

**Friends of
the Earth**

**Taxpayers for
Common Sense**

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

20/20 Vision

Alliance for Nuclear
Accountability

American
Lands Alliance

Clean Water Network

Concord Coalition

Defenders of Wildlife

Environmental Voters

Mineral Policy Center

National
Audubon Society

National Parks
Conservation
Association

National
Priorities Project

Natural Resources
Defense Council

Physicians for
Social Responsibility

Public Employees
for Environmental
Responsibility

Republicans for
Environmental
Protection

Safe Energy
Communication Council

The Wilderness
Society

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



green scissors 2002

**Cutting Wasteful and
Environmentally
Harmful Spending**

“The [Green Scissors] report reflects what many in the House of Representatives have long supported: finding ways to reduce pressure on spending caps and re-allocate money for debt reduction, tax cuts or higher priority spending.”

Letter sent by Representatives Christopher Shays (R-Conn.), David Wu (D-Ore.), Paul Ryan (R-Wis.), Joseph Hoeffel (D-Pa.), Rob Simmons (R-Conn.) and Earl Blumenauer (D-Ore.) on the release of the *Green Scissors 2001* report to the House of Representatives, June 20, 2001

The Green Scissors Campaign

Born out of the partisan budget fights that echoed through the 104th, 105th and 106th Congresses, the Green Scissors Campaign unites the goals of environmental protection and fiscal responsibility. These goals cross political and ideological boundaries, and are supported by a bipartisan coalition of politicians.

Since 1994, the Green Scissors Campaign, led by Friends of the Earth, Taxpayers for Common Sense and the U.S. Public Interest Research Group, has committed itself to ending government programs that subsidize the destruction of our natural resources. During this time, the Green Scissors Campaign has cut or eliminated more than \$26 billion in fiscal and environmentally harmful programs.

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Environmentally wasteful spending is rampant in Washington at a time when our nation faces a growing budget deficit. Meanwhile, industry and its allies in Congress are demanding even more taxpayer dollars for programs that pollute our air and water, and scar our public lands. As a defender of American taxpayers and the environment, the Green Scissors Campaign is standing up to polluting interests and fighting to cut wasteful and environmentally harmful spending.

Green Scissors Offers Solutions — Will Politicians Use Them?

Green Scissors 2002 offers realistic solutions to the national problems of environmental destruction and wasteful federal spending. This report describes 78 programs that Congress and the administration should cut. Our nation's leaders could use the \$54 billion in savings from these cuts to help alleviate the budget crunch, pay down the national debt, ensure Social Security remains solvent or fund other worthwhile government programs — while providing a much needed respite for our environment.

Return to An Unbalanced Budget

Just last year, on the eve of the inauguration of President George W. Bush, the federal budget was in surplus and the nation was enjoying the longest uninterrupted period of economic growth in history. At the beginning of 2001, both the Congressional Budget Office and the Office of Management and Budget were showing ten-year budget surpluses totaling \$5.6 trillion.

Careless management of public resources, an economic downturn and emergency spending in response to September 11th have led to near evaporation of the \$5.6 trillion surplus. As a result of these factors and irresponsible spending choices, the federal government is now facing a river of red ink for the next five years.

By early this year, \$4 trillion of the cumulative surpluses had disappeared. The President's fiscal year 2003 budget shows budget deficits for the next ten years. Only by using \$1.5 trillion of Social Security and \$550 billion of Medicare surplus funds can the President project any surplus at all over the next decade.

The President's new assumptions rest principally on rosy projections of future economic growth. Even a small decline in the economy in the next year could totally erase the surplus and send the budget deficit skyrocketing again.

Taxpayers need to be reassured that spending will come down so as to keep deficits from once again over taking the budget.

Since this is an election year, the general inclination of Congress will be to increase spending. A substantial portion of the increased spending is invariably comprised of wasteful handouts to special interests — often polluters.

Last year, the federal government overspent by more than \$100 billion; this year the administration submitted a budget that will overspend by \$80 billion. In moves that could only make matters worse, Congress and the administration are trying to use the federal budget and tax code to promote an anti-taxpayer and anti-environment agenda that rewards corporate polluters above and beyond budgeted expenses. In August 2001, the House of Representatives passed highly controversial energy legislation. If signed into law, the House energy bill (H.R. 4) would give away more than \$38 billion in spending subsidies and tax breaks to oil, gas, coal, nuclear power and other polluting industries.

Listening to America

In poll after poll Americans have placed environmental issues near the top of their list of concerns. Americans have consistently expressed their disgust over wasteful government spending and corporate welfare. Interestingly, no one in Washington or the rest of the country admits to being in favor of the factors underlying these two critical problems. Who then, or what, is driving this agenda?

The Enron scandal has prompted considerable indignation across the country, and has raised calls from all quarters for greater transparency and public accountability in the Washington decision-making process.

Given this new political climate, the Green Scissors Campaign believes that accountability requires listening to what the voters are saying rather than allowing special interest campaign donors to unduly influence the legislative process. By no means will it be easy, but political leaders must take the necessary steps to end environmentally harmful and financially wasteful spending programs. The programs targeted in *Green Scissors 2002* — many of which are targets of grassroots campaigns from across the country — provide a roadmap for Congress and the administration to return to a path of accountability.

The Green Scissors Campaign has a long history of enlisting both Republicans and Democrats in support of Green Scissors recommendations. In the 107th Congress, the House of Representatives and the Senate voted on Green Scissors issues on more than a dozen occasions. While most of the votes did not gain Congressional approval, the Campaign has nevertheless achieved a number of significant victories (see page 3).

The Green Scissors Campaign

The Green Scissors Campaign addresses two pressing national issues: environmental protection and wasteful federal spending. By exposing how scarce federal taxpayer dollars are being used for programs that devastate our nation's environment and the health of Americans, the Green Scissors Campaign cuts through political partisanship and injects some common sense into the federal budget. The Green Scissors Campaign is a diverse coalition of environmental, taxpayer, budget watchdog and other groups.

The Green Scissors Campaign has a strong record of accomplishment. Over the past eight years, the Campaign has helped cut \$26 billion in programs and subsidies. Unfortunately, there is more to be done.

The Scope of *Green Scissors 2002*

The *Green Scissors 2002* report offers members of Congress and the administration 78 programs in need of reform or elimination. To help readers, the recommendations in *Green Scissors 2002* are divided into six categories: agriculture, energy, international and military programs, public lands, transportation, and water. Complete articles describing all of the *Green Scissors 2002* recommendations can be found at www.greenscissors.org.

How were the programs selected?

The Green Scissors Campaign consulted with a variety of experts and advocates from a diverse spectrum. The 78 recommendations presented in this report and at www.greenscissors.org represent common ground between taxpayers, free-market groups and environmentalists. Many of these programs involve complex issues that require structural reform or are connected to larger debates. In general, we have sought to focus on areas of agreement, which can sometimes be quite narrow. The organizations and coalitions that are leading these reforms are excellent sources of additional information. To learn more about a specific issue, consult the contact names and phone numbers listed with each program description.

How are the savings estimated?

In general, the savings figures in *Green Scissors 2002* represent the total cost of a project to federal taxpayers over the life of the project. Where such information is not available, the savings figure provided is an estimate of the five-year savings to taxpayers. The cost is identified by multiplying the current spending by a factor of five. In a few limited instances, where necessary, a distinct and appropriate time period is used. Finally, because of the many variables involved in arriving at a final figure, these numbers are generally intended to be illustrative rather than definitive. The savings given are conservative estimates, and phase-in periods are usually not accounted for unless Congressional Budget Office estimates are used. A "\$N/A" is used for recommendations for which no reliable savings estimate is available.

New to *Green Scissors 2002*

Green Scissors 2002 reflects our most recent research and responds to current events and initiatives. *Green Scissors 2002* adds six new programs to the target list this year. Some of these proposals are the pet projects of individual members of Congress or the administration. New issues profiled are:

- Dallas Floodway Extension (Texas)
- Grand Prairie Irrigation (Arkansas)
- Individual Fishing Quotas
- Savannah Harbor Deepening (Georgia)
- Superfund Tax Reauthorization
- Wildfire Management

Choice Cuts

Among the 78 programs and subsidies described in *Green Scissors 2002*, the authors have selected ten that are highlighted as “Choice Cuts.” These programs are in need of reform. These programs represent a cross-section of government handouts including federally funded timber subsidies, unneeded fossil fuel research projects, and giveaways on our public lands. The “Choice Cuts” are:

- 1872 Mining Law Reform
- Beach Renourishment
- Bonneville Power Administration
- “Clean Coal” Programs
- I-69 Highway (Indiana)
- Multilateral Investment Guarantee Agency
- Nuclear Power Research and Development
- Petroleum Research and Development
- Timber Roads Construction
- Yucca Mountain High-Level Nuclear Waste Repository

Victories and Progress

Working together, taxpayers and environmentalists can beat special interests and pork barrel politics-as-usual. Since the beginning of the Green Scissors Campaign 24 programs have been cut, saving taxpayers more than \$26 billion. In 2001, the Green Scissors Campaign enjoyed the following victories:

Multilateral Investment Guarantee Agency (MIGA) Making Progress

In 2001, the House of Representatives voted to cut MIGA by \$11 million. MIGA is an arm of the World Bank and was established in 1988 to provide political risk insurance to private corporations and banks investing in developing countries. MIGA's risk insurance underwrites Fortune 500 corporations and principally encourages investments that harm the global environment.

Partnership for a New Generation of Vehicles (PNGV) \$1.1 Billion Saved

The administration eliminated PNGV from the fiscal year 2003 budget. The program, created under the Clinton administration, was a cooperative research undertaking between the Department of Energy and the “Big Three” automakers to produce an 80 mile per gallon diesel “supercar.” Without clearly defined benchmarks, the program became corporate welfare and impeded other efforts such as increasing the Corporate Average Fuel Economy standard. PNGV was featured as a “Choice Cut” in the *Green Scissors 2001* report. We note that the administration has introduced the new “Freedom CAR” research program, and we are concerned that current information on the program includes no clear goals or deadlines for bringing advances in this technology to the consumer.

Route 710 Freeway, South Pasadena, California Making Progress

In June 2001, Rep. Adam Schiff (D-Calif.) offered an amendment to the fiscal year 2002 Transportation Appropriations bill that prohibits the use of any federal funds for the Route 710 project. For the third year in a row, the House of Representatives approved the amendment, which had been offered previously by Rep. Schiff's predecessor, Rep. James Rogan (R-Calif.). In fiscal year 2001, Rep. Rogan secured an appropriation of \$46 million for Pasadena, South Pasadena and El Sereno for use in 710 corridor traffic improvements.

Green Scissors 2002 on the web

Full descriptions of the 78 recommendations in the *Green Scissors 2002* report are available on the web at www.greencissors.org. If the recommendations in the *Green Scissors 2002* report were implemented, taxpayers would save more than \$54 billion and improve our environment.

Agriculture Targets

www.greencissors.org/agriculture

- Cotton Program **\$N/A**
- Crop Insurance Program **\$N/A**
- Irrigation Subsidies **\$2.2 billion**
- Market Access Program **\$450 million**
- Mohair Subsidies **\$N/A**
- Peanut Program **\$N/A**
- Sugar Program **\$N/A**
- Wildlife Services Livestock Protection Program **\$50 million**

Energy Targets

www.greencissors.org/energy

- Accelerated Transmutation of Nuclear Waste and Pyroprocessing **\$380 million**
- Bonneville Power Administration **\$N/A**
- "Clean Coal" Programs **\$253 million**
- Coal Research and Development **\$940 million**
- "Low-Level" Radioactive Waste Dump Promotion **\$N/A**
- Mixed Oxide Power Reactors **\$2 billion**
- National Ignition Facility **\$10 billion**
- Nuclear Energy Research and Development **\$252 million**
- Nuclear Waste Fund Fee Adjustment **\$315 million**
- Petroleum Research and Development **\$280 million**
- Plutonium Manufacturing Project **\$4 billion**
- Price-Anderson Act **\$N/A**
- Radioactive "Recycling" **\$N/A**
- Savannah River Site Reprocessing Canyons **\$500 million**
- Swan Lake-Lake Tyee Intertie **\$40 million**
- Waste Isolation Pilot Plant **\$90 million**
- Yucca Mountain High-Level Nuclear Waste Repository **\$375 million**

Other Targets

www.greencissors.org/other/

- Army Chemical Weapons Incinerator Program **\$N/A**
- Export-Import Bank **\$N/A**
- Extremely Low Frequency Transmitters **\$60 million**
- Low Frequency Active Sonar **\$N/A**
- Multilateral Investment Guarantee Agency **\$11 million**
- Superfund Tax Reauthorization **\$1.4 billion**

Public Lands Target

www.greencissors.org/publiclands

- 1872 Mining Law Reform **\$519 million**
- BLM Public Domain Forestry **\$30 million**
- Forest Highway Program **\$242.6 million**
- Land Exchanges **\$N/A**
- Rangeland Reform **\$500 million**
- Recreational Trails Program **\$50 million**
- Timber Roads Construction **\$311.5 million**
- Timber Sales **\$1.65 billion**
- Tongass National Forest **\$150 million**
- University of Alaska Land Grab **\$N/A**
- U.S. Forest Service "Replanting Fund" **\$575 million**
- U.S. Forest Service Salvage Fund **\$79.9 million**
- Wildfire Management **\$N/A**

Transportation Target

www.greencissors.org/transportation

- Calhoun/Clarendon Causeway **\$83 million**
- Corridor H Highway **\$1 billion**
- Highway Beautification Project **\$N/A**
- Highway Demonstration Projects **\$8.1 billion**
- Houston Grand Parkway **\$3.6 billion**
- I-69 **\$910 million**
- Inter County Connector **\$1.1 billion**
- Loop Road Paving Project **\$7 million**
- Route 6 Expressway **\$432 million**
- Route 710 **\$1.12 billion**
- Stillwater Bridge **\$120 million**
- Western Transportation Corridor **\$N/A**

Water Targets

www.greencissors.org/water

- Animas-La Plata Water Project **\$380 million**
- Apalachicola Chattahoochee Flint River Navigation **\$64.5 million**
- Beach Renourishment **\$3 billion**
- Big Sunflower River "Maintenance" Project and Yazoo Pump Project **\$250 million**
- Columbia River Channel Deepening **\$200 million**
- Dallas Floodway Extension **\$76 million**
- Deep-Draft Dredging **\$N/A**
- Delaware River Deepening **\$222.6 million**
- Flood Control Construction **\$1.25 billion**
- Garrison Diversion Project Add-Ons **\$1 billion**
- Grand Prairie Area Demonstration Project **\$319 million**
- Individual Fishing Quotas **\$N/A**
- Inland Waterway Operation & Maintenance **\$1.48 billion**
- Missouri River Navigation **\$45.5 million**
- National Flood Insurance Program **\$N/A**
- New Orleans Industrial Canal **\$690 million**
- Non-Federal Levee Repair **\$N/A**
- Oregon Inlet (North Carolina) **\$80 million**
- Proposed Natural Disaster Reinsurance Fund **\$N/A**
- Savannah Harbor Expansion **\$230 million**
- Snake River Salmon Restoration **\$N/A**
- Upper Mississippi Lock Expansions **\$1.2 billion**

Granddaddy of Subsidies

1872 Mining Law Reform

\$519 million

"I have invested a great deal of time, indeed years, in an effort to reform the Mining Law of 1872 ... We will find common ground. Not ground sold for \$2.50 an acre under a 19th century law. No, not that common ground. Not ground from the public's gold and silver that is mined with no royalty paid to the true owners of the land, the American people."

Representative Nick Rahall (D-W. VA.)
Congressional Record, June 21, 2001

Under the 1872 Mining Law, mining companies extract minerals from publicly owned lands without paying royalties to the federal government. This policy differs from federal policy toward the coal, oil and gas industries, all of which must pay royalties for extracting minerals from public lands. In 2000, mining corporations extracted almost \$1 billion worth of minerals from public lands without any royalty payment to taxpayers. Adding insult to injury, the 130-year-old law also allows a mining company to "patent," or buy, mineral-rich public land for \$5 an acre or less, paying 1872 prices for land worth billions of dollars. The archaic 1872 Mining Law not only distorts the minerals market, it promotes environmental destruction of public lands because it includes no provisions for environmental protection and elevates mining as the best use of the land, regardless of other potential uses.

Green Scissors Proposal

- 1 Require fair market returns to taxpayers for extraction of publicly owned minerals. A royalty of 8 percent could raise \$394 million over five years.
- 2 Make permanent, and also double, the fee mining companies pay to maintain their unpatented claims on public lands, from \$100 per claim annually to \$200 annually, to better reflect the value of these claims. Moreover, the fee should be doubled again to \$400 if no mining occurs within five years of filing a mining claim. Without adjustment for any decline in claims associated with an increased fee, a doubled fee would return approximately \$50 million per year to taxpayers.
- 3 Eliminate mineral patenting, which amounts to the giveaway of public lands for \$5 per acre.

Current Status

In 2001, Congress renewed a moratorium on patenting, originally passed in 1994, blocking billions of dollars worth of public lands

giveaways. But patent applications filed before 1994 may still proceed. More recent efforts to enact a mineral royalty and create an abandoned mine reclamation program have been blocked in Congress. H.R. 410, a legitimate mining reform bill introduced by Representative Nick Rahall (D-W.VA.), remained bottled up in the House Resources Committee in 2000.

In October 2001, Interior Secretary Gale Norton, through the Bureau of Land Management, published revised regulations that govern mining operations on public lands managed by the Department of the Interior. The new 3809 mining rule (found in part 43, subpart 3809 of the Code of Federal Regulations), which went into effect on December 31, 2001, contains a bonding provision requiring mining companies to post bonds to pay for the full cleanup cost for new mine proposals. However, because the rule eliminates cleanup standards, it is uncertain what paying for "cleanup" will mean. Consequently, taxpayers may still be liable for the cost of mine cleanups in the future.

Program Hurts Taxpayers

Since the mining law was enacted, the U.S. government has given away more than \$245 billion of mineral reserves through patenting or royalty-free mining, according to the Mineral Policy Center.

The subsidies embedded in public lands mining, along with the percentage depletion tax allowance, create false incentives for miners and distort the mineral market.

Program Hurts the Environment

Mining can severely and permanently damage public lands.

Mines have polluted more than 40 percent of the headwaters of Western watersheds, according to the Environmental Protection Agency, and more than 550,000 abandoned hardrock mines scar the American landscape. The Mineral Policy Center estimates the cost of cleaning up such sites at \$32 billion to \$72 billion.

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Artificial Beach Control

Beach Renourishment

\$3 Billion

"To ask the country, to ask the Federal taxpayer to support replenishment of these beaches every year, year in and year out for the next 50 years at these costs is just not acceptable."

Rep. Thomas G. Tancredo (R-CO) June 27, 2001 during debate on the Energy and Water Appropriations Bill (H.R. 2311)

Beach projects are the only projects that the Army Corps of Engineers (Corps) builds to fail, knowing that the ocean tide will wash the sand away, sometimes as soon as the next big storm arrives. Far from "renourishing" or "replenishing" beaches, this sand pumping destroys the natural functions of beaches that are critical for plants, wildlife and storm protection. Beach renourishment promotes further development on high-risk barrier islands, increasing both federal emergency payments for flood damages and impacts upon coastal wildlife.

A Duke University analysis estimated \$3 billion was spent in the 20th century to pump more than 650 million cubic yards of sand on to America's beaches, enough to fill up a 3 x 3-foot sand box from Miami Beach to the moon and halfway back. Taxpayers for Common Sense estimates that these costs will balloon to more than \$10 billion over coming decades if the Corps completes the 103 beach projects currently under construction or consideration.

Green Scissors Proposal

Increase the local cost-share for periodic beach renourishment to 65 percent, which would save taxpayers more than \$3 billion over coming decades.

Current Status

In 2001, President Bush sought to increase the local cost share of beach projects to 65 percent, but was rebuffed by Congress. For fiscal year 2003, the President proposes cutting Corps beach funding by 56 percent. In early March 2002, Senator Robert Smith (R-N.H.), ranking member on the committee with jurisdiction over the Corps, as well as Senators Russell Feingold (D-Wis.) and John McCain (R-Ariz.), introduced major Corps reform legislation that, among other important measures, would increase the local cost-sharing for beach projects to 65 percent.

Project Hurts Taxpayers

While federal taxpayers subsidize the majority of costs, they do not all benefit from beach projects equally. The beneficiaries of beach renourishment projects are often private homeowners, the owners of rental properties, and resort guests. Some coastal areas discourage public beach use by imposing strict parking regulations, allowing padlocked gates and posting "no trespassing" signs to block beach access, despite rules requiring public access to federally subsidized beaches.

Coastal areas should pay more for beach renourishment.

Because recreational use of beaches generates significant economic benefits to coastal communities, those communities should invest their own money in maintaining their beaches as any other town in America does to encourage the local economy. Most coastal communities can afford to pay more. In fact, 18 of America's 200 wealthiest towns are in the process of receiving federally subsidized sand for their beaches. The Corps is currently looking to barge sand 450 miles from the Florida Panhandle to Miami Beach, to benefit high-rise condos and an extravagant \$2,000 per night resort that was once to be Versace's mansion.

Beach renourishment projects encourage high-risk development along the shoreline that increases the cost of taxpayer-subsidized flood insurance payments when floods and hurricanes occur.

Project Hurts the Environment

Beach renourishment can adversely affect the habitat of endangered species. Threatened or endangered sea turtles, such as the loggerhead, leatherback and green turtles, nest in many areas where beach renourishment occurs. Beach renourishment also distorts the habitat of the piping plover, an endangered species that resides along the Northeast coastline.

Beach renourishment can adversely affect surf zone environments. Beach renourishment can increase turbidity levels and change wave movement within the surf zone. High turbidity levels and suspended sediment can smother organisms, inhibit filter-feeding processes and decrease plant photosynthesis.

Contacts

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Unplug the Subsidies

Bonneville Power Administration

\$N/A

"BPA is selling federal property that rightfully belongs to every U.S. taxpayer to a favored minority of businesses and communities for less than two-thirds of its market value. The result is no different than had northwesterners picked the collective pocket of the rest of us."

Richard Munson, Northeast Midwest Institute

The Bonneville Power Administration (BPA) is a federal agency that sells approximately 45 percent of the electricity consumed in the Pacific Northwest and owns about 75 percent of that region's transmission lines. BPA markets power from 31 federally-owned hydroelectric projects in the Pacific Northwest at cost-based rates, resulting in substantially lower electricity costs for its customers when compared to other regions of the country.

BPA imposes a significant financial burden on U.S. taxpayers. According to its 2001 Annual Report, BPA currently has more than \$13.5 billion in debt, including over \$7.3 billion owed directly to the federal treasury and an additional \$6.2 billion in liability for debt to non-federal bond holders of failed nuclear power plants. BPA, supported by several members of Congress from the Pacific Northwest, has requested a \$2 billion increase in its ability to borrow taxpayer dollars from the federal treasury.

Green Scissors Proposal

Congress should reject the proposed increased borrowing authority for BPA. Instead, BPA should identify alternate means to ensure that resources in the Pacific Northwest are available to conduct a cost-effective capital investment program, financed by the beneficiaries of the system rather than by the federal Treasury.

Current Status

A provision in the Senate's Fiscal Year 2002 Energy and Water Appropriations Bill (S. 1171) would have granted BPA \$2 billion in new borrowing authority. The Bush administration opposed the provision, as did the House of Representatives. The final FY02 Energy and Water conference report specifically rejected the Senate language on borrowing authority.

The Bush Administration's FY03 budget request includes a proposal to provide BPA with \$700 million in new borrowing authority.

Project Hurts Taxpayers

BPA's \$13.5 billion liability represents a tremendous

burden on U.S. taxpayers, while the benefits accrue to only one region of our country.

In 2001, BPA used \$580 million in "fish credits" (an increase of more than 800 percent from previous years), shifting those costs onto U.S. taxpayers through creative interpretation of federal law. BPA claimed this credit for lost revenues due to fish protection measures, at the same time that it drastically reduced actual implementation of required fish protection measures.

BPA distorts the electricity market by selling power only to preferred customers. Customers without access to federal power must develop higher-cost energy resources.

The existing fish programs funded by BPA are not helping to recover imperiled salmon. Should the salmon go extinct, federal taxpayers could be liable for billions of dollars in compensation payments for abrogating treaties guaranteeing the region's Native American tribes a perpetual right to harvest salmon.

Project Hurts the Environment

BPA relies too heavily on environmentally destructive forms of electricity generation. Increasing non-hydroelectric renewable generation, efficiency measures, energy conservation and other demand-side management programs can reduce the burden on the Columbia and Snake Rivers.

The federal dams which generate electricity for BPA are the primary cause of decline of endangered salmon in the Columbia and Snake Rivers, inflicting approximately 80 percent of human-caused mortality for lower Snake River runs.

The 2001 juvenile salmon migration suffered the poorest survival rate since salmon were listed for protection under the Endangered Species Act — due in part to BPA's refusal to abide by the river operation requirements set forth in the current federal salmon recovery plan for those fish.

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Dirty Pork in Green Clothing

“Clean Coal” Programs

\$253 million

“[Clean coal] projects required a minimum 50 percent cost-share from industry. Commercially successful projects were supposed to reimburse the federal investment. Less than \$2 million of the \$1.6 billion expended — about one tenth of one percent — has been repaid.”

U.S. Department of Energy,
Fiscal Year 2003 Budget, February 4, 2002

Since 1984, Congress has allocated about \$1.8 billion in federal subsidies to the coal industry through the “Clean Coal” Technology Program (CTTP). H.R. 4, the House energy plan passed on August 2, 2001, authorizes an additional \$2 billion in subsidies to finance the President’s Clean Coal Power Initiative (CCPI). The Senate energy bill follows suit with its own \$2 billion clean coal program. All three programs subsidize private industry in its effort to develop cleaner burning coal technologies by providing matching federal funds of up to 50 percent. So-called “clean coal” projects waste millions of taxpayer dollars each year on duplicative research that the coal industry should conduct with private sector funding or that has already been done.

Green Scissors Proposal

Expedite termination of the Clean Coal Technology Program, which is in its final stages, by stopping projects for which construction has not started. This will save taxpayers a minimum of \$253 million in previously appropriated money. Block implementation of the \$2 billion clean coal program as authorized in H.R. 4 and as proposed in the Senate energy bill.

Current Status

After more than 15 years of subsidized private sector research, the original funding appropriation for the Clean Coal Technology Program is nearly exhausted and the program is winding down. In an attempt to resuscitate the program Congress and the administration have proposed spending an additional \$2 billion on clean coal programs over the next ten years. The Department of Energy (DOE) fiscal year 2003 request for the new Clean Coal Power Initiative is \$150 million.

Program Hurts Taxpayers

The General Accounting Office (GAO) has released at least seven reports documenting waste and mismanagement in the Clean Coal Technology Program. The most recent GAO document, released in June 2001, states that “from a management

perspective, we found that many projects had experienced delays, cost overruns, bankruptcies, and performance problems. We also expressed concerns about some of the projects DOE had selected.” The document also reiterates that the GAO has “identified some projects demonstrating technologies that might have been commercialized without federal assistance.”

The coal industry is capable of supporting its own research and development. The corporations which stand to benefit the most from the various “clean coal” subsidies and tax breaks recorded more than \$711.7 billion in revenue in fiscal year 2000.

Program Hurts the Environment

Coal is an extremely polluting and carbon-intensive energy source. Burning coal for energy significantly contributes to acid rain and the emission of carbon dioxide, the main global warming pollutant.

Clean coal plants pose serious environmental risks to communities. In the summer of 2001, American Electric Power’s Gavin plant in Chesire, Ohio, using equipment funded through the DOE clean coal program, released sulfuric acid into the air. This poses a serious health hazard to the residents of Chesire.

In Florida, at the Jacksonville Electric Authority’s federally subsidized Northside Plant, the conversion to clean coal technology will still allow ten times the emission of smog-forming nitrogen oxide and twice the emission of carbon dioxide as compared to the Authority’s nearby natural gas plant.

Increased coal production and burning poses serious health threats. Burning coal is responsible for about 60 percent of soot-creating sulfur dioxide emissions in the United States and is also a major source of smog-forming nitrogen oxide pollution and mercury contamination.

Contacts

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The Pork Barrel Polka

Indianapolis-to-Evansville (I-69) Highway (Indiana)

\$910 million

"I'm surprised we haven't been told that I-69 is an elixir for wrinkles and a cure for senility. Those who support the "new terrain" route exaggerate its benefits and negate its consequences. They see the green in money, not in the hills and hollows that would be uprooted. They visualize concrete, not amber waves of grain."

Wendell Trogden (author of *Lonely is the Road*) in a guest editorial to *The Hoosier Times*, April 1 2001

The proposed 140-mile all-new Interstate 69 extension would go from Indianapolis to Evansville, Indiana at a cost of more than \$1.1 billion. Federal taxpayers would pay 80 percent, or \$910 million. The highway is one segment of the proposed 1000-mile "Mid-Continent NAFTA Superhighway" linking Canada with Mexico, which would cost taxpayers between \$6 and \$10 billion.

Green Scissors Proposal

Block federal funding for the all-new I-69, saving approximately \$910 million.

Current Status

The Indiana Department of Transportation (INDOT) is preparing a new draft Environmental Impact Statement and in October 2001 reduced the alternatives to five. In July 2000, INDOT determined that an alternate route, using upgraded existing highways rather than building a whole new road would be acceptable. In December 1999, the Bloomington city council adopted a declaration against putting I-69 through Bloomington. In April 1998, I-69 was featured as a "Fleecing of America" issue on NBC Nightly News.

Project Hurts Taxpayers

Although the last study (1996) touted the highway as an "economic development" project for four counties, it would create only four jobs per year in each county, at an extraordinarily high cost of \$1.5 million per job. An independent economic analysis found that the highway's costs would exceed its benefits by \$115 million, with every dollar spent yielding only 81 cents in benefits.

Indiana residents do not support the new highway. An unprecedented coalition of farmers, conservationists, local business people, elected officials, and taxpayer groups are opposing it. Fourteen Indiana newspapers — including those in Indianapolis, Gary, and South Bend — have editorialized against it. Approximately 110,000 Hoosiers have signed petitions against it. At an INDOT meeting in Martinsville in May 2001 speakers opposing the new terrain highway outnumbered supporters by 12 to 1.

There is a less expensive alternative to an all-new highway — the "Common Sense" route using Interstate 70 and an upgraded U.S. 41. Taxpayers would save hundreds of millions of dollars, and thousands of acres of farms and forest would be preserved. The travel time from Evansville to Indianapolis would be only ten minutes longer than travel time on the new road.

Project Hurts the Environment

The project would destroy more than 5,000 acres of farmland and forests, more than any other project in Indiana, and lead to sprawl development. Indiana is already losing farmland faster than any other major farm state except Texas.

The highway would traverse sensitive karst terrain and damage large wetlands. It would bisect the new Patoka National Wetlands Project and Wildlife Refuge, home to bald eagles and other endangered species.

Contacts

Andy Knott, Hoosier Environmental Council, (317) 685-8800; Sandra Tokarski, Citizens for Appropriate Rural Roads, (812) 825-9555; John Moore, Environmental Law and Policy Center of the Midwest, (312) 795-3706; David Hirsch, Friends of the Earth, (202) 783-7400 x215.

Guaranteed Pork

Multilateral Investment Guarantee Agency

\$11 million

"MIGA should be eliminated."

Report of the International Financial Institution
Advisory Commission, March 2000

The Multilateral Investment Guarantee Agency (MIGA) is an arm of the World Bank established in 1988 to provide political risk insurance to private corporations and banks investing in developing countries. Rather than supporting the World Bank's mission to alleviate poverty by promoting growth and creating jobs, MIGA instead underwrites the operations of many Fortune 500 companies. An overwhelming percentage of MIGA's investments harm the environment.

Green Scissors Proposal

Eliminate further funding for MIGA, saving taxpayers \$11 million.

Current Status

In 1998, Congress authorized a \$30 million contribution toward an international effort to increase MIGA's resources. Congress has since appropriated \$19 million, thus leaving \$11 million of previously authorized funding. During consideration of the fiscal year 2002 Foreign Operations appropriations bill, Reps. Sherrod Brown (D-Ohio) and Robert Andrews (D-N.J.) successfully offered an amendment shifting all \$10 million in proposed funding for MIGA to international health programs. Although the Senate passed a similar amendment, \$5 million in funding was restored to MIGA by a House-Senate conference committee.

In addition to the \$11 million in "paid-in capital" that Congress must still appropriate, the U.S. will also be responsible for \$150 million in "callable capital," or reserve funds that United States taxpayers will provide in case of emergency. In 1998, Congress appointed a bipartisan commission to look at the role of International Financial Institutions, including MIGA. In March 2000, the commission, chaired by economist Alan Meltzer, released a report recommending that MIGA be eliminated.

Program Hurts Taxpayers

MIGA uses federal taxpayer dollars to support foreign corporations and banks. An overwhelming portion of MIGA's investment portfolio supports foreign-owned corporations and banks. In fiscal year 2000, MIGA issued 53 guarantees in the amount of \$1.6 billion, only one of which supported an American corporation. Moreover, this guarantee was actually reinsurance for a mine in Russia that already receives support from the federally funded Overseas Private Investment Corporation (OPIC).

There is little evidence to show that MIGA actually helps the poor, which is its mission as part of the World Bank.

Rather than underwriting small-scale investments that would alleviate poverty, MIGA is used for high-end projects such as soda bottling plants, luxury hotels and cellular telephone networks — investments whose ability to help the poor is dubious at best.

Program Hurts the Environment

More than half of MIGA's portfolio underwrites environmentally destructive sectors such as oil, mining, gas, energy, and transportation. All too often, these projects are in biodiversity-rich areas or other regions with high conservation value. The agency has underwritten environmental disasters around the world, including a mine in Papua New Guinea that dumps toxic waste directly into the ocean, a gas pipeline in Bolivia that is fueling deforestation, and a mine in Guyana that experienced four cyanide spills in one year.

Contacts

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Nuclear Nonsense

Nuclear Energy Research and Development

\$252 million

"The money goes to such corporate giants as Westinghouse and General Electric. Why does this mature industry need the help of the American taxpayers to develop and design the next generation of nuclear reactors?"

Representative Mark Foley (R-Fla.), *Congressional Record*, June 27, 2000

Until recently, nuclear power has been in decline due to significant economic and environmental problems associated with nuclear power plants. In 1998, Congress eliminated direct nuclear research and development funding. However, this victory for taxpayers and the environment was short-lived. In fiscal year 1999, the Department of Energy (DOE) created the Nuclear Energy Research Initiative (NERI) program in order to attempt to "address and overcome the principal technical obstacles to the expanded use of nuclear energy." At the same time, the DOE created the Nuclear Energy Plant Optimization program in a bid to improve the economic competitiveness of existing nuclear power plants. Finally, the Nuclear Energy Technologies program seeks to develop "cost efficient technologies" to promote nuclear power. All of these programs give federal funding to private sector corporations such as Bechtel, General Electric and Siemens Power Corporation.

Green Scissors Proposal

Eliminate all three of these programs, thereby saving taxpayers more than \$252 million over the next five years.

Current Status

In the fiscal year 2002 Energy and Water Appropriations bill funding for the three nuclear research and development programs was \$50.5 million. On March 28, 2001 Representative Peter DeFazio (D-Ore.) introduced a bill to reduce wasteful government spending, including the elimination of subsequent funding for the NERI program. The bill never left committee. The DOE announced the initiation of 13 new NERI projects in 2001, bringing the total to 69 projects. Twenty private sector corporations and 18 foreign organizations participate in these federally funded projects.

Both the House and the Senate energy bills propose dramatic funding increases for nuclear energy research and development. The Bush administration's fiscal year 2003 Budget proposes to nearly triple spending for NET, to \$46.5 million, in order to aggressively pursue the Nuclear Power 2010 Program, which seeks

to pave the way for the construction and startup of new nuclear plants by 2010.

Project Hurts Taxpayers

The federal government has already given the commercial nuclear industry \$66 billion in research and development subsidies since 1948. The mature nuclear power industry should be paying for its own commercial research and development costs.

Taxpayers should not be in the business of propping up the nuclear power industry. High operating costs and the need for expensive improvements have resulted in the permanent shutdown of 11 U.S. commercial reactors in the last decade. No nuclear plants have been ordered since 1978 and more than 100 reactors have been canceled.

Project Hurts the Environment

Throwing taxpayer money at nuclear power places it on an uneven footing in relation to clean renewable energy. Proponents of nuclear power argue that it is a "clean" energy source, because it does not produce greenhouse gases. However, the highly dangerous radioactive waste that results from nuclear power eliminates it as an acceptable alternative to fossil fuel.

Nuclear reactor cooling systems devastate marine life and ecosystems. A cooling technology referred to as "once-through" is used in 59 of the nations nuclear reactors. These reactors, situated on coastal waters, draw in as much as a billion gallons of water per reactor unit a day — over a million gallons a minute — in order to dissipate the extraordinary amounts of waste heat generated in the fission process.

The devastation of marine life and ecosystems stems from the powerful intake of water into the reactor. Marine life, including endangered sea turtles and manatees, is sucked irresistibly into the reactor cooling system. Some of these animals are killed, either through impingement — animals are caught and trapped against filters and grates — or drowning and suffocation.

Contacts

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Chris Sherry, Safe Energy Communication Council, (202) 433-8491.

Slick Subsidy

Petroleum Research and Development Program

\$280 million

"Some of this activity is simply corporate welfare for the oil, gas and utility industries. Much of it duplicates what industry is already doing. Some has gone to fund technology in which the market has no interest."

Representative Bernie Sanders (I-Vt.), quoting from the 1997 Republican budget resolution in the *Congressional Record*, June 21, 2001

The U.S. Department of Energy's (DOE) Oil Technology Research and Development Program focuses on the exploration and production of crude oil in the United States. Among the beneficiaries of the Oil Technology program are BP, ChevronTexaco, ExxonMobil and Marathon. The program's goals include the promotion and enhancement of oil drilling in the Alaskan Arctic. This program uses millions of taxpayer dollars annually to subsidize research benefitting oil corporations that pollute the environment and threaten public health.

Green Scissors Proposal

Eliminate the DOE's Oil Technology Research and Development program, saving \$56 million in fiscal year 2002 and at least \$280 million over five years.

Current Status

On June 21, 2001, Representatives Bernie Sanders (I-Vt.), Jack Quinn (R-N.Y.), James Oberstar (D-Minn.), Benjamin Gilman (R-N.Y.), Earl Blumenauer (D-Ore.) and Ron Kind (D-Wis.) offered an amendment to the fiscal year 2002 Interior Appropriations bill (H.R. 2217) to cut \$52 million in funding from fossil energy research and development spending and re-direct the money toward weatherization and energy conservation programs. This amendment failed by a recorded vote of 153-262. In the final fiscal year 2002 Interior Appropriations bill, funding for the oil technology program was increased by \$25.5 million over what the DOE had requested for the program. Final funding in fiscal year 2002 for oil technology research and development was \$56 million. DOE's fiscal year 2003 request for the program is \$35 million. The House and the Senate have passed or proposed energy bills which include substantial increases for this program.

Program Hurts Taxpayers

Private sector corporations already conduct research and development for exploration and production, spurred by market forces. The DOE's oil technology research and development program competes with or duplicates private sector research.

This program constitutes corporate welfare. The multibillion-dollar industries that benefit from this program can afford to conduct their own research and development and do not need additional funding from federal taxpayers. In 2000, ExxonMobil, one of the beneficiaries of DOE's Oil Technology program, spent over ten times the total amount appropriated for the government's program on its own research and development activities.

Program Hurts the Environment

All aspects of oil exploration and production have severe environmental consequences. Oil drilling often leads to the release of oil and other toxic materials that contribute to the destruction of sensitive ecosystems. Oil refining is a major source of chemical releases reported through the U.S. Toxics Release Inventory. It is estimated that the oil industry loses the equivalent of approximately 280 million barrels of oil per year through leaks, spills, and inefficiencies. For example, in Alaska's Prudhoe Bay an average of 400 oil spills occur per year — one spill every 22 hours.

Increased oil production also presents serious health threats. Burning petroleum is a major source of smog-forming nitrogen oxide pollution as well as carbon dioxide, a global warming pollutant.

Contacts

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The Great Tree Robbery

Timber Roads Construction

\$311.5 million

"For years, an unusual coalition of environmentalists and budget-conscious conservatives has been trying to end the practice of federally subsidized logging in America's national forests, a practice that does as much damage to the government's bottom line as it does to the environment."

Cleveland Plain Dealer, June 1998

U.S. Forest Service's timber program pays to construct logging roads to assist timber companies in cutting and removing timber from national forests. Over the history of the program, the agency has paid for the construction of hundreds of thousands of miles of these roads. Construction of these forest roads exploits tax dollars to pay the timber industry's business costs and leads to the degradation of wildlife habitat, soil, and streams.

Green Scissors Proposal

Cut all funding for construction, planning and design of new logging roads, saving approximately \$62.3 million annually or \$311.5 million over five years.

Current Status

In 1998, members of the House and Senate Appropriation Committees agreed to eliminate the "Purchaser Road Credit" (PRC) from the Interior Department's fiscal year 1999 budget. The PRC program enabled timber corporations to receive trees from the national forests in exchange for building logging roads. Despite elimination of PRCs, Congress continues to appropriate funding to subsidize the engineering and design costs associated with timber road construction. In fiscal year 2002 the Forest Service spent almost \$62.3 million on road construction, including direct appropriations, purchaser roads and purchaser elect roads. The administration's fiscal year 2003 budget request has projected these costs to be around \$51.5 million for the construction and reconstruction of roads to access timber sales.

Project Hurts Taxpayers

Taxpayers should not pay for the timber industry's cost of doing business. According to the General Accounting Office, taxpayers paid more than \$387 million to construct timber roads from fiscal year 1992 to fiscal year 1997. There is already a backlog in maintenance for existing roads of more than \$8 billion.

More than 380,000 miles of roads have been built on national forest lands, with an additional 60,000 miles of unclassified roads. In recent years, an average of 95 percent of new roads built in national forests were logging roads — only five percent were for recreation or general purpose.

Project Hurts the Environment

Forest roads are a major cause of the decline of grizzly bears and cause problems for more common wildlife such as elk. Roads fragment habitat, disrupt wildlife-migration routes, and destroy scenic beauty.

Forest roads cause serious soil erosion and stream sedimentation, ruining water quality and fish habitat, and have been linked to more frequent and severe mudslides.

Contacts

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Waste Makes Haste

Yucca Mountain High-Level Nuclear Waste Repository

\$375 million

"Sadly, today's decision by Secretary Abraham to select Yucca Mountain to be the nation's permanent waste repository is based on politics, not sound science."

Representative Ed Markey (D-Mass.),
January 10, 2002 Statement to the Press

Multiple technical, environmental and cost barriers plague the proposed Yucca Mountain high-level nuclear waste repository. New findings suggest that Yucca Mountain, Nevada, the only site under study for a permanent high-level nuclear waste repository, will not keep nuclear waste isolated from the surrounding environment. Moreover, the transportation of nuclear waste to the site will threaten the health and safety of more than 50 million Americans in 44 states. According to a Department of Energy (DOE) report released in May 2001, the estimated cost of the project has soared to \$56 billion. Already close to \$8 billion has been spent on the project, although the program faces an uncertain future.

Green Scissors Proposal

Shelve the Yucca Mountain Project and cease site recommendation activities pending an external review of the program. This will save taxpayers approximately \$375 million in fiscal year 2002.

Current Status

In February 2002, Energy Secretary Spencer Abraham formally recommended that the DOE develop a nuclear waste dump at Yucca Mountain. The president approved this recommendation and referred it to Congress. The State of Nevada is expected to veto the recommendation, but Congress could override Nevada's objection.

In November 2001, the DOE finalized changes to the repository siting guidelines to facilitate a site recommendation. The original guidelines emphasized the requisite geologic characteristics of a suitable site. However, the geology of Yucca Mountain is such that it cannot effectively contain radioactive waste, so the new rules allow the agency to rely instead on underground storage canisters and other "engineered barriers." The DOE's projection of how engineered barriers will perform over the quarter-million years that high-level radioactive waste remains dangerous is unreliable. In January 2002, the Nuclear Waste Technical Review Board (NWTRB) advised Congress that "the technical basis for the DOE's repository performance estimates is weak to moderate."

A report of November 13, 2001 by the DOE Inspector General includes allegations of a potential conflict of interest involving the law firm of Winston & Strawn. The firm was simultaneously retained as counsel to the DOE's Yucca Mountain Project and registered as a lobbyist for the Nuclear Energy Institute. In addition, a report by the General Accounting Office (GAO) suggests that the site recommendation is premature in light of the 293 unresolved technical issues identified by the Nuclear Regulatory Commission.

Project Hurts Taxpayers

Funding and success of the project are tentative. Funding for the Yucca Mountain repository comes from DOE defense appropriations and the Nuclear Waste Fund — a fund to which nuclear utility ratepayers must contribute. Early reactor closures and inflation have eroded the Fund, while law suits and additional program delays may add to the overall project cost.

The waste program record is dismal. The GAO, the NWTRB, and numerous independent analysts have called for a program review. Considering the Yucca Mountain's estimated cost of more than \$56 billion, taxpayer money will be wasted if scientifically credible procedures are not followed.

Project Hurts the Environment

The Yucca Mountain site is not suitable for radioactive waste storage. The site is cut by 33 earthquake faults and has been jolted with a 5.6 magnitude earthquake. Water travels through Yucca Mountain much faster than expected — 50 years rather than 10,000 years. Groundwater beneath Yucca Mountain provides the only source of drinking water for nearby residents. Volcanism is another concern — Yucca Mountain itself is formed from volcanic tuff.

Radiation standards at Yucca Mountain are more lax than other sites. In June 2001, the EPA finalized "site specific" radiation protection standards for Yucca Mountain and settled for standards that are more lenient than the generic standards already in force at New Mexico's Waste Isolation Pilot Plant.

Contacts

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Floodwaters Run Deeper

Dallas Floodway Extension

\$76 million

“Under the applicable Federal principles and guidelines, the Corps must evaluate all reasonable alternatives and their impacts, and must identify the option with the greatest net economic benefits consistent with protecting the Nation’s environment. Based on our review, the Corps has not done so in this case, and a renewed effort that may well lead to a fundamentally different [Dallas Floodway Project] project appears to be in order.”

Mitch Daniels, Director of the President’s Office of Management and Budget in October 3, 2001 letter to Army Secretary Thomas White

The U.S. Army Corps of Engineers (Corps) and the City of Dallas propose to extend the Dallas levee system and cut a 600 foot swale (a shallow, wide swath of land) through the Great Trinity Forest. The \$127 million Dallas Floodway Extension (DFE) project would cost federal taxpayers \$76 million. The Corps and City claim the swale would protect downtown Dallas from flooding, but this would be achieved at the cost of raising flood levels elsewhere in the floodway.

Court records from a lawsuit against the project show that simply raising the existing levees would be more beneficial and less expensive than digging the swale. In addition, the DFE project would cut 34,000 mature trees and destroy several hundred acres of rare bottomland hardwood habitat in the nation’s largest such urban forest.

Green Scissors Proposal

Deny funding for the Dallas Floodway Extension project, saving taxpayers at least \$76 million.

Current Status

Members of the Texas delegation, including Sen. Kay Bailey Hutchison (R-Texas) (whose husband is bond counsel for the City of Dallas on this project) obtained \$10 million for the project in the fiscal year 2002 Energy and Water Appropriations bill. Senator Hutchison tried but failed to attach a rider to the Energy and Water Appropriations bill that would restrict the Office of Management and Budget (OMB) from conducting any further oversight of the project. President Bush proposes zero funding for the DFE project in the fiscal year 2003 budget, following a finding by the OMB that the Corps did not follow proper federal rules and policies in formulating the project. The project faces a

lawsuit and a motion for injunction to block construction, filed in federal district court in Ft. Worth, Texas.

Project Hurts Taxpayers

Despite taxpayer funds, the project would not improve flood protection for Dallas. The project contains two offsetting components that, combined, provide less than a foot of lowered flood levels. However, when coupled with large road projects the city is planning to build within the floodplain, flood levels would actually increase and flood valley storage would decrease — in violation of the Corps’ own regulations.

The project is not economically justified. Even though more economical alternatives that would provide better flood protection exist, the Corps has refused to offer these to the public and the Dallas City Council. An independent review of the Corps project by a former Corps hydrologist found that data and flood models were manipulated in order to generate sufficient benefits to warrant the project.

Project Hurts the Environment

The Corps would destroy 34,000 mature hardwood trees and several hundred acres of rare bottomland hardwood forest. The Great Trinity Forest is one of the largest urban hardwood forests in the nation. The swale and levees would not only have a direct destructive impact, but longer-term indirect impacts will result from increased floodwater and from siltation (depositing of mud). The dredging for the swale would disturb toxic waste from decades of heavy metal smelting operations.

The project would eliminate the chance of a voluntary buyout for citizens of the Cadillac Heights neighborhood.

These citizens have reached consensus on a preference for a voluntary buyout option over a levee. A buyout would not only relieve them from threats of flooding, but free them from the effects of living with toxic soil and dust from decades of unregulated lead and heavy metal smelting.

Contacts

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The Delta's Water War

Grand Prairie Area Demonstration Project

\$319 million

"Arkansans have a choice: unsustainability versus sustainability ... If construction begins, an irreversible chain of events will commence ... There still is time to avoid this path to the Delta's version of water wars."

May 2001 report: *A Sustainable Alternative to Replace the Grand Prairie Area Demonstration Project*

The Army Corps of Engineers (Corps) is preparing to build the \$319 million Grand Prairie Area Demonstration Project that would mostly benefit rice farmers in eastern Arkansas. The project entails building a massive pump on the White River, a canal and pipe distribution system, and assisting farmers in building water storage structures on individual farms. This project is the Corps' first major venture into irrigation projects, and represents "mission creep," away from the traditional corps missions of providing flood control, maintaining navigable waterways and environmental restoration. The Corps has proposed three other similar projects that would also tap the White River at a cumulative cost of more than \$1 billion.

Conservationists, hunters, and the U.S. Fish and Wildlife Service fear that the demonstration project alone will ruin two National Wildlife Refuges in a basin that has been called "America's Amazon." In a 2000 report, Taxpayers for Common Sense and the National Wildlife Federation named this project the most wasteful and environmentally harmful Corps water project in the United States.

Green Scissors Proposal

Deauthorize the Grand Prairie irrigation project, and prevent the Corps from constructing any other agricultural irrigation projects.

Current Status

The Corps has already spent \$22 million to help farmers build on-farm structures that will help them use water more efficiently. This is the part of the Corps' plan that enjoys wide support amongst farmers and conservationists. But funding to start construction of the White River pump element of the Grand Prairie project has repeatedly been stopped. President Bush did not provide any funding for the project in his fiscal year 2003 budget proposal. More and more Grand Prairie farmers are raising concerns with the pumping and distribution system aspects of the project, including 300 who have petitioned to withdraw from the irrigation district. An alternative

plan — developed by a coalition of farmers, conservationists, and local businesspeople — focusing on non-structural solutions — would be more effective at protecting the aquifers, but continues to be ignored by the Corps.

Project Hurts Taxpayers

This is Corps "mission creep." Furthermore, there are cheaper alternatives to building the Grand Prairie project. A series of non-structural measures including conservation, greater use of modern technology to increase irrigation efficiency, and taking marginal farmland out of production through existing Department of Agriculture programs like the Conservation Reserve and Wetlands Reserve Programs can protect the aquifers at less than half the cost of the Corps project.

Many of the Grand Prairie project's intended beneficiaries — eastern Arkansas rice farmers — are unwilling to help finance its construction.

When the Arkansas Soil and Water Conservation Commission recognized that many farmers did not support the project, the agency kept the project alive by making a commitment to pay the local cost-share. It subsequently admitted that it did not intend to pay, but instead hoped that the local White River Irrigation District would foot the bill, pending farmer approval of the project.

Project Hurts the Environment

The White River pump would dramatically reduce river flow, lead to major wetland loss, and increase pollutant loads through the White River National Wildlife Refuge, a United Nations designated Wetlands of International Importance.

The region is North America's most frequented wintering grounds for mallard ducks. In East Arkansas, hunting is almost as important as farming, contributing hundreds of millions of dollars annually to the local economy. With duck habitat harmed, the economic loss associated with waterfowl hunting alone could exceed \$1 million per day during the hunting season to communities in the region as a result of fewer people coming to hunt in the river basin.

Contacts

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It's a Bear Market for Fish Stocks

Individual Fishing Quotas

\$N/A

"The greatest fear surrounding the quotas is that, without strict regulations on how they are handed out, larger companies could easily amass huge fishing territories ... and destroy small fishing communities[.]"

The Sun Herald, editorial. September 15, 2000

Despite legal mandates to curtail overfishing, government managers last year continued to allow overfishing of 57 of the 92 U.S. fish stocks. This year Congress is considering whether to continue employing the individual fishing quota (IFQ) as a fishery management tool. An IFQ is a type of voucher that entitles a fisherman to catch a percentage of a species-specific fishery's total allowable catch. For example, the surf clam/ocean quahog IFQ program initially gave quota to fishermen for free based on catch history. Once distributed, these IFQs were transferable and resulted in a 90 percent consolidation of the entire fishery. The majority of that fishery is now "owned" by a foreign finance corporation. While IFQs are designed to prevent overfishing, the consolidation of IFQs into corporate control can have detrimental effects on the fishery's future, both economically and ecologically.

Green Scissors Proposal

To protect taxpayers and the environment Congress should only allow new IFQ programs if they require national standards including: allocation of IFQs through royalty-based auctions; limit the term of an IFQ to five years; require effective monitoring and enforcement; impose consolidation caps; and allow IFQ programs only in conjunction with other fishery management tools to maximize sustainability.

Current Status

A moratorium on the initiation of new IFQ programs is scheduled to expire on September 30, 2002. Congress will revisit the moratorium during the fall 2002 reauthorization of the Magnuson-Stevens Fishery Conservation and Management Act.

Program Hurts Taxpayers

Program privatizes public resource. By law, America's fish are a public resource. Unlimited quota programs create the appearance of a private property right in a public resource.

Free initial allocation creates a windfall for its limited recipients. These freely tradable quotas represent a potential taxpayer giveaway of billions of dollars.

American taxpayers must be compensated for public resource use. Similar to the oil and gas sector, taxpayers are entitled to royalties from revenue generated by the fishery. Of the few IFQ-managed fisheries currently in place in the U.S., none compensates the taxpayers.

Enforcement and management of the fisheries already costs taxpayers more than a billion dollars annually. IFQ programs could increase those costs. However, a royalty-based auction could potentially offset enforcement and management costs. Additionally, consolidation of IFQs into corporate control could devastate independent fishermen and local communities. As a result, the government may increase federal subsidies such as vessel buy-back programs to compensate fishermen for job loss.

Program Hurts the Environment

IFQs given in perpetuity destroy the human ecology of coastal communities. Small-scale independent fishermen have been excluded from initial IFQ allocations. Such exclusion eliminates equitable participation in the fishery by forcing fishermen to purchase IFQs for hundreds of thousands of dollars. This process essentially rewards those who contributed to overcapacity of the fishery and could devastate some conservation-minded fishermen.

IFQ programs pose significant enforcement problems and could encourage false reporting. No effective mechanism exists to monitor IFQ fishermen at sea; therefore, fishermen may land and report only their most marketable catch (known as highgrading). Such practices damage healthy stocks and contribute to overfishing.

Non-standardized, unregulated IFQ programs may increase the risk of stock damage and collapse. Current programs without term-limited IFQs do not facilitate program review and adaptive management. The term-limited IFQ creates an opportunity for program review every five years. While such adaptive management techniques abide by rigid catch limits, they maintain flexibility and allow for appropriate modification of the IFQ program as fish populations fluctuate.

Contacts

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Race to the Bottom Leaves Common Sense Behind

Savannah Harbor Expansion

\$230 million

"... we will not be able to dig to China. So the question is: Which ports make sense to deepen for cargo movements? And I would argue the other question that gets short shrift is: Which ports can be expanded with the least environmental impact?"

Will Berson, former lobbyist for the American Association of Port Authorities, National Public Radio, April 2, 2001

The Army Corps of Engineers (Corps) is preparing to spend \$230 million to deepen 36 miles of Savannah Harbor's main shipping channel from 42 to 48 feet. The Corps plans to move forward on the deepening project even though recent construction on the Wilmington and Charleston Ports has rendered the benefits of deepening dubious. The Corps plan would also cause serious environmental damage to habitat and rare freshwater wetlands in the Savannah National Wildlife Refuge.

Green Scissors Proposal

Deny federal funds for the deepening project, saving taxpayers \$230 million.

Current Status

The Savannah Harbor Deepening project was authorized as part of the Water Resources Development Act of 1999. In 2001, environmental groups sued the Corps to ensure that further agency studies evaluate the deepening project in the context of regional container shipping trends and fully consider other smaller-scale alternative port improvement projects. Consistent with the Court's order in this case, the Corps announced in early 2002 that in launching its General Reevaluation Report and "Tier II" EIS for the project, it would look at a much broader scope of issues, including the handling of containers through other port facilities in the region.

Project Hurts Taxpayers

The Georgia Port Authority's (GPA) economic analysis is flawed. GPA's forecasts predict unparalleled growth in shipping traffic, but fail to factor recent improvements made to the ports of Charleston and Wilmington. The study also ignores a new private containershipping terminal being constructed by Stevedoring Services of America outside of Savannah, closer to the Atlantic Ocean.

Other more attractive ports exist. Geographically, Savannah Harbor lies 36 miles inland from the Atlantic Ocean. Ships looking to avoid the lengthy and expensive transit upriver to the Savannah Harbor facility could use the Stevedoring Services of America terminal. This terminal is well positioned to handle any excess capacity that Charleston and Wilmington could not accommodate.

Project Hurts the Environment

Saltwater intrusion caused by dredging could destroy many of the rare freshwater tidal wetlands in the Savannah National Wildlife Refuge. Deepening of the port could also preclude striped bass recovery in the Lower Savannah, and decrease dissolved oxygen levels needed by such species as the endangered short-nosed sturgeon.

The Corps "approved" this project before it had studied any of these impacts. Numerous environmental resource agencies have stated repeatedly that the decision to deepen the harbor was premature, and are now working with the Corps and GPA to document the real environmental impacts of this project.

Contacts

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Polluters Must Pay

Superfund Reauthorization

\$1.4 billion

"There is no reason why oil companies should not pay their fair share. And there is no reason why the 'polluter pays' principle that has worked so well should be abandoned and more of the financial burden shifted onto average taxpayers."

Former EPA Administrator Carol Browner,
New York Times, March 1, 2002

Congress created the Superfund program in 1980 in response to growing public concern about the effects of toxic waste sites like New York's Love Canal. This landmark program helps remediate contaminated sites, and was founded with a core principle in mind: polluters, not taxpayers, should foot the bill for cleanups. The Superfund program is backed up by revenue from a trust fund, which is tapped for cleanups when the government cannot identify the responsible party.

The Superfund tax is a fee levied on polluting industries. It includes a tax on chemical and petroleum companies and a modest corporate environmental excise tax. The tax generated between \$1.5 and \$2 billion annually for cleanups, and the trust fund reached a high of \$3.8 billion in 1996. Unfortunately, the Superfund tax lapsed in 1995 and Congress has failed to reauthorize it since. The trust fund is now dwindling and the pace of cleanups is declining dramatically. At the same time, more of the cleanup burden is falling on taxpayers' shoulders.

Green Scissors Proposal

Reauthorize the Superfund tax, ensuring that toxic waste sites are cleaned up at the expense of polluters—not taxpayers.

Current Status

The Bush administration has failed to request reauthorization of the Superfund tax for two years running. Several members of Congress, including Reps. Lowey (D-N.Y.), DeFazio (D-Ore.) and Oberstar (D-Minn.), have sent letters to the President raising concerns about the impact that failure to reauthorize the tax will have on the pace of cleanups. Senators Jeffords (I-Vt.) and Boxer (D-Calif.), both members of the Environment and Public Works Committee, have also written to the administration requesting a list of sites impacted by the failure to reauthorize.

Project Hurts Taxpayers

Polluters, not taxpayers, should clean up their own toxic waste. Superfund embodies the "polluter pays principle,"

whereby those responsible for environmental degradation — not innocent taxpayers — pay to cleanup toxic waste sites.

Without the tax's reauthorization, the billions necessary to cleanup toxic sites will come from taxpayers, while industry shirks its responsibilities. Polluting industries have avoided paying about \$4 million a day, totaling over \$8.7 billion since the Superfund tax expired in 1995.

Failure to reauthorize the Superfund tax would give big petroleum corporations a double taxpayer-funded subsidy.

Congress authorized a per-barrel petroleum tax as part of the Superfund tax, but in return exempted oil companies from liability under the Superfund law. Unless Congress reauthorizes the tax, these big oil companies will be exempt from liability and cleanup costs.

Project Hurts The Environment

One out of four Americans lives within a mile of a Superfund site. Eighty-five percent of all Superfund sites involve groundwater contamination. Fifty percent of the population - and virtually 100 percent in rural areas - use ground water for drinking water. According to a California study, children born within a quarter mile of a toxic waste site are at a higher risk of heart defects and neurological problems.

The pace of cleanups is declining rapidly. During the final four years of the Clinton administration, an average of 85 contaminated sites were cleaned up annually. This year, the Bush administration is proposing a budget that will enable them to complete only 40 cleanups. As a result, more toxic sites will languish while waiting for adequate funding for cleanup.

Other environmental programs may pay the price. With less money available from the Superfund trust fund, an increasing share of cleanups is paid for with general revenue. The Bush administration has requested \$700 million in its 2003 budget. The higher this number climbs, the more Superfund will be forced to compete with other critical environmental programs for funding — especially in a time of budgetary belt-tightening.

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Getting Burned Wildfire Management

\$N/A

Each year, the U.S. Forest Service, Bureau of Land Management (BLM), and other federal land management agencies spend hundreds of millions of dollars to extinguish wildfires. At the same time, in the western states, the government is trying to restore the natural role that fire plays in the ecosystem. Even though federal agencies have recognized the futility of many firefighting efforts, they continue to spend more each year. In summer 2000, the Forest Service spent \$478 per acre fighting wildfires, but in 2001 the cost was \$1,166 per acre.

In 1995, the Forest Service issued a policy requiring all national forests to develop Fire Management Plans. This would allow federal agencies to let some fires burn under predetermined conditions. These plans would also reduce costs, restore ecosystems and keep firefighters out of harm's way. However, having only completed a small number of plans, the Forest Service continues to smother 99 percent of all wildfires each year. Congress has also allocated additional funding to reduce hazardous fuels (i.e. small trees, shrubs, etc.) and directed the majority of this funding to be spent in Wildland-Urban Interface Zones. These are areas where communities are immediately adjacent to fire-dependent ecosystems. However, in 2001 the Forest Service spent much of this money planning timber sales in remote backcountry areas. The BLM also undermined the purpose of the funding by using it for commercial timber sales.

Green Scissors Proposal

Maximize taxpayer expenditures on wildfire management by:

- 1 Developing Fire Management Plans for all federal lands, incorporating ecosystem restoration and the use of prescribed and wildland fire to promote ecosystem health.
- 2 Conducting hazardous fuels reduction projects in areas directly adjacent to communities that face the highest risk of wildfire to maximize protection for homes and communities.
- 3 Performing mandatory reviews on all decisions to aggressively fight wildfires, in order to evaluate the effectiveness of suppression strategies, use of resources, and hazards to firefighters.
- 4 Requiring that hazardous fuels treatments have environmental safeguards.

Current Status

In response to the 2000 wildfire season, Congress appropriated \$3

billion to "deal with the wildfire problem." However, without clear direction and definitions, there is significant potential for waste, fraud and abuse.

Project Hurts Taxpayers

A double drain on taxpayers occurs as a result of misguided fire suppression. Taxpayers spend billions of dollars to extinguish fires far from homes, which results in increased future fire risk due to the buildup of vegetation. The cost of firefighting has increased dramatically over the past two decades. During the 1980's the average cost of fire suppression on national forests was \$525 per acre, but in the 1990's, the cost rose to approximately \$793 per acre. During the 2001 fire season, expenditures exceeded \$1,150 per acre (all figures expressed in \$2001). To mimic the natural role of wildfire, taxpayers foot the bill for costly fuels reduction treatments.

Limitless congressional funding adds to the problem. With little incentive to reduce costs, firefighting expenses have dramatically increased and will continue to increase as long as Congress fails to question firefighting expenditures.

Project Hurts the Environment

The suppression of wildfire in forests and grasslands over the last 100 years has dramatically altered ecosystems. The removal of wildfire contributes to the buildup of fine fuels, which can result in higher intensity fires.

Overzealous firefighting in the backcountry can cause more damage than the fire itself. The use of chemical fire retardants, incendiary devices, helicopters, bulldozers, and other heavy equipment, can have severe impacts on delicate soils, wildlife habitats, roadless values, recreational areas, and can degrade water quality.

Commercial logging projects disguised as hazardous fuels reduction projects can severely impact the health of public lands. The impacts can include increased soil erosion and sedimentation of waterways crucial to the recovery of threatened aquatic species. Erosion can also reduce the productive capacity of these lands, limiting regeneration of trees and other plants.

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Please point your web browser to www.greenscissors.org

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Green Scissors 2002 offers 78 recommendations to cut more than \$54 billion in wasteful spending and subsidies that pollute our natural resources and threaten public health. Green Scissors 2002 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.