsidy programs. Their support does not imply that they make judgements on questions of environmental policy.

Environmentalists support the Green Scissors Campaign because it advocates cutting programs that harm public health and the environment.

Many of these cuts are actually complex proposals that embody waste reduction, agency budget reforms, and environmental protections. The support of environmental organizations for many of these proposed cuts is premised on the principle that savings are inextricably linked with policy reforms. In the long term, these reforms will be crucial in avoiding future cleanup costs.

Support for the Green Scissors Campaign does not imply endorsement of or expertise in every recommendation; some organizations do not have the expertise to evaluate or endorse each recommendation.

Understanding *Green Scissors 2000*

This report is an update of the *Green Scissors '99* report released in January 1999. For a more complete explanation of the issues and our recommendations, please refer to that document. It is available on the world wide web at www.foe.org/eco/scissor99. In most cases, the fundamental issues and circumstances in *Green Scissors '99* remain valid today. In this new report, we have provided brief updates and information whenever significant changes or developments have occurred in 1999, such as congressional votes, changes in policy or major revisions to government proposals.

In addition, this report presents five new recommendations not included in earlier Green Scissors Campaign reports.

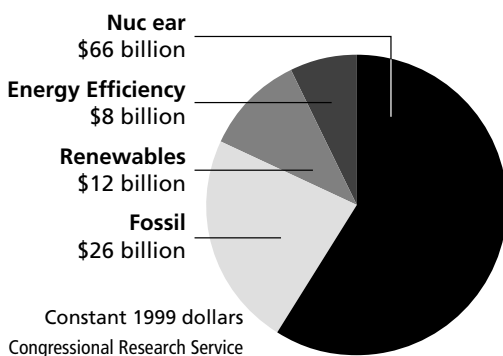




Energy

Energy use and production are the largest sources of pollution in the country. Coal-fired power plants are the largest unregulated industrial emitters of the toxic metal mercury, nuclear power plants have generated 95 percent by radioactivity of the nation's lethal radioactive waste, and oil spills continue to plague the nation's waterways. The Department of Energy (DOE) has spent nearly \$112 billion in energy research and development between fiscal years 1948 and 1998. The vast majority of these funds (82 percent) subsidized or promoted nuclear and fossil energy, at an enormous environmental cost.

Department of Energy Research and Development Fiscal Years 1948-98



Nuclear programs are particularly wasteful. They are extremely expensive and have garnered the lion's share of energy funding while having no correct commercial market in the United States.

The Green Scissors Campaign has helped to eliminate most federally funded commercial nuclear research and development programs over the last six years. For example, in 1994, Congress, noting serious economic concerns, killed the Department of Energy's \$3 billion Advanced Liquid Metal Reactor. Similarly, in 1995,

Congress killed the \$2.6 billion Gas-Turbine Modular Helium Reactor.

Unfortunately, some of the technologies from nuclear programs terminated by Congress and the Clinton Administration have begun to re-appear in budget bills under new names. A nuclear fuel reprocessing technology developed for the terminated Advanced Liquid Metal Reactor has been renamed "civilian research and development" and is being promoted as part of a larger program to supposedly reduce the toxicity of nuclear waste. Proponents of the Gas-Turbine Modular Helium Reactor are now justifying funding gas reactor research under the name of "fissile material disposition." The U.S. government intends to use this program to "dispose" of excess Russian weapons-derived plutonium, despite having already decided not to use gas reactors in dealing with excess U.S. weapons-derived plutonium.

Fossil fuel subsidies are just as difficult to limit. Congress has cut funding for some of the fossil energy programs targeted in Green Scissors. However, these budget cuts are often restored in back-room deals late in the budget process. In fact, fiscal year 2000 fossil energy research and development programs funding was actually increased over the original appropriations amount as a result of behind the scenes negotiations.

Accelerated Transmutation of Nuclear Waste and Pyroprocessing

The DOE labs have embarked upon an expensive and complex nuclear research project. Proponents claim this project will reduce the radioactivity of commercial irradiated nuclear fuel. One step of this process would involve

reprocessing the nuclear fuel by separating it into its constituent components. This process would violate long-held U.S. nuclear non-proliferation policies. In fiscal year 1999, the DOE spent \$52 million on these projects and produced a report estimating the total cost of implementing one part of the project, the Accelerated Transmutation of Nuclear Waste program, at \$281 billion. The fiscal year 2000 Energy and Water Appropriations bill (H.R. 2605) contains \$54 million for these programs.

"Clean Coal" Technology Program

The DOE's "Clean Coal" Technology Program (CCTP) wastes taxpayer dollars on mismanaged projects that promote the use of one of the most polluting fuel sources — coal. Five projects in the program have been in the design phase for a minimum of six years. Two of these projects have changed site locations several times. The DOE funding commitment for just these five projects is at least \$515 million. In addition, the DOE obligated \$79 million to two projects in bankruptcy and has little hope of ever recouping that money.

The DOE requested no funding for CCTP for fiscal year 2000. Rather than rescinding funding for the program, the fiscal year 2000 Omnibus Appropriations bill (H.R. 3194) deferred \$156 million for the program until October 1, 2000. The bill also included \$14.4 million for program direction, which is used for the inspection of outstanding projects. This funding level has remained constant even as more projects have been completed and fewer need inspecting.



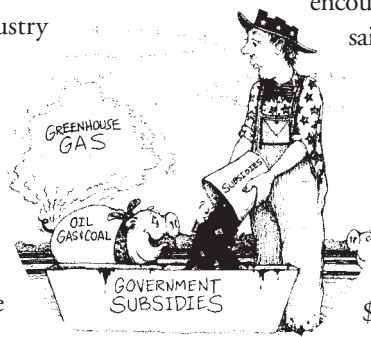
Coal and Oil Research and Development

The DOE fossil fuel research and development program subsidizes and promotes the use of fuels that are the largest emitters of air pollution and global warming gases. On July 14, 1999, Representatives Bernard Sanders (I-VT), Ron Lewis (R-KY), James Oberstar (D-MN), and Bart Stupak (D-MI) offered an amendment to the fiscal year 2000 Interior Appropriations bill (H.R. 2466) to cut the fossil fuel research and development program by \$50 million, shifting \$20 million to Payments in Lieu of Taxes, and returning \$30 million to budget savings. The House passed the amendment, 248 to 169. In addition, Representatives James McGovern (D-MA), Tom Campbell (R-CA), Joseph Hoeffel (D-PA) and Rush Holt (D-NJ) offered an amendment to cut the fossil fuel research and development program by \$29 million and shift that funding to state land acquisition programs. The amendment passed 213 to 202. Unfortunately, the funding cut by these two amendments and was later restored above the levels originally requested.

The final fiscal year 2000 Omnibus Appropriations bill (H.R. 3194) included \$124.6 million for coal and oil research and development, and \$57.5 million for oil research and development.

Diesel Engine Research for Cars and Light Trucks

In fiscal year 2000, the DOE will spend \$41.1 million to subsidize auto industry research and development of a “new generation” of diesel-fueled cars and light trucks, and diesel fuels. Diesel is listed as a probable human carcinogen.



Moreover, this program encourages a dirty technology when cleaner ones exist. In addition, the program is a direct subsidy to both the auto industry, which should conduct its own research into cleaner fuels, and the fuels industry. These subsidies perpetuate petroleum's dominance of the transportation market.

Fast Flux Test Facility Restart

The DOE is currently conducting a Programmatic Environmental Impact Statement to find a future use for one of its reactors, the Fast Flux Test Facility (FFTF), located at the Hanford Nuclear Reservation. FFTF continues to search for a mission while it wastes \$30 million per a year in “hot standby.” Now, the DOE is trying to get an additional \$12 million for the program. In 1992, the DOE agreed to shut down and permanently decommission FFTF as part of the overall plan to clean up the highly contaminated former bomb-making facility. Restarting FFTF will violate the clean-up plan and divert money and managerial resources away from clean up.

“Low Level” Radioactive Waste Dump Promotion and Support Service

This program allows the DOE to promote new radioactive waste dumps for private industry. The fiscal year 2000 Energy and Water appropriations bill (H.R. 2605) included \$595,000 to pay for the program, a reduction from last year's appropriation of \$4.2 million. This reduction in funding is encouraging, but the DOE has said that it is planning to use some unused funds from last year to keep the program going.

MOX Power Reactors

Congress appropriated \$67.9 million in fiscal year 2000 for the DOE to continue

its program that mixes plutonium with uranium to make mixed oxide (MOX) fuel for commercial reactors. Billed as the best way to dispose of the fifty metric tons of surplus weapons-grade plutonium in the US stockpile, the MOX program is a huge subsidy to reactors as well as a threat to world security. The DOE has rejected a safer, cheaper option — immobilizing the plutonium in glass or ceramics — for all but a small fraction of the plutonium. The DOE will start construction of processing facilities this year. In addition, Congress added funds to assist Russia in gas reactor development for its MOX program. Representative Christopher Cox (R-CA) singled out this reactor project as aiding the Russian nuclear weapons program. In fiscal year 2000, Congress cut funding for the immobilization research program — the safer, cheaper alternative.

National Ignition Facility

The National Ignition Facility (NIF) is a DOE nuclear weapons project being constructed at the Lawrence Livermore National Laboratory in northern California. Cost estimates for the construction of NIF continue to rise. The current estimate is now at \$5.1 billion, which is 25 percent greater than the initial 1993 estimate of \$4.1 billion. Not only is the project at least \$1 billion over budget and a year behind schedule, but this is an extremely expensive program that will create more radioactive waste.

Furthermore, in the summer of 1999, the Lab uncovered serious technical problems that may preclude the multi-billion dollar project from igniting a thermonuclear explosion, which is the proposed mission of NIF. The fiscal year 2000 Energy and Water Appropriations Conference Report contains sharp language requiring Energy Department Secretary Bill Richardson to submit “a new cost and schedule baseline” for NIF before June 1, 2000. The report states that if the DOE misses the



deadline, it "should prepare an estimate of the costs necessary to terminate the project." Congress appropriated \$254 million in the fiscal year 2000 budget for this project.

Power Marketing Administration

Four Power Marketing Administration Facilities (PMAs) market electricity from federally owned facilities in the Northwest, West, Southwest, and Southeast. PMAs and the Tennessee Valley Authority (TVA) sell electricity at below market rates to select customers. Selling power at below market rates removes any incentive for customers to use energy efficiently and provides unfair subsidies to certain regions of the country. The federally owned power plants emit pollution that harms air quality and human health. In addition, dams that help produce the electricity destroy fragile habitat for salmon, trout, mussels, chubs and sturgeon. On April 20, 1999, Representatives Bob Franks (R-NJ) and Martin Meehan (D-MA) introduced legislation (H.R. 1486) that would reform the PMAs. Senator Patrick Moynihan (D-NY) introduced similar legislation in the Senate on January 19, 1999. Both bills would reform marketing practices, reduce taxpayer subsidies as well as provide money for environmental protection, debt repayment, and investment in clean renewable energy sources.

Radioactive Recycling Subsidies

In August 1997, the DOE entered into a \$284 million contract with the foreign-owned company British Nuclear Fuels, Ltd. (BNFL) to clean three stadium-sized buildings at the Oak Ridge nuclear weapons site in Tennessee and recycle at least 100,000 tons of contaminated metal into common goods such as tableware and frying pans. This contract is ongoing, and some recycled radioactive materials have already been released into the marketplace. A court challenge by public interest groups

failed to stop the contract because of the lack of federal guidelines for recycling radioactive material. Currently, BNFL is in the process of building a facility to process 6,000 tons of radioactive nickel. Two additional government contracts, one at Paducah, Kentucky and one at Portsmouth, Ohio, are currently under consideration.

Rural Utilities Service Electricity Loans

The Rural Utilities Service (RUS) makes loans to utilities to subsidize electric service in rural areas, despite the fact that this program is now obsolete. The Clinton Administration proposed reducing the subsidized loans in its fiscal year 2000 budget proposal, but Congress rejected the reduction and has actually increased the amount of subsidized loans available for electric utilities. Because low-interest rates prevail in the currently healthy economy, the level of subsidy required to provide these loans has declined. For fiscal year 2000, Congress approved about \$10 million in subsidies for the loan program, down from nearly \$30 million in fiscal year 1999. However, this subsidy will leverage more than \$1.9 billion in loans, up from about \$1 billion in fiscal year 1999.

Savannah River Site Reprocessing Canyons

The Savannah River Reprocessing site, scheduled for closure, was integral in the production of nuclear weapons. The reprocessing canyons took nuclear fuel from five on-site reactors and separated the fuel into its plutonium and uranium components for use in nuclear weapons. The original deadline date for closure of this plant has been extended from 2002 to 2004. Congress appropriated

\$359.2 million in the fiscal year 2000 budget to keep the project operating.



Swan Lake-Lake Tye Intertie

The fiscal year 2000 Energy and Water Appropriations bill (H.R. 2605) contained \$10 million dollars for the City of Ketchikan to help construct an unnecessary 57-mile industrial powerline, the Swan Lake - Lake Tye Intertie, through the Tongass National Forest. If built, this powerline would cut a 200-foot swath through one of the largest remaining roadless areas in the Tongass National Forest and would preclude designation of the valuable Eagle River as a Wild River.

Waste Isolation Pilot Project

The Waste Isolation Pilot Plant (WIPP) in New Mexico is a proposed disposal site for plutonium-contaminated waste from nuclear weapons. The DOE spent millions of dollars in legal fees to force the State of New Mexico to grant WIPP a hazardous waste permit. DOE's Resource Conservation and Recovery Act (RCRA) permit application specifically stated that WIPP should not be opened until the permit was issued. Nonetheless, the DOE began shipping "mixed" wastes to WIPP on March 26, 1999, under the guise that it was "non-mixed" waste, which is not covered by the permit. New Mexico issued its RCRA permit on October 27, 1999, and all shipments have since stopped because of permit restrictions. The DOE has sued New Mexico for the permit restrictions, and New Mexico has in turn fined the DOE \$1.3 million for illegally shipping mixed waste from Rocky Flats. The \$185 million budget for fiscal year 1999 assumed that the DOE would ship more than 100 truckloads of waste to WIPP. Instead, only thirty-two shipments, many of which were partial loads, were made.



Thus, the long-term costs of the project have been increased, since more total shipments will now be required. Nonetheless, Congress increased the WIPP budget for fiscal year 2000 to \$186.4 million.

Yucca Mountain High Level Nuclear Waste Repository

Yucca Mountain is a proposed permanent storage site for nuclear waste. The site, located on a seismically active area in Nevada, has

a project cost of \$34 billion. The House substantially cut the fiscal year request of \$258 million to \$169 million. However, this funding was later almost fully restored to \$240.5 million in conference.

Green Scissors Target	Fiscal Year 1999 Appropriations	Fiscal Year 2000 Appropriations	Estimated 5-year or lifetime cost	Notes
Accelerated Transmutation of Nuclear Waste and Pyroprocessing	\$ 52 million	\$ 54 million	\$ 352 million	Lifetime budget of ATW is \$280 billion over 117 years.
Clean Coal Technology Program	\$ n/a	\$ n/a	\$ 500 million	Congress deferred \$156 million for the program until Oct. 1, 2000.
Coal Research and Development Program	\$ 122.4 million	\$ 125 million	\$ 625 million	Two amendments to cut funding from the program were passed but later reversed.
Diesel Engine Research for Cars and Light Trucks	\$ 34.9 million	\$ 41.1 million	\$ 265 million	Congress increased funding by \$6.2 million.
Fast Flux Test Facility Restart	\$ 32 million	\$ 28 million	\$ 1 billion	DOE continues to search for a mission for the program.
Low Level Radioactive Waste Dump Promotion and Support Service	\$ 4.2 million	\$ 595,000	\$ 29 million	Victory in progress.
Mixed Oxide Power Reactors	\$ 62 million	\$ 67.9 million	\$ 800 million	Congress cut funding to an alternative.
National Ignition Facility	\$ 393.2 million	\$ 254 million	\$ 5.1 billion	Cost overruns and technical problems are increasing, likelihood of failure.
Nuclear Energy Research Initiative	\$ 19 million	\$ 27.5 million	\$ 137.5 million	No change from <i>Green Scissors '99</i> .
Nuclear Waste Fund Fee Adjustment	\$ n/a	\$ n/a	\$ 315 million	No change from <i>Green Scissors '99</i> .
Oil Research and Development Program	\$ 48.6 million	\$ 57.5 million	\$ 287.5 million	Two amendments to cut funding from the program were passed but later reversed.
Plutonium Manufacturing Project	\$ n/a	\$ n/a	\$ 1.1 billion	No change from <i>Green Scissors '99</i> .
Power Marketing Administrations	\$ n/a	\$ n/a	\$ 1 billion	Legislation introduced to reform program.
Radioactive Recycling Subsidies	\$ n/a	\$ n/a	\$ 242.4 million	DOE is currently considering granting two additional contracts.
Rural Utilities Service	\$ 50 million	\$ 30 million	\$ 150 million	Low interest rates have made this subsidy program less expensive to taxpayers.
Savannah River Site Reprocessing Canyons	\$ 359 million	\$ 359.2 million	\$ 3.6 billion	
Swan Lake-Lake Tyee Intertie	\$ 0	\$ 10 million	\$ 40 million	Congress provided funding for the program for the first time.
Tokamak Fusion Reactors	\$ 12.2 million	\$ n/a	\$ 1 billion	No change from <i>Green Scissors '99</i> .
Waste Isolation Pilot Plant	\$ 185.4 million	\$ 186.4 million	\$ n/a	Opened in violation of state permitting requirements.
Yucca Mountain High-Level Nuclear Waste Repository	\$ 358 million	\$ 240.5 million	\$ 1.2 billion	Funding cuts were almost fully restored.





Public Lands

In the 19th century, the federal government initiated policies to encourage the development of the Western United States. These policies helped to make resource extraction from public lands cheap and easy. More than 100 years later, the nation's priorities have changed. The West has been developed, and resource extraction industries no longer need federal assistance. Nevertheless, many of these archaic federal land policies continue to subsidize these destructive practices at taxpayer expense.

The Green Scissors Campaign supports the idea that public lands, and the resources therein, are assets held in trust for all taxpayers. The federal government should manage these assets to provide a fair return to all taxpayers and to maintain our nation's economic and environmental health. In contrast, many of the federal public lands programs have wasted billions of taxpayer dollars and have seriously damaged ecosystems that were once pristine. For example, the 1872 Mining Law has allowed mining companies to take more than \$245 billion worth of precious minerals and mining rights from public lands without paying a dime in royalties to taxpayers. Moreover, under this archaic law, taxpayers have been left with a \$32 to \$72 billion cleanup bill for the half a million polluted abandoned mine sites, more than seventy of which have been designated Superfund sites.

The U.S. Forest Service's timber program has also created a legacy of waste and abuse both fiscally and environmentally. A 1998 General Accounting Office (GAO) report documents that the Forest Service lost

more than \$1 billion in timber sales from 1995 to 1997. This report is an update to a 1995 GAO study that cited \$995 million in losses between 1992 to 1994. Together these reports reveal more than \$2 billion in taxpayer losses over six years. Logging in our National Forests has eliminated many old growth forests and has damaged habitat for numerous species, such as salmon, grizzly bear, and wolf. Logging and road building in our National Forests have also led to soil erosion that has polluted drinking water and caused deadly and costly mudslides.

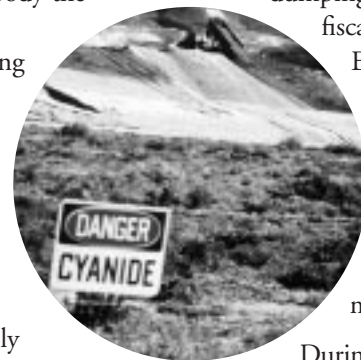
The Green Scissors recommendations for federal public lands embody the core of the Green Scissors Campaign goals — reforming policies that waste taxpayer money and harm the environment. The 1872 Mining Law and Forest Service timber sale programs are two of the most egregious examples of wasteful and environmentally harmful policies, but many others exist. Numerous other programs are targets for our reform efforts, ranging from below-cost grazing fees to oil royalty payments.

1872 Mining Law

The outdated 1872 Mining Law subsidizes mining companies in several ways: 1) mining companies have been able to extract billions of dollars of minerals from publicly owned lands without paying a dime in royalties; 2) mining companies can buy public land containing billions of dollars in minerals for \$2.50 to \$5.00 an acre; 3) mining operations have abandoned more

than half a million mine sites, leaving the cleanup tab for taxpayers.

Although little progress has been made in reforming this archaic law, in 1997 the Solicitor General for the Department of the Interior announced he would enforce a provision of the law limiting the area of land that mining companies can take for outrageously low prices for the dumping of toxic mining wastes. In March of 1999, for the first time in decades, the Interior Department denied a mine proposal for exceeding the waste dumping limit. Subsequent to this, there were two attempts to overturn the waste dumping limit. On the fiscal year 1999



Emergency Supplemental bill (S. 544) Senator Slade Gorton (R-WA) attached a legislative rider that allowed the mine to go forward.

During the Senate consideration of the fiscal year 2000 Interior Appropriations bill (H.R. 2466), Senator Larry Craig (R-ID) attached another rider in an attempt to overturn the waste dumping limit. Craig's rider would have weakened the 1872 Mining Law by allowing all recent and future mines to have access to unlimited amounts of public land at outrageously low prices for the dumping of toxic wastes.

In response to the Craig rider, Senators Patty Murray (D-WA), Richard Durbin (D-IL) and John Kerry (D-MA) offered an amendment to strip the Craig rider out of the bill. This amendment failed on a vote of 55 to 41.

Cyanide-leaching heap under construction.
MINERAL POLICY CENTER



However, Representatives Nick Rahall (D-WV), Chris Shays (R-CT) and Jay Inslee (D-WA) led an effort in the House of Representatives to oppose the Craig rider. They passed an amendment to the House version of the fiscal year 2000 Interior Appropriations bill on a bipartisan vote of 273 to 151.

Logging truck and clearcut in the Hoonah Ranger District.

JIM MACKOVJAKI

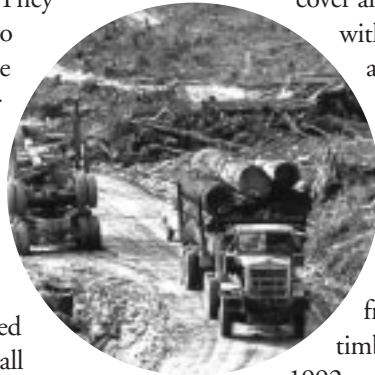
During the final negotiations for the bill, the Craig rider was altered to exempt from the law all existing mines and all mines proposed by November 1997. President Clinton signed the modified rider into law. While an improvement over the existing law, this rider will mean that thousands more acres of public land will be given to the mining industry at low prices, while taxpayers bear the burden of cleaning up more toxic mining wastes.

Film Industry Use of National Park

Under National Park Service regulations, companies using National Parks as settings for films are only required to cover the costs of ranger supervision and mitigate any damage caused. While film companies are paying little, if anything, for their use of our National Parks, park visitors across the nation now face entrance fees that have doubled or even tripled. In 1999, Representative Joel Hefley (R-CO) introduced legislation (H.R. 154) requiring the Park Service to charge fair market value for filming fees and allow the individual parks to keep the revenues generated. The bill passed the House and Senate.

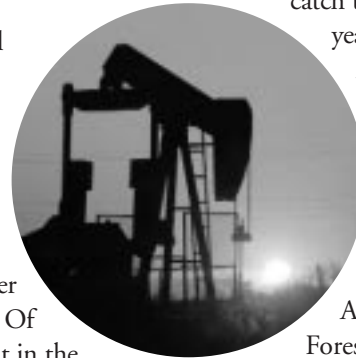
Money-Losing Timber Sales

The U.S. Forest Service's "commodity" timber sales program provides timber from our National Forests to companies that cut and mill lumber or other wood products.



Commodity timber sales on public lands lose money because the receipts paid to the government by the companies buying the timber do not cover all the costs associated with preparing and administering the sales. According to two General Accounting Office reports, the Forest Service lost more than \$2 billion of taxpayer money from the commodity timber sales program from 1992 to 1997.

Senators Richard Bryan (D-NV), Peter Fitzgerald (R-IL) and Ron Wyden (D-OR) offered an amendment to the fiscal year 2000 Interior Appropriations bill (H.R. 2466) that would have cut \$33 million from the timber sales management program and \$1.6 million from timber road construction. Of the \$33 million cut in the timber sales management program, \$10 million was allocated for debt reduction, \$13 million for fish and wildlife management and road maintenance and \$10 million for the survey and management of endangered species. The amendment failed on a vote of 43 to 54. In the House of Representatives, Representatives David Wu (D-OR) and Darlene Hooley (D-OR) offered an amendment to the fiscal year 2000 Interior Appropriations bill (H.R. 2466) that would have trimmed \$23 million from the Forest Service's commodity timber sales budget and transferred all the money to environmental restoration. The House rejected the amendment 174 to 250.



Oil Royalty Underpayment

According to the U.S. Department of the Interior's Minerals Management Service (MMS), companies pumping oil and gas from public lands are underpaying the royalties they owe to taxpayers by an estimated \$66 million per year. These lost royalties would otherwise have gone to the federal treasury, the Land and Water Conservation Fund, the National Historic Preservation Fund and state public education programs. For four years, Congress has enacted legislative riders to stop the MMS from making reforms to ensure a fair, market-based payment process for oil royalties. These reforms would also make it easier for the government to catch underpayments. In the fiscal year 2000 Omnibus

Appropriations bill (H.R. 3194) Congress again delayed implementing the reforms to March 15, 2000.

Timber Roads Construction

Although funding for the U.S. Forest Service's Purchaser Road Credit program was permanently eliminated in the fiscal year 1999 budget, logging roads continue to be subsidized through annual appropriations from Congress. These annual funds pay for the engineering and design costs associated with logging road construction. Representatives George Miller (D-CA) offered an amendment to the House version of the fiscal year 2000 Interior Appropriations bill (H.R. 2466) to prohibit direct appropriations for logging road construction. The amendment was adopted in the House of Representatives by voice vote, but the provision was struck from the final version of the bill, which was incorporated into the fiscal year 2000 Omnibus Appropriations bill (H.R. 3194).

Senators Richard Bryan (D-NV), Peter Fitzgerald (R-IL) and Ron Wyden (D-OR) offered an amendment to the fiscal year 2000 Interior Appropriations bill (H.R. 2466) that would have cut \$33 million from the timber sales management program and \$1.6 million from timber road construction. The amendment failed on a vote of 43 to 54.

Tongass National Forest

In 1999, the Department of Agriculture issued an updated forest plan for the Tongass National Forest, the world's largest old-growth temperate rainforest.

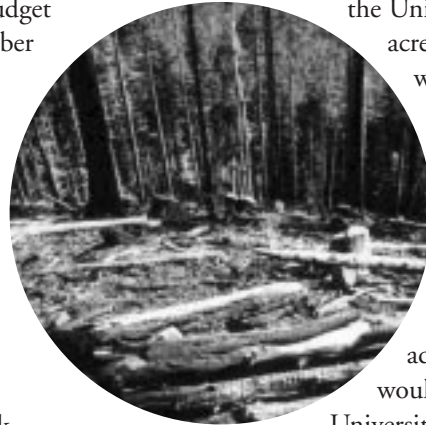
The Tongass forest plan proposes up to 750 miles of new taxpayer-subsidized logging roads while

allowing the cutting of more than 60,000 acres of old-growth rainforest over a 10-year period. In fiscal year 2000, Congress gave the Forest Service a \$5 million budget increase to prepare timber sales in the Tongass National Forest. Congress also set aside \$22 million in economic aid to Tongass communities.

University of Alaska Land Grab

In 1999, Senator Frank Murkowski (R-AK) and Representative Don Young (R-AK) introduced bills in the Senate (S. 744) and the House (H.R. 2958) respectively, which would grant up

to 500,000 acres of federal land to the University of Alaska, including intercontinental shelf and National Forest land. The bills would give the University 250,000 acres of federal land within Alaska, but would exempt "conservation system units" and the Tongass National Forest from the land giveaway. In addition, the bills would allow the University to select 250,000 additional acres of federal lands in Alaska if the state agrees to provide 250,000 acres of state land. These bills await legislative action.



STEVE HOLMER,
AMERICAN LANDS
ALLIANCE

Green Scissors Target	Fiscal Year 1999 Appropriations	Fiscal Year 2000 Appropriations	Estimated 5-year or lifetime cost	Notes
1872 Mining Law			\$ 481.6 million	Modified language of rider attached to final appropriations bill.
BLM Public Domain Forestry	\$ n/a	\$ n/a	\$ 30 million	No change from <i>Green Scissors '99</i> .
Film Industry Use of National Parks	\$ n/a	\$ n/a	\$ n/a	Reform legislation passed in the House and the Senate.
Money-Losing Timber Sales		\$ 228.9 million	\$ 555 million	Amendments were introduced in the House and Senate to cut funding from this program. Both amendments failed.
Oil Royalty Underpayment	\$ n/a	\$ n/a	\$ 330 million	MMS reforms will be implemented in March 2000.
Rangeland Reform	\$ n/a	\$ n/a	\$ 250 million	
Recreational Trails Program	\$ 40 million	\$ 50 million	\$ 210 million	No change from <i>Green Scissors '99</i> .
Timber Roads Construction	\$ 31.4 million	\$ 37.4 million	\$ 187 million	An amendment to block funding for the Forest Service timber roads program passed, but was later struck down.
Tongass National Forest	\$ 14.5 million	\$ 37.5 million	\$ 187.5 million	The final Tongass Forest plan was released.
University of Alaska Land Grab	\$ n/a	\$ n/a	\$ n/a	Legislation has been introduced in the House and the Senate.
U.S. Forest Service Salvage Fund	\$ n/a	\$ n/a	\$ 250 million	No change from <i>Green Scissors '99</i> .
U.S. Forest Service "Replanting Fund"	\$ n/a	\$ n/a	\$ 171 million	No change from <i>Green Scissors '99</i> .



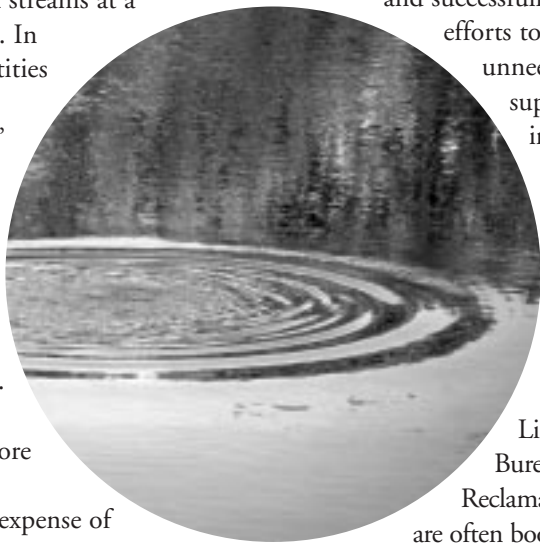


Water

Since the settlement of the West, and from the days of the great public works projects of the 1930's and 1940's to the present, members of Congress have inserted unneeded water infrastructure projects into legislation for their home states and districts. Like authorization for highways and military bases, many of these water projects had no other purpose than to create local jobs and commerce at the expense of the federal taxpayer. Since 1902, irrigation subsidies that are a part of these projects have cost taxpayers an estimated \$70 billion.

Water projects built by the Department of the Interior's Bureau of Reclamation and the Army Corps of Engineers have diverted the flow of our rivers and streams at a tremendous cost. In general, local entities benefit at the federal taxpayers' expense, water projects destroy valuable habitat, and often, less expensive alternatives exist. Congress continues to ignore these existing problems at the expense of taxpayers and the environment.

For six years, the Green Scissors Campaign has championed the cause of eliminating unneeded irrigation and water infrastructure projects, increasing cost-shares for non-federal entities that benefit from federal projects, and decommissioning existing water projects.



In 1999, Congress passed the Water Resources Development Act (WRDA) authorizing civil works programs for the U.S. Army Corps of Engineers (Corps). Civil works programs include the construction and maintenance of locks and navigable waterways, the protection of coastal areas and beaches, harbor dredging, and flood control construction projects. The Corps currently maintains a \$27 billion construction backlog of authorized projects awaiting congressional funding, and even more projects awaiting construction to begin.

In the debate over WRDA, the Green Scissors Campaign helped win a slight increase in the non-federal cost share for beach renourishment, and successfully staved off efforts to build

unnneeded water supply projects in California and to increase federal subsidies for deep-draft harbor dredging.

Like the Corps, Bureau of Reclamation projects are often boondoggles authorized at the expense of both federal taxpayers and the environment. Efforts to reform the Bureau of Reclamation have stalled repeatedly. Legislation continues to advance for the construction of new dams, new irrigation schemes, and giveaways of public assets to private entities.

Animas-La Plata Water Project

In 1999, Representative Scott McInnis (R-CO) offered legislation (H.R. 3112) to complete the \$754 million Animas-La Plata irrigation and dam project. As currently authorized, this project would siphon up to half of the Animas River to irrigate low value crops in southwestern Colorado. The project would threaten precious rivers, wildlife habitat, and Native American burial sites. The legislation contains several provisions adverse to taxpayers' interests. These provisions cap local water users reimbursements at an unrealistically low level, holding federal taxpayers responsible for cost overruns; deny local taxpayers the right to vote for or against local taxation for the project; and relieve tribal entities of all responsibility for any repayment. Despite a carry over balance in the millions of dollars, Congress appropriated \$2 million for fiscal year 2000.

Army Corps of Engineers Flood Control Construction

The Corps spends close to \$1 billion annually on flood control construction and repair projects. Despite this massive investment, flood losses have increased over the years. Some flood control projects actually encourage high-risk development in flood-prone areas by giving the illusion of flood protection. In addition, this construction program can reduce incentives for strong state and local flood plain management and eliminate the natural and beneficial functions of floodplains. Congress provided more than \$900 million for



the Army Corps' flood control construction program in the fiscal year 2000 Energy and Water Appropriations bill (H.R. 2605). This is an increase from the \$800 million appropriated in fiscal year 1999.

Garrison Diversion Project Add-Ons

Authorized in the 1940's, the Garrison Diversion Project is one of the granddaddies of wasteful water projects. In 1999, Senators Kent Conrad (D-ND) and Byron Dorgan (D-ND) introduced the Dakota Water Resources Act of 1999 (S. 623), which would authorize additions to the existing Garrison water project. This would cost taxpayers hundreds of millions of dollars more and degrade water quality for millions of people in the region. Their proposal would also forgive project beneficiaries in North Dakota from paying contractual debts to federal taxpayers.

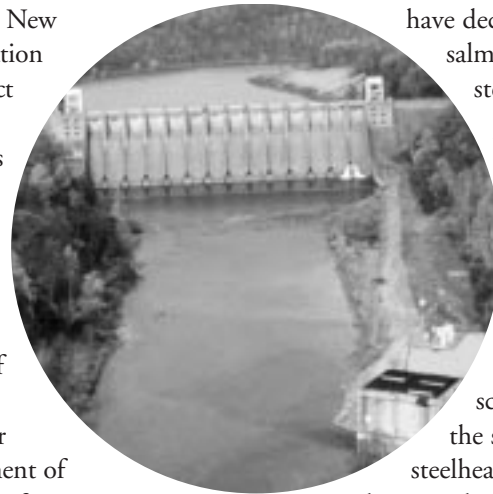
Missouri River Navigation

Operation of the Missouri River for navigation, through dam releases and river dredging, has not produced the economic benefits predicted by the Army Corps of Engineers. However, the program has dramatically reduced the area's wetlands, blocked fish passage and altered natural sediment movement. Navigation is far less important than recreation to the region's economy, yet the river is still managed primarily for navigation, at a cost of \$3 to \$4 million per year. Recent studies have shown that commercial navigation on the Missouri River has fallen to just 1.5 million tons and generates less than \$7 million in economic benefits, compared to more than \$1.3 billion generated by other river uses.

Conemaugh River Lake.
ARMY CORPS OF ENGINEERS

New Jersey Beach Restoration

Congress appropriated more than \$18.3 million for fiscal year 2000 to continue beach renourishment projects in northern New Jersey. Beach restoration is designed to protect and restore beaches but actually destroys habitat along the ocean floor where sand pumping takes place. The Water Resources Development Act of 1999 changed the federal cost-share for periodic renourishment of beaches. By the end of 2003, projects that have not received congressional authorization or filed a completed feasibility study by December 1999 will be funded at a cost share of 50 percent, down from the current cost share of 65 percent.



Oregon Inlet Jetty Construction Project

The North Carolina Oregon Inlet jetty construction project is intended to provide fishing boats better access to the ocean at a cost to taxpayers of \$60 million. The Department of the Interior opposes this Corps project because it could cause severe damage to barrier islands near the inlet and harm an already threatened fishery. In 1988, an independent consultant for the Office of Management and Budget concluded that project costs outweigh the benefits.

In 2000, the Corps is scheduled to complete all necessary project studies and proposals for funding the project will come before Congress. Project backers are pressing the President's Council on Environmental Quality to mediate the dispute between the Department of the Interior and the Corps.

Snake River Salmon Restoration Programs

The four federally owned and operated dams on the Lower Snake River in Washington State have decimated wild salmon and steelhead populations in the river. The federal government has spent \$3 billion since 1981 on ineffective schemes to save the salmon and steelhead runs. The Clinton Administration has promised to select a long-term fish recovery plan for the Snake River in Spring 2000.

On August 4, 1999, over 100 members of Congress sent a letter to the President opposing attempts to circumvent relevant laws or postpone the decision. The bipartisan letter, organized by Representatives George Miller (D-CA) and Thomas Petri (R-WI), urged that "all scientifically credible options including ... partial removal of the four dams on the power Snake River be considered with equal rigor and seriousness."

Upper Mississippi Lock Expansion

The Corps is studying lock expansion possibilities along the Upper Mississippi to reduce projected barge delays. Expanding the locks would cost federal taxpayers at least \$500 million. Lock expansion will erode shoreline areas, disturb important aquatic habitat, and is not economically justified. The Water Resources Development Act of 1999 directs the Secretary of the Army to accelerate the studies and begin advance design if justified. The fiscal year 2000 Energy and Water Appropriations legislation



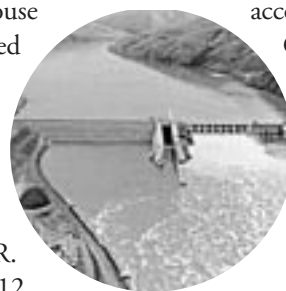
Granite Dam located on the lower Snake River, Washington.
ARMY CORPS OF ENGINEERS

included \$13.5 million for studying lock expansion.

Water and Power Project Transfers

Local water districts around the West want legal title to Bureau of Reclamation water and power projects, but do not want to pay a fair price or allow a meaningful

environmental review of such transfers. In 1999, the House of Representatives approved the transfer of the Sly Park water project in California to the local water conservancy district at a below-market price. The legislation (H.R. 992) would only return \$12



million to federal taxpayers, when, according to a 1991 Inspector General report, the cost to rebuild a similar project would be at least \$90 million. The Senate has taken no action.

Green Scissors Target	Fiscal Year 1999 Appropriations	Fiscal Year 2000 Appropriations	Estimated 5-year or lifetime cost	Notes
Animas-La Plata Water Project	\$ 3 million	\$ 2 million	\$ 503 million	Legislation introduced to complete project.
Army Corps of Engineers Flood Control Construction	\$ 800 million	\$ 900 million	\$ 1.2 billion	
Big Sunflower River "Maintenance" Project and Yazoo Pump	\$ n/a	\$ n/a	\$ 300 million	No change from <i>Green Scissors '99</i> .
Bureau of Reclamation Water Spreading	\$ n/a	\$ n/a	\$ 75 million	No change from <i>Green Scissors '99</i> .
Garrison Diversion Project Add-Ons	\$ n/a	\$ n/a	\$ 1 billion	New legislation introduced.
Haysi Dam-Levisa Fork Flood Control Project	\$ n/a	\$ n/a	\$ 822 million	No change from <i>Green Scissors '99</i> .
Inland Waterway Operation & Maintenance	\$ 800 million	\$ 833 million	\$ 1.2 billion	No change from <i>Green Scissors '99</i> .
Missouri River Navigation	\$ n/a	\$ n/a	\$ 15 million	New funding has been authorized for navigation.
New Jersey Beach Restoration	\$ 10 million	\$ 18.3 million	\$ 1.7 billion	Legislation passed to slightly increase non-federal cost-shares.
Non-Federal Levee Repairs	\$ n/a	\$ n/a	\$ n/a	No change from <i>Green Scissors '99</i> .
Oregon Inlet (North Carolina)	\$ n/a	\$ n/a	\$ 60 million	Disputes between Corps and Department of Interior are delaying project.
Snake River Salmon Restoration Programs	\$ n/a	\$ n/a	\$ 318 million	
Super-Shasta Dam (California)	\$ n/a	\$ n/a	\$ 122 million	No change from <i>Green Scissors '99</i> .
Upper Mississippi Lock Expansions	\$ n/a	\$ n/a	\$ 500 million	The Corps is currently studying lock expansions.
Water and Power Project Transfers	\$ n/a	\$ n/a	\$ n/a	Legislation passed the House to transfer Sly Park.



Agriculture

The federal government provides a variety of agricultural subsidies that benefit corporate agribusiness. These subsidies include both direct payments to commodity growers and indirect subsidies, including import quotas, “non-recourse” loans (loans that the borrower can opt to repay in either money or crops), tax breaks, insurance payments, disaster bailouts, marketing assistance, and price supports. These agricultural handouts, including disaster relief, cost taxpayers billions of dollars and drive up consumer costs.

These subsidies also promote environmental harm. They encourage overproduction and agricultural systems that are dependent upon growing pesticide- and water-intensive crops. In some cases, this type of farming has severely jeopardized sensitive ecosystems, like the Florida Everglades and Western riparian areas. In addition, the federal government’s willingness to bail out large farms in flood plains and disaster-prone lands, both through emergency appropriations and by providing federal crop insurance, encourages production in high-risk, environmentally vulnerable areas.

In 1996, Congress passed the “Freedom to Farm Act,” which eliminated a portion of the federal programs designed to manipulate the production and prices of many commodities, including wheat, feed grains, rice, and cotton. The bill replaced these supports with direct payments designed to decrease over time. Unfortunately, two of the programs most in need of reform — the peanut and sugar programs — were left out of the 1996 law entirely. Moreover, when the law

expires in 2002, even reforms to the cotton program may be eliminated if Congress does not act to pass new legislation.

One agricultural subsidy for wool and mohair, eliminated in 1994, has already been revived. The fiscal year 1999 Agricultural Appropriations bill contained a provision providing mohair producers with interest-free loans, and this provision was received in the fiscal year 2000 Agricultural Appropriations bill (H.R. 1906). In addition, Congress passed a \$6 billion emergency farm bailout package in 1999, and the fiscal year 2000 Omnibus Appropriations bill (H.R. 3194) also included \$8.7 billion in extra farm relief.

Clearly, the days of handouts for big corporate farmers are far from over. Congress and the Administration should work to end these subsidies once and for all in order to protect the interests of taxpayers, consumers and the environment.

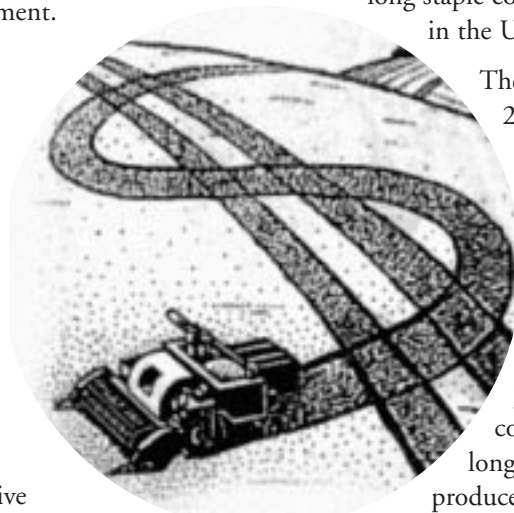
Cotton Program

The Department of Agriculture’s cotton program guarantees prices on domestically grown cotton, a pesticide and irrigation-intensive crop. The government provides loans to producers at harvest time, when prices are at their lowest. Because these subsidies drive up domestic prices, the program also provides handouts to exporters and domestic mills to keep domestic

cotton competitive on the world market.

The fiscal year 2000 Agriculture Appropriations bill (H.R. 1906) revived the 1993 Step Two program, which was phased out in 1996. Under Step Two, not only do cotton producers receive a fixed federal payment per pound of cotton, but, if world prices drop below domestic prices, cotton producers also receive certificates for pounds of cotton that they can resell to the federal government. While the payments to cotton producers were reduced from 3 cents per pound of cotton to 1.25 cents per pound, the Step Two program reverses this reform. The fiscal year 2000 Agriculture Appropriations bill also included provisions creating a three and a half year import quota program for extra long staple cotton. These provisions are intended to maintain and expand the domestic use and export of extra long staple cotton produced in the United States.

The fiscal year 2000 Omnibus Appropriations bill (H.R. 3194) also included provisions to encourage additional payments for cottonseed and long staple cotton producers. The stated goal of these provisions is to maintain and expand the domestic use of extra long staple cotton produced in the U.S. and to ensure that U.S. cotton remains competitive in world markets.



Irrigation Subsidies

Major portions of federal irrigation subsidies now flow to some of the world's richest farmers. Irrigation subsidies waste millions of taxpayer dollars by assisting corporate agribusiness, and hurt the environment by encouraging inefficient water use and destroying precious wetlands and wildlife populations. In January 1999, Senator Russ Feingold (D-WI) introduced legislation (S. 320) to apply a \$500,000 means test to recipients of subsidized irrigation water. This means test would force operations with gross receipts over \$500,000 to pay the full cost for the water. No action has been taken on the bill.

Market Access Program

The Department of Agriculture's Market Access Program (MAP) encourages the export of agricultural products by funding consumer-related promotions of products through trade shows, advertising campaigns, and other marketing tactics. Over the last ten years, more than \$1.5 billion of taxpayer money has been appropriated for MAP, benefiting large trade organizations and cooperatives like the American Forest and Paper Association. On June 8, 1999, Representative Steve Chabot (R-OH) offered an amendment to the fiscal year 2000 Agriculture Appropriations bill to cut funding from the program, saving taxpayers \$90 million a year. The amendment was defeated, 72 to 355.

Peanut Program

The Department of Agriculture's peanut program pays peanut farmers twice market rates for producing a government-set poundage quota and also restricts peanut imports. The fiscal year 2000 Agriculture Appropriations bill (H.R. 1906) continues these payments for the

1999 crop year. Production quotas drive up domestic prices and promote pesticide-heavy peanut production. On July 22, 1999, Representative David Wu (D-OR) introduced H.R. 2598, a bill that would terminate the price support and marketing quota programs for peanuts. This bill is awaiting action.

Sugar Program

The federal sugar program implements price supports and non-recourse loans for domestic sugar producers, and places severe restrictions on sugar imports.

According to a 1993 General Accounting Office report, the program cost consumers an estimated \$1.4 billion annually in increased payments for sugar. Since 1993, world prices for sugar have dropped,

and increased costs to consumers for sugar are now closer to \$2.4 billion annually. The 1996 Farm Bill provided that sugar growers may receive non-recourse loans (loans that sugar producers can choose to repay by simply turning over to the Department of Agriculture the sugar that served as collateral for the loan) as long as projected sugar imports are above 1.5 million tons.

In 1999, however, the Department of Agriculture continued to provide non-recourse loans to sugar producers even though import levels dropped to 1.25 million tons. The sugar program encourages artificially high domestic sugar prices and the overproduction of sugar cane on

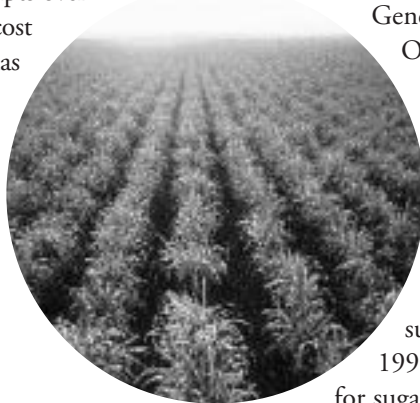
marginal land, increasing habitat loss and destruction of the Florida Everglades.

This past year, Representatives Dan Miller (R-FL) and George Miller (D-CA) introduced a bill, H.R. 1850, to phase out the sugar program. Senators Charles Schumer (D-NY), Dianne Feinstein (D-CA), the late John Chafee (R-RI), Judd Gregg (R-NH), Rick Santorum (R-PA), Daniel Patrick Moynihan (D-NY), and John McCain (R-AZ) introduced companion legislation Senate bill, S. 1118. Senators McCain and Gregg also offered an amendment to the fiscal year 2000 Agriculture Appropriations bill (S. 1233) to end the sugar program for fiscal year 2000. The amendment was defeated 66 to 33.

Wildlife Services Livestock Protection Program

The Department of Agriculture's Wildlife Services Program offers a significant subsidy to the western livestock industry. The fiscal year 2000 Agriculture Appropriations bill (H.R. 1906) contained \$29.9 million for the Wildlife Services Program. The Wildlife Services Program also typically receives an additional \$10 million for research activities, and additional funds from other federal agencies such as the Federal Aviation Administration and the Fish and Wildlife Service

for cooperative projects such as the control of birds at airports and the protection of threatened and endangered species. However, a portion of the program, the livestock protection program, spends nearly \$10 million annually to control predators for Western ranchers. This program kills hundreds of thousands of wild animals, but has



Cane Sugar Field.
COALITION FOR SUGAR REFORM

Coyote in steel jaw trap.
DICK RANDALL 1994, COURTESY HUMANE SOCIETY OF THE U.S.

not significantly reduced livestock losses due to predation.

On June 6, 1999, Representatives Charles Bass (R-NH) and Peter

DeFazio (D-OR) offered an amendment to the fiscal year 2000 Agriculture Appropriations bill to cut \$7 million from the Wildlife

Services livestock protection program. The amendment failed, 193 to 230.

Green Scissors Target	Fiscal Year 1999 Appropriations	Fiscal Year 2000 Appropriations	Estimated 5-year or lifetime cost	Notes
Cotton Program	\$ n/a	\$ n/a	\$ 2.2 billion	Congress rolled back price support payment reforms.
Irrigation Subsidies	\$ n/a	\$ n/a	\$ 2.2 billion	Legislation introduced to reform this program.
Market Access Program	\$ 90 million	\$ 90 million	\$ 450 million	An amendment to cut this program failed to pass the House.
Mohair Subsidy	\$ n/a	\$ n/a	\$ n/a	No change from <i>Green Scissors '99</i> .
Peanut Program	\$ n/a	\$ n/a	\$ n/a	Legislation introduced to cut this subsidy.
Sugar Program	\$ n/a	\$ n/a	\$ n/a	Legislation offered to cut this subsidy. An amendment to cut this program failed to pass the Senate..
Tobacco Program	\$ n/a	\$ n/a	\$ n/a	No change from <i>Green Scissors '99</i> .
Wildlife Services Livestock Protection Program	\$ 28.8 million	\$ 29.9 million	\$ 50 million	An amendment to cut this program failed to pass the House.



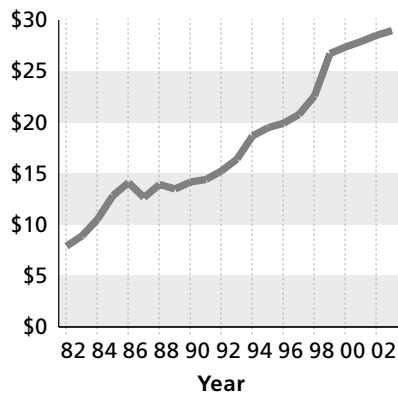


Transportation

In 1998, the U.S. Congress enacted the Transportation Equity Act for the 21st Century, known as TEA-21. The bill, signed by President Clinton, will serve as the primary national transportation policy law until 2003. TEA-21 opened the federal funding faucet for highway construction, guaranteeing at least a 47 percent increase in transportation dollars.

Historic and Projected Highway Funding 1982-2002

In billions of dollars



Across the country, state highway departments are promoting huge highway projects despite the objections of local residents. At the same time, communities are struggling to fend off the loss of farmland and forests and the negative economic effects of road-related sprawl development. In the past, fiscal constraints helped keep many poorly planned highway projects from moving from the design stage to construction. With the passage of TEA-21, however, funding is no longer an obstacle. The massive increase in federal funding means that many road proposals that were once deemed too expensive are now back on the planning boards.

TEA-21 poses a daunting threat to the environment and taxpayers. New highway projects contribute to the degradation of the environment by bisecting and paving over open space and by opening up new areas for sprawl development. Road-related sprawl development often drains communities of tax revenue by feeding development in suburbs and areas far from traditional downtowns. Main street businesses close down or move away from traditional city centers — often to undeveloped, unspoiled land.

Transportation reform advocates are still learning how to use some of the provisions in TEA-21 to protect taxpayers' wallets from these ill-conceived roads. The complicated way that TEA-21 is written makes it very difficult for reformers to challenge projects. However, some Members of Congress have challenged road projects through the appropriations process. For example, Representative James Rogan (R-CA) was successful in blocking federal funding for fiscal year 2000 for the destructive Route 710 Freeway in South Pasadena, California.

The road projects cited by the Green Scissors campaign are examples of the types of environmentally harmful and wasteful projects communities must deal with in the wake of TEA-21's funding hike.

Corridor H

Corridor H is a proposed 100-mile four-lane highway intended to open up a rural area of West Virginia to economic development. In 1999, Corridor H opponents won a partial victory in a Federal Court of Appeals, which delayed construction of parts of the highway until historic studies

are complete. Unfortunately, the court did not rule that the West Virginia Division of Highways was required to seriously study the alternatives proposed by road opponents. These alternatives include adding passing lanes and other improvements on the existing two-lane highways. In a court-mediated settlement, citizen groups won a 20-year delay on building a 7-mile section of the road to the Virginia state line, and preserved some rights to sue over threats to natural and historic sites just east of Elkins. About \$2.2 billion was authorized over six years for the entire Appalachian Corridor system in the six-year federal transportation funding bill passed in 1998, TEA-21.

Highway Beautification Act

About 500,000 billboards line America's federal aid highways, with as many as 15,000 added annually. The federal law designed to protect rural and scenic areas from billboards does not work as intended, and includes a costly and unnecessary requirement that taxpayers pay billboard operators to remove billboards not conforming to the law. There was no federal legislative action on billboards in 1999. Missouri residents are currently conducting a campaign called Save Our Scenery 2000 (SOS 2000) to stop billboard construction on Interstate highways. If successful, the SOS 2000 issue will be on the ballot statewide in November 2000.

Highway Demonstration Projects

Demonstration projects authorized in TEA-21 continued to receive funding in the fiscal year 2000

Department of Transportation funding bill (H.R. 2084). The funding bill included automatic funding of more than 1,800 projects, at a cost of over \$1.6 billion for fiscal year 2000.

In addition, H.R. 2084 included new highway demonstration projects. While the appropriations committees cannot alter most of the bill's funding schemes, the committees can earmark some available funds. In fiscal year 2000, nearly 90 percent of the transportation spending bill's discretionary funding was earmarked, up from 78 percent last year. Among the many new highway earmarks, \$58 million went to congressionally designated "trade corridors," \$5 million went to road improvements in Salt Lake City for the Olympics, and over \$50 million was designated for specific bridges.

Houston Grand Parkway

Public Involvement Meetings were held during the summer of 1999 for several segments of the Grand Parkway in Texas. These segments run through relatively undeveloped areas on the Katy Prairie and the Cypress Creek watershed. The Katy Prairie is winter habitat for one of the densest concentrations of migratory waterfowl in North America. Construction of the highway and the resulting secondary development would severely impact this habitat and exacerbate downstream flooding. Harris County is considering constructing these segments as a toll road and has appropriated money to fund the necessary studies.

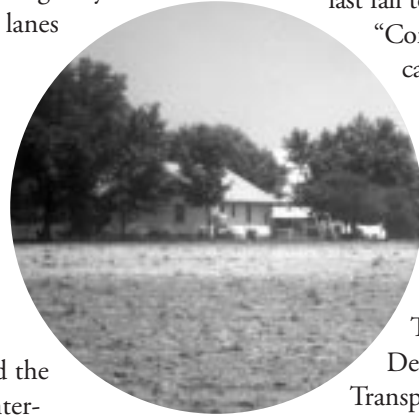
Studies are under way for a portion of the road, known as Segment C, which would run close to Brazos Bend State Park, considered one of the state parks in Texas. Another segment, known as Segment B, would run through northern Galveston County and has

aroused intense opposition. Residents there will have an opportunity to vote on appropriating Grand Parkway study money in a proposed May 2000 election.

Inter-County Connector

The Inter-County Connector (ICC) is a proposed 18-mile highway of between 6 and 12 lanes running from I-270 near Gaithersburg, Maryland to U.S. Route 1 near Laurel, Maryland. In late September, Maryland Governor Parris Glendening announced that the state would not build the entire \$1.5 billion Inter-County Connector (ICC). Specifically, Gov. Glendening announced his intent to sell all state-owned right-of-way corridors along one of the proposed routes, and to hold the middle portion of the state-favored Master Plan Alignment (MPA) for future transit use. Unfortunately, Gov. Glendening also declared his intent to build the ICC's eastern and western thirds. In addition, Gov. Glendening's colleagues on the state Board of Public Works have blocked his efforts to sell the Northern Alignment lands.

In early November 1999, the Montgomery County Council directed the county Planning Board to begin the process of removing the middle section of the MPA from county master plans and to study converting that section of the ICC right-of-way into park land. While this is positive, the Council also voted to have the county Planning Department begin studying construction of the ICC's eastern third and part of its western third.



Amish farm in the path of the proposed I-69 Highway.
HOOSIER ENVIRONMENTAL COUNCIL

I-69

The proposed 140-mile I-69 extension would stretch from Indianapolis to Evansville, Indiana, at a cost of over \$1.1 billion. Local government officials joined environmental, farm, taxpayer and business advocates from across Indiana

last fall to kick off a

"Common Sense I-69" campaign to promote a fiscally and environmentally sound alternative to I-69, which involves upgrading existing highways.

The Indiana Department of Transportation spent most of last year bogged down in controversy over the scope and design of a new Environmental Impact Statement. In December 1999, the Bloomington City Council voted to keep I-69 out of Bloomington. Bloomington is the largest city along the route of the proposed highway. Also in December, the Indiana Farm Bureau overwhelmingly defeated a pro-I-69 resolution.

Loop Road

The Loop Road paving project would pave and relocate the Louis Lake Road, a 28-mile dirt and gravel mountain road through the southeastern corner of the Shoshone National Forest in Wyoming. Local organizations recommend spot improvements to the existing road instead of paving. The Federal Highway Administration (FHWA) recently released the Draft Environmental Impact Statement (EIS) for the Loop Road. The EIS offers only two action alternatives: completely rebuild and pave the road, or completely rebuild and gravel the road. The FHWA dismissed the spot improvement option even though the vast majority of public comments had requested limited improvements.



Route 6 Connecticut

Connecticut state transportation officials are resubmitting a modified “Alternative 133A” option for the 12-mile expressway through eastern Connecticut. Like two previous submissions, this highway will cut through the Scituate Reservoir, the source of most of the state’s drinking water and an environmentally rich area.

Route 710

In June 1999, Representative James Rogan (R-CA) offered an amendment to the fiscal year 2000 Transportation Appropriations bill (H.R. 2084) to prohibit California from spending fiscal year 2000 federal funding on the Route 710 Highway. The House adopted the amendment 241 to 190.

In July, U.S. District Court Judge Dean Pregerson issued an 87-page injunction against any further action on Route 710 until all court cases are settled. The Judge also determined



that the city and environmental groups suing to stop Route 710 would prevail on issues raised under the Clean Air Act, the National Environmental Policy Act, and the California Environmental Quality Act. In September, recognizing the impact of the road on

surrounding communities, the city council of La Cañada-Flint Ridge voted to oppose the project.

State Senator Adam Schiff (D) and Assemblyman Jack Scott (D) co-authored a bill to establish the Los Angeles-Pasadena Blue Line

Construction Authority to complete the commuter light-rail line that is part of the Route 710 alternative proposed by local organizations.

Stillwater Bridge

The Minnesota Department of Transportation’s most recent proposal for a Stillwater Bridge would consist of a freeway bridge across the federally-designated Wild and Scenic St. Croix River. The

bridge would be a half-mile long, have a total of nine lanes, and would be located approximately three-quarters of a mile south of the historic lift bridge in downtown Stillwater. Action is on hold until a final bridge design and proposal and a Supplemental Environmental Impact Statement are completed.

Western Transportation Corridor

The \$1 billion to \$1.5 billion Western Transportation Corridor would run mostly through rural land from the Rappahannock River near Fredricksburg, Virginia to the Potomac River near Leesburg, Virginia for a total distance of approximately 50 miles. The Virginia Department of Transportation (VDOT) has selected a consultant for the Environmental Impact Study (EIS), which it expects will take approximately 18 months. Meanwhile, the Western Transportation Corridor has not been included in the 20-year plan of the region’s Transportation Planning Board.

Green Scissors Project	Total Cost (Federal Share)	Notes
Corridor H	\$ 1 billion	Court case settled.
Highway Beautification Act	\$ n/a	No federal action.
Highway Demonstration Projects	\$ 9.3 billion (authorized in TEA-21)	Demo projects funded by annual appropriations bill.
Houston Grand Parkway	\$ 1.8 billion	Studies are under way.
Inter-County Connector	\$ 880 million	One portion of the road was rejected, but the rest to be built.
I-69	\$ 600 million	Bloomington City Council voted against the project.
Loop Road	\$ 7 million	Draft Environmental Impact Statement released.
Route 6	\$ 350 million	Modified proposal submitted by Connecticut.
Route 710	\$ 1.1 billion	Vote in Congress denies fiscal year 2000 federal funding.
Stillwater Bridge	\$ 96 million	Studies are under way.
Western Transportation Corridor	\$ currently unknown	Studies are under way.



Miscellaneous

The range and breadth of programs and policies that impact taxpayers and the environment might surprise some observers. Energy programs, management of natural resources, and agriculture are obvious areas of concern for both taxpayers and environmentalists. However, less predictable are significant taxpayer and environmental concerns about Department of Defense programs, government insurance programs, and international assistance.

Taxpayers are exposed to enormous risks in existing and proposed government schemes that implicitly subsidize agricultural and urban development in sensitive ecological areas.

Taxpayer interests and environmental concerns also intersect in the area of international development institutions - where the federal government finances programs such as the Enhanced Structural Adjustment Facility of the International Monetary Fund. American taxpayers should not be asked to support unaccountable institutions that wreak major environmental damage on developing countries.

Finally, there are several programs under the Department of Defense that are not economically sound and cause serious environmental problems such as emitting toxic pollutants into our air.

Army's Chemical Weapons Incineration Program

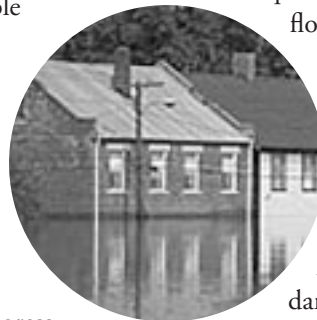
The U.S. Army is moving forward to build chemical weapons incineration facilities in Alabama, Arkansas and

Oregon. Meanwhile the \$1.5 billion chemical weapons incinerator in Utah has demonstrated very troubling performance. The Utah incinerator program has spent the entire program's budget, and the revised price tag is now up to \$16 billion. The emissions permit for the Utah facility is being challenged. Construction costs are also over the original projections in Alabama by \$70 million (50 percent complete) and Oregon by \$128 million (60 percent complete). Senators Ted Stevens (R-AK) and Mitch McConnell (R-KY) have directed the General Accounting Office to conduct an investigation into the cost, schedule and management of the Army's Disposal Program. That report will be released in March of 2000.

Three alternative technologies for chemical weapon disposal will be demonstrated by June 2000. An initial round of tests in 1999 determined that alternative technologies are viable options to incineration.

Enhanced Structural Adjustment Facility

In a repeat Green Scissors victory, Congress refused to appropriate money for the Enhanced Structural Adjustment Facility (ESAF) program of the International Monetary Fund (IMF) in the Omnibus Appropriations bill (H.R. 3194). ESAF is the IMF's loan program for the world's poorest countries. ESAF forces countries to implement harsh economic programs that promote environmental degradation and deepen poverty.



The Clinton Administration has been seeking enough funds to make ESAF a self-financing program. Financial independence would put the IMF permanently in the development business, a role that is outside its mandate. A permanent ESAF would also diminish much needed accountability for the IMF. Recognizing the lack of support in Congress for ESAF, the Administration sought to use the IMF's gold reserves as the source of funding the ESAF, and moreover, tried to tie these gold sales to desperately needed debt relief for poor countries. However, Congress has refused to authorize the use of IMF gold as long as it funds ESAF, and has ordered that gold sales be used solely for poor country debt relief.

National Flood Insurance Program

The Federal Emergency Management Agency (FEMA) is required to provide federally backed flood insurance, even when the prospective policy holder is making a risky investment by developing in high hazard areas. Some properties in such risky areas are damaged or lost repetitively, suffering storm damages and receiving government payouts dozens of times. These repetitive loss properties make up only two percent of all the National Flood Insurance Properties, but claim 40 percent of all the federal insurance payouts, according to the National Wildlife Federation's 1998 *Higher Ground* report. Over the past 30 years, repetitive losses have cost more than \$3.4 billion. In August 1999, Representatives Doug Bereuter (R-NE) and Earl

*Floodwaters,
St. Genevieve,
Missouri .
WWW.FEMA.GOV*



Blumenauer (D-OR) introduced the “Two Floods and You’re Out of the Taxpayers’ Pocket” bill (H.R. 2728), offering incremental steps toward flood insurance reform. The bill would require property owners with more than two repetitive losses to pay market rates for insurance or accept flood mitigation efforts as suggested by FEMA. No action has been taken on the bill.

Navy’s Extremely Low Frequency Transmitter

The Navy’s Extremely Low Frequency Transmitters Program, known as Project ELF, is a cold war relic that was part of the communication system designed to launch and wage a submarine-based nuclear war. The Navy is currently planning to spend \$2 million to improve this submarine communication system, which is located in Ashland County, Wisconsin. The ELF antenna uses three sites to jolt the bedrock with

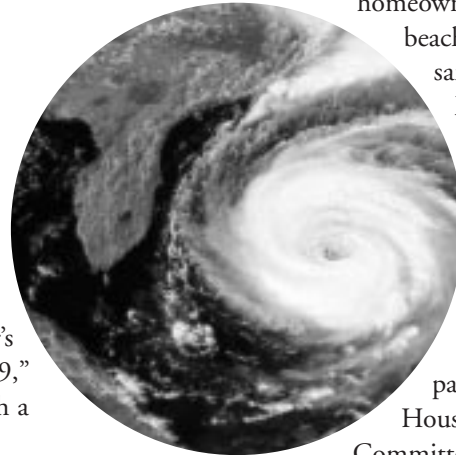
millions of watts of electricity. The jolting creates ELF radio waves, which eventually encircle the Earth, reaching submarines almost anywhere they go.

In 1999, Senators Russ Feingold (D-WI) and Herb Kohl (D-WI) introduced the ELF Termination Act (S. 128). The measure would cut the funding for ELF.

Proposed Natural Disaster Reinsurance Fund

Rep. Rick Lazio (R-NY) sponsored H.R. 21, the “Homeowner’s Insurance Act of 1999,” which would establish a new federal Disaster Reinsurance Fund and an associated bureaucracy in order to provide state insurance pools with reinsurance. The bill would leave taxpayers open

to enormous losses, as it would make the federal government responsible for the losses of an insurance program over which it has no significant control. The bill could leave taxpayers on the hook for up to \$25 billion annually. The bill does not vary insurance premiums depending on risk. In other words, a homeowner living on the beach would pay the same premium as a homeowner five blocks inland, despite the fact that building on a beach is much riskier. On November 10, 1999, the bill passed out of the House Banking Committee on a vote of 34 to 18. The issue is certain to be revisited in 2000.



Green Scissors Target	Fiscal Year 1999 Appropriations	Fiscal Year 2000 Appropriations	Estimated 5-year or lifetime cost	Notes
Enhanced Structural Adjustment Facility	\$ n/a	\$ n/a	\$ n/a	House voted to deny additional funding to ESAF.
National Flood Insurance Program	\$ n/a	\$ n/a	\$ 500 million	Legislation to reform the program has been introduced.
Navy’s Extremely Low Frequency Transmitter	\$ n/a	\$ n/a	\$ 60 million	Legislation was introduced in the Senate to cut this program.
Proposed Natural Disaster Reinsurance Fund	\$ n/a	\$ n/a	\$ n/a	The House Banking Committee has passed an anti-taxpayer bill.
Army’s Chemical Weapons Incineration Program	\$ n/a	\$ n/a	\$ n/a	The program continues to experience cost overruns.
Access Payments for South Pacific Fisheries	\$ 14 million	\$ 14 million	\$ 70 million	No change from <i>Green Scissors</i> '99.



New Issues

Dredging the Depths

Columbia River Channel Deepening \$200 million

Despite Endangered Species Act listings of regional wildlife and budgetary constraints, the U.S. Army Corps of Engineers wants to spend \$200 million to deepen the Columbia and Willamette Rivers from the Pacific Ocean to Portland, Oregon, a distance of more than 100 miles. The channel, once deepened to 43 feet, will remain too shallow to accommodate the 45-foot deep draft vessels that will continue to call on ports in California, Washington, and British Columbia. Additional dredging will further disturb this already disrupted river and estuary system, and harm communities and wildlife that depend on them by potentially re-suspending numerous contaminants contained within the riverbed.

Green Scissors Proposal Eliminate federal funding for this project. Stopping the project would save taxpayers \$200 million over five years in both construction and operation and maintenance costs.

Current Status Since 1878, the U.S. Army Corps of Engineers (Corps) has dredged the Columbia River from the Pacific Ocean to Portland, Oregon annually. Over time, the cost and depth of the channel has increased. Presently, the channel costs \$6-10 million per a year to maintain a depth of 40-feet. Before retiring from Congress, Senator Mark Hatfield (R-OR) authorized a \$6 million, five-year study of the effects of dredging the river an additional three to five feet, so the port of Portland could accommodate larger cargo ships. In August, Congress authorized \$183 million in the Water Resources Development Act of 1999 (S. 507) to dredge the Columbia River to 43 feet.

In December 1999, the National Marine Fisheries Service and the Oregon Department of Environmental Quality challenged the Corps because officials were worried that the dredge spoils may not comply with state and federal pollution laws. The dredging is also inconsistent with official land-use management plans.

Project Hurts Taxpayers

This project clearly serves local interests. Federal taxpayers should not pay for the project.

This project is unneeded. Other West Coast ports can serve the larger cargo ships. The Final Environmental Impact Statement failed to show a clear trend of an increasing number of ships or volume of cargo shipped into Portland. With this project, the Army Corps of Engineers would be expanding infrastructure for a non-existent demand.

Dredging the Columbia River to 43 feet will drastically increase operation and maintenance (O&M) costs. The Corps estimates that O&M costs will increase by almost \$4 million a year, from \$9 million to \$13 million.

The Corps may be underestimating the project's cost. Deeper sediments may contain toxins, and thus require more expensive disposal than originally assumed.

Project Hurts Environment

Dredging may re-suspend contaminants in the river, putting wildlife and humans at risk of chemical exposure. Several sites, especially in the Willamette River and at the

port of Portland, are contaminated with arsenic, mercury, tributyl tin, PCBs, dioxins, polyaromatic hydrocarbons, and other hazardous materials. The Corps has conducted little testing to establish contamination levels in the river.

More than 1,000 acres of near-shore and intertidal wetlands could be filled with dredge spoils. Furthermore, the Corps plans to continue dumping dredge spoils in the Lewis and Clark National Wildlife Refuge and the Columbia White-tailed Deer National Wildlife Refuge.

Dredging disrupts the river's natural characteristics, and destroys safe havens fish need during migration. Fish migrating to and from the ocean need natural habitat in the Columbia River during their fresh water-salt water transition. Studies show the decline of one stock of salmon, which lives largely in the dredged section, during the time the Corps has dredged the channel.

Contacts

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The Money Crop

Federal Crop Insurance

\$n/a

Crop insurance reimburses farmers when crop production falls well below average yields because of bad weather, such as floods or drought. The U.S. Department of Agriculture heavily subsidizes crop insurance through its Office of Risk Management. The government subsidizes insurance in three ways: 1) it pays all of the administrative costs of the private insurance companies that actually issue the policies; 2) it guarantees the insurance companies against losses that exceed the premiums; 3) it pays an average of 40 percent of each farmer's insurance premium. Crop insurance primarily benefits crops grown on marginal land, because those are the lands that experience large losses frequently. Since crop losses increase premiums, and the government pays a percentage of those premiums, the higher the losses, the higher the government subsidy. The program now costs around \$1.5 billion per year. Moreover, in the last two years, Congress has added special emergency subsidies, bringing costs up to around \$1.9 billion.

Green Scissors Proposal 1) Lower the reimbursement rate to private insurance companies to a level that would match what they receive in the private market; 2) reduce or eliminate the subsidies; 3) charge different rates based on varying risk, taking into consideration repetitive loss history and land quality.

Current Status The House of Representatives passed H.R. 2559, which added another \$1.5 billion in subsidies per year, bringing the average subsidy for premiums up to 60 percent, and included special subsidies for the land that suffers problems most often. Most of the members of the Senate Agriculture Committee favor a similar bill, S. 1580, but the Chairman, Senator Richard Lugar (R-IN), prefers an alternate approach that would provide funds to farmers and let them choose among an array of private methods to manage risk. Senator Lugar's bill would not provide incentives to bring more marginal, disaster-prone land into crop production.

Program Hurts Taxpayers

The program directly costs taxpayers almost \$2 billion annually, and costs billions of dollars more indirectly.

The program provides incentives to produce crops on marginal, disaster-prone land that would otherwise not be harvested. These incentives lead to overproduction, which lowers crop prices. The lower prices in turn trigger billions in additional government subsidies, both in special emergency bills and in agricultural price guarantees, such as Loan Deficiency Payments.

Private insurance companies participating in the federal crop insurance program have collectively earned \$528 million in underwriting gains since 1990.

General Accounting Office reports also show that the government paid about 22 private insurance companies a total of \$80 million more than the costs of selling and servicing crop insurance from 1994 to 1995.

Program Hurts Environment

Crop insurance has greatly reduced wildlife habitat, and caused increased soil erosion, fertilizer and pesticide use.

Economists believe that the program has caused tens of millions of acres of grasslands, wetlands and woodlands to be converted to crop fields. The effect of this subsidy may have fully cancelled out the benefits of the 36 million acre Conservation Reserve Program.

Contacts

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Race to the Bottom

Deep-Draft Dredging

\$n/a

The federal government shares the burden for dredging harbors around the country. Under current law, the federal cost-share for deepening harbors ranges from 80 percent for shallow harbors to 40 percent for “deep-draft” harbors (below 45 feet). The deeper the dredging, the less the federal government contributes since deeper dredging is more expensive. Recently, local harbor authorities have begun calling for an increase in the federal cost-share for the dredging and operation and maintenance of deep-draft harbors. These harbors want deeper dredging to service the largest container ships, claiming that deeper ports will spur trade and commerce.

Green Scissors Proposal Reject proposals to increase federal cost-share for dredging, and reduce the federal cost share for the construction and operation and maintenance of harbors deeper than 45 feet.

Implement a “Harbor Services User Fee” that will link harbor maintenance costs and vessel draft. This fee will tap market access to promote regional port planning. Tying maintenance costs to vessel volume will ensure the

market encourages deep-water port development in places where it is economically and environmentally justified, rather than simply fueling a “race to the bottom.”

Current Status During consideration of the Water Resources Development Act (WRDA) of 1999, the House Water Resources and Environment Subcommittee included provisions to increase the federal cost-share for dredging deep water ports from 40 percent to 65 percent. The proposal also would have increased the federal cost-share for operation and maintenance from 50 percent to 100 percent. These provisions were removed from the final legislation at the insistence of Representative Gilchrest (R-MD) and Senator Warner (R-VA). Instead, a study was inserted into the final version of WRDA that would examine the possible economic, environmental and budgetary impact of increasing the federal cost share for deep-draft dredging. President Clinton signed WRDA into law on August 17, 1999.

The Clinton Administration has proposed a Harbor Services User Fee, which would charge vessels a fee based on the volume of the vessel.

Proposal Hurts Taxpayers

Too many harbors want new deep-draft dredging. Nearly every port is considering the potential for expansion out of fear they will lose business to competing U.S. ports. This “race to the bottom” will cost taxpayers hundreds of millions of dollars and is likely to create a substantial overcapacity of expensive deep draft ports.

As ports increase in depth, the cost to keep them in operation also grows. Increasing the federal cost-share for operation and maintenance from 50 percent to 100 percent in conjunction with increasing the federal rate-share for deep-draft dredging will create major new burdens for taxpayers.

Proposal Hurts Environment

Increased federal cost-shares will mean more dredging. Currently, there are few economically and environmentally feasible disposal options for dredged spoils, particularly contaminated materials. In the past, most dredged materials, including some contaminated materials, were sent to open water dumping sites. This practice exposes fish, shellfish, wildlife and humans to harmful chemicals.

Deep-draft dredging can severely affect salinity levels in important tidal areas. For instance, a proposed deep-draft dredging project in Savannah Harbor, Georgia is projected to decimate a rare tidal freshwater wetland in the Savannah National Wildlife Refuge. The Department of Interior has observed that the proposed deepening will leave the Refuge with only 27 percent of its original freshwater marsh.

Contacts

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Paving Forests

Forest Highway Program

\$405 million

The Forest Service has a \$10 billion maintenance backlog for forest roads. In fact, Forest Chief Dombeck recently stated that only 18 percent of the forest road system is currently maintained to standard. Many of these roads are seldom-used, narrow dirt roads. Instead of focusing on bringing existing roads into compliance with current standards or decommissioning poor roads, the Forest Service is proposing to widen, pave and realign existing forest roads so they can use Federal Highway Administration (FHWA) funding. FHWA will spend approximately \$162.4 million a year until 2003 for forest highways. Design and construction of these highways typically costs over \$1 million per mile. The purpose of these highways is to connect the National Forests transportation system to the state's transportation system.

Green Scissors Proposal 1) Reduce program funding by 50 percent. 2) Change the structure of the program — the Forest Service should focus on maintaining and bringing existing roads up to current appropriate standards. This would save millions of dollars, as narrow dirt roads do not need to be turned into two-lane paved highways.

Current Status In 1998, Congress passed the Transportation Equity Act for the 21st Century (TEA-21) which guaranteed funding for the Forest Highway Program at \$162.4 million a year until 2003. The Forest Service, states or counties nominate roads for inclusion in the Forest Highway Program. Once a road is in the program, the Forest Service is eligible to receive 100 percent of the funds necessary to rebuild the road, but no funding to maintain the road. The Forest Highway Program is an inappropriate and expensive solution to the Forest Service's road maintenance problem.

Program Hurts Taxpayers

The Forest Highway program is a waste of taxpayer dollars. The program paves, widens, and straightens narrow dirt and gravel back country roads to handle increased high-speed traffic. Many of the improvements are unwanted and unwarranted. Overbuilding these forest roads wastes millions of taxpayer dollars. Smaller, less expensive improvements or increased maintenance are all most of these roads need.

Forest Highways are more expensive to maintain than forest roads. Forest highways have about the same maintenance costs as state highways, around \$6000-\$8000 per mile per year. Forest roads cost a lot less to maintain. For instance, the Loop Road, a forest road in Wyoming, costs around \$6,000 to maintain 28 miles of road.

The Forest Service, states and counties lack funds to maintain the roads once they are upgraded. Once the FHWA builds a forest highway, a road maintenance agency, usually a county or state, becomes responsible for maintaining it. The Forest Service recently became a public road authority, allowing it to maintain federal highways. The Forest Service, like most states and counties, is already over-extended in maintaining its own roads.

Program Hurts Environment

The paving of forest highways increases habitat fragmentation. The Forest Highway Program takes narrow back country roads that meander through National Forests and turns them into two-lane paved suburban highways. By making these roads wider, straighter and flatter, the FHWA increases the number and speed of vehicles. Moreover, the wider, straighter roads and greater number of vehicles on the road will cause even greater disruption to wildlife habitat and could irreparably affect the foraging and reproduction of many species.

Contacts

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Searching for the Sea Monster

Low Frequency Active Sonar

\$n/a

The Navy is seeking to deploy their Low Frequency Active Sonar (LFAS) system. The U.S. Navy has conducted over two dozen field tests of the LFAS system. This system, which would travel with aircraft carriers, is designed to detect a deep-sea Soviet submarine threat that has diminished since the end of the Cold War. One prototype consists of 18 bathtub-size (approximately 150 feet in total length) panels designed to broadcast low frequency, high volume sound waves into the surrounding waters to detect enemy submarines. The Navy is seeking to deploy this system to expand the protection against submarine attack for U.S. aircraft carrier groups from a four-mile radius (50 square miles) to a thirty-mile radius (2827 square miles).

Green Scissors Proposal Terminate the Navy's Low Frequency Active Sonar project.

Current Status The Navy has spent more than \$350 million to develop and test the LFAS system. To date, there have been more than two dozen field tests. The Navy is ready to deploy the LFAS, but is currently undergoing an environmental review process under the National Environmental Policy Act (NEPA). The Navy recently released a draft of a first ever global environmental impact statement (EIS) for the detection system, because this system could potentially affect every body of water that has an aircraft carrier. Simultaneously, the Navy filed for an exemption from the Endangered Species Act and the Marine Mammal Protection Act for the eventual deployment of LFAS because of anticipated impacts on marine mammals.



Project Hurts Taxpayers

LFAS is designed to protect against a threat, specifically Soviet deep sea submarines, that has dramatically diminished since the end of the cold war. Taxpayers have already spent \$350 million to build a defense system to detect threats from a non-existent submarine fleet.



Project Hurts Environment

Long term effects on marine mammals are unknown. Marine mammals, such as whales and dolphins, rely on hearing to eat, navigate and communicate. Blasting low frequency wavelengths into waters at over 230 decibels can rip apart ear, lung and other vibrating tissues.

Whales alter migration routes to avoid louder noises.

Gray whales have moved more than a kilometer to avoid a 185 decibel sound source off the coast of California. Because this system is designed to travel with aircraft carrier groups, migrating mammals will be unable to change migration patterns to avoid the LFAs system. Furthermore, independent analysis suggests the LFA system contributed to several strandings of Cuvier's beaked whales near the Canary Islands in 1991 and off the west coast of Greece in 1997.

LFAS poses risks to human health. Divers participating in a Navy study were exposed to 160 decibels, a mere fraction of the LFAS operation level of over 230 decibels. After the tests, the divers reported feeling vertigo, motion sickness, and odd sensations in the chest and abdomen. One diver has suffered a series of relapses over a period of months.



Contacts

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Green Scissors 2000 offers 77 recommendations to cut nearly \$50 billion in wasteful spending and subsidies that pollute our natural resources and threaten public health. *Green Scissors 2000*, an update of *Green Scissors '99*, is the product of a diverse coalition of environmental, taxpayer and consumer groups that have come together to show how the government can save billions of tax dollars and improve our environment. These common sense proposals would help address a broad range of threats to citizens, wildlife and natural resources in every state in the country.