

NATIONAL GOVERNORS' ASSOCIATION

1991 ANNUAL MEETING

SEATTLE, WASHINGTON

AUGUST 18-20, 1991

1990 - 1991 COMMITTEE LISTING



September 1990

1990-91 COMMITTEES

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NGA General Counsel

* The chairman and vice chairman serve as ex-officio members of all standing committees.

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Staff Contact: Carol L. Hedges - 202/624-7817

NATIONAL GOVERNORS' ASSOCIATION

REQUESTS FOR 1991-92 STANDING COMMITTEE ASSIGNMENTS

TO: John Ashcroft, Vice-Chairman
National Governors' Association
444 North Capitol Street, Suite 250
Washington, D.C. 20001

FROM: Governor JOSEPH F. ADA :
State, Commonwealth
or Territory GUAM :

My three Standing Committee preferences, in order of importance
(1 is most preferred) are as follows:

<u> </u>	Agriculture and Rural Development
<u> 2 </u>	Economic Development and Technological Innovation
<u> 3 </u>	Energy and Environment
<u> </u>	Human Resources
<u> 1 </u>	International Trade and Foreign Relations
<u> </u>	Justice and Public Safety
<u> </u>	Transportation, Commerce and Communications

PLEASE RETURN BY JUNE 28, 1991



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W. J. Hickel

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Governor Ned Ray McWherter, Tennessee
Governor Tommy G. Thompson, Wisconsin

Lead Governor on Telecommunications
Governor Kay A. Orr, Nebraska

Staff Contact: Charilyn W. Cowan - 202/624-7814

Excellence At Work Initiative
(A joint project of the Committee on Economic Development
and Technological Innovation and the Committee on Human Resources
and the Center for Policy Research)

Governor George Deukmejian, California **Governor Ray Mabus, Mississippi**
Governor William Donald Schaefer, Maryland **Governor Edward D. DiPrete, Rhode Island**

NGA Senior Staff

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Charilyn W. Cowan, Director, Capital Resources Group - 202/624-7814
Joseph Kayne, Director, Capital Resources Policy Studies Div. - 202/624-5392

Alicia S. Pelrine, Director, Human Resources Group - 202/624-5340
Linda Crawford, Director, Human Resources Policy Studies Div. - 202/624-5309

Thomas W. Curtis, Director, Natural Resources Group - 202/624-5389
John Thomasian, Director, Natural Resources Policy Studies Div. - 202/624-7881

NATIONAL GOVERNORS' ASSOCIATION
1991 ANNUAL MEETING, AUGUST 18-20
SEATTLE, WASHINGTON

AGENDA

SATURDAY, AUGUST 17:

10:00 am - 5:00 pm	General Registration
10:00 am - 6:00 pm	News Media Registration
12:30 pm - 1:00 pm	Opening Press Conference
1:30 pm - 3:30 pm	Task Force on Health Care Governor Booth Gardner, Washington Chairman
6:30 pm - 10:00 pm	Host State Dinner for Governors, Their Spouses and Invited Guests By Invitation
7:30 pm - 9:00 pm	Reception for News Media

SUNDAY, AUGUST 18:

8:00 am - 5:30 pm	General Registration
8:00 am - 7:00 pm	News Media Registration
9:30 am - 11:15 am	Brunch for Governors and Their Families
9:30 am - 11:15 am	Brunch for Governors' Senior Staff and Invited Guests By Invitation
11:30 am - 12:30 pm	Task Force on Health Care (Consideration of Policy) Governor Booth Gardner, Washington Chairman
12:45 pm - 2:00 pm	Governors - Only Lunch and Work Session

2:15 pm - 3:45 pm

Committee on Transportation,
Commerce and Communications
Governor Wallace G. Wilkinson
Kentucky, Chairman

4:00 pm - 5:00 pm

Executive Committee
Governor Booth Gardner, Washington
Chairman

6:30 pm - 10:00 pm

Reception at the Museum of Flight:
Wings Over Washington

MONDAY, AUGUST 19:

7:30 am - 8:45 am

Breakfast Meeting of the Democratic
Governors' Association and
Republican Governors' Association

8:00 am - 4:30 pm

General Registration

8:00 am - 6:00 pm

News Media Registration

9:00 am - 10:30 am

Concurrent Committee Meetings

- Committee on Economic
Development & Technological
Innovation
Governor Ray Mabus, Mississippi
Chairman
- Committee on International
Trade and Foreign Relations
Governor Tommy G. Thompson
Wisconsin, Chairman

10:45 am - 12:15 pm

Concurrent Committee Meetings

- Committee on Human Resources
Governor John R. McKernan, Jr.
Maine, Chairman
- Joint Meeting:

Committee on Agriculture and
Rural Development
Governor George S. Mickelson
South Dakota, Chairman

Committee on Energy and
Environment
Governor George A. Sinner
North Dakota, Chairman

12:30 pm - 2:00 pm

Governors - Only Lunch and Work
Session

12:30 pm - 2:00 pm

Chiefs of Staff Lunch and Work
Session

12:30 pm - 2:00 pm

Press Secretaries Lunch and Work
Session

2:15 pm - 3:45 pm

Committee on Justice and Public
Safety
Governor Bob Miller, Nevada
Chairman

2:15 pm - 3:45 pm

Governors' Special Session on Rural
Development
Governor George S. Mickelson
South Dakota, Chairman
Committee on Agriculture and Rural
Development

6:30 pm - 10:00 pm

Reception at Hiram Chittenden Locks:
An Evening in the Northwest

TUESDAY, AUGUST 20:

7:30 am - 8:45 am

Regional Governors' Association
Meetings

8:00 am - noon

General Registration

7:30 am - 1:30 pm

News Media Registration

9:00 am - 11:30 am

Closing Plenary Session

noon - 12:30 pm

Closing Press Conference

12:30 pm - 1:30 pm

Meeting of the 1991-92 Executive
Committee and Standing Committee
Chairs

OFFSHORE GOVERNORS' FORUM

The Heads of Government of:
American Samoa
Territory of Guam
Commonwealth of the Northern Mariana Islands
Commonwealth of Puerto Rico
U.S. Virgin Islands

OFFSHORE GOVERNORS' FORUM SUGGESTED AGENDA

SEATTLE SUMMIT
AUGUST 18, 1991
4:00 TO 6:00 PM
DEBATE ROOM
FOUR SEASONS OLYMPIC HOTEL

1) EEZ.

- NGA Policy on the Exclusive Economic Zone - Amendment Offered by CNMI

2) FED LEGISLATION

Legislation Pending in the United States Congress on the
Territorial Sea - Do We Have United Position to Advance

- a) Chairman Jones of the Merchant Marine and Fisheries Committee has proposed
"Territorial Sea and Contiguous Zone Extension Act of 1991"
- b) Congressman Bennett of Florida has introduced H.R. 536 the "Coastal States
Extension Act."

3) TRADE

North American Free Trade Agreement - Implications for the Offshore
Governors

- a) NGA Policy H-7. Bilateral and Regional Trade Agreements -
Particularly Section 7.2.2. - Does the language serve our interests?
- b) USTR Hearing - San Diego August 21 - Some Common Positions?

4) INTERIOR

a) Policy: Department of Interior Territorial Policy Report - Where Is It - What
Does it Say?

b) Audits: Inspector General Audits of Local Revenue and Local Government

5) COAST

Local Funding of Coastal Zone Management Programs Preferred to Federal
Funding?

6) United Nations

**WESTERN GOVERNORS' ASSOCIATION
GOVERNORS BREAKFAST MEETING**

Tuesday, August 20, 1991

7:30 - 8:45 a.m.

Room 607, Convention Center
Seattle, Washington

7:30 a.m.	Introduction - Governor Mike Sullivan
7:40 a.m.	Administrative Issues Regional Waste Management Protocol Status FY 92 Budget Lead Governor/Task Force Membership Winter Meeting Plans
8:00 a.m.	North American Free Trade Update - Governor Pete Wilson
8:15 a.m.	Highway Funding - Western Impacts of Proposed Highway Bills
8:30 a.m.	Time set aside for other issues Canadian Air Service Resolution Status
8:45 a.m.	Adjourn

WGA Winter Meeting Plans

Governor Bob Miller has agreed to host the 1991 Winter meeting in Las Vegas, Nevada.

Site: Caesar's Palace

Dates: Reception and dinner, Thursday evening, November 21
Governors' all day private meeting, Friday, November 22
Staff Council meeting, Thursday, November 21

Agenda Items Proposed:

Shop Talk - private exchange among governors on budget, fiscal and other current issues.

Education goals and their measurement

Health policy

Gaming on reservations

Recreation activities can be scheduled over the weekend if individual schedules permit

SAC meeting is tentatively scheduled for 11 am on Sunday August 18th, room 606 at the Convention Center. Our staff need to attend this meeting to amend policy statement to include Guam. If approved it would go forward to the ^{AM} Governor's Committee meeting, which is tentatively scheduled for 10:45 Monday August 19th. The SAC and the Governor's meeting are joint meetings between the Committee on Energy and Environment and the Committee on Agriculture and Rural Development.

**WESTERN GOVERNORS' ASSOCIATION
STAFF COUNCIL MEETING**

Sunday, August 18, 1991
5:00 - 5:45 p.m.
Room 304, Convention Center
Seattle, Washington

- 5:00 p.m. Introduction - Scott Farris, Wyoming
- 5:05 p.m. Administrative Issues
Regional Waste Management Protocol Status
FY 92 Budget
Lead Governor/Task Force Membership
Winter Meeting Plans
- 5:15 p.m. North American Free Trade Update - Ira Goldman, California
- 5:25 p.m. Highway Funding - Western Impacts of Proposed Highway Bills
- 5:35 p.m. Other Issues
EEZ Resolution
Canadian Air Service Resolution Status
- 5:45 p.m. Adjourn

NGA PRIORITY AND OTHER ISSUES

Priority Issues:

- **Banking Reforms**
- **Employment Security Reform**
- **Fast-Tract Trade Authority**
- **FY 1992 Budget Resolutions**
- **Implementing The HOME Program**
- **Job Training Partnership Act**
- **Tax-Exempt Financing**
- **Surface Transportation Assistance Act**

Other Issues:

- **Commonwealth Status For Guam (request for policy statement renewal)**
- **Cost Of The Development Of Low-Level Radioactive Waste Facilities**
- **Solid/Hazardous Waste Management**
- **Energy Emergency Preparedness (briefing papers only)**
- **Initiatives To Protect Water Supplies, Wetlands, Farmland and Open Space**
- **Proposed Amendment To The EEZ Policy**
- **State Initiatives On Health Care**
- **Administration Acts To Address Medicaid Estimating Problems and Escalating Costs Increases**
- **Consolidated Block Grant Programs**
- **Integrated Programs To Address Diverse Needs Of Juvenile Offenders**
- **Impact Of Reduction In Defense Forces ON The National Guard**



April 26, 1991

NGA PRIORITY ISSUES

BANKING REFORM

The Administration has introduced a bill (S. 713/H.R. 1505) that would fundamentally change the U.S. banking system. It would authorize full interstate branching; restrict deposit insurance (while retaining a scaled-back version of the "too big to fail" policy); allow banks to affiliate with securities, mutual fund, and insurance companies; and consolidate the federal banking regulatory structure. The Administration's bill and some of the other proposals put forward have the potential for reducing state revenues, hindering economic development and community reinvestment efforts, and complicating state pension fund administration.

In the Senate, Senator Riegle, Chairman of the Senate Banking, Housing, and Urban Affairs Committee, has said that his committee will develop a bill by the first half of the 1991 session. In the House, Rep. Gonzalez, Chairman of the Committee on Banking, Finance, and Urban Affairs, has stated that controversial reform measures should be considered after the committee deals with recapitalization of the Bank Insurance fund. However, committee Republicans in the House have promised support for the Administration's broad reform approach.

NGA has policy supporting the dual banking system, which provides for federal and state systems for chartering and supervising banks.

NGA Objectives

- Ensure that any reform retains state authority to use the banking system to promote capital availability, strengthen economic development, and encourage community reinvestment.
- Ensure that any reform is revenue-neutral on state budgets and retains states' ability to equitably tax state- and federally-chartered banks.
- Ensure that any changes to the deposit insurance system do not discriminate against depositors in small banks.

Contacts: Tim Masanz, 202/624-5311
Scott Bailey, 202/624-5361

EMPLOYMENT SECURITY REFORM

On March 11, Rep. Downey, Acting Chair of the Ways and Means Subcommittee on Human Resources, introduced H.R. 1367, the Unemployment Insurance Reform Act of 1991. The Subcommittee held hearings on the bill on March 21 and March 22.

Although Rep. Downey hopes to mark-up H.R. 1367 in subcommittee this month -- and has the subcommittee votes to do so -- he must still work to ensure that he has sufficient support in the full Ways and Means Committee before taking action. This presumably will involve making significant changes to his proposal in the form of an amendment. According to a recent Washington Post article, "House Democratic leaders have encouraged (Downey) to expect that the bill will get floor consideration." According to Ways and Means staff, H.R. 1367 will move very quickly from sub and full committee mark-up to the floor.

The Congressional Budget Office estimates that the bill as presently drafted would have a net effect of reducing the deficit by \$2.78 billion. The bill's program expansion provisions have a cost of \$24.3 billion dollars, and the tax provision raises \$27.1 billion dollars.

No UI reform legislation has been introduced in the Senate or by the Administration.

NGA Objectives

- Funding for state Employment Security programs that is stable, sufficient, and responsive to changing levels of unemployment funding by, for example, recategorizing UI administrative funds as "mandatory" and by establishing guarantee base funding and a contingency mechanism.

Contact: Sally Sachar, 202/624-7823

FAST-TRACK TRADE AUTHORITY

On March 1, the Administration sent Congress a request for a two-year extension of fast-track trade authority. Under the fast-track process, the implementing legislation for a trade agreement must be voted on by Congress without amendment and within a fixed period of time. The fast-track process also places notification and consultation requirements on the Administration to ensure that Congress is involved at each stage in the negotiations process. The Administration has stated that it will use fast-track authority to complete the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), negotiate a North American Free Trade Agreement (NAFTA), and pursue the trade objectives of the President's Enterprise for the Americas Initiative.

Fast-track authority will be extended automatically to May 31, 1993 unless either the House or the Senate passes a resolution to disapprove the extension. The deadline for the passage of a resolution of disapproval is June 1. The resolution must be

reported out of the House Ways and Means Committee or the Senate Finance Committee by May 15; floor action is expected the week of May 20. Rep. Rostenkowski and Senator Bentsen, chairmen of the respective committees, have tentatively supported an extension.

NGA has policy supporting successful completion of the Uruguay Round and the negotiation of a NAFTA. The policy also supports fast-track authority for a NAFTA if it is negotiated in consultation with states.

NGA Objectives

- Extend fast-track authority in order to continue GATT negotiations and begin NAFTA negotiations.
- Continue to work with Congress and the administration throughout the negotiations process to ensure that any agreements reflect state interests.

Contact: Jody Thomas, 202/624-7824

FY 1992 BUDGET RESOLUTIONS

See attached chart.

IMPLEMENTING THE HOME PROGRAM

The HOME Investment Partnerships program was enacted as part of the National Affordable Housing Act of 1991 (NAHA). Strongly supported by NGA, the HOME program is basically a block grant split 40/60 by states and localities for a broad range of affordable housing purposes. Funds can be used for rental assistance (25 percent match), rehabilitation (33 percent match) or new construction (including substantial rehabilitation, 50 percent match).

\$2.1 billion was authorized for the program in FY 1992, and those funds need to be appropriated. To participate in the program, states need to develop comprehensive housing affordability strategies (CHAS) by November 30, 1992. Interim regulations have been published on the CHAS. Regulations to implement HOME have been published and are expected to be finalized by the end of May.

While the budget resolutions contain some new housing funds, full funding of HOME is not included. The HUD, VA and Independent Agencies Appropriations Subcommittees are holding hearings through mid-May. They are faced with requests for increases in science funding and EPA wastewater funding, as well as HOME funding from the states.

NGA has policy supporting funding for the HOME program and has written the appropriations committees requesting the full \$2 billion for FY 1992 because the program is the result of four years of cooperation in developing a partnership in this important policy area; because the HOME program with state and local matching and with a strong state role is the most effective affordable housing

program HUD can operate; and because a lesser level of funding would make awards to states so small that it may be difficult to develop the political alliances needed to enact matching dollars. The NGA letter also calls for funding for the preservation provisions of NAHA to preserve existing units of affordable housing.

NGA Objectives

- Fund the HOME program at \$2 billion for FY 1992.
- Develop program regulations that permit states the flexibility needed to operate an effective partnership with the federal government and local governments.

Contact: Tim Masanz, 202/624-5311

JOB TRAINING PARTNERSHIP ACT

During the 101st Congress, there were major bills introduced in both the House and Senate to amend the Job Training Partnership Act (JTPA) but because of concerns about proposals to change the JTPA funding formula, none of the comprehensive reform packages passed the Congress. The House passed a bill, 416-1, and in the last hours of the Congress the Senate also passed legislation as a rider to the Labor-HHS-Education appropriations bill. There was insufficient time, however, for the two chambers to reconcile their differences.

To date during this Congress, there have been several small JTPA bills introduced, but no comprehensive reform legislation has been reintroduced. It is expected that the House will hold several hearings in May, and according to Education and Labor Committee staff, the committee will report out a bipartisan bill in May or June. Negotiations are presently underway. No timeframe has been indicated by Senate staff.

The most significant development in the JTPA amendments process is the Administration's legislative proposal. A draft has been circulated to the states and is now under consideration at OMB. The legislation is similar to the Administration's proposals during the 101st Congress, though in many areas it reflects compromises negotiated between the House and Senate, the Administration, and the states (NGA and the JTPA Liaisons Group).

NGA Objectives:

- Support efforts to ensure that JTPA is targeted to and provides quality services to individuals most in need, but ensure state flexibility on increased targeting and eligibility requirements.
- Strengthen gubernatorial role in ensuring the fiscal integrity of JTPA.

- Obtain authority for the Governors to be granted waivers from statutory and regulatory requirements that present barriers to achieving the overall goals of JTPA (for example, reducing high school drop out rates or increasing literacy).
- Oppose efforts to require detailed reporting, unnecessary data collection, and imposition of OMB circulars.

Contact: Sally Sachar, 202/624-7823

TAX-EXEMPT FINANCING

Both the mortgage revenue bond program (MRB) and the small issue industrial development bond program (IDB) expire at the end of 1991. Legislation needs to be adopted in a timely fashion to continue both of these programs without interruption. The Administration opposes extension of these programs. Chairman Rostenkowski has said sponsors must find replacement revenues if these are extended.

In the House, H.R. 1067 has been introduced by Rep. Kennelly to extend the MRB program (212 co-sponsors), and H.R. 1186 has been introduced by Rep. Coyne to extend the small issue IDB program (118 co-sponsors). In the Senate S. 167 by Senators Riegle and Chafee would extend MRBs, and Senator Breaux will introduce the IDB bill the week of May 6.

NGA has policy supporting the extension of both programs and will send letters to the tax-writing committees. NGA also has policy supporting legislation to implement the recommendations of the Anthony Commission on Public Finance. H.R. 710 (Rep. Anthony) and S. 913 (Senator Baucus) incorporate a number of the recommendations, such as increasing the arbitrage rebate exemption from \$5 to \$25 million and increasing incentives for banks to invest in these bonds.

The Ways and Means Committee held hearings on April 9 and 10 on tax issues generally before the committee. NGA testified on state concerns regarding tax-exempt financing on April 14 before the Senate Subcommittee on Securities.

NGA Objectives

- Extend the mortgage revenue bond and small issue industrial development bond programs.
- Enact the recommendations of the Anthony Commission on Public Finance.

Contact: Tim Masanz, 202/624-5311

TRANSPORTATION ISSUES

Surface Transportation Assistance Act

The Administration released its highway reauthorization proposal on February 13, 1991. Department of Transportation Secretary Skinner subsequently testified before both the House and the Senate Public Works committees in support of the legislation (H.R. 1351, S. 610). Governor Wilkinson, Chairman of NGA's Committee on Transportation, Commerce, and Communications, appeared before the House Public Works Committee on February 20.

On April 16, Governor Wilkinson, Governor Thompson, and Governor Voinovich met with the so-called "Big Four" of the House Public Works and Transportation Committee: Chairman Roe, the Ranking Minority Member, Rep. Hammerschmidt, Surface Transportation Subcommittee Chairman Mineta, and the Subcommittee's Ranking Minority Member, Rep. Shuster. The Governors expressed concerns outlined in the NGA position statement regarding surface transportation, including maintenance of the overall matching rates; program consolidation with a separate bridge program and two basic highway tiers; greater investment through spending trust fund revenues; maintenance of general fund support for mass transit and increasing trust fund authorizations; and no further sanctions or mandates.

Further House Public Works hearings are scheduled. On April 25, Senator Moynihan, Chairman of the Transportation Subcommittee of the Senate Environment and Public Works Committee, issued a draft of his committee's proposed legislation. The current surface transportation authorization expires on September 30.

NGA Objectives:

- Program consolidation and refocusing, with a separate bridge program and two basic highway tiers.
- Timely reauthorization of a multiyear bill.
- Maintenance of the overall matching rates (82/18 average).
- No further sanctions or mandates.

Surface Transportation Funding

On April 8, 1991, the House Budget Committee released its funding proposal calling for an additional \$1 billion to the FY 1991 highway obligation ceiling level of \$14.5 billion.

On March 19, NGA transmitted a letter regarding highway funding addressed to Chairmen and Ranking Members of both the House and Senate Appropriation and Budget Committees, as well as the Chairmen of the House and Senate Transportation Appropriations Subcommittees. In the letter, Governors urged support for setting the FY 1992 Highway Trust Fund obligation ceiling at \$16.5 billion.

Nick Rep

**OUTLINE OF PROPOSED SURFACE TRANSPORTATION REAUTHORIZATION BILL
TO BE RELEASED BY SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE MEMBERS
DANIEL PATRICK MOYNIHAN (D-NY), STEVE SYMMS (R-IND), AND JOHN CHAFEE (R-RI),
OBTAINED BY BNA APRIL 24, 1991
(TEXT)**

**THE SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991
Proposed Structure and FY 1992-1996 Funding**

<u>Category</u>	<u>Percent</u>	<u>FY92-96 Funding</u>	<u>Fed/State Share</u>	<u>Apportionment</u>
PAYMENTS TO THE STATES				
Surface Transportation	50%	\$45 billion	80/20	Guarantees each state a share of all federal funds equal to its 1987-1991 average, excluding Interstate Construction & Substitute. (Cost share is 75/25 for new construction.)
Congestion Mitigation & Air Quality Improvement	5%	\$5 billion	80/20	Population in non-attainment areas, with a severity factor
Bridge	15%	\$13 billion	80/20	Share of total bridge repair costs
Interstate Maintenance	16%	\$14 billion	80/20	55% Interstate lane miles, 45% Interstate vehicle miles travelled.
Interstate Construction & Substitute	9%	\$8 billion	90/10	Finish remaining Interstate projects; pay all obligations under Interstate Substitute program. (Will require only 4 years.)
SUBTOTAL	95%	\$85 billion		

DIRECT SPENDING BY DEPARTMENT OF TRANSPORTATION

Emergency Relief	\$500 million
Federal Lands	\$1.5 billion
Maglev Program	\$750 million
Indian Lands	\$750 million
Miscellaneous Programs	\$700 million
SUBTOTAL	5% \$4 billion

**TOTAL, Highway Account
of the Highway Trust Fund** \$89 billion

**TOTAL, Mass Transit Account
of the highway Trust Fund** \$16 billion

TOTAL SPENDING, FY92-96 \$105 billion

SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991**Program Structure: 1992 to 1996****Surface Transportation Program**

One-half of all federal funds will be spent under this new program. States can spend these funds on any surface transportation project, including highways, mass transit, and rail. The federal-state match will be 80/20 for projects to maintain existing facilities or use them more efficiently. The match will be 75/25 for construction of new facilities.

Congestion Mitigation & Air Quality Improvement Program

The federal Clean Air Act requires cities that violate air quality standards to control emissions or be penalized. Five percent of federal funds will be spent under this new program to help cities comply with the Clean Air Act.

Bridge Program

Fifteen percent of federal funds will be spent for bridges. The federal-state match for repair or replacement of existing bridges will be 80/20. The match to build new bridges or widen existing ones will be 75/25.

Interstate Maintenance Program

Maintenance of Interstate highways will have a federal-state match of 80/20. Funds may not be used to add new lanes.

Interstate Construction and Interstate Substitute Programs

The final segments of the Interstate System will be finished (principally Los Angeles and Boston). All outstanding commitments under the Interstate Substitute program will be funded. These programs will end in the fourth year of the bill.

Funding

Each state will be guaranteed a share of federal funds equal to its average share from 1987 to 1991, excluding funds from the Interstate Construction and Interstate Substitute programs.

Total funding will be \$89 billion over 5 years, 25 percent greater than the 5-year total from 1987 to 1991.

-- End of Text --

-- End of Section M --

1992 BUDGET RESOLUTION - FFIS PRELIMINARY ESTIMATES
GRANT-IN-AID PROGRAMS: SELECTED DISCRETIONARY AND ENTITLEMENTS
(appropriations; federal fiscal years; dollars in millions)

SELECTED PROGRAMS	FY 1991 1/	FY 1992				CHANGES FY 1991/1992					
		PRESIDENT REQUEST	HOUSE /2		SENATE /3	PRESIDENT		HOUSE		SENATE	
						\$	%	\$	%	\$	%
DEPARTMENT OF AGRICULTURE											
EMERGENCY FOOD ASS'T (TEFAP) ADMIN	850	827	852	a	853	-23	-46.0%	2	4.0%	3	5.0%
RURAL WATER & WASTE DISPOSAL GRANTS	300	225	297	c	303	-75	-25.0%	-3	-1.0%	3	0.8%
DEPARTMENT OF COMMERCE											
ECONOMIC DEVELOPMENT ASSISTANCE	209	0	207	c	211	-209	-100.0%	-2	-1.0%	2	0.8%
DEPARTMENT OF EDUCATION											
COMPENSATORY EDUCATION	6,225	6,550	7,140	e	7,225	325	5.2%	916	14.7%	1,000	16.1%
IMPACT AID: MAINTENANCE AND OPERATIONS	741	605	734	c	816	-136	-18.4%	-7	-1.0%	75	10.1%
EDUCATION BLOCK GRANT	449	449	444	c	472	0	0.0%	-4	-1.0%	23	5.0%
DRUG FREE SCHOOLS & COMMUNITIES	498	498	493	c	523	0	0.1%	-5	-1.0%	25	5.0%
EDUCATION OF THE HANDICAPPED:											
BASIC STATE GRANTS	1,854	1,976	2,067	e	2,304	122	6.6%	213	11.5%	429	23.2%
PRESCHOOL, INFANT, & TODDLERS GRANTS	410	425	457	e	8431	15	3.6%	47	11.5%	21	5.0%
SCIENCE & MATH EDUCATION	202	239	225	a	302	37	18.3%	23	11.5%	100	49.5%
VOCATIONAL & ADULT EDUCATION	1,253	1,262	1,397	e	1,653	9	0.7%	144	11.5%	400	31.9%
DEPT. OF HEALTH AND HUMAN SERVICES											
ADMINISTRATION ON AGING--STATE GRANTS	745	745	775	a	783	0	0.0%	30	4.0%	38	5.0%
ALC./DRUG ABUSE/MENT. HEALTH--BLOCK GRANT	1,269	1,269	1,269	b	1,333	0	0.0%	0	0.0%	64	5.0%
CHILD WELFARE SERVICES	273	364	284	a	287	91	33.2%	11	4.0%	14	5.0%
COMMUNITY SERVICES BLOCK GRANT	349	0	363	a	367	-349	-100.0%	14	4.0%	18	5.0%
FAMILY PLANNING	144	150	150	a	152	6	3.9%	6	4.0%	7	5.0%
IMMUNIZATION GRANTS	182	209	219	b	218	27	14.8%	37	20.3%	36	19.9%
HEAD START	1,952	2,052	2,402	b	2,402	100	5.1%	450	23.1%	450	23.1%
CHILD CARE & DEVELOPMENT BLOCK GRANTS 4/	732	732	761	a	782	0	0.0%	29	4.0%	50	6.8%
LOW INCOME HOME ENERGY ASSISTANCE	1,610	1,025	1,675	a	1,691	-585	-36.3%	64	4.0%	81	5.0%
MATERNAL & CHILD HEALTH BLOCK GRANT	587	554	611	a	704	-33	-5.7%	23	4.0%	117	19.8%
PREVENTIVE HEALTH BLOCK GRANT	93	107	92	c	97	14	15.4%	-1	-1.0%	5	5.0%
REFUGEE ASSISTANCE	411	411	427	a	431	0	0.1%	16	4.0%	21	5.0%
SOCIAL SERVICES BLOCK GRANT	2,800	2,800	2,800	d	2,800	0	0.0%	0	0.0%	0	0.0%
AFDC JOBS	1,000	1,000	1,000	d	1,000	0	0.0%	0	0.0%	0	0.0%
STATE LEGALIZATION ASSISTANCE GRANTS 5/	273	0	561	d	1,123	-273	-100.0%	288	100.0%	850	100.0%
HUD AND INDEPENDENT AGENCIES											
COMMUNITY DEVELOPMENT BLOCK GRANTS	3,200	2,920	3,300	b	3,227	-280	-8.8%	100	3.1%	27	0.8%
EPA WASTEWATER CONSTRUCTION GRANTS	2,100	1,900	2,069	c	2,118	-200	-9.5%	-32	-1.5%	18	0.8%
HOPE/HOMB	0	1,865	1,865	f	1,865	1,865	100.0%	1,865	100.0%	1,865	100.0%
OPERATION OF LOW-INCOME HOUSING	2,100	2,156	2,156	f	2,156	56	2.7%	56	2.7%	56	2.7%
DEPARTMENT OF THE INTERIOR											
ABANDONED MINE REC. FUND	199	158	197	c	201	-41	-20.6%	-2	-1.0%	2	0.8%
DEPARTMENT OF JUSTICE											
DRUG CONTROL AND SYSTEM IMPROV. GRANTS	475	475	475	b	479	0	0.0%	0	0.0%	4	0.8%
JUVENILE JUSTICE & DELINQUENCY PREVENTION	72	0	72	b	72	-72	-100.0%	0	0.0%	1	0.8%
DEPARTMENT OF LABOR											
DISLOCATED WORKERS	527	527	648	b	554	0	0.0%	121	23.0%	27	5.0%
EMPLOYMENT SERVICE STATE ADMIN.	1,084	984	1,127	a	1,139	-100	-9.2%	43	4.0%	55	5.0%
EMPLOYMENT & TRAINING STATE GRANTS 6/	2,461	2,461	2,559	a	2,735	0	0.0%	98	4.0%	274	11.1%
UNEMPLOYMENT COMP STATE ADMIN 1/	2,134	2,263	1,851	b	2,084	129	6.0%	-283	-13.3%	-50	-2.3%
DEPARTMENT OF TRANSPORTATION											
AIRPORT OBLIGATION CEILING	1,800	1,900	1,900	b	1,815	100	5.6%	100	5.6%	15	0.8%
HIGHWAY OBLIGATION CEILING 7/	14,500	15,722	15,500	b	14,622	1,222	8.4%	1,000	6.9%	122	0.8%
HIGHWAY 85% MIN., EMERGENCY, & DEMOS 8/	1,413	100	1,413	b	1,413	-1,313	-92.9%	0	0.0%	0	0.0%
MASS TRANSIT:											
FORMULA GRANTS 9/	1,605	2,600	1,669	a	1,618	995	62.0%	64	4.0%	13	0.8%
INTERSTATE TRANSFER GRANTS 9/	160	160	166	a	161	0	0.0%	6	4.0%	1	0.8%
URBAN DISCRETIONARY GRANTS 9/	1,400	350	1,606	b	1,412	-1,050	-75.0%	206	14.7%	12	0.8%
SUBTOTAL: SELECTED PROGRAMS	859,841	860,215	865,476		866,132	8374	0.6%	85,635	9.4%	86,270	9.6%

GRH EXEMPT AND SPECIAL TREATMENT	FY 1991 1/	FY 1992				CHANGES FY 1991/1992						
		PRESIDENT REQUEST	HOUSE /2	SENATE /3 COMMITTEE	PRESIDENT		HOUSE		SENATE			
					\$	%	\$	%	\$	%		
CHILD NUTRITION	5,577	6,065	6,065	d	6,065	m	489	8.8%	489	8.8%	489	8.8%
WOMEN, INFANTS AND CHILDREN (WIC)	2,350	2,573	2,700	b	2,700	f	223	9.5%	350	14.9%	350	14.9%
TEFAP, COMMODITY PURCHASES	120	120	120	d	120	m	0	0.0%	0	0.0%	0	0.0%
COMMUNITY HEALTH CENTERS	478	478	502	b	573	k	0	0.0%	24	5.0%	95	19.8%
FAMILY SUPPORT WELFARE PAYMENTS	13,459	14,536	14,536	d	14,536	m	1,077	8.0%	1,077	8.0%	1,077	8.0%
CHILD SUPPORT ENFORCEMENT	571	626	626	d	626	m	55	9.6%	55	9.6%	55	9.6%
FOOD STAMPS	19,051	20,663	20,663	d	20,663	m	1,612	8.5%	1,612	8.5%	1,612	8.5%
FOSTER CARE AND ADOPTION ASSISTANCE												
BASE AMOUNT	2,063	2,249	2,496	d	2,496	m	186	9.0%	433	21.0%	433	21.0%
PRIOR YEAR CLAIMS	521	118	118	d	118	m	-403	-77.3%	-403	-77.3%	-403	-77.3%
MEDICAID	51,555	59,833	59,833	d	59,833	m	8,278	16.1%	8,278	16.1%	8,278	16.1%
VOCATIONAL REHABILITATION STATE GRANTS	1,528	1,633	1,633	d	1,633	m	105	6.9%	105	6.9%	105	6.9%
SUBTOTAL	\$97,273	\$108,895	\$109,293		\$109,364		\$11,622	11.9%	\$12,020	12.4%	\$12,090	12.4%

TOTAL: SELECTED GRANTS-IN-AID	\$157,114	\$169,110	\$174,769		\$175,495		\$11,996	7.6%	\$17,655	11.2%	\$18,381	11.7%
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FOOTNOTES

- 1/ 1991 discretionary funding includes recently enacted supplemental funding but not the effects of a possible 1991 sequester.
- 2/ FFIS estimates of House-passed budget resolution are extrapolated from Committee documents and include the effects of floor (Ford) amendment -- see notes below.
- 3/ FFIS estimates of Senate Budget Committee budget resolution are extrapolated from Committee documents.
- 4/ Does not include additional child care funding (\$300 million in 1991 and 1992) provided under Family Support Payments.
- 5/ President's 1992 funding reflects rescission of all advance appropriations, House rescinds one-half of advance appropriations, Senate apparently rejects entire rescission.
- 6/ President's budget proposes reformulation of Summer Youth and JTPA block grants.
- 7/ Senate Budget documents indicate support for a "sizeable" increase in ceiling but do not provide details, inflated 1991 ceiling shown as a placeholder under Senate action.
- 8/ President's Budget assumes elimination of 85% minimum allocation and demos in 1992; House and Senate levels assume provisions will be reauthorized.
- 9/ Under President's 1992 Budget, funds previously derived from general fund will now be derived from trust funds in 1992.

SCORING NOTES:

FFIS's Scoring of the House-passed Budget Resolution

- a. Committee baseline level (1991 level plus 4.0%).
- b. Committee specified funding level (Head Start includes an additional \$100 million per Ford House floor amendment).
- c. Committee specified 1% reduction from 1991 funding level (an additional 0.5% reduction applied to EPA construction grants per Ford House floor amendment).
- d. Assumes President's 1992 Budget current law funding estimate.
- e. Assumes House \$2 billion education funding increase is distributed evenly for Committee specified education programs; an additional \$200 million is added to compensatory education per Ford House floor amendment.
- f. Assumes President's 1992 budget request in the absence of better information.

FFIS's Scoring of the Senate Budget Committee Resolution

- g. Committee "policy-neutral" baseline funding level (5% increase over 1991 level)
- i. Assumes 1991 funding with increases specified in the "bome-front" initiative (Wirth amendment).
- j. Policy-neutral baseline funding reduced by Committee-specified 4% across-the-board reduction to pay for "bome-front" initiative.
- k. Assumes Committee-specified child health funding increase (\$266 million) is distributed in proportion to existing program's funding level.
- m. Assumes President's 1992 Budget current law funding estimate.
- n. Assumes President's 1992 Budget request in the absence of better information.

FFIS Contact: Chris Nolan (202) 624-5382

HGA Contact: Jim Martin (202) 624-5315

B-7. U.S. - CANADIAN TRADE

The Governors support implementation of the Free Trade Agreement negotiated by the federal governments of the United States and Canada. Our support is contingent upon Canada and the U.S. doing nothing in the interim to violate the spirit of the explicit understanding affirmed in writing on January 2, 1988 to "exercise their discretion in the period prior to entry into force of the accord so as not to jeopardize the approval process or undermine the spirit and benefits of the Free Trade Agreement."

The agreement, while not fully addressing all issues relating to our bilateral trade, is expected to contribute to real growth in the economies of both signatories. It represents a positive step toward the open, competitive world trading system that we have endorsed. It provides for more timely and effective resolution of disputes between the two largest trading partners in the world.

Throughout the negotiations, the Office of the U.S. Trade Representative has sought our advice and made it a priority to keep us informed on progress. As the related legislation is developed and debated, we will continue to consult with the administration and Congress regarding its impact on state economies.

Emphasizing the importance of U.S. - Canadian relations, we will continue our meetings with the Canadian Premiers on issues of mutual interest, including options for greater trade cooperation between our two countries.

We believe that efforts should continue to be made to resolve those issues not fully addressed during the negotiations and that remaining inconsistencies with the General Agreement on Tariffs and Trade (GATT) rules should be vigorously pursued. We will work with Congress and the administration and within our states to minimize any adverse effects of the agreement.

The Governors have significant concerns about issues created or not fully resolved by the agreement and ask to be consulted as the implementing legislation or other measures are developed to ameliorate these problems.

The administration should enter into additional negotiations to address inequities regarding subsidies. Fair and open trade for all businesses requires resolution of the reality or perception of unequal treatment of certain industries due to differing national policies on subsidies.

Adopted February 1988.

AMENDMENT TO THE U.S. - CANADA POLICY OFFERED BY GOVERNOR CARRUTHERS

THE GOVERNORS HAVE SIGNIFICANT CONCERNS ABOUT ISSUES CREATED OR NOT FULLY RESOLVED BY THE AGREEMENT AND ASK TO BE CONSULTED AS THE IMPLEMENTING LEGISLATION OR OTHER MEASURES ARE DEVELOPED TO AMELIORATE THESE PROBLEMS.

THE ADMINISTRATION SHOULD ENTER INTO ADDITIONAL NEGOTIATIONS TO ADDRESS INEQUITIES REGARDING SUBSIDIES. FAIR AND OPEN TRADE FOR ALL BUSINESSES REQUIRES RESOLUTION OF THE REALITY OR PERCEPTION OF UNEQUAL TREATMENT OF CERTAIN INDUSTRIES DUE TO DIFFERING NATIONAL POLICIES ON SUBSIDIES.

Source: National Governors Association

OTHER ISSUES

91-2783

STATE OF NEBRASKA

EXECUTIVE SUITE

Box 94848

Lincoln, Nebraska 68509-4848

Phone (402) 471 2244



E. Benjamin Nelson
Governor

July 17, 1991

The Honorable Joseph Ada
Governor of Guam
Executive Chamber
Agana, Guam 96910

Dear Governor Ada:

I would like your support and co-sponsorship on a resolution I have submitted to WGA concerning the costs of developing excess disposal capacity for low-level radioactive waste. The resolution calls for a re-evaluation of a system which is developing far too many facilities for a decreasing volume of waste.

There is irony in the current path we are traveling. Costs of developing the compact system are dramatically increasing, while states and compacts are scrambling to meet federal milestones for the siting and construction of more than a dozen low-level waste disposal facilities which assure surplus low-level waste disposal capacity. At the same time, states and the federal government are struggling to find enough money in thin budgets to address a growing list of environmental issues and waste management problems.

In the course of exploring various alternatives to the current process, we have an opportunity to raise the issue of equity in the waste management trend that is developing in the United States. The western states have taken on more than their fair share of waste management for the disposal of the nation's and federal government's hazardous, radioactive and biomedical waste. We have an opportunity to join together to reverse this trend.

If we fail to stop and re-evaluate the compact system created by federal legislation during the 1980's then we must knowingly accept the accusations and cries of ratepayers who question why they must bear the burden of a dysfunctional, burdensome, and expensive system. It is not too late to stop and take another look at our changing needs for disposal. We still have an opportunity to responsibly explore alternatives that are equitable for all states--alternatives that equitably share the responsibility of waste disposal. I ask that you join me in supporting and co-sponsoring my resolution.

Sincerely,

A handwritten signature in dark ink, appearing to be "Ben", written over a horizontal line.

E. BENJAMIN NELSON
Governor

EBN:kea:as



015354



STATE OF MICHIGAN
OFFICE OF THE GOVERNOR
LANSING

JOHN ENGLER
GOVERNOR

July 11, 1991

FAY sent
7/11-5pm

Received Envelope

JUL 15 '91

Assigned EBN
Agency No. 07
ISN Direct
FYI GovSig
Subject Low Level
Pos Mag
Rec Mag

Mr. Tom Curtis, Director
Staff Advisory Committee on Energy
and the Environment
National Governors Association
444 North Capitol
Washington, D.C. 20001-1572

Dear Mr. Curtis:

By way of this letter, I am advising you of my strong support for Proposed Policy 13.4, pertaining to revision of the federal Low-Level Radioactive Waste Policy Act, currently before the Staff Advisory Committee on Energy and the Environment. I also wish to advise you that I have agreed to co-sponsor the Proposed Policy with Governor Nelson of Nebraska.

The National Governors Association was instrumental in supporting the federal Low-Level Radioactive Waste Policy Act in 1979, and its amendments again in 1985. The effect of that Act has been to require the construction of some thirteen to fifteen disposal facilities nationally, despite a broad consensus that only two or three are needed to handle the declining volume of the nation's waste. Building costly, controversial, and completely unnecessary disposal facilities is clearly not in the interest of the nation or its states. I cannot support a federal policy that is tantamount to an unnecessary tax in excess of five billion dollars on the American people, particularly at a time when there are many other pressing demands on our scarce resources.

I am informed that you have received a resolution from the Western Governors Association supporting revision of the federal Act in a manner consistent with Proposed Policy 13.4. Given the strong support of so many governors for revision of the federal Act, and given the National Governors Association's historic role in supporting this Act, it is clearly time for the full membership of the NGA to once again call for a more sensible, cost-effective, and ecologically sound solution to the shared problem of low-level radioactive waste disposal.

In closing, I strongly urge the approval of Proposed Policy 13.4.

Sincerely,

John Engler
Governor

JE/DLS/jlf

cc: Governor Bob Nelson
LeAnne Redick



Western Governor's Association
Resolution

SPONSOR: Governor E. Benjamin Nelson
SUBJECT: Cost of the development of low-level radioactive waste facilities

A. BACKGROUND

1. In 1980 Congress enacted the Low-Level Radioactive Waste Disposal Act (P.L. 96-573) which encompassed recommendations of, among others, the National Governors' Association (NGA). The Act required states to take responsibility for the disposal of their own low-level radioactive waste. The Act also encouraged states to form regional compacts to maximize safety and efficiency.
2. By 1985 no new sites had been created. At the urging of the the three states accepting waste for disposal--South Carolina, Nevada, and Washington, Congress amended the Act (P.L. 99-240) to include milestones and stiff sanctions to make sure more capacity would be available.
3. In 1986 the Nuclear Regulatory Commission's office of state programs, estimated that the financial breakeven point for development of a new low-level waste site lies somewhere around 10% of the nation's waste.
4. By 1987 nine compacts had formed and been ratified by Congress and an equal number of states remained either unaffiliated with a compact or had declared that they would construct their own facility. Only three to five of the compacts generated 9% or more of the nation's waste.
5. A 1989 report from the Office of Technology Assistance concluded that too many low-level radioactive waste sites had been proposed at a time when less and less waste was being produced. The OTA report predicted that "utilities and industries in 1988 created 55 percent less low-level radioactive waste than in 1980 and the amount will decrease by half again before 1993".
6. A 1988 study released by Rogers & Associates Engineering Corporation on the Designs and Costs of Low-Level Waste Disposal Facilities estimated that it will cost \$5.2 billion to operate and maintain a low-level radioactive waste facility over a projected 130 year life span. The figure assumes a 20 year operational phase, 10 year closure period, and 100 year institutional control period.

B. GOVERNOR'S POLICY STATEMENT

1. The western governors support Congress amending the 1985 Low-Level Radioactive Waste Disposal Amendments Act to redefine Class B and Class C waste as high level waste and a responsibility of the federal government.
2. The western governors propose that WGA conduct an analysis in conjunction with other organizations, including the National Governors' Association, on the current and projected costs involved in the development, operation and institutional care of the facilities under consideration at the present time. The governors also propose that recommendations are made on alternatives to the current system. The objective is to determine the most cost effective solution to the management of low-level radioactive waste and to reduce the number of facilities necessary to safely manage low-level radioactive waste.
3. The western governors strongly support continued waste reduction at the source through recycling and product substitution.
4. The western governors request that the Department of Energy accept mixed waste at federal mixed waste facilities since the federal government produces 98% of the mixed waste in the country. The inclusion of the two percent of commercially generated mixed waste would be more cost effective and a more efficient use of resources.

C. GOVERNOR'S MANAGEMENT DIRECTIVE

1. WGA shall convey this resolution to the National Governors' Association Chairman of the Nuclear Regulatory Commission, the Administrators of the Department of Energy and the Environmental Protection Agency, the western congressional delegation, and appropriate House and Senate committee chairpersons and ranking minority members.
2. WGA shall monitor developments in the compacts and states currently planning on providing for disposal within their own borders.

7. In March, 1991, the NRC stated that the three sites currently accepting waste for disposal at Barnwell, South Carolina, Beatty, Nevada, and Richland, Washington have sufficient capacity to handle all the waste produced for another 50-60 years.
8. The Department of Energy has concluded that all sited states must be able to provide capacity for the disposal of mixed waste in order to meet the 1993 milestone. Because of the low volume of commercially generated mixed waste (2% of the total amount generated in the country) costs for the disposal of mixed waste are currently estimated in one compact (Central Interstate) to be \$10,000 to \$15,000 per cubic foot.
9. Consultants Dames and Moore estimate in a 1986 report for the Midwest Compact that above ground vaults will cost twice as much as shallow land burial. As of January, 1991, all compacts and states which have submitted siting plans, except California, either restrict or completely ban the use of shallow land burial as a technology option.
10. States need to recognize and support the need to dispose of the waste that is created; the question is "how", not "whether". The disposal of nuclear waste is a federal issue and should not be forced onto the states for resolution. The establishment of a duplicitous compact system complicates an already difficult and complex situation. The current direction of the compact system established in the 1985 Amendments Act is inefficiency, escalated costs, and the creation of unnecessary strife in rural, economically-depressed communities.
11. Governors and state officials have a responsibility to seek ways to control costs, not participate in the escalation of costs to ratepayers. The emphasis needs to be placed on an evaluation of true costs of energy and the real impact on ratepayers throughout the country.

Western Governors' Association
Resolution 91-

July 23, 1991
Rapid City, South Dakota

SPONSORS: Governors Bangerter and Andrus
SUBJECT: State Authority to Control Out-of-State Waste (Amended)

A. BACKGROUND

1. Waste management is becoming more complex and more costly in order to adequately safeguard public health and safety.
2. Pending federal regulations for solid waste management and impending federal reauthorization of the major solid waste legislation (the Resource Conservation and Recovery Act) will force the closure of many smaller landfills nationwide.
3. Every state is having difficulties siting newer and larger waste landfills and incinerators because of public concerns. This situation is especially acute on the eastern seaboard where population densities are higher.
4. ~~Tipping fees for solid waste (the amount charged to dump a ton of garbage) are substantially higher on the East Coast than in the West. Tipping fee differentials between East and West can be as high as \$120 per ton. Responding to market signals, many waste generators, disposers, and haulers see opportunities in shipping solid waste long distances to small towns in remote areas of the West.~~
5. *The federal government currently ships wastes across state borders for storage and disposal purposes with little regard for state environmental and waste management concerns.*
6. States currently do not have the authority to refuse to take out-of-state solid and hazardous waste. The Supreme Court has consistently ruled that solid waste is an article of interstate commerce and states can neither block its importation nor charge substantially higher fees to dispose of out-of-state waste.
7. ~~Federal legislation was has been introduced last session~~ that would give states more authority to manage out-of-state waste. Mechanisms contained in proposed legislation included allowing differential fees for managing out-of-state waste and the establishment of multi-state solid waste compacts.

B. GOVERNORS' POLICY STATEMENT

1. The western governors believe each state should do everything it possibly can to deal with its own solid waste in state and should strive for self sufficiency in hazardous waste management to the extent practicable. That includes making those hard siting decisions when no one wants it "in their backyard".
2. The west is already shouldering a large part of the national waste management burden. It is host to the nation's only transuranic waste disposal site, two of the three current low level radioactive disposal sites, and proposed host to the nation's only high level nuclear waste disposal site. We believe the West should not sacrifice its environment to subsidize inadequate waste management practices in other parts of the country.

3. *The governors support federal legislation to allow states to impose economic disincentives to discourage the generation and inter-state transportation of solid and hazardous wastes. In-state and regional waste management capabilities should be encouraged.*
4. The governors do not support an outright ban on solid waste shipments between states because there are many examples of safe, effective and efficient cross-border waste management arrangements. However, the governors do support selective bans to protect in-state waste capacity and to insure proper use of available existing waste management capacity. The governors do support giving states more tools to control the amount and type of wastes they choose to import and to be compensated adequately for so doing. Specifically, the governors support allowing states to charge differential rates fees for the importation of out-of-state solid and hazardous waste. Those fees should be based on a three level system which takes into consideration the need for management of in-state generated waste, proximity of the state of generation to the receiving state in the case of out-of-state generated waste, and availability of waste management capacity in the state or region of generation. The ability of a state to charge fees or impose bans should not be tied to EPA's approval of state waste management activities.
4. The western governors strongly endorse all federal, state, local, and private efforts to recycle as much of the waste stream as possible. Federal and state governments should take no action which would have the effect of restricting the interstate flow of materials for the purpose of recycling.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. The Western Governors' Association shall convey this resolution to the appropriate congressional committees, the western congressional delegation, and the Administrator of the Environmental Protection Agency.



FOR IMMEDIATE RELEASE
April 4, 1991 (51-91)
Contact: Rae Young Bond 202/624-5898

**GOVERNORS RENEW COMMITMENT TO ENVIRONMENT, OUTLINE INITIATIVES
TO PROTECT WATER SUPPLIES, WETLANDS, FARMLAND, OPEN SPACE**

WASHINGTON, D.C. — Emphasizing the vital importance of fresh water sources, wetlands and other environmentally sensitive areas, productive farmland, and pristine open space, governors are renewing their commitment to the environment this year with initiatives to preserve and protect their states' water, to generate less trash and properly dispose of other waste, and to preserve their states' natural beauty.

Washington Gov. Booth Gardner, NGA chairman, has made environment-related proposals the centerpiece of a package submitted to the legislature for action this year.

"The open space and sensitive lands we cherish, the air we breathe and the clean water we enjoy are threatened," said Gov. Gardner. "And if our stewardship is not strong now, we stand to lose the precious resources that form the heart of what we consider our quality life."

North Dakota Gov. George A. Sinner, chair of NGA's Committee on Energy and Environment, emphasized the need for groundwater protection. Gov. Sinner said the state's groundwater interagency task force, which he established by executive order last year, is developing legislative proposals to reduce or eliminate potential sources of water contamination.

Citing the administration's recognition of the state's accomplishments in wetlands protection, Gov. Sinner said he has "taken the lead in seeking complete state authority over wetlands" and is urging other governors to devise no-net-loss wetlands policies in their states. Existing NGA policy calls for a national

wetlands protection goal to achieve no net loss of the nation's remaining wetlands, and to restore and create wetlands where feasible to increase the quantity and quality of the nation's wetlands resource base.

Governors outlined their environmental initiatives in their 1991 state of the state addresses and budget messages. Their water quality initiatives focus on protecting rivers and streams, preventing groundwater contamination, conserving diminishing water supplies, and stopping ocean dumping. Their waste management efforts center on minimizing the generation of trash, recycling glass, metals, and other reusable materials, and properly and safely handling hazardous and toxic waste. Their open space initiatives concentrate on preserving wildlife areas in their natural state, creating recreational parks, and controlling development. With many states having to take action to avert revenue budget shortfalls this year, some governors are proposing that new programs be funded by fees and penalties that "make the polluter pay" for a cleaner environment.

Safeguarding Water Supplies

Many governors called for efforts to safeguard water supplies. Their water protection proposals would protect rivers and streams, prevent groundwater contamination, conserve diminishing water supplies, and stop ocean dumping.

Missouri Gov. John Ashcroft has proposed a 10-point program of petroleum pipeline regulation, protection, and safety to prevent oil contamination of water supplies. Gov. Ashcroft, NGA vice chairman, said that "millions of gallons of petroleum products have leaked or spilled into Missouri streams, lakes, and rivers over the past two years, elevating our risk of drinking water contamination." The program would require pipeline companies to identify high-risk areas along pipeline corridors, require pipeline operators to develop leak detection plans, and increase civil penalties for spills that violate Missouri water quality standards.

Wisconsin Gov. Tommy G. Thompson proposed a groundwater program aimed at agricultural contamination. "We will protect groundwater against contamination from pesticide runoff through increased investigations, cleanup and proper pesticide management," he said. In addition, he proposed using \$623 million for the state's clean water fund to help communities meet enhanced water standards.

Colorado Gov. Roy Romer asked the state legislature to endorse creation of a water conservation office to coordinate state agencies' water conservation plans and to authorize funding to help communities develop innovative and aggressive conservation programs.

Rhode Island Gov. Bruce Sundlum also endorsed water conservation. "To preserve our environment, we need to move quickly to institute a statewide water conservation plan, so we can preserve one of our state's greatest natural resources, the Scituate Reservoir," he said.

Hawaii Gov. John Waihee told the state legislature that fresh water sources are "being safeguarded by requiring permits to alter streams and creating special management areas in highly populated areas."

Coastal Protection

Other governors expressed their concerns about protecting their states' coastal areas and proposed measures to preserve their shores, ban ocean dumping, tighten regulations, and implement conservation plans. Delaware Gov. Michael N. Castle plans to continue the state's comprehensive program to protect inland bays, which includes more stringent marina regulations, continuation of successful demonstration projects for shoreline protection, a new central sewer system in West Rehoboth to help eliminate both septic and surface water pollution, and a conservation plan adopted by owners of 14,000 acres of farm land in the area.

New Jersey Gov. Jim Florio, announcing a ban on all dumping in the Atlantic Ocean as of March 17, said the ocean this year "will stop being a septic tank, and go back to being the precious resource we love." He added that the state would direct another \$13 million to stormwater mapping and combined sewer overflow planning. "That's a technical way of saying we're going to keep the sewage out of the stormwater drains and thereby out of our streams and oceans," he said.

In Mississippi, a water resources planning task force appointed by Gov. Ray Mabus is working on a comprehensive water use plan that will be submitted to the governor and the state legislature by Oct. 1. Gov. Mabus appointed the task force in response to declining groundwater supplies in the delta region and the northeastern part of the state, saltwater intrusion into groundwater along the Gulf Coast, and general problems with surface water use and non-point source pollution from agriculture and other sources.

Rhode Island Gov. Sundlum announced plans to construct combined sewer overflow tanks to prevent pollution of the Narragansett Bay, and Hawaii Gov. Waihee will expand coastal monitoring to protect recreational waters to 140 sites. Washington Gov. Booth Gardner will propose an oil spill program that would require vessels and facilities to have spill prevention plans.

Cracking Down on Waste

Solid and hazardous waste minimization and management remain chief concerns of the nation's governors. Many proposed redoubled efforts to minimize and recycle waste, and several will continue working to reduce the volume of out-of-state waste entering their borders.

Delaware Gov. Castle outlined his "Recycle Delaware" initiative, which by June will have set up 39 centers for recycling household materials. The state's solid waste authority estimates that more than 50,000 families will routinely use those centers, and already almost 55,000 pounds of paper, plastic, glass and cans have been collected, he said.

Idaho Gov. Cecil Andrus recommended devoting \$1 million to a grant program to assist local governments with waste reduction and recycling strategies "before we commit millions of dollars to regional landfill siting... Even in Idaho, with all of its open space, we are running out of holes to bury our waste." Gov. Andrus announced a goal of doubling the state's recycling volume this year. He also promised legislation to create a siting mechanism for solid and medical waste incinerators.

Working with the state legislature, Mississippi Gov. Mabus has initiated a broad waste minimization program that mandates recycling by state agencies and hazardous waste minimization by industry. Through bills now pending in the legislature, the program would be expanded to promote recycling markets and provide for revolving funds and local compact authorities for the proper disposal of solid waste.

Ohio Gov. George Voinovich endorsed deposit legislation, saying that everyone "must stop polluting our environment and filling our landfills with our own recyclable refuse." Illinois Gov. Jim Edgar plans to issue an executive order to expand recycling efforts in state facilities and to call for more purchases of recycled materials. "Each of us must reduce our waste and every one of us must recycle," he said.

South Dakota Gov. George Mickelson urged the state legislature to pass a recycling conservation law that sets solid waste volume reduction goals of 20 percent by 1995, 35 percent by 2000, and 50 percent by 2005. Gov. Mickelson said his legislative proposal "will help us accomplish these recycling goals." Wyoming Gov. Mike Sullivan also called for increased recycling, and endorsed legislation to create solid waste recycling districts, levy property taxes to fund recycling efforts, and hire a recycling coordinator at the state's environmental quality department. "We must look at recycling as a lasting legacy for our state and its future citizens," he said.

New Jersey Gov. Florio reiterated his support for recycling, and said the state would not approve permits for incinerators unless recycling options were fully utilized. New York Gov. Mario M. Cuomo made a similar proposal that would limit the incineration of compostable and recyclable materials.

In Kentucky, the legislature adopted legislation recommended by Gov. Wallace G. Wilkinson, establishing a comprehensive state solid waste reduction and management program. The enacted legislation encourages regionalization of solid waste management activities, requires local governments to develop solid waste reduction and management plans, ties state permitting of solid waste facilities to local plans and capacity determinations, allows local review of permit applications, sets a solid waste volume reduction goal of 25 percent in six years, provides tax incentives for recycling activities, and requires all local governments to provide collection services and full-time inspectors at landfills. In addition, the legislation requires background checks for landfill operators and owners and a manifest on all municipal solid waste before it can be dumped. Urging the legislature to pass a comprehensive solid waste reduction and management program, the governor said passage is a "fight (that) has to be won. We must have the tools to effectively manage our solid waste problems, including the effects of out-of-state garbage on our capacity to properly manage our own wastes."

North Carolina Gov. James Martin supported forming a compact with neighboring states to share hazardous waste disposal facilities, but said the state must first build its own incineration and recycling complex. "If there's going to be a hazardous waste compact, with constitutional safeguards to block outside generators from our facilities," he said, "then let's move to show that we deserve to be in it." The governor also endorsed funding the "Pollution Prevention Pays Program," which offers technical assistance to businesses working to reduce their hazardous waste generation.

In addition to working on their own states' waste, several governors want to do something about waste generated in other states. Indiana Gov. Evan Bayh seeks federal legislation to stop out-of-state waste imports. At the same time, he has proposed a ban on the landfilling or incineration of recyclable waste.

Nebraska Gov. E. Benjamin Nelson also wants to restrict the transport of solid waste into the state from other parts of the country. "Recent actions in other states point out the difficulty of accomplishing this goal, in view of interstate "commerce clause" considerations," he said. "Nevertheless, it is critical that Nebraska and other states continue to pursue solutions that are environmentally and constitutionally sound."

Nevada Gov. Bob Miller expressed similar sentiments. "We Nevadans are pressured to solve our own state's hazardous material predicament. We should not have to solve other states' problems too.... It's time we slam the door on hazmat peddlers." His solution would tax hazardous material brought into Nevada at the same rate that it would be taxed in its home state. Pennsylvania Gov. Robert P. Casey wants to give the state environmental resources department the statutory authority of a current executive order, which limits out-of-state trash to 30 percent of trash handled within the state. In-state trash must make up at least 70 percent of the total.

North Dakota Gov. Sinner, focusing on the safety of the state's landfills, proposed requiring geological approval of all landfill sites before any expenditures are made there. He promised in-depth reviews of all local landfills to identify threats to groundwater.

Keeping States Green

Several governors proposed land conservation to preserve wildlife areas in their natural state, while others endorsed creating recreational parks, and still others would better control development. For instance, Washington Gov. Gardner's growth-management proposal would provide additional protections for resource lands and critical areas, establish a board to resolve disputes, and impose sanctions for those who willfully ignore the requirements of the law and the decisions of the board. The proposal closely follows the recommendations of the governor's Growth Strategies Commission and builds on the framework of last year's Growth Management Act.

New York Gov. Cuomo said the state will "press forward, as required by law, with the development of a state land acquisition plan that will identify significant environmental, historic, cultural and recreational resources which warrant protection or acquisition." Gov. Cuomo also called for legislation to further protect endangered and threatened fish and wildlife habitat and freshwater wetlands.

Hawaii Gov. Waihee announced agreements that will save thousands of acres of forest reserves, wetlands, and beaches. One agreement will allow the state's Heeia wetlands "to remain undeveloped forever," the governor said. The state also is acquiring coastal land for use as state beaches, county parks, and wilderness areas.

New Jersey Gov. Florio announced plans to preserve 18,000 acres of open space. "If there's one thing we learned in the '80s, it's that too much, or unplanned development, is not always a good thing," he said. Illinois Gov. Edgar, concerned about the loss of prairie land and wetland resources, will

establish a task force to take the lead in planning and decisionmaking in the areas of water resources and land use priorities. Indiana Gov. Bayh noted that only 1/10 of 1 percent of his state remains in its natural condition, and overuse endangers those public lands that have been preserved. He proposed creating the Indiana Heritage Trust, which would direct state lottery funds and matching private contributions to acquiring at least 150,000 acres of land by the year 2000 for new and expanded state parks, fish and wildlife areas, wetlands, nature preserves, and state forests.

Colorado Gov. Romer reported that investment in his state's "magnificent outdoors" initiative is one of his top environmental priorities, and is urging support for a proposed constitutional amendment. The amendment, now pending in the state legislature, asks Coloradans to impose additional taxes on themselves to create a permanent trust fund. The trust fund would provide \$30 million annually for investment in additional parks, trails, open space, and wildlife. "Demand for trails, watchable wildlife facilities and parks, and open space close to where people live far outpace the supply," he said. "Popular areas are overused and wearing out. Wildlife habitat and nongame species need more attention."

Alaska Gov. Walter P. Hickel has proposed establishing a "world-class Alaska recreation area--a new designation, especially tailored to celebrate and use the wonders of Prince William Sound."

Delaware Gov. Castle announced a comprehensive plan to establish a statewide greenways program. He asked the legislature to allocate up to 15 percent of their suburban street funds to the program for acquiring and developing fitness trails, hiking trails, bike paths, and other types of greenways. If each legislator complies, the governor said, "that would mean an allocation of \$1.5 million a year towards the effort of making a greenway program a reality in every corner of Delaware."

Maryland Gov. William Donald Schaefer is proposing legislation requiring local governments to adopt growth and resource management programs that meet the goals of a Chesapeake Bay regional growth commission. "Failure to accomplish the commission recommendations will increase the costs of scattered development on our economy and environment," he said, "and threaten the quality of life the citizens of Maryland currently enjoy."

North Carolina Gov. Martin wants to establish a planning system to develop land use plans, zoning controls, and watershed protection for the state's 24 mountain counties. The state-local cooperative venture would control billboards, limit strip development, and govern the designation of high quality water areas. "Far too often, lovely vistas are spoiled by clutter,"

Mississippi Gov. Mabus is working with a committee he created to ensure that delta region wetlands are protected and that flood control measures do not encourage the clearing of bottomland hardwoods or the depletion of declining aquifers (water tables). The governor is working with the Army Corps of Engineers to turn "what would have been an ecologically devastating group of projects" into a national model for environmentally sound flood control.

Wisconsin Gov. Thompson said a major state preservation effort last year will preserve forever the Turtle-Flambeau Flowage—a lake of more than 23,000 acres, bought by the state from a power company. It was the largest land purchase in state history, the governor said.

New Fees

As many states are taking actions this year to avert budget shortfalls, some governors are proposing new fees and penalties to raise funds for their environmental initiatives. Waste generators and willful polluters, the governors are saying, should pay for a cleaner environment.

Missouri Gov. Ashcroft recommended private market user fees to implement landmark solid waste legislation adopted by the legislature. "As we seek to reduce solid waste going to our landfills by 40 percent, this system will help us understand that when we create trash, we must pay its full cost," he said.

New York Gov. Cuomo announced a \$5 fee on each tire sold in the state to reflect the environmental costs of disposal. The governor also will propose legislation to impose fees on releases of toxic materials from industrial and commercial facilities to fund environmental programs.

Nebraska Gov. Nelson endorsed legislation to impose a surcharge of at least \$100 a ton on waste received at incineration or disposal facilities. Proceeds from the fee would be used to create an environmental response fund, to help finance cleanup and restoration of contaminated natural resources. Pennsylvania Gov. Casey will propose legislation enabling the state to impose permit fees on business and industry based on the volume and toxicity of their expected discharges.

Virginia Gov. L. Douglas Wilder has signed legislation he proposed, recently passed by the legislature, that creates an environmental emergency response fund. "The fund will consist of money from civil penalties assessed by polluters," he said.

Wisconsin Gov. Thompson proposed a safe water program, funded by user fees, to promote compliance with federal drinking water standards and to begin cleanup of the great lakes bays and harbors. Gov. Thompson also plans to partially fund the state's recycling costs through a used tire fee.

SUSPENSION

(Amendments proposed by the Committee on Energy and Environment)

D-48. OCEAN, COASTAL, AND GREAT LAKES PROTECTION POLICY

- 48.1 Preface
- 48.2 Recommendations
- 48.3 Exclusive Economic Zone

In 1983, by presidential proclamation, the United States asserted sovereign rights over the Exclusive Economic Zone (EEZ), which extends 200 nautical miles seaward of the nation's coasts. With this action the United States acquired internationally recognized sovereign rights "for the purpose of exploring, exploiting, conserving, and managing the natural resources, both living and nonliving, of the seabed and subsoil and the superjacent waters," the protection and preservation of the marine environment, and other economic activities.

The Law of the Sea Treaty and the EEZ Proclamation fundamentally altered the legal character of the resources in this 200-mile zone. Prior to the EEZ proclamation, marine resources beyond the three-mile Territorial Sea were considered to be fundamentally international in character, because the management of these resources could affect relations with foreign nations. This characterization was the basis for a series of Supreme Court rulings that the federal government was the proper entity to assert exclusive jurisdiction and control over offshore resources. Thus, until the EEZ Proclamation, the United States' assertions of jurisdiction over resources beyond the Territorial Sea were generally based on two regimes -- a 200-mile fisheries zone in which the U.S. government claimed exclusive management authority over the fishery resources, and the regime of the continental shelf by which the U.S. claimed exclusive rights and control over the resources of the seabed and subsoil of the geographic continental shelf of the United States.

Today, by force and effect of the proclamation, the conservation, exploration and development of the U.S. EEZ resources are domestic concerns, separate and distinct from international uses such as the high seas freedoms of navigation and overflight. Management of these resources will no longer affect relations with foreign nations. Thus, the conservation, exploration, and development of resources in the U.S. EEZ are now legitimately the joint concern of the federal government and the states, ~~territories, and commonwealths (the states) of the United States.~~

In light of the EEZ Proclamation, the rights and obligations of the federal government and the states in the management of the resources of the U.S. EEZ must now be re-examined. Accordingly, to carry out their new responsibilities, the Governors are committed to assuming a full partnership with the federal government in the management of the U.S. EEZ resources, and to continuing to improve their competence for ocean and coastal management.

This partnership should be based upon the recognition that the states have inherent rights and responsibilities pertaining to the conservation, exploration, and development of the resources in the U.S. EEZ, stemming from their constitutional sovereignty, and the state and local impacts of exploration and development in the U.S. EEZ. *This partnership should also be based upon the recognition that all of the island territories and commonwealths of the United States have inherent jurisdictional rights and responsibilities pertaining to the conservation, exploration, and development of the resources in their respective EEZs, stemming from traditional rights, federally approved covenants, international law, and customs and conventions which confirm the inherent jurisdictional right of such island territories and commonwealths to exclusive ownership and control over resources within their EEZ, subject only to federal responsibilities for national defense and foreign affairs. Further, subject to the recognition of the unique rights of*

OFF-SHORE GOVERNORS' FORUM

The Heads of Government of:
American Samoa
Guam
Northern Mariana Islands
Puerto Rico
US Virgin Islands

PROCLAMATION

Inalienable Right to the Resources of the Exclusive Economic Zone

BE IT PROCLAIMED by the Governors' Forum, comprised of the Governors of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, and the United States Virgin Islands (herein after, Flag Islands) as follows:

TAKING NOTE that the 1982 Convention on the Law of the Sea makes it possible for the United States and other coastal states to establish 200-nautical-mile exclusive economic zones to control the use and conservation of resources within them; and

MARKING that on March 10, 1983, the U.S. exclusive economic zone (EEZ) was established by U.S. Presidential Proclamation No. 5030; and

CONCERNED about the emerging claim of the United States Government to exclusive jurisdiction and federal control over living and no-living resources within the Exclusive Economic Zones of the Flag Islands; and

PARTICULARLY CONCERNED about the emerging federal claim as expressed in proposed federal legislation such as the Territorial Sea Extension Act, the Hard Seabed Minerals Act, and the Fishery Conservation Amendments Act; and

ANXIOUS that a comprehensive federal policy, with dire consequences for Flag Islands' inalienable rights in the EEZ, will soon be proposed and promulgated by federal officials without the participation of the Flag Islands; and

CONFIDENTLY STATING that the people of the current inhabitants of the Flag Islands are entitled to exercise dominion over the ocean and its resources as an extension of their land; and

KNOWING that for centuries we have traditionally explored, exploited, conserved, managed and controlled the resources of the sea around our islands as a natural resource, a resource that to this day continues to be culturally and economically vital to our peoples; and

RECOGNIZING that while the Flag Islands are unique political entities within the U.S. political family, with different historical and legal basis for their rights to the EEZ, all the Flag Islands have historically and traditionally made use of their offshore ocean resources and are vested with the inherent right to explore, exploit, control and manage their EEZ resources through customs and convention of international law and as derived through the will of their peoples and the laws of nature and God; and

HOLDING TO BE SELF-EVIDENT that the federal Government must derive its powers over the EEZ from the consent of the peoples of the Flag Islands;

AFFIRMING that our peoples have never voluntarily nor knowingly consented to the proposition that the Federal Government should have the permanent or exclusive right to explore, exploit, conserve, manage or control the resources within our EEZs; and

WHILE PLACING GREAT VALUE on our relationship with the United States, the Flag Islands need the flexibility to pursue objectives in their respective EEZs which are unique to their geographical circumstances, consistent with their cultural imperatives, and appropriate to their political setting; and therefore:

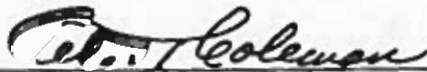
- (1) **PROCLAIM** jurisdiction and the exclusive inalienable right to explore, exploit, conserve, manage and control the living and non-living resources within their respective exclusive economic zones for the benefit of their inhabitants; and
- (2) **CALL ON** the United States of America to recognize and respect traditional rights of the Flag Islands to the resources of the EEZ, defer to locally enacted Flag Island laws regarding their resources, and adhere to international law, customs, and conventions to confirm that the Flag Islands have the inherent right to ownership and control over the resources within their EEZs; and
- (3) **URGE** the United States to treat each Flag Island as the unique political entity that it rightly is; and
- (4) **IN THE CAUSE OF DEMOCRACY, ASK** that the United States assume world leadership and ring in a new era of flexible

political arrangements for the 21st Century that encompasses the issue of EEZ's of the respective Flag Islands; and

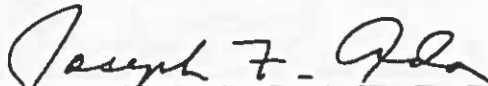
- (5) RESPECTFULLY REQUEST that the Flag Islands be invited to participate in any discussions of the Federal Government that encompasses the issue of EEZ's of the respective Flag Islands; and

DIRECT that copies of this Proclamation be transmitted to the President of the United States of America; to the Speaker of the U.S. House of Representatives; to the President of the U.S. Senate; to the Chairman of the U.S. House of Representatives Committee on Interior and Insular Affairs; to the Chairman of the U.S. Senate Committee on Energy and Natural Resources; to the Chairman of the U.S. House Committee on Merchant Marine and Fisheries; to the Secretary, U.S. Department of Interior; to the Secretary, U.S. Department of State; to the Secretary, U.S. Department of Commerce; to the Secretary-General of the United Nations; to the Chairman, United Nations Special Committee on Decolonization; and, to the President, United Nations Security Council.

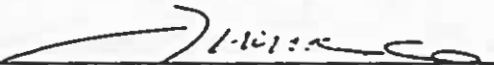
PROCLAIMED in Washington, District of Columbia, this 3rd day of February, 1991.



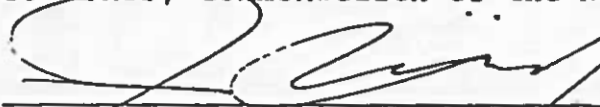
The Honorable Peter Tali COLEMAN
Governor, American Samoa



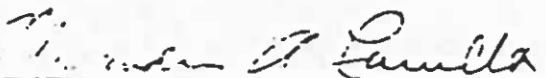
The Honorable Joseph F. ADA
Governor, Guam



The Honorable Lorenzo I. DE LEON GUERRERO
Governor, Commonwealth of the Northern Mariana Islands



The Honorable Rafael HERNANDEZ-COLON
Governor, Commonwealth of Puerto Rico



The Honorable Alexander FARRELY
Governor, United States Virgin Islands

91-2781



Commonwealth of the Northern Mariana Islands

Office of the Governor

Capitol Hill, Saipan MP/USA 96950

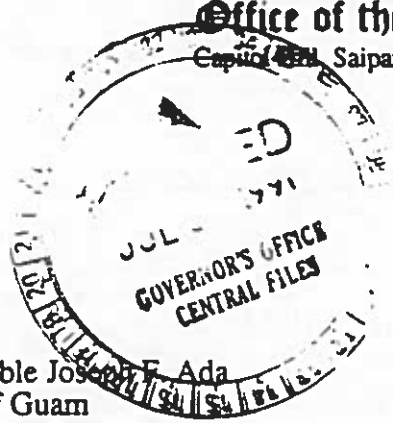


U. S.

Phone: (670) 322-5091/2/3

Telefax: (670) 322-5096/99

Telex: 783-622 Gov. NMI



20 JUL 1991

The Honorable Joseph F. Ada
Governor of Guam
Executive Chambers
Agana, Guam 96910

Dear Governor Ada:

Re: Amendment of National Governors' Association (NGA) Policy on the Exclusive Economic Zone (EEZ)

On behalf of the Commonwealth of the Northern Mariana Islands (CNMI), I will be moving the NGA in Seattle this August to amend existing NGA policy on the EEZ. Existing NGA policy puts the States in a full partnership with the Federal Government in the management of EEZ resources. The amendment I offer asks that this partnership recognize that the CNMI has inherent jurisdictional rights in the EEZ for conservation, exploration, and development, stemming from our traditional rights, our federally approved Covenant agreement with the United States (establishes terms of political relationship), our rights under international law (we have no representation in the U.S. Congress), and our former status as a ward of the United States under a United Nations Trusteeship. The EEZ partnership we seek recognizes the CNMI's exclusive ownership and control of the EEZ resources subject only to federal responsibilities for national defense and foreign affairs. Given our extremely limited land area and almost non-existent land resources, the CNMI asks the Federal Government to recognize our claims, claims dating back thousands of years to the days of our ancient ancestors.

I enclose a copy of current NGA policy showing the amendment we propose. I would greatly appreciate your support in Seattle this August for this amendment to NGA policy on the EEZ. Thank you so much.

Sincerely,

LORENZO I. DE LEON GUERRERO
Governor

Enclosure

CC: CNMI Lt. Governor
CNMI Resident Representative to the United States
Ms. Jan Lipsen

*Joe,
Again, thank you
for your support and
understanding!
Best regards
Lorenzo de Leon Guerrero*



Commonwealth of the Northern Mariana Islands
Office of the Governor
Saipan, Mariana Islands 96950

FOR OFFICIAL USE
CABLE ADDRESS
GOV. NMI SAIPAN
REPLY TO

DEPT or ACTIVITY

July 19, 1991

The Honorable Manuel Lujan Jr.
Secretary of Interior
Office of the Secretary
Washington, D.C. 20240

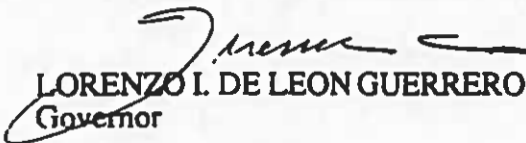
Dear Secretary Lujan:

Re: Support for Commonwealth of the Northern Mariana Islands EEZ
Resolutions

We ask for your support in the passage of resolutions the Commonwealth of the Northern Mariana Islands (CNMI) has proposed to the Western Governors' Association and the National Governors' Association on the exclusive economic zone.

While acknowledging the federal interest in our waters for foreign affairs and national defense, we seek United States government recognition of our right to control our fishery, to control our seabed minerals, and to control and manage all of our ocean natural resources as a function of local self-government. Traditional rights, the terms of our political association with the United States, and the principles of international law support our claim. The right to local sovereignty over our resources flows from the United States' trusteeship obligations and is guaranteed to us by the Covenant. No issue could be more important to our people. No support could be more valuable than your own. We hope we can count on you. Thank you.

Sincerely,


LORENZO I. DE LEON GUERRERO
Governor

cc: CNMI Lt. Governor
PBDC Board of Directors
Offshore Governors' Forum

D-48. OCEAN, COASTAL, AND GREAT LAKES PROTECTION POLICY

48.1 Preface

48.2 Recommendations

48.3 Exclusive Economic Zone

In 1983, by presidential proclamation, the United States asserted sovereign rights over the Exclusive Economic Zone (EEZ), which extends 200 nautical miles seaward of the nations' coasts. With this action the United States acquired internationally recognized sovereign rights "for the purpose of exploring, exploiting, conserving, and managing the natural resources both living and nonliving, of the seabed and subsoil and the superjacent waters," the protection and preservation of the marine environment, and other economic activities.

The law of the Sea Treaty and the EEZ Proclamation fundamentally altered the legal character of the resources in this 200-mile zone. Prior to the EEZ proclamation, marine resources beyond the three-mile Territorial Sea were considered to be fundamentally international in character, because the management of these resources could affect relations with foreign nations. This characterization was the basis for a series of Supreme Court rulings that the federal government was the proper entity to assert exclusive jurisdiction and control over offshore resources. Thus, until the EEZ Proclamation, the United States' assertions of jurisdiction over resources beyond the Territorial Sea were generally based on two regimes -- a 200-mile fisheries zone in which the U.S. government claimed exclusive management authority over the fishery resources, and the regime of the continental shelf by which the U.S. claimed exclusive rights and control over the resources of the seabed and subsoil of the geographic continental shelf of the United States.

Today, by force and effect of the proclamation, the conservation, exploration, and development of the U.S. EEZ resources are domestic concerns, separate and distinct from international uses such as the high seas freedoms of navigation and overflight. Management of these resources will no longer affect relations with foreign nations. Thus, the conservation, exploration, and development of resources in the U.S. EEZ are now legitimately the joint concern of the federal government and the states, territories, and commonwealths (the states) of the United States.

In light of the EEZ Proclamation, the rights and obligations of the federal government and the states in the management of the resources of the U.S. EEZ must now be re-examined. Accordingly, to carry out their new responsibilities, the Governors are committed to assuming a full partnership with the federal government in the management of the U.S. EEZ resources, and to continuing to improve their competence for ocean and coastal management.

This partnership should be based upon the recognition that the states have inherent rights and responsibilities pertaining to the conservation, exploration, and development of the resources in the U.S. EEZ, stemming from their constitutional sovereignty, and the state and local impact of exploration and development in the U.S. EEZ. *This partnership should also be based upon the recognition that the Commonwealth of the Northern Mariana Islands (CNMI) has inherent jurisdictional rights and responsibilities pertaining to the conservation, exploration, and development of the resources in its EEZ, stemming from traditional rights, federally approved covenant, international law, and customs and conventions which confirm the inherent jurisdictional right of the CNMI to exercise ownership and control over resources within its EEZ, subject only to federal responsibilities for national defense and foreign affairs. Further, subject to the recognition*

of the unique rights of the CNMI, the partnership should also be based upon the recognition that the federal government has rights and responsibilities pertaining to the conservation, exploration, and development of the resources in the U.S. EEZ, stemming from its constitutional authorities and responsibilities and by virtue of the unique nature of some of the U.S. EEZ resources. Finally, the partnership should be based upon the recognition that the states, including the CNMI, and the federal government have trust responsibilities for citizens of the nation as a whole in the extraterritorial area of the U.S. EEZ.

The Governors believe that a real and effective partnership is necessary in the management of the EEZ:

- The states should enhance their capabilities for ocean research, public information, education, and resource management.
- Federal agencies should refrain from enacting regulations that are inconsistent with the principles of partnership.
- Congress should enact legislation for the management of hard mineral resources in the EEZ based on the principles of partnership.
- Congress should establish a National Oceans Policy Commission whose membership includes several Governors. The commission should be charged with developing a comprehensive marine policy and reporting to the President and the Congress with comprehensive recommendations including the development of an active and full partnership between the federal government and the states for the management of U.S. EEZ resources.



FOR IMMEDIATE RELEASE

April 4, 1991 (53-91)

Contact: Rae Young Bond 202/624-5898

GOVERNORS CONTINUE TO MAKE HEALTH CARE A TOP PRIORITY

WASHINGTON, D.C. --Although many states now face declining revenues and recessionary forecasts, governors continue to make access to quality health care for underserved and needy populations a top priority. Achieving that goal has become increasingly difficult, largely because of the extraordinarily high growth of health care costs and congressionally mandated expansions of the Medicaid program over the past four years.

But in spite of those twin pressures, governors have proposed efforts in their state of the state addresses and budget messages to shield health programs from budget cuts and in some instances increase funding for vital programs.

Washington Gov. Booth Gardner, who as NGA chairman is spearheading an association initiative to increase health care access and control costs, pointed out that much of the state's revenue increase this year will be absorbed by health care cost increases. Even so, he said, the state will expand its First Steps and Second Steps programs, which provide medical care to low-income children and pregnant women; expand care for the developmentally disabled; increase the enrollment of its basic health plan to 20,000 per month; and continue reforms in mental health. Gov. Gardner said his budget goals are to deal in a balanced way "with the hardest problems our society faces -- problems that are getting worse at the same time that ... the federal contribution to solving our problems is shrinking."

Other governors stressed how federally mandated Medicaid expansions and other program expansions hamstringing state efforts to preserve adequate funding for priority programs. Missouri Gov. John Ashcroft, NGA vice chairman, said that Missouri's basic general revenue growth will be \$136 million this year. "But the 14 new federal mandates for Medicaid and other federal mandates will require state spending of \$112 million over and above last year's appropriations for the affected programs."

-more-

NEWS RELEASE

Utah Gov. Norman Bangerter said that states "are forced to drop their own priorities for health and human service programs and, instead, fund priorities established on a national level by Congress." Virginia Gov. L. Douglas Wilder has estimated that the state's 50,000 new Medicaid program participants, enrolled through the expansions will cost the state \$360 million over the next four years.

Medicaid Mandates

Governors support the intent behind the congressionally mandated expansions of Medicaid, the joint federal-state program that finances health care for the poor -- that of expanding the availability of health care to those who need it and cannot afford it. But the states, they say, cannot afford the continuing program expansions that Congress is requiring the states to implement and pay for with their own revenues.

Over the last four years, Congress has mandated Medicaid expansions that will cost the states an extra \$2 billion in fiscal 1991 alone. In 1990, the program grew by 18 percent, far outdistancing the growth rate of state economies. Many governors pointed out in their speeches and other public statements that Medicaid has become the single biggest line item in their budgets.

States are legally liable for implementing the Medicaid mandates, even if available funds are lacking, or the needs experienced by other state programs are equally pressing. "Medicaid extends needed health care to low-income Missourians," said Missouri Gov. Ashcroft. "But Medicaid has a sharper and more dangerous side as well. Propelled by a series of acts of Congress, Medicaid is undermining the ability of the state to support increased funding for education, job creation, and other high priorities of Missouri."

In order to pay for these expansions required by Congress, many governors have been forced to cut funds for other health programs or even curtail Medicaid services to eligible populations not affected by the mandates (which tended to concentrate on children and the elderly.)

In an attempt to ease fiscal pressure on the states and stabilize the economy, the governors adopted NGA policy in February that urges Congress to relax mandated Medicaid expansions in the budget agreement for fiscal 1991 and 1992 by making the implementation of the 1990 Medicaid mandates optional for two years. The governors believe a two-year delay would give them the opportunity to assess the depth of the recession and the time to develop long-term solutions for the restructuring of the program.

Increased Access

Through his NGA health care initiative, Gov. Gardner has been leading his fellow governors in seeking new and collaborative approaches to address the critical access and cost problems of our current health care system. In their state of the state addresses, several governors announced plans their states will be taking in this area. New York Gov. Mario M. Cuomo has called on both the legislature and the state health commissioner to hold hearings on a proposal to increase access to health care. The proposal, for a single-payer health financing system called UNY*CARE, was developed by the state health commissioner at Gov. Cuomo's request. It is designed to increase access for the uninsured and to reduce the high costs of health care.

Small Business Coverage

Governors announced proposals to encourage small businesses to offer health insurance to their employees. Two-thirds of America's small businesses don't insure their employees, most often saying that their profits are not high enough to pay for premiums or that premiums are too high, according to a federal study.

Arkansas Gov. Bill Clinton, co-chair of NGA's Task Force on Health Care, recently signed a "bare-bones insurance bill" that will allow many small businesses to provide health insurance for their employees for the first time. Part of the governor's legislative package, it allows companies with 50 employees or fewer that have not offered health insurance for the previous 12 months to be able to offer a package without some state-mandated services that are thought to increase costs. "It will help provide affordable basic health care, and I think it's a big step in the right direction," said Gov. Clinton.

In order to expand access to health insurance for employees, Maine Gov. John R. McKernan Jr. is proposing a managed care/"bare bones" health insurance policy to be available to small businesses. A key element of the plan would exempt the policy from some state-mandated benefit laws.

Wyoming Gov. Mike Sullivan is working to create of an insurance-buying pool for small businesses that cannot afford to provide health insurance for their employees. An estimated 2,500-5,000 Wyoming residents will receive health care coverage through this program. In Colorado, Gov. Roy Romer urged the legislature to approve a health insurance proposal that would improve access to health insurance for the more than 500,000 Coloradans with no coverage. Highlights of the proposal include aid to small businesses and the removal of restrictive underwriting practices.

Health Insurance

In most states, government is the largest employer; like other employers states are feeling the pinch of rising health care costs. To continue providing health insurance to employees, many governors have been forced to alter benefit packages by increasing the employee premium, co-payment, and deductible contribution.

Massachusetts Gov. William Weld has been forced to ask state employees to raise their share of health care contributions from 10 percent to 25 percent of their premiums and other related expenses.. Nebraska Gov. E. Benjamin Nelson has proposed controlling health care costs by eliminating first-dollar coverage and instituting stop-loss, co-insurance and reduced-cost prescription coverage. This was proposed to avoid raising the employee premium share. In North Carolina, health insurance costs have risen so rapidly, Gov. James Martin has requested an additional \$125 million solely to maintain current levels of coverage. In Mississippi, Governor Ray Mabus and the legislature are working together to find the funds to provide health insurance to teachers, an employee group the state has not previously insured.

Children

Stressing prevention, governors are creating new programs and allocating scarce new dollars towards programs aimed at children—particularly infants. In many cases these programs were the only health initiatives to receive new funding or to survive resource reductions. California Gov. Pete Wilson, introducing a \$53 million plan for a private/public prenatal care program for low-income women, said "the best, most prudent investment we can make as a civilized society is prenatal care to detect and treat preventable birth defects. No other action can have anything like the impact of prenatal care in reducing the human and financial costs of the life-long disabilities that are prevented."

Gov. Clinton urged the Arkansas legislature to raise the state sales tax by half a cent and use all the increased revenues to fund preschool and education programs. His budget recommendations include expanding early intervention services for children up to two years old who experience developmental delays, and expanding maternity, child, and adolescent services.

Delaware Gov. Michael N. Castle, co-chair of NGA's health care task force, said Delaware will expand Medicaid coverage to pregnant women and use state revenues to expand coverage to children between age seven and eight. (Federal Medicaid dollars cover children born after Sept. 30, 1983.) Coverage will extend to 18-year-olds who live below the federal poverty level. "And, this year, for the first time, we will offer health care coverage to the general assistance population," he said.

Despite the need to make up a large budget shortfall, Connecticut Gov. Lowell Weicker proposed that \$1.2 million in new funds be directed toward a Birth to Three early intervention program and services for handicapped infants and toddlers. In Florida, Gov. Lawton Chiles urged the legislature to join him to "spend wisely and recast our approach by targeting dollars on the front end -- in prevention -- with early access to prenatal care." Gov. Chiles requested an additional \$91.5 million for "Healthy Start," a program to expand health care for pregnant mothers and children at need. Gov. Chiles called the program "the cornerstone of our spending proposal."

New Jersey Gov. Jim Florio has proposed a package that includes expanding Medicaid eligibility up to 185 percent of the federal poverty level for pregnant women and children up to one year old, and implementing a "HealthStart Plus" program to deliver a comprehensive package of prenatal health and social services to pregnant women between 185-300 percent of the federal poverty level. "In New Jersey, we are acting to spend our limited health care dollars in a smarter fashion by investing in early prevention and primary care," the governor said. "This country must develop a 'health care' model, not a 'sick care' model, where the majority of our dollars are spent too late in treating illness, rather than in preventing illness." Ohio Gov. George Voinovich proposed boosts in childhood immunization and nutrition.

Rural Health

Governors announced proposals to improve health care in rural areas. Gov. Clinton recently signed two bills that strengthen efforts to bring physicians to rural areas of Arkansas. "Rural health care is a critical issue facing our state," said Gov. Clinton. "These measures will increase our ability to place qualified physicians in small towns and rural areas that have a critical need to have good health care available locally." South Dakota Gov. George Mickelson proposed a systematic multi-pronged approach to improve rural health care. Its primary goal is to save the state's 53 hospitals, 50 of which are in rural or frontier areas. The loss of one could have an enormous negative impact on the health of state residents in rural areas. The plan also includes mandatory rotations in rural areas for physicians in family practice residencies, the re-activation of the nurse practitioner training program at the state university and increased allocations for ambulances.

Nevada Gov. Bob Miller announced a price freeze agreement he reached with the five largest hospitals in the state. It is anticipated that a year-long price freeze will give the state time to design long-range solutions to the problem of high hospital costs and will free up significant state dollars for rural hospital assistance.

Mental Health

Several governors are addressing the needs of state residents who suffer from mental illness. In many states the chosen approach is to move patients out of the hospitals and back into their home communities where they can receive a more appropriate level of care. In Hawaii, Gov. John Waihee announced a 50 percent funding increase for mental health services with the goal of creating a system of community-based treatment. The additional funds are to be directed toward creating 250 new treatment positions, the aggressive hiring of case-management aides, and acquiring residences for rehabilitation. In New York, Gov. Cuomo announced plans to embark on a multiyear program to accelerate the expansion of outpatient mental health care and the consolidation and closure of state hospitals. Gov. Wilder announced a mental health/mental retardation program for Virginia to treat patients in the community that is expected to save the state \$20 million in hospital costs.

Program Reductions

Fiscal pressure from congressionally mandated Medicaid expansions, caused some governors to propose reducing services provided both to Medicaid clients and participants in other state health programs -- generally to protect health services for children in low-income families. Alaska Gov. Walter J. Hickel opted not to institute a program for the medically needy, in addition to limiting adult dental and chiropractic Medicaid services. Arkansas Gov. Bill Clinton, who obtained increased funding for preschool and education programs, proposed no increase in the state welfare budget.

While calling for more spending on pregnant women and preschoolers in California, Gov. Wilson has proposed reducing AFDC benefits by 8.8 percent and eliminating \$38 million in special housing assistance to the homeless. In Florida, Gov. Chiles was forced to reduce the state's medically needy program from 133 percent of Aid to Families with Dependent Children (AFDC) to 100 percent and cut \$11 million from the hospital disproportionate care program. Georgia Gov. Zell Miller wants new funds for early education classes, but also proposed that older Medicaid patients be required to make co-payments of \$1 for each drug prescription and \$2 for each outpatient hospital visit -- which would save the state \$3.1 million. Idaho Gov. Cecil Andrus has called for delaying implementation of the state's indigent health care program.

In Maine, Gov. McKernan will reduce staffing at state mental institutions, in order to free up funds. In Missouri, Gov. Ashcroft will call for a reduced payment for prescription drugs; eliminating the risk pool for the managed care program in Kansas City; ending non-emergency dental services for clients over 21; eliminating podiatry services, and substance abuse admissions to one medically necessary five-day detoxification service during a 12-month period.

Gov. Cuomo was forced to make cuts in a home relief program for non-Medicaid indigent care, which include limiting physician visits and drug prices. Rhode Island Gov. Bruce Sundlun ordered four of the state's 20 welfare offices to be closed in a move designed to cut administrative costs rather than services.

While recommending large increases in children's programs, Ohio Gov. Voinovich last week proposed cuts in welfare benefits and recommended eliminating the state's \$320 million general assistance program. He would confine state aid to the disabled and substitute a smaller block grant to counties for others. He also budgeted no increase in AFDC (for parents and children) until 1993. "Most Ohioans have had enough welfare, enough poverty, enough drugs, enough crime," he said in his first state of the state address. "Most would love to see that debilitating cycle broken and the people trapped within it freed -- once and for all. So would I. But the only way to do it is to pick one generation of children, draw a line in the sand, and say to all, 'This is where it stops.'"



PHI
NBA

July 10, 1991

For Immediate Release

OMB Contact: Kim Timmons Gibson
(202) 395-3080

HHS Contact: Bob Hardy
(202) 245-6145

ADMINISTRATION ACTS TO ADDRESS MEDICAID

ESTIMATING PROBLEMS AND ESCALATING COST INCREASES

Office of Management and Budget Director Richard Darman and Secretary of Health and Human Services Louis Sullivan today announced a Management Program to correct Medicaid estimating problems. Sullivan and Darman also announced their intention to proceed very shortly with legislative and regulatory measures to restrict the use of provider tax and "donation" schemes which do currently, and will increasingly, force higher Federal Medicaid costs.

The Administration's Four Point Program was recommended by a joint OMB-HHS Task Force established to investigate continuing unanticipated increases in Medicaid spending. The Task Force found:

- o Escalating cost increases in Medicaid spending have since 1990 been one of the biggest growth factors in both Federal and State budgets. If these costs are not contained, Federal and State Medicaid costs will surpass Medicare costs in 1995 and exceed \$200 billion by 1996.
- o Changes in Federal and State laws and policies drive these increases. Of particular concern is the increasing use of provider tax and "donation" schemes designed to increase Federal reimbursement without State contributions. These schemes now account for roughly a quarter of the growth in Federal costs in the nine States studied by the Task Force that account for nearly half of all Medicaid spending.

- o Medicaid estimating problems are due to an inadequate Federal structure for collecting and assessing State Medicaid estimates and wide variances in the capabilities and commitments of States in producing such estimates. The resulting mis-estimates throw Federal and State budgeting into disarray.

Sullivan said: "Our joint OMB-HHS Task Force identified critical problems in developing Medicaid estimates. We will work with the States to implement the Task Force's recommendations in accordance with the schedule set out in the Report. We are also committed to addressing the causes of disproportionate Medicaid cost increases and are preparing regulatory and legislative remedies to this end. Our goal is an effective Medicaid Program that finances essential health services for the disadvantaged through a solid Federal-State partnership."

Darman added: "Implementation of the Four Point Program should help both the States and the Federal Government to improve Medicaid estimating and to understand better the changing dynamics of the program in each State. Particularly important will be the regulatory and legislative package, which we will announce later this month, to limit sleight-of-hand funding schemes that are increasingly driving Federal cost increases. Neither we nor the States can afford an unconstrained health care financing system."

The Administration's Four Point Management Program provides for:

- (1) The Health Care Financing Administration's (HCFA) Medicaid Bureau to have full accountability and responsibility for managing the Medicaid Program.
- (2) Improved Federal and State Medicaid information and estimates including:
 - State-by-State inventories of Medicaid programs.
 - Separate State-by-State estimates of current services spending and the costs of anticipated Federal and State policy and program changes.
 - Development of an improved Medicaid budget forecasting system, including active monitoring of State legislative activity.
 - Improved HCFA reporting forms.
- (3) A new Medicaid management partnership with the States.

- (4) Quarterly reporting on progress and on Medicaid estimates and expenditures.

Copies of the Task Force Report are available from the OMB and HHS contacts.

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Luther



ADVANCE FOR 10:30 RELEASE
April 8, 1991 (56-91)
Contact: Rae Young Bond 202/624-5898

**GOVERNORS RECOMMEND 53 FEDERAL GRANT AND LOAN PROGRAMS,
TOTALING \$15.2 BILLION, BE TURNED OVER TO STATES**

WASHINGTON, D.C. -- The nation's governors have proposed consolidating 53 categorical grant and loan programs totaling \$15.2 billion into a block grant with eight functional components. The new block would combine 47 categorical programs totaling \$14.4 billion; three direct loan programs totaling \$632 million; and three guaranteed loan programs totaling \$160 million; and turn them over to the states.

The proposal also calls for a pilot project in five states for the consolidated grant administration of Aid to Families with Dependent Children (AFDC), Food Stamps, and Medicaid. If all states were to adopt the consolidation, this program would currently represent \$5.3 billion.

The block grant proposal was developed in response to President Bush's offer to create a mechanism that responds to the governors' need for greater flexibility in program administration.

South Carolina Governor Carroll A. Campbell Jr., a member of the NGA Executive Committee, announced the governors' proposal today in a news conference held jointly with the National Conference of State Legislatures. NGA and NCSL have worked in cooperation to develop similar proposals.

"Flexible state management of the grants can allow us to better serve our citizens," the governor said. "This approach could encourage better coordination of services to address such cross-cutting issues as infant mortality, education, teen pregnancy, and workforce quality, and improve service delivery by moving decisionmaking closer to the people."

In letters transmitting the proposal to the President and congressional leaders, NGA Chairman Booth Gardner and NGA Vice Chairman John Ashcroft said, "The Governors see the block grant

proposal as an opportunity for the Congress and the President to provide needed flexibility to states."

The two governors said the proposal will also help states make "critical cost-effective investments in our people, our infrastructure, and our communities in the twenty-first century."

The governors developed their proposal in consultation with other state and local government groups. "We tried to focus in areas where grants were already going to the states," Gov. Campbell said. "Our goals were to concentrate in areas where flexible state management could bring the greatest benefits, to avoid infringing on prerogatives or resources that would otherwise be available to cities, counties, and other levels of local government, and to be aggressive about reducing bureaucratic costs."

Governors have responded positively to the block grant concept, said Gov. Campbell, but they want to be sure grant levels are not cut over time. "Funding should be driven by the needs of the program, not by the type of the grant."

Gov. Ashcroft, who also serves as NGA's lead governor on federalism, testified before a congressional committee recently on the block grant concept. He testified that "in 1981, Congress eliminated 59 grant programs and consolidated nearly eighty narrowly focused categorical grant programs into nine broad-based block grants," Ashcroft said. "In the process, more than 600 pages of federal regulations were reduced to fewer than a dozen."

"The states now have more than ten years of successful administration of block grants, and we are eager to work with Congress and the administration to apply that knowledge and experience to some of the 475 categorical grants to state and local governments that exist today," Ashcroft said.

The governors' proposal:

- Focuses on long-run investment grants that are critical to U.S. competitiveness and quality of life in the 21st century.
- Increases the flexibility of state government, allowing the funds to be targeted more efficiently to investment in people and infrastructure.
- Reduces the detailed program rules and regulations that create bureaucratic bottlenecks at both the federal and state level. This will allow quicker action to meet the rapidly changing needs of the various populations.
- Concentrates on state-administered programs. However, the governors welcome the opportunity to work with local officials to expand the proposal to include other programs they recommend.

- Allows greater integration of critical state services. This is particularly important in the human services area, where health, education, and social services must be closely coordinated for at-risk populations.

The governors' block grant proposal encompasses three major areas -- achieving the national education goals adopted by the governors and endorsed by the president last year, building a world-class infrastructure, and revitalizing communities. It also proposes the pilot project to experiment with consolidated grant administration of Aid to Families with Dependent Children, Food Stamps, and Medicaid. If all states were to adopt the consolidation, this program would currently represent \$5.3 billion in grants to states.

Specific components include:

To achieve the education goals, governors propose grants that cover:

- school readiness, consolidating six programs that total \$1.932 billion and also making the Head Start program a separate component that totals at least \$1.952 billion in fiscal 1991;
- the school years, consolidating 11 programs that total \$5.387 billion; and
- adult literacy and lifelong learning, consolidating nine programs that total \$1.983 billion.

To upgrade infrastructure, the governors propose clean water grants that consolidate nine programs in two federal agencies, totaling \$2.55 billion:

- six U.S. Environmental Protection Agency (EPA) programs that total \$2.35 billion; and
- three U.S. Department of Agriculture programs that total \$204 million.

To revitalize communities, the governors propose:

- a rural development program that consolidates four grant programs totaling \$328 million, three direct loan programs totaling \$632 million, and three guaranteed loan programs totaling \$160 million;
- an agricultural productivity program that consolidates nine programs totaling \$348.7 million.

The governors' proposal is based on these principles:

- Prior to enacting any block grants, funding should be guaranteed over five years at levels agreed to among the states, Congress, and the administration. Governors will work with the Congress and the

administration to provide appropriate budget adjustments that recognize agreed upon national priorities, inflation, and increases in the demand for services.

- The state-by-state allocation of funds should be based on the current distribution with adjustments made over time to reflect changes in population, at-risk groups, and other factors.
- States should be allowed to use existing state procedures for financial management and auditing of block grant funds.

The governors have consistently called for more state flexibility in administering the federal categorical programs, especially those that go directly to state government. Most recently, this has been a National Governors' Association priority for welfare reform and child care legislation.

National Conference of
State Legislatures



NATIONAL
GOVERNORS
ASSOCIATION

ADVANCE FOR 10:30 A.M. RELEASE
APRIL 8, 1991

Contact: Rae Young Bond, NGA
202/624-5898, or
Susan Seladones, NCSL
202/624-5400

GOVERNORS, STATE LEGISLATURES, PROPOSE BLOCK GRANT PACKAGES
New Program Would Increase Flexibility, Improve Services to Citizens

WASHINGTON, D.C. -- The National Governors' Association and the National Conference of State Legislatures today released a new federal block grant proposal that would increase program flexibility and allow states to better serve their citizens.

South Carolina Gov. Carroll A. Campbell Jr., a member of the National Governors' Association Executive Committee, and Maine Speaker of the House John Martin, president of the National Conference of State Legislatures, said although their organizations have developed separate proposals, they are fundamentally consistent.

The proposals respond to President Bush's invitation to governors and state legislators to propose the federal programs to be included in the block grant.

Gov. Campbell said, "Flexible state management of the grants can allow us to better serve our citizens. This approach could encourage better coordination of services to address such cross-cutting issues as infant mortality, education, teen pregnancy, and workforce quality, and improve service delivery by moving decisionmaking closer to the people."

"The Governors see the block grant proposal as an opportunity for the Congress and the President to provide needed flexibility to states," he said.

Speaker Martin said, "Proposals to consolidate programs to ease the increasing burden on the states are eagerly welcomed by state legislators. The goals of such consolidation must be to increase both the responsibility and flexibility of the states. State legislators also hope to use this proposal to accomplish other intergovernmental reforms related to preemption and mandates across the board."

-more-

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The proposals reflect collective state concerns about unfunded mandates, preemption of state authority and state revenue systems, and the need to improve services in an era of tight fiscal restraints.

In general, the proposals focus on areas in which grants were already going to states, and in which flexible state management could bring the greatest benefits. The proposals avoid infringing on prerogatives or resources that would otherwise be available to citizens, cities, counties, and other levels of local government.

The state officials cited earlier efforts in which states worked with Congress to develop block grants that streamlined service delivery. In 1981, Congress eliminated 59 grant programs and consolidated nearly 80 narrowly focused categorical grant programs into nine broad-based block grants. In the process, more than 600 pages of federal regulations were reduced to fewer than a dozen.

Today, there are approximately 475 categorical grants to state and local government. The proposal is an effort to tap state expertise and experience in block grant administration to some of these programs.

The NGA proposal would consolidate 47 categorical grant and six loan and loan guarantee programs totaling \$15.2 billion into a block grant with eight functional components. In addition, the governors support a pilot project in five to ten states for the consolidated grant administration of AFDC, Food Stamps, and Medicaid. If the pilots are successful, and if all states were to adopt the consolidation, this program would currently represent \$5.3 billion.

The nation's legislators recommend eleven block grants in five categories. They include approximately 85 existing, mostly categorical programs, totaling \$21.233 billion in fiscal 1991.

Substantively, the major difference between the proposal is that the legislators include \$7.453 billion in national highway programs, which the governors did not. NGA supports increased flexibility in these programs, but has elected to pursue that agenda through the reauthorization of the surface transportation act.

In a letter to congressional leadership, Govs. Gardner and Ashcroft said, "We look forward to building on our cooperative successes in the areas of welfare reform, clean air, and child care, by working with the Congress and the administration to design a block grant proposal that allows for increased flexibility and investment in long-term productivity."

Speaker Martin and Kansas Senate President Paul Bud Burke, NCSL President-Elect, said in a letter to congressional leadership, "We are ready to begin a critical dialogue about a formal package that would provide relief from mandates and allow greater flexibility. Accomplishing these objectives will allow federal and state governments to provide services more efficiently and creatively, will maintain the states as effective partners in the federal system, and will enhance the nation's competitiveness in the complex world economy."

The National Governors' Association is the organization through which the nation's governors apply creative leadership to national public policy.

The National Conference of State Legislatures represents the legislators and staffs of the nation's fifty states, its commonwealths and territories.



FOR IMMEDIATE RELEASE

May 16, 1991 (85-91)

Contact: Rae Young Bond 202/624-5898

**INTEGRATED PROGRAMS CAN BEST ADDRESS DIVERSE NEEDS
OF JUVENILE OFFENDERS, NEW NGA REPORT SUGGESTS**

WASHINGTON, D.C. — Coordinating juvenile justice services with child welfare, education, mental health, and vocational training services can help improve state and local government intervention strategies by organizing resources to address the diverse needs of juvenile offenders.

A new report by the National Governors' Association (NGA), Kids in Trouble: Coordinating Social and Correctional Service Systems for Youth, presents data that suggests that community-based programs can effectively serve a large portion of the juvenile population without compromising public safety.

It describes five community-based programs that offer alternatives to institutionalization and could be adapted in other communities to provide both adequate supervision and effective intervention for juvenile offenders. The agencies and programs highlighted in the report are the Massachusetts Department of Youth Services; Kenosha County Community-Based Juvenile Services, Kenosha, Wisc.; Adelphoi Village, Latrobe, Pa.; the Tri-County Mentor/Monitor Program, Dallas, Ore.; and Community Intensive Treatment For Youth (CITY), Birmingham, Ala.

The report discusses barriers to change and possible strategies for integrating community-based juvenile justice programs with social and correctional service systems. It also includes a statistical picture of the juvenile justice system and the youth it serves, an overview of the history of juvenile justice, a bibliography, and information on other programs not described in the case studies.

The report was prepared by the NGA Center for Policy Research with the support of the Pew Charitable Trusts.

Over the last five years, the nation's governors have demonstrated their commitment to effective prevention and intervention programs by exploring barriers to family self-sufficiency, primary prevention efforts for children below age five, child care, adolescent pregnancy, and other related issues.

Copies of the report are available for \$15.00 each, prepaid, from NGA Publications, 444 North Capitol Street, Washington, DC 20001-1572.



July 22, 1991

TO ALL GOVERNORS:

Concern has been raised about the Department of Defense's proposed reductions in the National Guard throughout the states. Between fiscal years 1991 and 1995, the Guard is slated for cuts of 30 to 50 percent in some states. Reductions of this magnitude could affect our ability to manage disasters, emergencies, and the common defense of our states.

Because of the interest and urgency of this issue, I have scheduled a "Roundtable Discussion on the Impact of Reduction in Defense Forces on the National Guard" during our annual meeting in Seattle. It will be in addition to the regular meeting of the Committee on Justice and Public Safety on Monday, August 19, 1991. The Committee meeting is scheduled for 2:15 p.m., and the roundtable discussion should commence around 3:45 p.m.

I hope that you will be able to join us and participate in this discussion about cuts in our National Guard forces.

Sincerely,

Governor Bob Miller

Chairman

Committee on Justice and Public Safety

B R I E F I N G P A P E R S

ISSUES FOR DISCUSSION:

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EXECUTIVE COMMITTEE

SYNOPSIS OF BRIEFING PAPER

- **Commonwealth Status for Guam**

The Governor in a letter to Governor Booth Gardner, Chairman of the Executive Committee, requested for consideration the renewal of the policy statement for the draft Commonwealth Act.

Efforts towards the passage of the draft Commonwealth Act is on-going for the people of Guam. First introduced in Congress in 1988, Guam's Congressional Delegate Ben Blaz has since been reintroducing the draft act at the beginning of each new session of Congress. Until the draft act becomes a law, request for renewal of the policy statement will continue to be an NGA issue.



Territory of Guam
Territorio Guam

OFFICE OF THE GOVERNOR
L'FISINAN I MAGA LAH I
AGANA, GUAM 96910 U.S.A.

JUL 25 1991

The Honorable Booth Gardner
Governor of Washington
Chairman, NGA Executive Committee
Hall of the States
444 North Capitol Street
Washington, D.C. 2001-1572

Dear Governor Gardner:

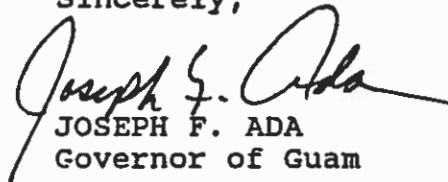
Thank you for advising me of the Executive Committee meeting to review existing policy statements that are scheduled for renewal or sunseting. As you know, Policy A-20: Commonwealth Status for Guam is among the statements for consideration.

In 1988, the draft Commonwealth Act was first introduced in Congress, and has since been reintroduced by Guam's Congressional Delegate Ben Blaz at the beginning of each new session of Congress. The journey towards passage of this important document continues, presently undergoing discussions by the Commission on Self Determination and the Administration's Task Force on the draft act. The Commission and the Task Force envision concluding discussions this year, and I am most hopeful that the bill will be considered by the Congress in early 1992.

Until the draft act is passed into law, the policy statement continues to serve as an important expression of support by the National Governors' Association for the people of Guam. Thus, I am requesting the Executive Committee to renew the Policy Statement.

I look forward to meeting with you and all the Governors at the Annual NGA meeting in Seattle.

Sincerely,


JOSEPH F. ADA
Governor of Guam



Commonwealth Now!

A-20. COMMONWEALTH STATUS FOR GUAM

It is a basic principle of American democracy that the sovereignty of a government be derived from a consensus of its citizens. The people of Guam have voted to change their political status to that of a commonwealth. The National Governors' Association urges the administration and Congress to work with the government of Guam on an expedited basis to develop and enact appropriate legislation designating Guam as a commonwealth.

Adopted February 1985.

COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGICAL INNOVATION

SYNOPSIS OF BRIEFING PAPERS

- **Banking Reform**

Bill (S 713/H.R. 1505) introduced by the Administration will basically change the banking systems in the United States. The bill authorizes full interstate branching, restrict deposit insurance, allow banks to affiliate with securities, mutual fund and insurance companies and consolidate the federal banking regulatory structure.

The Guam Revenue and Taxation submitted briefing paper which concur the NGA objectives. Bill S 713/H.R. 1505 would adversely impact Guam's banking industry by allowing large banks to branch into a relatively small financial community such as Guam. The end result will be fewer banks and the consolidation of the industry into a group of Mega banks. The bill proposes repealing the Glass Steagal Act. A potentially dangerous conflict of interest could occur if common ownership of commercial banks and investment banks is permitted.

- **Tax-Exempt Financing**

NGA has policy supporting the extension of the Mortgage Revenue Bond (MRB) Program and the Industrial Development Bond (IDB) Program that will expire at the end of FY 1991. NGA also supports legislation to implement the recommendations of the Anthony Commission on Public Finance such as increasing the arbitrage rebate exemption from \$5 to \$25 million and increasing incentives for banks to invest in these bonds.

The Department of Revenue and Taxation's briefing paper supports NGA's policies. MRB's are used in state programs that encourage developers to build affordable housing and IDB's help small manufacturers strengthen their businesses.

The Guam Economic Development Authority supports extension of both MRB and IDB programs. Presently, Guam's prosperity is based primarily on the tourism industry and it is essential for the territory to diversify and broaden its economic base.

The industrial development bonds are needed as avenues to enable the territory in assisting entrepreneurs to develop. Some projects in the planning stage include: a small wharfage facility, dock facility, commercial/industrial parks for new and small expanding businesses.

- **Implementing the HOME Program**

NGA supports the enactment of the HOME Investment Partnership program as part of the National Affordable Housing Act (NAHA) of 1991. Funding has been authorized for the program in FY 1992 but needs to be appropriated. NGA has policy supporting a \$2 billion funding request for the HOME Program for FY 1992. The states, to participate in the program should develop program regulations that will give the states flexibility needed to operate an effective partnership with the federal and local governments.

Guam Housing and Urban Renewal Authority (GHURA) supports implementation of the HOME Program as the program provides another avenue for funding affordable housing programs that are essential in Guam. GHURA believes that Guam may be able to participate in the HOME Program since we have the Public Housing Authority (PHA) with the government providing the necessary resources. The agency is also willing to develop the required program regulations. An outline for implementing the HOME Program is attached.



DEPARTMENT OF

REVENUE & TAXATION

GOVERNMENT OF GUAM

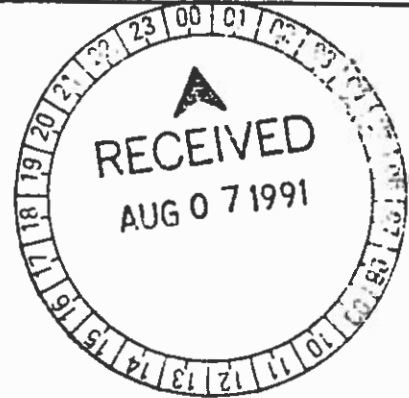
JOSEPH F. ADA
Governor

FRANK F. BLAS
Lieutenant Governor

in this file

JOAQUIN G. BLAZ, Director • V.M. CONCEPCION, Deputy Director

AUG 06 1991



MEMORANDUM

To: Director, Bureau of Planning
From: Director of Revenue and Taxation
Subject: Briefing Papers: NGA Annual Meeting: Seattle, WA.
August 18-20, 1991

Attached are requested briefing papers on the following subjects: Banking Reform and Tax Exempt Financing.


JOAQUIN G. BLAZ

Attachments

BANKING REFORM

The Administration has introduced a bill (§713/1H.R. 1505) which basically changes the United States banking systems. The bill authorizes full interstate branching by declaring a 3 year sunset on the McFadden Act. Although only adequately capitalized and managed banks would be allowed to branch across State lines, we believe that the authority to allow for full interstate branching should be an option available to each State or Territory. We believe that the bill would adversely impact Guam's banking industry by allowing large banks considered "too big to fail" to branch into a relatively small financial community such as Guam. The net result of interstate branching will be fewer banks and the consolidation of the industry into a group of Mega banks.

The bill allows for regulatory restructuring by merging OTS and OCC into a new agency independent of the Treasury. It also mandates the Federal Financial Institutions Examination Council to develop uniform examinations reporting and supervision standards for all Federally-insured banks, thrifts and thrift holding companies.

The bill proposes repealing the Glass Steagall Act by permitting commercial firms (domestic and foreign) ownership of U.S. banks. In our opinion, a potentially dangerous conflict of interest could occur if common ownership of commercial banks and investment banks is permitted.

The bill provides financial institutions with new risky activities such as underwriting of equities and corporate debt and insurance. The independent Banker's Association of America is concerned that influential members of Congress are viewing proposed cutbacks in deposit insurance as a trade-off for allowing banks into these areas. The bill proposes to restrict deposit insurance. However, by a vote of 18-17, the House Financial Institution's Subcommittee approved the Hubbard Amendment which maintains present levels of deposit insurance coverage.

We concur with the National Governor's Association objectives to:

- * Ensure that any reforms retain state authority to use the banking systems to promote capital availability, strengthen economic development, and encourage community reinvestments.

- * Ensure that any reform revenue is neutral on state budgets and retains state's ability to equitably tax state and federally-chartered banks.
- * Ensure that any changes to the deposit insurance systems do not discriminate against depositors in small banks.

The Federal government, through newly enacted statutes, has resorted to preemption of state law as a means of supposedly assuring safety and soundness. On the one hand, Federal preemption assures a level playing field for all institutions and helps insure the safety and soundness of banks insured by the Federal Deposit Insurance Corporation. However, Federal preemption also reduces the push for innovation prompted by competitors between banks governed by different regulations and reduces the flexibility of having different systems responsive to unique local need.

The ultimate extent of federal preemption will depend upon the outcome of litigation over the proper interpretation of statutes that define the scope of federal banking agency powers, but probably more substantially upon the outcome of the struggle over such new federal legislation as bill 5713/H.R. 1505. This, of course, is not a new struggle but the outcome will depend in large measure upon changes that are occurring, both in the financial institution's business and in the political power of the interest involved.

Tax Exempt Financing

Most states are experiencing difficulty in balancing their budgets and protecting critical programs. Congress is being solicited to help in expanding markets for tax exempt bonds, easing costly restrictions on issuing those bonds, and extending mortgage revenue bonds.

States use tax exempt bonds to obtain financing in the tax exempt market for public work's projects such as highways, mass transit, and wastewater treatment plants. MRB's are used in state programs that encourage developers to build affordable housing and IDB's help small manufacturers strengthen their businesses. Both expire this year.

A bill soon to be introduced will provide greater incentives for banks to invest in municipal bonds and permit greater use of bonds in public partnerships. In many states, municipal bonds are the only possible method for funding new projects to meet expanding needs, or improvements to meet federal or court mandates. This bill also would ease arbitrage regulations which limit state flexibility on investing and spending funds for state infra-structure projects. Each of these is important and can lower costs to states and increase the utility of tax exempt financing.

Interstate banking proposals have been submitted to Congress that would allow national banks to branch into states without providing states with the authority to tax those branches in the same manner states tax state-chartered banks. These states could face the loss of a significant portion of revenue from the banking industry because of another federal preemption.

We concur with the National Governor's Association objectives to:

- * Extend the mortgage revenue bond and small issue industrial development bond program.
- * Enact the recommendation of the Anthony Commission on Public Finance.

GUAM ECONOMIC DEVELOPMENT AUTHORITY
SUITE 911 ITC BUILDING, 590 S. MARINE DRIVE, TAMUNING, GUAM 96911
TEL: 649-4141/4 FAX: 649-4148

August 12, 1991

MEMORANDUM

TO: Director, Bureau of Planning
FROM: Acting Administrator
SUBJECT: Response on NGA Priority Issues

BANKING REFORM

The Authority supports in general principle, the NGA Objectives as set forth in their communication dated April 26, 1991.

TAX-EXEMPT FINANCING

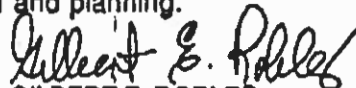
Being a small island, the Territory of Guam is dependent upon foreign capital and U.S. federal funds to supplement the efforts of our local entrepreneurs in building the projects and/or enhancing development of businesses that create employment which would contribute to the local tax base as well as provide vitally needed services and facilities.

Because of Guam's unprecedented economic boom during the last 3-4 years, construction costs have sky rocketed. There is a lack of affordable housing for the people of the territory, particularly for those that are within the median income level group. Presently the Government of Guam is pursuing the development of approximately 200-400 detached residential units and/or multi-family facilities. Financing such projects at tax-exempt interest rates is a necessary option for the government to pursue these projects and to cultivate this desired growth trend. Additionally, it would be desirable for mortgage revenue bond financing to have a little more flexibility than as stipulated in the federal statutes since the enactment of the 1986 Reform Act.

Presently, Guam's prosperity is based primarily on the tourism industry. It is essential for the territory to diversify and broaden our economic base. The industrial development bonds are needed as avenues to enable the territory in assisting entrepreneurs to develop in such a manner. Some of the projects we are planning to achieve are: a small wharfage facility, dock facility, commercial/industrial parks for new and small expanding businesses that would meet the following criteria:

- * provide vitally needed facilities and services
- * lessen our dependence on imports
- * reduce consumer prices
- * maintain a high level of employment.

For the above stated reasons, we firmly support legislation that would extend the mortgage revenue bond program (MRB) and the industrial development bond program (IDB). It is essential that both programs be allowed to continue, with appropriate latitude. Such legislation must be promptly acted on for purposes of research and planning.


GILBERT E. ROBLES

GER/KL/dc



GHURA

Guam Housing and Urban Renewal Authority
P.O. Box CS Agana, Guam 96910
(671) 477-9851-4 • Fax (671) 477-4184

Joseph F. Ada
Governor

Frank F. Blas
Li. Governor

Pilar A. Cruz
Executive Director

Ricardo A. Calvo
Deputy Director

Board of Commissioners

Vicente C. San Nicolas
Chairman

Marilyn E. Megofna
Member

Jesus T. Lizama
Member

Galo E. Camacho
Member

Nicolas D. Francisco
Member

Jesus L. Perez
Member

August 6, 1991

MEMORANDUM

TO: The Governor

VIA: Director, Bureau of Planning

FROM: Executive Director

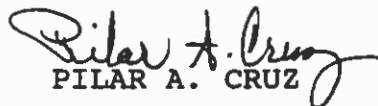
SUBJECT: Briefing Paper - Implementing the HOME Program

The attached briefing paper on subject program is forwarded as requested in your routing and transmittal slip of July 31, 1991.

HOME provides a mechanism that encourages and promotes partnerships among the federal and local governments and the private sector. The program provides another avenue for funding affordable housing programs.

Although the formula allocation may not provide Guam the \$750,000 threshold required to be a participating jurisdiction, we still may be able to participate since we have a local public housing authority (PHA), the Guam Housing and Urban Renewal Authority. The local government must, however, provide the resources necessary to make up the difference between the allocation and \$750,000.

Final determination for participation in this program will be dependent upon issuance of final regulations by the Department of Housing and Urban Development.


PILAR A. CRUZ

BRIEFING PAPER
ON
IMPLEMENTING THE HOME PROGRAM

DISCUSSION:

- Authorized by Title II of the Cranston-Gonzales National Affordable Housing Act.
- Establishes a HOME Investment Partnership program to increase investment in affordable housing in partnership with federal, state and local governments, and the private sector.

PROGRAM PURPOSES:

- Establish a "HOME Investment Trust Fund" with line of credit for investment in affordable housing for participating jurisdictions, with repayments to such fund being made available to that jurisdiction for reinvestment.
- Allocate federal dollars among participating jurisdictions by a formula based on need and population.
- Expand the capacity of "Community Housing Development Organizations" ("CHDO") to develop and manage affordable housing.
- Ensure that federally assisted affordable housing is available to low and moderate income persons for the property's "remaining useful life" and, where appropriate, is mixed income housing.

- Develop and refine model and pilot programs for the provision of affordable housing.

Formula Allocation:

- 60% of funds to local governments and 40% to states.
- Federal formula funding permits local governments the flexibility to use the money in ways that best meet locally defined housing needs.

Program Requirements:

- Designation as a participating jurisdiction
 - Jurisdictions must have a formula allocation of \$750,000 to be so designated.
 - If the formula allocation is less than \$750,000, it can be so designated if HUD finds that it has:
 - a local PHA;
 - demonstrated the capacity to carry out the provisions of this program, and;
 - the local government has made available its own resources such that its sum is equal to or greater than the difference between its formula allocation and \$750,000.
- Submission of a housing strategy
 - A jurisdiction must have an approved five-year housing strategy. Guam has received an exception to submission of a full housing strategy. Only an abbreviated strategy is required when applying for HOME funds.

- Matching funds

- Match may be in the form of cash, payment of administrative expenses, tax breaks, land, on- or off-site improvements or other in-kind contributions.
- Match required for eligible uses are:
 - Rental Assistance - 25% match
 - New Construction - 50% match
 - Rehabilitation - 33% match

- Community Housing Partnerships

- For 18 months following the establishment of jurisdiction's trust fund, at least 15% must be invested in housing developed, sponsored, or owned by CHDOs. Guam does not have such an organization.
- Funds not used within the 18-month period are forfeited by the jurisdiction and reallocated.

Use of Funds:

- HUD will make HOME funds available through the establishment of trust funds. Jurisdictions can make these funds available to private parties or government agencies in the form of:
 - equity investments
 - interest or non-interest bearing loans
 - other forms of assistance that HUD determines to be consistent with the goals of HOME.
- At least 90% of HOME funds must be used for persons with incomes

at or below 60% of the area's median income

- The remainder can serve the needs of low-income families with incomes above 60% of median income.

- Eligible uses of funds are:

- Rehabilitation - HOME funds must be used for rehabilitation of existing substandard housing, unless the jurisdiction certifies that:

- rehabilitation is not the most cost effective method to meet its need to expand the supply of affordable housing, and

- its housing needs cannot be met through rehabilitation.

- New Construction - HOME funds can be used for new construction only if housing is to serve a local market area and if HUD determines that there is:

- an inadequate supply of rental housing at rents below the area's Section 8 fair market and

- a severe shortage of substandard units that are suitable for rehabilitation into affordable housing.

A jurisdiction can, nevertheless, use HOME funds for new construction in the following circumstances:

- Neighborhood Revitalization - HOME funds may be used for this purpose if the jurisdiction certifies that:

- the HOME funds are needed to facilitate a neighborhood revitalization program of substandard housing for low and moderate income persons in an

area designated as such by the jurisdiction;

---- the HOME funds are being used in a low or moderate income neighborhood;

---- the number of new units does not exceed more than 20% of the total number of units in the revitalization program to be assisted by HOME funds; and

---- the housing is to be produced by a CHDO or government agency.

-- Special Needs Housing - HOME funds can be used for new construction of housing for a variety of special needs populations. Jurisdiction must certify a high priority need based on its census data.

-- Rental Assistance - HOME funds can be used for 24-month rental assistance if it is identified as an essential element in the jurisdiction's housing strategy and if the persons receiving the assistance are taken off the Section 8 waiting lists in order of preference.

-- Model Programs: HUD will develop and make available model programs that have been developed in cooperation with participating jurisdictions, government-sponsored mortgage finance corporations, nonprofit organizations, the private sector, and other appropriate parties and

that are designed to carry out the purposes of the HOME program.

How the program works:

1. A jurisdiction submits a Comprehensive Housing Affordability Strategy to HUD which covers a five-year period. HUD determines approval/disapproval of the strategy.
2. HUD provides allocations of funds in amounts determined by formula.
3. HUD establishes a list of participating jurisdictions that may use funds for new construction and rental housing production set-aside.
4. HUD publishes formula allocation and the list in 3 above within 20 days of fund availability.
5. Jurisdictions notify HUD no later than 30 days after publication of formula allocation notice above of its intention to become a participating jurisdiction.
6. If the jurisdiction has not submitted a housing strategy, it has 90 days after its notification to HUD in 5 above to do so.
7. HUD will designate the jurisdiction as a participating jurisdiction upon compliance with 5 and 6 above.
8. The participating jurisdiction will have 45 days from the date of publication of the formula allocation to submit a program description (application) for funding.
9. HUD reviews the program description and will approve the

description unless it is not consistent with the jurisdiction's approved housing strategy.

10. Upon approval, a HOME funds allocation is made by HUD execution of a HOME investment partnership agreement, subject to execution by the participating jurisdiction.

COMMITTEE ON INTERNATIONAL TRADE

AND FOREIGN RELATIONS

SYNOPSIS OF BRIEFING PAPER

- **Fast-Track Trade Authority**

The Administration's request of Congress for a two year extension of the fast-track trade authority will be used for the completion of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), to negotiate a North American Free Trade Agreement (NAFTA) and to pursue the trade objectives of the President's Enterprise for the Americas Initiatives. NGA supports the extension for the same purpose and will continue to work with Congress and the Administration throughout the negotiations process to ensure that any agreement reflect state interests. Success in the Uruguay Round means access to agricultural markets, services, investment, intellectual property and reduction or elimination of tariffs on many products. The creation of NAFTA will result in tremendous economic growth and development opportunities with a market of 360 million consumers and a total output of \$6 trillion. The President's fast-track negotiating authority has been approved by Congress and states can anticipate a successful conclusion to the Uruguay Round and other multilateral trade negotiations.

Unlike the states, Guam is unconcerned with foreign competitions from market opening measures. However, Guam has a potential interest to access and development of foreign markets. Guam expressed that any U.S. trade agreement which provides access to NAFTA and the Uruguay Round should consider the territories and commonwealths as part of the negotiating process. Since Guam benefits from the opening of international trade markets such as the Japanese and other Asian industrialized economies, a trade war would have a negative impact not only on the prosperity of these markets but that of Guam's. Any national trade promotion program such as tourist promotion should also include Guam.

Guam currently has tariff-free access to the U.S. market provided products satisfy U.S. Customs product regulations of the Guam criteria. Should the Uruguay round eliminate quotas such as those imposed on textiles, the U.S. will eliminate the regulatory system used for the issuance of quotas. Guam would have access to open market internationally.

COMMITTEE ON INTERNATIONAL TRADE
and
FOREIGN RELATIONS

Briefing Paper

The President's top trade priority remains the Uruguay Round negotiations of the General Agreement on Tariffs and Trade (GATT). Success in the Uruguay Round will mean access to agricultural markets, services, investments, intellectual property, and reduction or elimination of tariffs on many products. The President is also firmly committed to the creation of a NAFTA (North American Free Trade Agreement) with Canada and Mexico. Tremendous economic growth and development opportunities are apparent in the NAFTA with a market of 360 million consumers and a total output of \$6 trillion.

Now that the President's fast track negotiating authority has been approved by Congress, states can anticipate a successful conclusion to the Uruguay Round and other multilateral trade negotiations. Fast track authority assures negotiators that any agreement reached internationally by the President would be voted on by Congress. Without this assurance, foreign governments are reluctant to negotiate any trade agreements knowing that it could be re-opened.

Unlike the states, Guam is unconcerned with foreign competition resulting from market opening measures. Guam has a potential interest, however, to access and to development of foreign markets. Specifically, there are three concerns:

- 1) Any United States Trade agreement which provides access to foreign markets, specifically the NAFTA and the Uruguay Round should similarly include Guam. To the extent possible, the territories and commonwealths should be considered and part of the negotiation process, unlike the exclusion from the U.S.-Canada Free Trade Agreement.
- 2) Guam benefits from the opening of international trade markets such as the Japanese and other Asian industrialized economies. A trade war would most evidently have a dual negative impact not only on the prosperity of these markets but that of Guam's as well. Prosperity therefore is contingent on the international trading system; and
- 3) Any national trade promotion program (especially tourist promotion) should include Guam.

In addition to the above concerns, the Department of Commerce has noted from previous briefing papers that the Government of Guam

should be alert to the possibility that the Uruguay Round agreement will limit the issuance of Qualifying Certificates. This is unlikely, however. The U.S. proposal prohibits those "TRIMs" that are trade distorting and nondiscriminatory for other TRIMs, along with any other investment measure that may adversely affect trade. All Qualifying Certificates outstanding would be permissible under the U.S. proposed criteria. The compromise position agreed upon in the Uruguay Round will probably be less restrictive than the U.S. proposal. Most developing countries find the U.S. position too restrictive.

Furthermore, Guam currently has tariff-free access to the U.S. market provided products satisfy U.S. Customs product regulations of the Guam criteria. Should the Uruguay Round eliminate quotas such as those imposed on textiles, the U.S. will eliminate the regulatory system used for the issuance of quotas. Guam would have access to open markets internationally.

NGA policy stresses the need to develop a fuller understanding of how state economies may be affected by the creation of a North American free trade agreement. For this reason, a series of regional hearings were scheduled to examine and highlight the impact of these negotiations on states and regions. As a point of reference, Ms. Donna Dudek, Washington Office of the Governor, was Guam's representative to the June 25th meeting featuring Ambassador Carla Hills and representatives of the governments of Canada and Mexico. The hearings were opportunities to engage with business leaders, labor, and other groups to prepare states to be active participants in the negotiation process. The governors intend to make their views known to the agreements negotiators mainly through NGA and through the Intergovernmental Policy Advisory Committee (IGPAC), and state and local advisory groups to U.S. trade agreement negotiators.

Should you require additional information on the Uruguay Round, North American Free Trade Agreement, and Fast Track Authority, the following are attached for your reference and review.

- Letter to Governor Thompson re: Guam's designee to the June 25th NAFTA meeting in Washington.
 - Bureau of Planning letter to Governor re: Support for the Reauthorization of Fast Track Authority (Also include are letters to Congressman Blaz and Ambassador Hills on Guam's support for Fast Track)
 - Briefing Paper from the Department of Commerce on the Uruguay Round of Negotiations under GATT.
 - Memo from Department of Commerce re: NAFTA.
 - Briefing Paper from the Department of Commerce re: IGPAC (Intergovernmental Policy Advisory Council) Report on the Uruguay Round.
-

U.S. - CANADA FREE TRADE AGREEMENT

The U.S.- Canada Free Trade Agreement currently being reviewed by Congress is a proposal negotiated by the two countries to eliminate trade barriers. As written, the agreement does not include the U.S. territories under its provisions.

While Guam does not count Canada as a trading partner, exclusion of the territories in this agreement raises the concern that the territories might be excluded from trade agreements negotiated by the U.S. and other foreign countries.

Since the U.S. - Canada Free Trade Agreement cannot be changed by the U.S. unilaterally, the U.S. Trade Representative Clayton Yeutter has offered to assist in negotiations with Canada for the benefit of the territories. This pledge of assistance was affirmed by the National Governors Association.



Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3036

Telephone (808) 523-9325 Facsimile (808) 533-6336

Governor Joseph F. Ada
President

Governor John Waihee
Vice President

Governor A.P. Lutali
Secretary

Governor Pedro P. Tenorio
Treasurer

UNITED STATES CANADIAN TRADE AGREEMENT

The Governors of the Territories of American Samoa, Guam, the Commonwealth of the Northern Mariana Islands and the State of Hawaii, serving as the Board of Directors of the Pacific Basin Development Council (PBDC), while meeting at their 1988 Winter Meeting in Washington, D.C., wish to raise major concern over the fact that the Territories and Commonwealth have been excluded from the United States Canadian Free Trade Agreement.

The Board of Directors are saddened by an agreement negotiated by the United States, that could be precedential for the exclusion of the afore mentioned American Flag Pacific Territories and Commonwealth from any and all current and potential trade discussions.

The United States is currently involved in both multi-lateral and bi-lateral discussions of trade issues with many nations. As part of the United States family, our individual and collective interests should be included in these negotiations.

During the recent National Governors' Association Winter Meeting, Governors had the opportunity to discuss these concerns with Ambassador Clayton Yeutter, United State Trade Representative (USTR). Although the Canadian Free Trade Agreement cannot be changed, the USTR offered to assist in negotiations with Canada for the benefit of the Territories and the Commonwealth. In addition, Governor Thompson of Wisconsin, Chairman of the National Governors' Association U.S.-Canada Task Force affirmed this pledge in plenary session of the nations Governors stating that special benefits would be negotiated for the Territories and Commonwealth.

The Executive Director of PBDC is directed to provide copies of this position and subsequent documents bearing on this matter to the President of the United States, the Trade Representative, the Secretary of the Departments of State, Treasury, Commerce and Interior, the Trade Policy Staff Committee, the American Flag Pacific Islands Congressional delegations and key members of the Congressional leadership and the appropriate Congressional Committee leadership. Copies will also be furnished to the National Governors Association leadership.

The Executive Director is further directed to provide a report to the PBDC Board of Directors, with recommendations on this and related issues within sixty (60) days.

JOSEPH F. ADA
President and Governor,
Guam

JOHN WAIHEE
Vice President and Governor,
Hawaii

WITNESSETH:

Jerry B. Norris
Executive Director

A.P. LUTALI
Secretary and Governor
American Samoa

Carolyn K. Imamura
Director of Planning
and Programs

PEDRO P. TENORI
Treasurer and Governor,
Commonwealth of the Northern
Mariana Islands



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JUN 19 1991

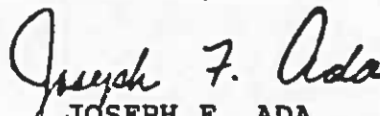
The Honorable Tommy G. Thompson
Chairman, Committee on International
Trade and Foreign Relations
444 North Capitol Street
Northwest, Suite 250
Washington, D.C. 20001-1572

Hafa Adai Governor Thompson:

Thank you for your letter dated May 22, 1991 informing the Governors of Congress' approval to extend the President's trade negotiating authority. Extension of this authority will encourage a successful conclusion to the ongoing negotiations in the Uruguay Round on the General Agreement on Tariffs and Trade (GATT) and the free trade agreements with Canada and Mexico.

As mentioned in your letter, NGA is conducting a series of regional hearings to examine the actual and potential effects that would result from a North American free trade agreement. In light of this, I wish to inform you that Ms. Donna Dudek, Washington Office Liaison, will be Guam's representative to the June 25, 1990 meeting in Washington, D.C. hosted by the Inter-American Development Bank. Please accept my best wishes for a successful meeting and anticipate news update of the outcome of the meetings.

Sincerely,



JOSEPH F. ADA
Governor of Guam

cc: Bureau of Planning

MAY 21 1991

Memorandum

To: The Governor

From: Director, Bureau of Planning

Subject: Support for Reauthorization of Fast Track Authority

Attached for your signature are letters in support of the reauthorization of fast track authority prepared by the Department of Commerce.

The letters express the importance of international trade and fast track authority and Guam's desire to be included in all trade negotiations that provide access to international markets. Support for fast track is important in that it would give the President an extra two years in which to continue discussions with the 106 countries involved in the General Agreement on Tariffs and Trade (GATT), primarily the Uruguay Round, and to initiate talks with Canada and Mexico for the possibility of a free trade agreement and a North American trade agreement. Should Congress not approve the request for fast track extension, tremendous trade and open market opportunities will be lost for the nation's economy. It is for this reason that states are encouraged to contact their congressional delegates expressing the importance of these negotiations and support for the extension of fast track.

Another primary reason why states are encouraged to communicate with their delegates is the opposition received from labor, environmental and religious groups. Of vital concern to these individuals are the lax antipollution laws, the impact on small farmers and the adverse effect on wages and working conditions. While all these factors have the potential for displacing businesses and workers, the potential for creating new trade opportunities and markets is tremendous.

The letters appear well thought out and takes into consideration the local factors which need to be addressed if Guam is to benefit from world trade and access to open markets internationally. It must also be noted that the Department of Commerce strongly suggests that not only do we express the importance of international trade to Congressman Blaz, but the Governor or his

Memorandum
Page 2

appointed representative be actively involved in all meetings involving international trade and foreign relations that provide export benefits to Guam. Guam has to be actively involved in these negotiations if we are to realize the potential of world trade. As a point of reference, the Governor is a member of the USTR's Intergovernmental Policy Advisory Committee and Peter P. Leon Guerrero is the appointed representative to the Staff Advisory Council on International Trade and Foreign Relations.

It should be noted that in the 1991 NGA Winter Meeting, the Governor's adopted a policy that supports the completion of the Uruguay Round and the development of a US-Mexico FTA and a North American FTA. The Governor's also adopted a policy in support of fast track treatment for a US-Mexico FTA. The letters submitted by the Department of Commerce are critical in garnering the support needed in Congress for the continuation of these negotiations.

If you require further information on fast track and its importance, a comment paper which was previously requested from the Department of Commerce is attached for your review.

151-

PETER P. LEON GUERRERO

Attachment

MAY 31 1991

The Honorable Ben G. Blaz
Washington Delegate
U. S. House of Representatives
1130 Longworth HOB
Washington, D. C. 20015

Dear Congressman Blaz:

In early May, the House Ways and Means Committee and the Senate Finance Committee are expected to consider recommending that the full chambers deny or not deny extension of fast-track trade negotiating authority. The President has requested extending the authority for the GATT and the North American Free Trade Area negotiations. We agree with the administration's judgement that these negotiations will not proceed without fast-track authority.

We ask for your support for extending the authority -- that is, for not denying extension -- for both negotiations.

These negotiations will lead to freer trade, benefitting Guam, the nation and the world. The freer trade will result in higher overall incomes and greater national security. Resistance comes from narrow special interests. The benefits from freer trade are defuse, thus support is less vociferous than the special interest opposition.

Please be advised of Guam's uncontroversial desire that the North American Free Trade Area agreement give Guam the same access as the states to the Canadian and Mexican markets. Guam does not have access to the Canadian market under the bilateral Canada-U.S. agreement. Let Guam be remembered in the North American agreement. Other United States outlying areas may have a similar interest in having access to the Canadian and Mexican markets.

Guam's access to the Mexican and Canadian markets may appear academic; but trade opportunities are impossible to forecast. For example, no one predicted in 1985 that sashimi grade tuna would be a major export of Guam to Japan. If Japan restricted such imports, the industry would never have developed.

Sincerely yours,

Joseph F. Ada
JOSEPH F. ADA
Governor

bcc: Governor's Chrono (2)
Dept. of Commerce

JFA/FFB/BBB/JEQ/PCM/pcm
April 25, 1991

MAY 31 1991

Ambassador Carla A. Hills
United States Trade Representative
Executive Office of the President
Washington, D. C. 20506

Dear Ambassador Hills:

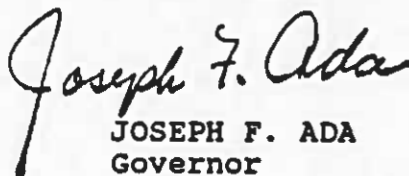
We fully support the extension of the fast-track trade negotiating authority for both the GATT and the North American Free Trade Area negotiations. Guam's economy depends on Japan and on the Asian Newly Industrialized Economies. These economies, in turn, rely on the preservation and improvement of the international trading system. Thus, success of the trade talks, particularly the GATT talks, are critical for Guam.

I have expressed the importance of extending the fast-track trade negotiating authority to Guam's Delegate, Congressman Ben Blaz.

Please assure that the United States' negotiators in the North American Free Trade Area agreement correct an oversight made previously. The U. S.-Canadian Free Trade Area agreement did not provide Guam the same access for exports to Canada as provided to the States. Guam has an interest in acquiring the access for exports to the Canadian and Mexican market which any of the states acquire. Since Guam is a free port, these countries have full access for their exports to the Guam market.

Guam's access to the Mexican and Canadian markets may appear academic; but trade opportunities are impossible to forecast. For example, fresh tuna is a major export of Guam to Japan. No one predicted that fresh tuna would be an export in 1985. If Japan restricted such imports, the industry would never have developed.

Sincerely yours,


JOSEPH F. ADA
Governor

bcc: Governor's Chrono (2)
Dept. of Commerce



DEPARTMENT OF COMMERCE
DEPARTAMENTU KOMETSIO
GOVERNMENT OF GUAM
AGANA GUAM 96910

January 23, 1991

DC/CE 91-007-F

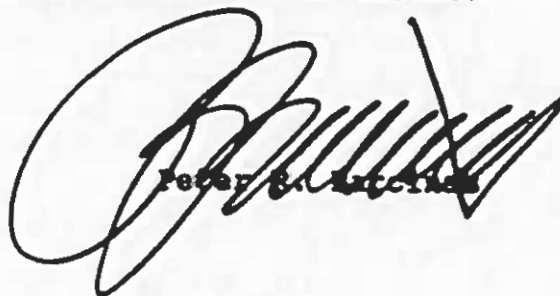
MEMORANDUM

To: Director, Bureau of Planning
From: Director, Department of Commerce
Subject: Briefing Paper re: Uruguay Round

Thank you for soliciting the input of the Department of Commerce on subjects of importance in the upcoming National Governors' Association (NGA) meetings and the concurrent meeting of the Interagency Policy Advisory Council (IGPAC) on Trade.

Although we have no comments to make with regard to the NGA topics that you circulated, we submit the attached briefing on the issues involved in the on-going Uruguay Round of GATT (General Agreement on Tariffs and Trade) negotiations. All attempts were made to make this "briefing" brief, but the document from which the information was extracted was itself a briefing; forty-two pages have been condensed to three (plus), highlighting only those issues which we feel are relevant to Guam. We trust that this document will be forwarded to the Governor after your review.

I hope that the information included in the briefing is useful to both you and the Governor during the meetings in Washington. Should you have any questions or require additional information, please do not hesitate to contact me at your earliest convenience.



Peter B. Leticia

Attachment

**DEPARTMENT OF COMMERCE
BRIEFING SERIES 1991
January 22, 1991**

SUBJECT: The Uruguay Round of Negotiations: General Agreement on Tariffs and Trade (GATT)

For Discussion in the Meetings of the Intergovernmental Policy Advisory Council (IGPAC)

In Conjunction with the Annual Meetings of the National Governors' Association (NGA)

BACKGROUND: The discussion of the subjects and prospective agreements in the Uruguay Round are related to the Governor's 1988 appointment to the IGPAC, a body of State and local leaders requested to act as an advisory group to the United States Trade Representative in his capacity to exercise authority in the conduct of international trade relationships of the United States.

The Uruguay Round is the latest major round of multilateral trade negotiations under the auspices of the trading partners signatory to the GATT.

There is to be a meeting of the IGPAC in conjunction with the annual meetings of the NGA in Washington, D.C., in late January and early February of this year. The Governor will be in attendance.

DISCUSSION:

There are a number of topics in the Uruguay Round that have drawn the attention of the IGPAC, only a few of which have any significant potential direct (or even secondary) effect in Guam. These will be given the most prominent treatment here, although the other issues will be mentioned in passing.

Perhaps the most significant topic in the Uruguay Round from Guam's perspective will be the recent introduction of trade in services (including tourism) as a topic of discussion, potentially bringing it under the control of multilateral agreements. The objectives of the U.S. are principally to provide for uniformity of treatment to service providers, both within and across nations; to ease the temporary movement of service providers' employees across immigration boundaries; to ensure the good behavior of exclusive service providers, monopolies and their subsidies; to control the regulation of service providers; and, to implement standards for payments and transfers. The goals are to prohibit discrimination among countries against services provided by foreign firms by removing barriers, while allowing for the control of the powers of monopolists, international flows of currency, and the avoidance of taxes.

There are specific concerns in IGPAC regarding trade in financial services, particularly with reference to discriminatory State and local laws governing the financial industry. As an eligible point for Off-Shore Banking, Guam may see some changes that could affect our domestic banking enterprises. If these develop, they would probably assist in overall economic development (in the near-term) through a reduction in interest rates and improvements in other terms of credit. It is not clear, though, whether the U.S. Off-Shore Banking laws will be a subject of negotiations, or whether they might be liberalized to allow more domestic market access in areas other than trade financing.

The other area in which Guam might be affected on the grounds of discriminatory banking laws would be in the limitation on the number of branch banks that a banking institution chartered outside of Guam may have when the outside bank's home jurisdiction restricts branching activities by banks chartered in Guam.

Market access: Guam is an "open port," not imposing tariffs or quotas on imports, while exporting only small quantities of manufactured items outside of the U.S. Because of this, the issue of market access is not of significant concern here. The only effects that we might experience from the tenor of the negotiations is a moderate reduction of some goods prices, should trade barriers be reduced and international competition improve. However, there are several topics that are closely related to tariffs and quotas in that they are considered "non-tariff" barriers to entry.

One of these has to do with subsidies (countervailing duties are not of concern here). One of the topics under discussion is regional development subsidies, which the Guam Economic Development Authority (GEDA) could be considered to grant, particularly under its Qualifying Certificate and loan programs; these programs tend not to be uniformly available, and their extension is specified in local law to, among other things, substitute for imports and provide for exports. The draft text of the new GATT agreement includes a provision, supported by the European Economic Community (EC), that would automatically make the type of subsidies extended through GEDA "actionable." This means that compensating barriers could legally be instituted by other nations unless and until GEDA's programs are halted, if those nations' industries could be shown to have been damaged and Guam is no longer considered an "economically distressed subregion." While this is not a pressing issue (or danger), it is a matter that should be followed closely as the negotiations proceed.

(The U.S. is promoting a new concept in categorizing subsidies, known as "red - yellow - green." "Red" refers to the proscribed practice of directly subsidizing exports. "Yellow" refers to the controlled practice of internally subsidizing industries that are engaged in export trade; if these subsidies can be proven to damage another country's industry, they may be "actionable," either through countervailing duties (which negate the effect on prices caused by the subsidy) or other forms of relief. "Green" subsidies relate to regional development, trade adjustment, pollution control, and research and development; these would not generally be actionable, but could be contested to a GATT fact-finding committee.)

Similarly, Trade-Related Investment Measures (TRIMs) have recently been unofficially implemented by the GEDA Board of Directors as a method of gaining more direct benefit for Guam from foreign investment. TRIMs include such practices as requiring a minimum specified proportion of local participation in foreign investment projects,

minimum specified proportions of local purchases in product production (in this case, tourism), requirements constraining the types of products a firm can produce, domestic sales requirements, and demands for exchange or remittance restrictions. GEDA has, at one time or another, applied each of these in its negotiations associated with the Qualifying Certificate program. The U.S. has indicated that it would favor the prohibition of at least some types of TRIMs, and (with the inclusion of services in the GATT negotiations) this might eventually impact upon GEDA's practices. (It might also affect the trade preference that Guam currently enjoys with the U.S.)

Another topic of discussion is government procurement. Both the U.S. and Guam have local preference laws that might be affected by opening free trade practices in this area. Although not a matter of immediate concern, the negotiations merit monitoring with reference to this, so that our laws could be modified (if necessary).

Agriculture is the most important issue to the U.S. in the Uruguay Round, but is of little relevance on the policy level in Guam. If the Round is successful in eliminating agricultural subsidies and other protective measures by governments, our food supply should become slightly less expensive; it may, however become somewhat less stable in specific food categories, if the world slips once more into the feast-or-famine mode that prevailed prior to the agricultural price stabilization policies implemented in the 1930s. This should not be a matter of concern.

At present, because Guam falls under the sovereignty of the U.S. in trade matters (even though we are outside of the Customs Territory of the U.S.), the issue of dispute settlement is not of immediate concern to us. Similarly, the topic of trade-related intellectual property rights is of no concern, other than to ensure that our patent, copyright and trademark laws and regulations are in line with international standards.

The Agreement on Technical Barriers to Trade (Standards Code) could have impacts in Guam, given the inclusion of services in this Round. These would center around environmental issues, building codes and other product safety concerns. However, since Guam's standards in this area are equal or superior to U.S. standards, it is unlikely that any impact at all will be felt in our tourism industry. On the other hand, Guam may benefit if some countries' technical barriers to our potential agricultural exports are lifted.

CONCERNATIONS:

The only recommendations to be made at this stage of the negotiations is that Guam monitor the progress on those several issues highlighted above (particularly as they relate to trade in tourism), and be prepared to voice its concerns and objections should events directly prejudicial to our concerns develop.

DEPARTMENT OF COMMERCE
DIPATTAMENTON I KUMETSIO

OK/see ✓

GUAM

MAR 10 1991

DC/SE/ERC/91-011

MEMORANDUM

TO: Director, Bureau of Planning

FROM: Director, Department of Commerce

SUBJECT: North American Free Trade Agreement (United States-Mexico-Canada)



You requested comments on the North American Free Trade Agreement negotiations. We have frequently stated the premises behind the following comments: any United States trade agreement which provides access to foreign markets should cover Guam. Germane to tactics in dealing with the federal government, the other Territories and the U. S. Commonwealth probably have a similar wish to be covered.

Relevant to the negotiations, Guam does not have access to the Canadian market under the bilateral Canada-U.S. agreement. The U. S. Trade Representative's statement before the U. S. Senate Committee of Finance includes "...both the United States and Canada agree that the U.S.-Canada free trade agreement sets a floor for commitments between the two countries. Trilateral negotiations will give us an opportunity to improve and expand the U.S.-Canada free trade agreement;..." [Feb 6, 1991, p. 11].

Guam's interest in the talks is to be included in any U. S. access to the Canadian and Mexican markets. That is, the U.S.-Canada agreement should be improved to include Guam's access to the Canadian market. The Governor should express such interests in forums such as the National Governors' Association, its Committee on International Trade and Foreign Relations, and the USTR's Intergovernmental Policy Advisory Committee.

Guam's interest in access to the Mexican and Canadian market may appear academic; trade opportunities are impossible to forecast, however. For example, no one predicted in 1985 that sashimi grade tuna would be a major export of Guam to Japan. If Japan restricted such imports, the industry would never have developed.

[Signature]
PETER R. MARCINAK

DEPARTMENT OF COMMERCE
DIPATTAMENTON I KUMETSIO

EXTENDING
FAST-TRACK NEGOTIATING AUTHORITY
BRIEFING PAPER

April 15, 1991

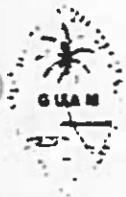
"Fast-track negotiating authority" is granted to the President by Congress. Under the authority, Congress agrees not to amend a trade agreement submitted to it. That is, Congress either accepts the agreement as written or rejects it entirely.

With this authority, the President can negotiate in good faith; that is, the negotiating partners are assured that the final agreement will not be modified by Congress. Thus, a concession that the U. S. Trade Negotiator grants will remain after Congress passes the agreement. If Congress does not pass the agreement, the whole agreement, including the concession by the other negotiators, is rejected.

The President has fast-track authority for the trilateral negotiations -- the U. S., Canada, and Mexico free trade pact negotiations -- and for the Uruguay Round of the GATT negotiations. The President has asked Congress to extend the authority for two years. If Congress takes no action by June 1, the extension will be granted.

For the trilateral negotiations there will be an attempt to reject the extension. Organized labor, or at least a portion of the leadership of organized labor, opposes fast-track authority for the negotiations with Mexico. No other interests opposing granting this extension have been identified. Except for organized labor representatives, the 44 member Advisory Committee for Trade Policy and Negotiations (ACTPN) approved the extension. ACTPN has representative from agriculture and many other industries. ACTPN is a citizens' trade advisory committee established under Omnibus Trade Competitive Act of 1988.

It is in the interest of Guam that the fast-track authority be extended for the trilateral negotiations and particularly desirable that it be extended for the Uruguay Round. Our Congressional Representative is not on a committee where he can vote on the issue. Nevertheless, we recommend that he be informed of the Government of Guam's position on the fast-track extension.



DEPARTMENT OF COMMERCE
DIPATTAMENTON I KUMETSIO
GOVERNMENT OF GUAM



DC/SE/ERC/91-017

MEMORANDUM

TO: Director of Planning
FROM: Director of Commerce
SUBJECT: Trade Negotiations Note

We received two transmittals concerning trade negotiations. One is dated March 22 and the other March 25. Both requested comments. Comments with recommendations are in three attached briefing papers and in this memorandum.

If not already the case, we strongly urge that a single responsible employee of the Government of Guam represent Guam at all meetings of the Staff Advisory Council to the Committee on International Trade and Foreign Relations of the National Governor's Association. For Guam's position to be heard, thoughtful persistence is required, alliances may be formed, and relevant staff members in federal agencies must be found. This requires assignment of a single responsible individual.

The March 25th correspondence requested a reply for the Governor's signature. We are reluctant to prepare the reply for two reasons. The letter from Governors Thompson and Waihee is partially personal, commencing with "Dear Joe" and signed "Tommy" and "John." Further, we recommend that the Governor response include a commitment to attend one of the hearings on the trilateral -- U. S., Canada, and Mexico -- negotiations. The Department of Commerce cannot decide that the Governor attend a hearing; nor can the Department choose which hearing to attend.

A further recommendation for the response to Governors Thompson and Waihee is to state the Governor's support for extension of fast-track authority along with a statement of any action taken in support. (See "Fast-Track" briefing paper and next paragraph.)

We support extending the fast-track authority. Since Congress may deny this extension, we recommend that the Governor state support for extension of the fast-track authority to our Congressional Representative or otherwise show support before Congress.

PETER R. BARGINAS
Director

DEPARTMENT OF COMMERCE
DIPATTAMENTON I KUMETSIO

URUGUAY ROUND OF NEGOTIATIONS
UNDER GATT
BRIEFING PAPER

April 15, 1991
Page 1 of 2

The discussion is based on the following premisses.

1. Any United States trade agreement which provides access to foreign markets should cover Guam. Germane to tactics in dealing with the federal government, the other Territories and the U. S. Commonwealths may have a similar wish to be covered.
2. Guam should have no less access to the U. S. market than provided to any nation under a trade agreement.
3. Guam's position on the matters above is non-controversial but Guam can be forgotten as occurred in the U. S.-Canadian agreement.
4. Guam benefits from opening of international trade and a trade war would hurt Guam because of the impact on the world economy. Specifically, Guam's prosperity depends on Japan's and the Asian Newly Industrialized Economies' prosperity. The international trading system is critical to these economies.
5. At the moment, Guam's protectionist interests in preserving U. S. trade restrictions are weak.

Premiss 1 may appear academic; but trade opportunities are impossible to forecast. For example, no one predicted in 1985 that sashimi grade tuna would be a major export of Guam to Japan. If Japan restricted such imports, the industry would never have developed.

Premiss 5 may require explanation. If all U. S. trade restrictions ceased, Guam would loose some unstable and unskilled jobs in textiles and watch assembly. The number of jobs vary greatly from month to month but average about two-hundred. Under the best future, these are declining industries for Guam. Further, Guam currently generates an excess of unskilled jobs. As a judgement of proportion, we believe that its in Guam's interest to take the magnanimous position in support of free trade. The gain for Guam of freer world trade would be defuse but significant. Further, Guam gains credibility when demanding market access.

Special Issue: Trade Distorting Subsidies (TRIMs) and GEDA

The Government of Guam should be alert to the possibility that the Uruguay round agreement will limit the issuance of Qualifying Certificates. Such is unlikely, however.

The U. S. proposal prohibits those "TRIMs that are inherently trade-distorting and nondiscrimination for other TRIMs, coupled with an obligation not to use any investment measures in a way that adversely affects trade"[Uruguay Round Update of May 1990]. All

Qualifying Certificates outstanding and probably all ever issue would be permissible under the U. S. proposed criteria. The compromise position will probably be less restrictive than the U. S. proposal. Most developing countries find the U. S. position too restrictive.

Guam's Access to Non-U. S. Markets

We recommend that Guam's representative to the Staff Advisory Council of the Committee on International Trade and Foreign Relations of the National Governors' Association try to confirm or correct the judgements in the next paragraph. The person may wish to discuss these matters with staff members of the U. S. Trade Representative

We have failed to identify any way by which Guam would be excluded in the benefits of the Uruguay Round of GATT negotiations. GATT benefits have been inclusive of all countries unless special contrary action is taken. Further, suppose non-members are excluded from benefits and Guam is not included as part of the U. S. membership. Suppose this has a significant impact on Guam. Then, it is believed that Guam could freely sign the GATT agreements, receiving the benefits. As a free port, Guam satisfies the obligations of such signing.

Guam's Access to the U. S. Market

Guam currently has tariff-free access to the U. S. market provided products satisfy U. S. Customs product of Guam criteria. If the Uruguay round eliminates quotas such as those on textiles, the U. S. will eliminate the machinery for issuing quotas. Thus, Guam would gain access also.

Support of Uruguay Round Negotiations

In support of negotiations, we recommend that Guam support passage through Congress of the extension of the "fast-track trade negotiating authority." "Fast-Track Trade Negotiating Authority" is the subject of a concurrent briefing paper.

H-7 Bilateral and Regional Trade Agreements

7.1 U.S. - Canadian Trade

7.1.1 Introduction. The Governors support implementation of the Free Trade Agreement negotiated by the federal governments of the United States and Canada. While the agreement did not fully address all issues relating to our bilateral trade, it is contributing to real growth in the economies of both signatories. It represents a positive step toward the open, competitive world trading system that we have endorsed. It provides for more timely and effective resolution of disputes between the two largest trading partners in the world.

Emphasizing the importance of U.S. - Canadian relations, we will continue our meetings with the Canadian Premiers on issues of mutual interest, including options for greater trade cooperation between our two countries.

7.1.2 Unresolved Issues. We believe that efforts should continue to be made to resolve those issues not fully addressed during the negotiations and that remaining inconsistencies with the General Agreement on Tariffs and Trade (GATT) rules should be vigorously pursued. We will work with Congress and the Administration and within our states to minimize any adverse effects of the agreement.

The Governors have significant concerns about issues created or not fully resolved by the agreement and ask to be consulted as negotiations, implementing legislation, or other measures are developed to ameliorate these problems.

The administration has entered into additional negotiations to address subsidies issues. Fair and open trade for all business requires equal treatment of industries regardless of differing national policies on subsidies. The Governors look forward to additional consultations on these and other negotiations.

7.2 NORTH AMERICAN FREE TRADE AREA ~~U/S/Mexico/Trade~~.

The Governors support negotiation by the federal government of a free trade agreement between the United States, CANADA, and Mexico. Such an agreement should be as comprehensive as possible, addressing the broadest array of trade and investment issues, and should be sensitive to the implications for the environment, labor markets and conditions, and regulatory and standard-setting practices. If developed in consultation with states and private interests, the agreement should qualify for the congressional "fast-track" process.

7.2.1 Factors for the Negotiations. We will seek to identify the likely impact of a free trade agreement on state economies and state regulatory practices. Further, we will seek to ensure that the U.S. negotiators are aware of our findings so that the final agreement will be based on a full understanding of its effect on American workers and industries. Moreover, no state should bear a disproportionate share of the impact of implementing the agreement.

The Governors recognize that currency fluctuations and exchange rate differences can have a dramatic effect on a company's ability to compete in international markets. U.S. negotiators should give due attention to currency issues in the free trade agreement talks.

In addition, the effect of differing regulatory schemes (e.g., health, safety, environmental) and adequate regulatory enforcement on U.S. competitiveness should be addressed.

To the extent that a GATT agreement is achieved, it should serve as the starting point for NAFTA negotiations/~~with Mexico~~.

THE FEASIBILITY OF INCLUDING U.S. TERRITORIES UNDER THE NAFTA PROVISIONS SHOULD BE EXPLORED. THE NEEDS OF U.S. TERRITORIES SHOULD BE CONSIDERED AS PART OF THE NEGOTIATIONS.

7/2/2 ~~North American Free Trade Agreement // As a key North American trading partner, // Canada // should have a role in comprehensive free trade talks // Trilateral talks should be held before the development of a North American Free Trade Agreement //~~

7.2.2 ISSUES WITH MEXICO. Recent economic reforms in Mexico have made increased cooperation on trade and investment possible. FREE TRADE NEGOTIATIONS WITH MEXICO, OUR THIRD LARGEST TRADING PARTNER, REPRESENT AN HISTORIC OPPORTUNITY TO EXPAND U.S. MARKET OPPORTUNITIES WHILE ENCOURAGING MODERNIZATION AND DEVELOPMENT OF MEXICO'S ECONOMY. THE EFFORT TO NEGOTIATE SUCH AN AGREEMENT BETWEEN TWO VERY DIFFERENT ECONOMIES IS UNPRECEDENTED IN NATURE AND SCOPE, AND RAISES QUESTIONS ABOUT THE ECONOMIC IMPACTS AND SUCH ISSUES AS THE ENVIRONMENT, HEALTH AND SAFETY, AND LABOR CONDITIONS. THE FEDERAL GOVERNMENT SHOULD CONTINUE ITS COMMITMENT TO ADDRESS THESE MATTERS EITHER AS PART OF THE NAFTA AND/OR THROUGH BILATERAL EFFORTS WITH MEXICO, AS APPROPRIATE.

TRANSITION PROVISIONS. TO ALLOW INDUSTRIES AND FARMERS TIME TO ADJUST, ADEQUATE PHASE-IN PERIODS SHOULD BE PROVIDED, WITH THE LONGEST TRANSITION PERIODS FOR THOSE PRODUCERS MOST SENSITIVE TO COMPETITION FROM MEXICO. ACCOMPANYING SAFEGUARD MECHANISMS, SUCH AS TEMPORARY SUSPENSION OF TRADE PREFERENCES OR TEMPORARY "SNAP-BACK" PROVISIONS, SHOULD BE AVAILABLE IN THE EVENT OF INJURIOUS INCREASES IN IMPORTS UNDER A NAFTA AGREEMENT. STRONG RULES OF ORIGIN ARE ESSENTIAL TO ENSURE THAT OTHER COUNTRIES DO NOT UNDULY BENEFIT FROM MEXICO'S PARTICIPATION IN NAFTA.

ENVIRONMENTAL ISSUES. THE EXPECTED ECONOMIC GROWTH RESULTING FROM A NAFTA MUST BE ACCOMPANIED BY COOPERATIVE EFFORTS TO ENHANCE ENVIRONMENTAL PROTECTION. THE FEDERAL GOVERNMENT MUST ASSURE THE ENHANCEMENT OF MEXICO'S STANDARDS AND ENFORCEMENT EFFORTS WITHOUT LOWERING OUR OWN.

WORKER ADJUSTMENT. IN THE EVENT THAT U.S. WORKERS ARE DISLOCATED AS A RESULT OF NAFTA IMPLEMENTATION, EFFECTIVE PROGRAMS FOR RETRAINING AND ADJUSTMENT THAT ARE ADEQUATELY FUNDED AT THE FEDERAL LEVEL SHOULD BE AVAILABLE. IN ADDITION, THE FEDERAL GOVERNMENT SHOULD SEEK IMPROVEMENTS IN MEXICO'S LABOR CONDITIONS IN ORDER TO MINIMIZE DISLOCATIONS AT HOME AND ENHANCE THE SAFETY AND HEALTH OF MEXICAN WORKERS.

7.3 Western Hemisphere Trade.

The President's "Enterprise for the Americas" initiative holds considerable potential for expanding trade throughout the hemisphere and for enhancing economic development. States should explore opportunities for increasing contacts with countries in the region.

FAST-TRACK TRADE AUTHORITY

On March 1, the Administration sent Congress a request for a two-year extension of fast-track trade authority. Under the fast-track process, the implementing legislation for a trade agreement must be voted on by Congress without amendment and within a fixed period of time. The fast-track process also places notification and consultation requirements on the Administration to ensure that Congress is involved at each stage in the negotiations process. The Administration has stated that it will use fast-track authority to complete the Uruguay Round of the General Agreement on Tariffs and Trade (GATT), negotiate a North American Free Trade Agreement (NAFTA), and pursue the trade objectives of the President's Enterprise for the Americas Initiative.

Fast-track authority will be extended automatically to May 31, 1993 unless either the House or the Senate passes a resolution to disapprove the extension. The deadline for the passage of a resolution of disapproval is June 1. The resolution must be

reported out of the House Ways and Means Committee or the Senate Finance Committee by May 15; floor action is expected the week of May 20. Rep. Rostenkowski and Senator Bentsen, chairmen of the respective committees, have tentatively supported an extension.

NGA has policy supporting successful completion of the Uruguay Round and the negotiation of a NAFTA. The policy also supports fast-track authority for a NAFTA if it is negotiated in consultation with states.

NGA Objectives

- Extend fast-track authority in order to continue GATT negotiations and begin NAFTA negotiations.
- Continue to work with Congress and the administration throughout the negotiations process to ensure that any agreements reflect state interests.

Contact: Jody Thomas, 202/624-7824

COMMITTEE ON ENERGY AND ENVIRONMENT

SYNOPSIS OF BRIEFING PAPERS

- **Resolution on Low-Level Radioactive Waste**

The resolution was submitted to WGA and will be taken up in the up-coming NGA meeting. It calls for re-evaluation of the compact system created by federal legislation during the 1980's, the Low-Level Radioactive Waste Disposal Act which requires states to take responsibility for the disposal of their own low-level radioactive waste. There are too many facilities developed for a decreasing volume of waste and operation and maintenance are far too expensive. The governors propose that alternatives to the current system that are equitable for all states should be explored.

The Guam Environmental Protection Agency verifies that Guam does not regulate the management of radioactive waste generated on island since regulatory activities fall exclusively under federal jurisdiction. Guam is not directly affected by the issue.

- **State Authority to Control Out-Of-State Waste**

Briefing papers submitted by Guam Environmental Protection Agency for the 1991 WGA Annual Meeting and 1991 NGA Winter Meeting are included as they are for the same issue.

Guam is concerned with its future solid waste management due to a rapidly increasing population and the rapid decrease in space in its only public landfill. A Task Force was created aimed at addressing this environmental concern to establish a viable, comprehensive and long-term integrated solid waste management program. The program's multi-phase plan has been developed with its primary objective of construction and operation of a waste-to-energy incinerator expected to be in operation within ten years. Once the incinerator is active, the present landfill will be closed and another will be designed located away from primary residential areas and on government-owned property. This will be used for waste collected that can not be incinerated. A waste composition study will be part of the plan to determine types and quantities of waste for incineration and waste recovery for recycling purposes. Guam continuously strive for self-

sufficiency because of its duty and obligation to best serve its residents.

- **State Capacity Assurance Planning for Hazardous Waste**

In Guam, all hazardous waste are disposed off-island except for household hazardous waste and those generated by facilities that are conditionally exempted. Hazardous waste from Guam are shipped to Hawaii for storage and transported to California, Texas, Idaho or Kansas for ultimate disposal. It is unlikely that active land disposal or treatment of regulated quantities of hazardous waste will develop on island primarily because of land constraints and the potential ground water contamination. It is Guam's intent to be responsible of the hazardous waste it generates. Guam advocates waste minimization and pollution prevention. Currently, GEPA is negotiating with the U.S. Navy on a waste minimization program that will be incorporated as part of the condition in a RCRA permit for its storage facility. Once an effective program has been negotiated, GEPA will utilize it as a model for future RCRA storage permits.

- **State Concerns in the Development of a National Energy Strategy**

State energy emergency response activities are important elements of our country's efforts to mitigate the impact of a supply crisis. The Governors believe it is necessary to establish a national commission to evaluate the national energy emergency preparedness and to recommend actions necessary to enhance our readiness to response to future supply disruption. State energy emergency response planning must also remain a state priority and should receive assistance and financial support from the Department of Energy.

The Guam Energy Office's briefing papers for the 1991 WGA Annual Meeting and 1991 NGA Winter Meeting on energy-related issues are included in this package. The department expressed a need for a balanced national energy strategy for the development of domestic energy self-sufficiency policies, domestic energy supplies and conservation programs with a goal of reducing reliance on imported foreign oil. The Governor of Guam, CNMI, Hawaii and other Pacific Island member governors should support, sponsor or co-sponsor a resolution asking the U.S. Department of Energy to commit to establishing a Refined Petroleum Reserve (RPR) in insular areas or establish a Pacific Basin Strategic Petroleum Reserve (PBSPR) for refined products for Guam and Micronesia. This has its potential immediate effects to Guam during an energy emergency.

- **Commitment to Protect Water Supplies, Wetlands, Farmland and Open Space**

Governors are renewing their commitment to the environment this year by preparing environment-related proposals emphasizing the vital importance of fresh water sources, wetlands and other environmentally sensitive areas, productive farmland and pristine open space to preserve the natural beauty of their states.

The Guam Department of Agriculture expressed that on protection of wetlands, it has fought for wetland conservation, preservation and enhancement to the extent that recommendation was made to the Governor to establish a policy to purchase or exchange with government land privately owned wetlands.

The department also requested for reservation of about 13,000 acres of public lands (10% of Guam's total land area) for conservation and protection of wildlife habitat. On the marine side, close to 4,000 acres of submerged lands was requested.

On protection of water supplies, the department is undertaking afforestation projects to protect watersheds and cut down on erosion problems.

- **Proposed Amendment to the EEZ Policy**

NGA's existing EEZ policy puts the states in full partnership with the federal government in the management of EEZ resources.

The Territory of Guam maintains a strong position in support of its ownership, jurisdiction and control over its EEZ for conservation, exploration and development based on its traditional rights, the federally approve Covenant agreement with the U.S., rights under international law and local statutes. Its exclusive ownership and control of the EEZ resources are subject only to federal responsibilities for national defense and foreign affairs.



GUAM ENVIRONMENTAL PROTECTION AGENCY

AHENSIAN PRUTEKSION LINA'LA GUAHAN

D-107 Harmon Plaza, 130 Rojas St., Harmon, Guam 96911 Tel. No. 646-8863/5 FAX: 646-9402

AUG 9 1991

INTERAGENCY MEMORANDUM

To: Director, Bureau of Planning

From: Administrator

Subject: Briefing Paper

Submitted is this Agency's Position Paper requested by your Bureau for the WGA Resolution on Low-Level Radioactive Waste.

If you should need further information, please contact our Office.

FRED M. CASTRO

Attachment





GUAM ENVIRONMENTAL PROTECTION AGENCY

AHENSIAH PRUTEKSION LINA'LA GUAHAN

D-107 Harmon Plaza, 130 Rojas St., Harmon, Guam 96911 Tel. No. 646-8863/5 FAX 646-9402

POSITION PAPER

WGA Resolution on Low-Level Radioactive Waste

- The Government of Guam does not regulate the management of radioactive wastes which within the Territory falls under the jurisdiction of the Nuclear Regulatory Commission (NRC) since the regulated generators are federal agencies or activities.
- Guam does not have a need or requirement at state equivalent to ensure regulated disposal of low-level radioactive waste. Regulatory activities fall exclusively under federal role.
- Guam is not directly affected by this issue.
- In the interest of promoting environmentally sound and economically feasible and practical national and regional efforts in handling of low-level radioactive waste, recommend: Cosponsorship or support of the Governor of Nebraska's, E. Benjamin Nelson, resolution.



STATE AUTHORITY TO CONTROL OUT-OF-STATE WASTE

Because of our remote location, the Territory of Guam does not ship its solid wastes off-island for disposal nor is it the recipient of similar wastes from other off-site sources. Instead, waste generated by Guam's residents are disposed at landfills on-island. There are three landfills on Guam of which only one is available to the general public, and is owned and operated by the Government of Guam. The remaining landfills are strictly dedicated to wastes generated by the U.S. Navy, and U.S. Air Force.

With an increasing population, Guam is experiencing the concern of managing the additional solid wastes generated, and the rapid decrease in space of its only public landfill. The Guam Environmental Protection Agency, the Guam Economic Development Agency, and Department of Public Works through a task force are well onto addressing this environmental concern with the aim of firmly establishing a viable, comprehensive, and long-term integrated solid waste management program.

A multi-phase plan has been developed which involves several activities. The primary objective is the construction and operation of a waste-to-energy incinerator which is expected to be in operation within ten years. However, to accommodate

the wastes that will be generated during the interim, the first phase will involve the enlargement of the existing landfill. Once the incinerator is active, the landfill will be closed according to specifications outlined for RCRA landfills. However, since it is anticipated that not all the wastes collected can be incinerated, and that the incinerator is expected to generate ash, the Government has identified a potential site for another landfill that will be designed employing "state-of-the-art" technology, and be located away from primary residential areas and on government-owned property.

The Plan also requires a waste composition study from which information generated will serve to determine the types and quantities of wastes to be incinerated. In addition, the study will be utilized to identify the quantities of those wastes that can be recovered, thereby encouraging waste segregation and additional recycling. Currently, aluminum cans, spent batteries, and scrap metal are only being recovered and shipped off-island for recycling.

The Territory of Guam supports WBA's position that States should strive for self-sufficiency. The Government of Guam's intent is to continuously strive for self sufficiency because of its duty and obligation to best serve its residents.



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George Mickelson
M. hae. Sullivan
James M. S. Gaby
EXP. 1/1/92

June 4, 1991

The Honorable Joseph Ada
Governor of Guam
Executive Chamber
Agana, Guam 96910

Dear Joseph:

I want to report back to you on a successful meeting of the Western Governors' Waste Management Task Force with senior federal officials at the White House, May 20. Governors Andrus, Bangerter, King, Sinner and I met with Secretary Watkins, Administrator Reilly, Assistant to the President for Economic and Domestic Policy Roger Porter, Nuclear Regulatory Commission Chairman Carr, Assistant Secretary of Defense MacMillan and a host of other officials.

We began the dialogue because the nation is becoming so dependent on the West to solve its waste problems. The West has more than half of the nation's DoE facilities, more than half of its DoD facilities, two of the three currently operating low level radioactive waste sites in the country, the only site for federal transuranic waste disposal, and the proposed site for the nation's only high level radioactive waste disposal facility regardless of the fact that 90% of the high level waste is produced in other regions of the country, and because that topic is so timely with respect to congressional action.

The agenda was a difficult one, including long standing questions over federal compliance and funding of clean-ups at federal facilities. The agenda became even more difficult when Assistant OMB Administrator Grady introduced some proposed amendments to Senator Mitchell's bill (S596) to give states more authority to oversee federal facilities clean-up. The Administration proposal had been prepared over the weekend and came as a surprise. While we were pleased to learn that the Administration is becoming more sensitive to state concerns over federal clean-ups, we deferred on the measure until we can see actual language and obtain some clarification on some of the ideas proposed. Jim Souby has shared the proposal with the WGA waste task force states. The NGA Energy and Environment Committee staff also have a copy of the initial proposal.

After this opening gambit, we were able to move on our remaining agenda issues and obtain some positive results. Before the meeting, we had agreed to three objectives: federal agreement to continue the cabinet-governor level dialogue so we can maintain accountability at the highest levels on waste management issues; creation of a cooperative research and development agreement between the major federal agencies producing and regulating waste and WGA on emerging waste management technologies; and, greater regional participation in federal funding requests and review.

The Honorable Joseph Ada
June 4, 1991
Page 2.

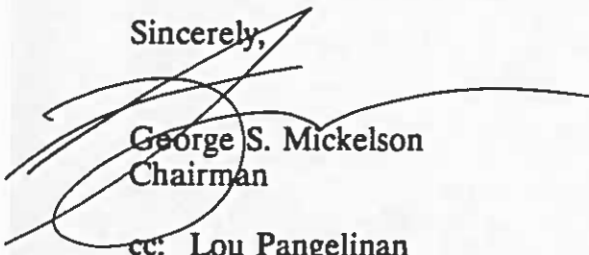
We reached two agreements: the dialogue will continue on a regular basis and the federal agencies will enter into a cooperative agreement with WGA on research and development. We will sign the cooperative agreement at our annual meeting, in July. We also agreed that the next topics for discussion are interstate movement of waste and federal compliance. We were not able to discuss the third issue, accountability for funding and regional participation in funding proposals, due to time constraints. I think we should raise the issue again at our next meeting.

Because of the nature of accountability this meeting raised - principal to principal - the federal agencies came in very uncomfortable about a regional approach. They would prefer to continue to deal with the issue on a "national" basis, that is, state by state through the highly technical staff working groups they have established. While we appreciate these efforts, they don't provide the high level accountability we need to make sure the West, the main target for federal waste streams, is getting the resources and policy protection we need to handle this burden safely and without damage to our environment and environment/image dependent industries of agriculture and tourism. Therefore, I am very pleased we are beginning to get accommodation on our regional concerns. This was the most important aspect of the meeting.

To reinforce our regional concern and cooperation, I raised our proposed western governors waste protocol at the White House meeting. It is an agreement between western governors on how we will keep each other informed on waste issues of interstate concern. I believe the federal officials were genuinely impressed that we are considering this action. I encourage you to review the draft protocol which has been provided to each staff council member so we can approve and sign the agreement at the annual meeting.

Please call me or our Executive Director, Jim Souby, if you have any questions about the meeting or the protocol. Thanks.

Sincerely,



George S. Mickelson
Chairman

cc: Lou Pangelinan

Enclosure

strategy\gov2.ltr

WESTERN STATES REGIONAL WASTE MANAGEMENT PROTOCOL

Findings

Managing the wastes our society produces is no longer merely a local management issue. The complexity of waste characteristics and costs of safely treating and disposing of wastes has made waste management a state and regional issue guided by federal regulations.

Few states have the capacity to treat and dispose of all types of wastes generated within their borders. While every state can manage most if not all of its solid waste in state, western states are interdependent on one another for the management of biomedical, hazardous, and low level radioactive waste.

The federal government, primarily through the Department of Energy and the Department of Defense, has created significant waste sites in the West. The magnitude of the problems at these sites dwarfs other waste management problems in the region.

Wastesheds, like watersheds, do not follow the political boundaries on a map. Likewise the policies we adopt to manage waste in one state will impact waste management in another state. In addition, federal decisions on site cleanup can cause wastes to move between states in the West for treatment and disposal.

The West is leading the nation in working cooperatively on waste management concerns exemplified by its hazardous waste regional dialogue and capacity assurance.

We must continue to work cooperatively with our local leaders, tribal leaders, business and environmental interests, and with each other to ensure that wastes are managed safely and economically.

Because of the region's geology, rainfall, and settlement patterns, the West has been asked to shoulder a large part of the national waste management responsibility. These same attributes have led private interests (and the federal government) to approach our communities to host waste management treatment and storage facilities for wastes generated in other regions.

The West's environment and natural resources have always been the lifeblood of the region. In addition, the West is perceived nationally and internationally as having pristine air and a clean and safe environment. It is in our best interests to work together to steward our environment and natural resources to ensure that people want to continue to move to or visit the West.

Purpose

The purposes of this protocol are to enhance the communication among western state governors on waste management issues, to formalize the process of notification of affected neighboring states on waste facility siting decisions, and to establish regional principles on waste management.

Principles

We, the undersigned Governors, pledge to each other the following:

- 1. We will encourage the minimization of waste in private production processes and we will do everything economically and environmentally practical to ensure that wastes generated in our states are treated and disposed of in our own state before resorting to export.*
- 2. We will notify and consult with each other over state decisions regarding waste management that may impact other western states. Issues which will trigger notification and opportunity for comment include:*

Facility siting: Proposed waste management facilities within sixty miles of another state's border and large regional facilities designed to draw wastes from other states and regions. Notification will be triggered by a state receiving a formal application for a facility;

Fee levels: Increases in state waste management fees in excess of 50% per annum if over \$10. Fees will include tipping, license, application and other state imposed waste management fees;

Changes in statutes or regulations: Proposed changes in states' waste treatment, storage, or disposal regulations or statutes which could result in wastes being exported to other states or restricted from other states. When possible, notification will occur early enough in the process to allow for meaningful comment before the new statute or regulation takes effect;

Cleanup wastes: Wastes from federal or state cleanup actions which may leave the state of origin for treatment and/or disposal;

Transportation impacts: Significant increases in transportation of waste through another state on its way toward treatment or disposal.

3. We will share information on state-federal agreements for federal site cleanup to ensure that each state in the region has the best agreement possible. This information sharing will occur at least annually.
4. We will also share information on successful state waste management strategies.
5. We will cooperate to the degree possible to develop regional markets for recycled products. This cooperation will include, but not be limited to, working toward common standards and definitions for recycled materials and ensuring that state policies do not discourage the interstate flow of materials for legitimate recycling.
6. We will continue to work cooperatively to ensure that the West is treated fairly in national waste management policy decisions. This will include, but not be limited to, supporting Congressional action to give states more control of out-of-state solid waste, including differential fees and regional agreements or compacts.

Implementation of Principles

To implement these principles we will

- *appoint a single point of contact within our states responsible for, and responsive to, notification of other states. The names of these contacts*

will be forwarded to the Western Governors' Association within sixty days of the signing of this protocol;

- give copies of this protocol to our environmental agencies with instructions to incorporate the principles into their planning and siting processes; and*
- sign executive orders within 120 days of the signing of this protocol making these principles a matter of state policy.*

Progress Toward Implementation

We will meet on an annual basis to review compliance with the aforementioned principles. The Western Governors' Association will produce for our review a waste management in the West profile that highlights regional waste problems, opportunities, and policy options.

Governor

Governor

solid-ws\protocol



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James M. Souby
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Under McKinnon

NEWS RELEASE

WESTERN GOVERNORS' ASSOCIATION

WESTERN GOVERNORS TO NEGOTIATE FIRST-EVER WASTE PROTOCOL, FEDERAL-STATE WASTE RESEARCH AND DEVELOPMENT COOPERATIVE AGREEMENT

FOR IMMEDIATE RELEASE
THURSDAY, JULY 11, 1991

Contact:
Chris McKinnon
Western Governors' Association
(303) 623-9378

RAPID CITY -- The western governors are negotiating a landmark Regional Waste Protocol and a Federal-State Cooperative Research and Development Agreement which they expect to sign at the Western Governors' Association (WGA) annual meeting in Rapid City, South Dakota, on July 21-23. These two agreements will place the Western Governors in a position to have greater control of their states' destinies with respect to federal and state waste management issues. Governor Mickelson of South Dakota, the WGA chairman, will announce the provisions of the agreements at the conference Monday morning, July 22, in the company of U.S. Secretary of Energy Admiral James Watkins, EPA Administrator William Reilly, and fifteen other western governors.

The Regional Waste Protocol is expected to pledge governors to good neighbor practices by agreeing to provide each other with advance notice and the opportunity to comment on waste management decisions which may have interstate impacts. The protocol negotiations have focused on minimizing waste production and discouraging further state export of wastes when feasible, and on improving the communication among western governors on interstate movement of waste (including federal wastes). The governors are pressing to formalize the process of notification of affected neighboring states on waste facility siting decisions, and establish regional principles on waste management.

The western governors are also negotiating a Federal-State Cooperative Agreement on Waste Management Technology Research and Development. The Cooperative Agreement will be discussed with Energy Secretary Watkins and EPA Administrator Reilly at the meeting. Defense Secretary Richard Cheney is expected to join the agreement. The Cooperative development and deployment of innovative waste management technologies will help both federal and western state governments efficiently and effectively manage their problem waste sites. Waste management technology development offers benefits not only for the cleanup of federal facilities in the West, but also fosters the creation of a new U.S. waste cleanup technology industry that will be on the technological cutting edge. If agreement is reached, the measure will be signed Monday morning, July 21.

"The West is leading the way in solving waste management challenges," Governor Mickelson said. "Developing formal regional and federal-state dialogues is a milestone toward achieving consensus on effective and equitable waste management policies."

Both of these agreements will be highlighted during Monday's sessions at the WGA annual meeting, July 21 - 23, in Rapid City, South Dakota. As chairman, Governor Mickelson has led WGA efforts to set regional priorities and develop regional policy on waste management.

The Western Governors' Association is an independent nonpartisan organization of governors from 18 western states, two Pacific territories and a commonwealth. It is a vehicle through which governors can advocate policies of regional interest on national and state levels. It serves to educate policymakers, the media and the public about important western issues such as natural resources, the environment, international trade, economic development and fiscal issues.

**WESTERN REGIONAL AGREEMENT AND DIALOGUE ON STATE CAPACITY
ASSURANCE PLANNING FOR HAZARDOUS WASTE**

Each year, tons of hazardous wastes are generated on Guam and require ultimate disposal. However, unlike the mainland United States, land disposal and treatment are unavailable on island. Guam supports WGA's policy in encouraging states to manage their wastes within their area, and appreciates its overall intent. However, such a goal may not be "economically and environmentally practicable" on Guam.

From an environmental standpoint, it is highly unlikely that active land disposal or treatment of regulated quantities of hazardous wastes will develop on island primarily because of land constraints and the potential for groundwater contamination. Siting alone for such facilities would be difficult because Guam's groundwater aquifers encompass nearly 50% of the island. Furthermore, because Guam's economy is primarily driven by tourism from Japan, the value of land is continuously increasing since it is sought out by investors for the development of tourist related appurtenances.

It is Guam's intent to take responsibility of the hazardous wastes it generates. Despite obstacles, Guam advocates waste minimization and pollution prevention. The Guam

Environmental Protection Agency is registered in USEPA's listing as a source for information on pollution prevention for various waste generating activities. Personnel are in constant contact with the regulated community and provide as much guidance on pollution prevention and waste minimization utilizing a "non-enforcement" type approach.

Guam is continuously searching for ideas in contributing to the minimization of hazardous wastes. Currently, GEPA is negotiating with the U.S. Navy on a waste minimization program that will be incorporated as part of a condition in a RCRA permit for its storage facility. Once an effective program has been negotiated, the Agency will utilize it as a model for future RCRA storage permits.

Similar to most states, waste oil is also a concern. However, The Government of Guam has interceded and offers its power utility facility in the burning of non-hazardous waste oil. In addition, an oil recycling facility is expected to be in operation by the end of 1991 that will process non-hazardous waste oil. Also, non-hazardous waste oil is being utilized by a private asphalt batching facility on island. Although these activities address only non-hazardous waste oil, it does encourage the regulated community to use non-hazardous chemicals and practice waste

segregation which are both fundamental components in waste minimization and pollution prevention.

BRIEFING PAPER FOR GOVERNOR

STATE CONCERNS IN THE DEVELOPMENT OF A NATIONAL ENERGY STRATEGY

A. NEED FOR DEPARTMENT OF ENERGY TO FOCUS ITS EFFORTS IN THE DEVELOPMENT OF COST-EFFECTIVE ALTERNATE RENEWABLE ENERGY TO REPLACE OIL.

In light of the current Middle East crisis, which largely involves oil, it is imperative that America at least triple its efforts to make alternate renewable energy cost effective to replace fossil fuels as a source of energy. It is evident that Iraq's invasion of Kuwait and probable plan to take over Saudi Arabia, had the United States not intervened, was motivated by a desire to control a large portion of the world's oil supply. Iraq's rise to power was made possible by its oil revenues. Thus, the sooner the world develops cheaper but efficient alternate renewable energy, the sooner Middle East oil will become less valuable and decrease funds for the purchase of armaments.

The U.S. Department of Energy must begin to intensify its efforts in research and development of alternate renewable energy to provide energy for homes and businesses. It can also work in partnership with Japan to develop a functional and practical solar electric car which constantly recharges itself through solar energy.

For the Pacific which includes Guam and Micronesia, the U.S. Department of Energy has yet to fulfill its mandate by the U.S. Congress to develop alternate renewable energy in conformance with P.L. 96-597 adopted in December 24, 1980 to assist the insular areas of Guam, the Commonwealth of the Northern Mariana Islands, American Samoa, Virgin Islands and the other island entities in Micronesia under U.S. jurisdiction in developing in a meaningful way these resources. For example, an Ocean Thermal Energy Conversion (OTEC) prototype has yet to be built which can greatly benefit our islands due to the low priority it has with the federal government.

B. NEED FOR CONGRESS AND THE U.S. DEPARTMENT OF ENERGY TO INCREASE FUNDING TO THE STATES AND TERRITORIES TO EXPAND ENERGY CONSERVATION PROGRAMS.

Through recent years, the States and Territories have seen federal funds dwindle to such insignificant amounts that it implies energy conservation is not a top priority of the federal government due to cheap oil prior to the onstart of the Middle East crisis. It is important therefore, that Congress and U.S. DOE place a greater priority on energy conservation to totally eliminate oil imports from foreign sources while developing alternate renewable energy. Just through effective energy conservation measures alone, America can totally eliminate imports of foreign oil. The increase of funding

**BRIEFING PAPER FOR GOVERNOR
GUAM ENERGY OFFICE
January 23, 1991**

to States and Territories which can be used in conjunction with Petroleum Violation EScrow Funds can make this program effective. Guam should be included as a recipient of funds under the Weatherization Program where most of the federal funding is allocated.

**C. NEED FOR CONGRESS AND U.S. DOE TO ESTABLISH STRATEGIC PETROLEUM RESERVES
IN OFF-SHORE AREAS VULNERABLE TO SUPPLY DISRUPTIONS.**

While states in the Continental U.S. have access to the National Strategic Petroleum Reserve (SPR) in Louisiana and Texas, Guam and the other island entities in Micronesia have no such access. Even if we do, the time involved to transport crude oil to our part of the world would take over ninety (90) days based on Hawaii's projected time to receive crude oil. Additionally, the fact that we currently have no oil refinery exacerbates the problem even more. Thus, a federal policy should be made that will provide energy security for those remote jurisdictions under the U.S. flag which are too far removed from the SPR.

Guam is the most logical location for the establishment of a refined products SPR due to its excess storage capacity of over 4 million barrels, not including 1.2 million barrels set aside for the U.S. military's reserves. Much of Guam's petroleum storage tanks are empty at present. At one time, it was used to store refined aviation fuel mainly for the U.S. military during the Vietnam conflict. The Guam Oil Refinery which previously owned the refinery was able to refine this product as well. The refinery is now obsolete and the current owner, Shell Oil, Guam, Inc., is only using a portion of the available storage tanks for its own immediate use and reserving 30% of them (1.2 million barrels) for the military's own Strategic Petroleum Reserve. It should be emphasized that products brought in for storage must be refined products due to the lack of a refinery in Micronesia.



JERRY M. RIVERA
Director

GUAM ENERGY OFFICE

OFFICE OF THE GOVERNOR

Government of Guam

July 19, 1991

MEMORANDUM

TO: Director, Bureau of Planning

FROM: Director, Guam Energy Office

SUBJECT: GEO Input Re. WGA 1991 Policy Resolutions

Our input relative to the Western Governors' Association policy resolutions which you sent to our office yesterday, July 18, 1991, are as follows:

a. NATIONAL ENERGY SECURITY ACT OF 1991 -- SKINNER/SULLIVAN:

Support the Resolution. There is a need for a balanced national energy strategy which encourages the development of domestic energy self-sufficiency policies, domestic energy supplies and conservation programs with the overall goal of reducing reliance on imported foreign oil. This is also Guam's overall position. Our local programs are all geared towards reducing our reliance on imported foreign fuels. Especially noteworthy of this resolution which impacts on Guam is the position that an NES must consider state and regional differences and the need for technological advancements to provide energy. Perhaps the Governor can amend the Resolution to push for action on OTEC and a Pacific Basic Strategic Petroleum Reserve for our region based on the fact that we have no oil, natural gas, coal or other alternative fuels.

b. NATIONAL ENERGY STRATEGY -- MILLER/ANDRUS:

This does not affect Guam so we have no substantive comments regarding this resolution. However, the Governor can use his support for this resolution as a "bargaining chip" to gather support for OTEC development and a strategic petroleum reserve for Guam and Micronesia. At the very least, the resolution should be supported on the singular issue that we cannot support federal preemption of any state authority.



3. USE OF INITIATIVES TO INCREASE THE EFFECTIVENESS OF THE STRATEGIC PETROLEUM RESERVE SYSTEM IN PREPARATION FOR AN ENERGY SUPPLY EMERGENCY -- WAIHEE:

The Governor should strongly support this resolution. In fact, the Governor should try to be a secondary co-sponsor of resolution, as well as the the CNMI Governor and other Pacific Basin Governors, if any. This is a major issue of Guam and one area that we are trying to resolve. Because we have no refinery, just getting a crude oil allocation is insufficient unless we can store our oil in Hawaii and have it refined in their refineries prior to shipment to Guam. However, the best alternative is still to store our refined petroleum reserves on Guam. A 3 million barrel reserve will suffice for Guam and Micronesia for six months. A 1.5 million barrel will suffice for 3 months, etc. The key point of the Resolution is the language which asks the U.S. Department of Energy to commit to establishing RPR's in insular areas such as Guam and Hawaii. The exemption from the competitive bidding process is also a strong point to support. Perhaps the Governor (and with his lobbying of other Pacific Basin Governors and with the consent of Governor Waihee) can have the Resolution amended to declare a need to establish a Pacific Basin Strategic Petroleum Reserve (PBSPR) for refined products for Guam and Micronesia.

4. NATURAL GAS AS A "FUEL OF CHOICE" IN STATE ENERGY - USE PLANNING -- KING:

Since Guam has no natural gas, this does not affect us. However, as with the NES Resolution sponsored by Governors Miller and Andrus, the Governor can cast his vote on this seemingly non-controversial issue and in turn, gain support for any amendments he may make to the Resolutions of Governors Skinner and Sullivan (National Energy Security Act of 1991) and Governor Waihee (Strategic Petroleum Reserve). The resolution's goal of reducing U.S. dependency on imported foreign oil is parallel to Guam's continuing goal.

Memo to Dir, Bureau of Planning
GEO Input re. WGA 1991 Policy Resolutions
Page 3

SUMMARY:

The most important resolution that may affect Guam is the Strategic Petroleum Reserve Resolution by Governor Waihee because of its potential immediate effects to Guam during an energy emergency. Since the National Energy Strategy deleted a section of the Interim Report dated April 1990, entitled "Special Needs of the U.S. Island Areas", it is apparent that the U.S. Department of Energy deliberately did this because they don't consider U.S. Island areas a priority consideration. This is why the passage of this Resolution is of extreme importance to Guam. Since OTEC is not as immediate, it is of secondary importance for this conference. However, if we can put in a section in the Skinner/Sullivan resolution stressing the need to develop a 5 megawatt prototype in Guam, this will be a major breakthrough for us and will put Guam years ahead in its technological advancement with a hope of reducing our dependence on imported foreign oil.

Should you have any questions regarding our comments above, please get in touch with me at once (477-0533).


JERRY M. RIVERA

MEM0344



ANTONIO S. QUITUGUA
Director

Department of Agriculture
P.O. Box 2950
Agana, Guam 96910

Director's Office	734-3942/43
Aquatic & Wildlife Resources	734-3944/45
Agricultural Development Svcs.	734-3946/47
Forestry & Soil Resources	734-3948
Animal & Plant Industry	734-3940/49



JOSE A. E. MANIBUSAN
Deputy Director

mlt/
GCM P

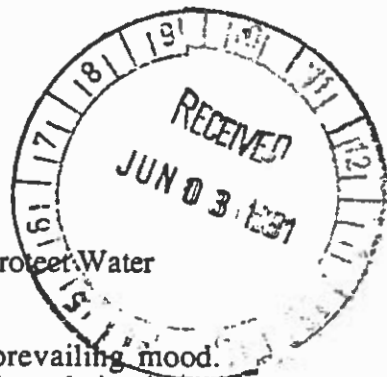
May 24, 1991

Memorandum

To: Director, Bureau of Planning

From: Director of Agriculture

Subject: Comments on NGA NEWS RELEASE: Commitment to Protect Water Supplies, Wetlands, Farmland, and Open Space



It is unfortunate that environmental issues wax and wane with the prevailing mood. Environmental issues are, in most instances, life threatening or lead to a degradation in our quality of life. All too often, too, we forget that we, humans, are but one component in our ecosystem or this biosphere that we call our planet Earth, which is rather unfortunate as we possess the greatest potential (and do in fact practice it) to wreak havoc to our environment.

It is encouraging to read in the news release that there is a reawakening among the different state governors to environmental concerns. I am proud to say that the Department of Agriculture has always championed its responsibilities, as mandated by laws, which the governors are now espousing.

On protection of wetlands, this Department has fought for their conservation, preservation and enhancement even before "no-net-loss" became fashionable. We have even recommended that the Government of Guam establish a policy to purchase or exchange its lands for privately owned wetlands. The designation by the Governor of this Department to lead the task force on wetlands will provide us with the opportunity to insure that our input will be heard.

On open space, this Department has requested for the reservation of approximately 13,000 acres of public lands for conservation purposes. If approved, it will mean that approximately 10% of Guam's total land area will be protected for wildlife habitat and other compatible human uses. On the marine side, this Department has requested for the reservation of close to 4,000 acres of submerged lands.

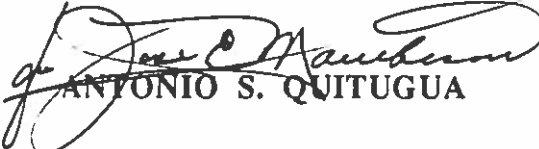
On protection of water supplies, the Department is undertaking afforestation projects to protect watersheds. The Cotal Conservation Area represents our most ambitious effort to date but we would like to expand if we can be provided with needed financial assistance. We are also working with other landowners not only protect watersheds but to cut down on erosion problems.



Commonwealth Now!

On other environmental concerns, this Department has always been one of the most outspoken critic in the review of development projects. You are well aware that developers and other government agencies have accused us of being overzealous and often exceed our legal responsibilities.

But, while unfortunate, it is good to know that environmental issues are, again, fashionable.



ANTONIO S. QUITUGUA

**Proposed Amendment to the EEZ Policy
D-48.3**

**Committee on Energy and Environment
National Governors' Association**

**Prepared by the Office of the Governor
Government of Guam**

**August 1991
Seattle, Washington**

BRIEFING PAPER
ON
GUAM'S EXCLUSIVE ECONOMIC ZONE

The Territory of Guam maintains a strong position in support of its ownership, jurisdiction, and control over its EEZ. Bolstered by traditional rights, locally enacted statutes, and international customs, Guam's claim over its EEZ is an issue of paramount importance to the island's people and its future.

Guam's unique political status as an unincorporated territory of the United States suggests that the federal government take a second look at Guam's claim, a view different from the way a claim from any of the several states might be viewed. Guam is not a State but rather a non-corporate part of the Union, without the benefits of full participation and involvement in the affairs of the U.S. government.

The EEZ surrounding Guam does not extend the full 200 nautical miles because of our island's proximity to the Commonwealth of the Northern Marianas to the north and Federated States of Micronesia to the south. But as a natural extension to our land, our EEZ encompasses some 26,000 square miles of ocean.

We find it unfortunate that imaginary zones must now be clearly drawn and contested over, all because of claims that would have been foreign to our ancestors. The ancient Chamorros, long forgotten as individuals in the pages of history books, but subtly transcending through the genes of generations yet to be born, plied the oceans for purposes of trade, fisheries and recreation. These extraordinary sailors understood that invisible lines between neighboring island groups marked the rights of exploitation without permission. They understood that the resources were there for the benefit of the people closest to the resources. They understood that the resources of the seas could be best managed by those whose very lives depended upon those resources.

They would not understand, however, a government nine thousand miles distant, first telling us that we could not claim our EEZ resources because there was no federal recognition of the EEZ, then telling us that there was recognition of the EEZ, but not of our inherent rights to such claim.

Today, we may be placing greater dependence on tourism for the vitality of our economy, while simultaneously exploring other land based opportunities. But in the final analysis, it is the bounty of our ocean that will provide the economic security for the future generations to come.

1. TRADITIONAL RIGHTS

Guam's claim to its EEZ is founded on the basis of native traditional rights. Scientific evidence has affirmed that in pre-historic, early contact, and early colonial periods, the Chamorro people -- as the natives of Guam are called -- were skilled sailors, pelagic fishermen and navigators, exploiting off-shore resources.

The historic and prehistoric fishing practices of the our ancestors can be more easily understood when geographic circumstances are considered. The island of Guam is located in the western Pacific region at 13 degrees north latitude, is the southernmost of the Mariana archipelago, and just west of the Mariana Trench. The beaches and reefs are bordered by fringing reefs and offshore barrier reefs with shallow lagoons. Further offshore, sea-mounts and banks occur similar to those lying in an arc of 150-200 miles to the west. The kinds of indigenous fishing possible given these geographic conditions suggest that the use of sailing canoes and various hook and line techniques would be required. A 1989 study on Native Fishing Rights and Limited Entry Permit, conducted by the Micronesian Area Research Center of the University of Guam, provides scientific proof of the seafaring and deep-sea fishing skills of the native ancestors to Guam's present-day Chamorros. Eye-witness and second-hand accounts (found in archived journals); ethnographic accounts and listings of linguistic forms indicating familiarity with offshore fish and fishing practices; excavation reports describing prehistoric fish remains and fishing gear; and synthetic summaries of fishing practices and their associated technologies give credence to our ancestors' affinity with the ocean, not just to course through uncharted and often treacherous paths but to draw sustenance without over-harvesting her bounty or leaving refuse in their wake.

Artifacts uncovered in Guam reveal that Chamorros practiced their off-shore fishing skills in a variety of manners, using lures and lure barbs; harpoon heads; gorges; simple, composite and compound hooks; fresh bait; chumming; and nets. At the time western explorers made contact with the ancient Chamorros, Europeans marvelled at their skill at sailing methods and their deftness in gathering pelagic species ranging from flying fish to blue marlin. One account from the early contact period portrayed the Chamorros' fishing skills as "...the most skilled deep-water fishing...yet to have been discovered." No doubt, their navigation skills together with superb angling proficiency constituted the requirements needed to fish offshore sea-mounts, submerged reefs and banks that are found throughout the Marianas region.

Following Magellan's visit to Guam in 1521 and eventual colonization of the Mariana islands, these traditional off-shore fishing practices rapidly declined, the use of the "flying proas" (the native outrigger canoes) outlawed by the Spanish authorities, until eventually, fearing for their lives, the Chamorros succumbed

to in-shore fishing and farming; many were killed and still many others fled to the northern islands. By the time Guam was ceded by Spain to the United States in 1898 after the Spanish-American War, the practice had ceased altogether. It was not until the post-WWII period that off-shore fishing had again become a customary practice. The practice of off-shore fishing in Guam today is joined by many ethnic groups residing in the island, although Chamorros dominate the practice disproportionate to their population. Additionally, the connection between pre-historic, historic, and current preferences among Chamorros for certain types of pelagic species, the style of preparation, and the social/cultural value of fishing, indicates a continuing relationship between the Chamorro people and the pelagic species of the open ocean.

While it has been only in the recent period that the people of Guam have regained the necessary resources to renew the practice of harvesting off-shore resources, the current administration of our island by the U.S. Government continues to frustrate fishery potentials for Guam's fishermen. The problems encountered by local fishermen in gathering pelagic species today do not relate to the absence of transportation. Rather, the dilemma is more fundamental; the number of fish available to local small boat operators is commonly understood to be declining. This problem -- created by the overlapping Presidential claim to Guam's EEZ, and subsequent federal action allowing foreign and domestic longliners and purse seiners to operate in Guam's EEZ -- fails to be acknowledged by the federal government. Ignoring our fishing rights and allowing unregulated commercial fisheries operations in our waters threaten the lifeblood to Guam's future and condone the theft of resources essential to our people.

The Western Pacific Regional Fishery Management Council (WPRFMC) determined in 1988 that a limited entry program containing a system of preferential access rights reserved for native fishermen of Guam would be permitted under the Magnuson Fishery Conservation and Management Act of 1976 (MFCMA), as amended. Their findings included:

1. There was and is a set of historical fishing practices for offshore and deep-sea species including certain snappers, groupers, tunas, mahimahi, billfishes, jacks, and sharks, in the areas now encompassed by federal waters in Guam;
2. There was and is dependence by native people of Guam on fish, crustaceans, and precious corals;
3. At least some dimension of the indigenous culture of Guam has in the past reflected and still reflects cultural, social and religious values, traditions, and practices derived or based upon the fisheries for the pelagic and deep sea species; and

4. There is present participation by Guam native fishermen in the fisheries of the species found in the area from 3-200 miles from Guam.

With a total land area of just 212 square miles, our land resource is extremely limited. Our desire to assert the need to draw upon the marine resources within the EEZ would not seem so unreasonable, and while it was only recently that we have renewed the practice of harvesting off-shore resources, we have become intensely frustrated by our inability to protect the fishery potentials we believe are ours.

2. INTERNATIONAL CUSTOMS

The territory's non-participatory political relationship with the United States warrants a special consideration by Congress when addressing the issue of the EEZ. However, another basis for the special consideration of our claim by the federal government is in relation to Guam's political status as understood in international norms.

In 1946, the United States Mission included Guam in its list of non-self-governing territories to the United Nations. As a result, the protection of resources for the benefit of the inhabitants of non-self-governing territories became a matter of primary interest to the United Nations early on.

As one of the remaining 19 non-self-governing territories from among approximately 100 in 1946, Guam today is still reviewed by the United Nations, and reported on to that body by the U.S. Mission. Guam's continuing international designation as a colony has continued for nearly forty-five years, and during this interminable period, the scrutiny by an international body -- together with international customs -- has very clearly articulated the primacy of resources as properly belonging to the non-self-governing territories. In the Declaration on Decolonization, the General Assembly clearly affirmed:

"that peoples may, for their own ends, freely dispose of their natural wealth and resources without prejudice to any obligations arising out of international economic co-operation, based on the principle of mutual benefit and international law."

In 1980, in adopting a "Plan of Action for the Full Implementation of the Declaration (on Decolonization), the General Assembly called on member countries to "ensure that the permanent sovereignty of the countries and Territories under colonial...domination over their natural resources shall be fully respected." In 1985, a UN-adopted resolution forwarded by its Special Committee on

Decolonization noted that the:

"General Assembly has repeatedly declared that any administering or occupying Power that deprives the colonial peoples of their legitimate rights over the natural resources of their Territories, as well as their right to dispose of those resources in their best interests violates the solemn obligations it has assumed under the Charter..."

Compelling international examples that support Guam's claim include the Territorial Sea and Exclusive Economic Zone Act passed in 1977 by the Cook Islands Legislative Assembly. Modeled after New Zealand law, the Cook Islands, freely associated with New Zealand, enacted a law that makes it clear that the Cook Islands and Niue, although delegating defense and foreign affairs powers to New Zealand, retain full jurisdiction and authority over their marginal seas. The U.S. government recognized this by signing a treaty in 1980 with the Cook Islands establishing a maritime boundary with that government.

Perhaps a better parallel can be drawn with the Tokelau Islands, which is a non-self-governing territory of New Zealand. New Zealand has enacted legislation recognizing the sovereignty of the people of Tokelau in the marginal sea (Tokelau Territorial Sea and Exclusive Economic Zone Act of 1977). The U.S. government also recognizes these rights.

In relation to Guam's marine resources, the U.N. General Assembly has specifically recognized the responsibility of the U.S. government:

"to take effective measures to safeguard and guarantee the right of the people of Guam to the natural resources of the Territory, including marine resources within its exclusive economic zone, and to establish and maintain control over future development of these resources..."

These specific references to Guam's case stem not only from the Presidential Proclamation of a U.S. EEZ around Guam as contrary to a relationship of a metropolitan country with its non-self-governing territory, but also from a treatment contrary to international custom. A 1978 study which reviewed the practices of metropolitan countries and their possessions found that they had either given the overseas possession jurisdiction over their EEZ, or had extended the citizens of the possessions full and equal representation in the national parliament. The United States' claim over Guam's EEZ is inconsistent to the established standards of other metropolitan countries by denying Guam's EEZ claim, while denying full legislative participation in national affairs.

President Reagan's 1983 proclamation over the EEZ asserts itself to be in conformance with international law. International norms suggest that territories not fully integrated and represented in

the national government should retain all benefits from their natural resources. With this concurring interpretation rendered by U.S. Department of Interior's Mineral Mining Service, the territories appear to have the supporting basis for asserting local management jurisdiction over the EEZ.

3. LOCAL STATUTES

On March 24, 1980, Guam Public Law 15-114 was passed establishing a 200-mile EEZ for the purpose of retaining jurisdiction and control of our immediate natural resources. Presidential Order 5030 "appropriated" the economic zone three years later using the unsupported rationale that the EEZ is an extension of the continental shelf, and that as dependent territories, the EEZ around Guam is the resource of the United States. While the Presidential Proclamation might have been intended as a limited international relations policy, its effect on domestic policy is indeed profound. The Congress, in our view, is the appropriate body that can change the seaward boundaries of the United States.

Following Public Law 15-114, the local government passed other instruments including Resolution 170, adopted in 1987 by the Nineteenth Guam Legislature requesting the U.S. Congress to grant Guam control over its EEZ with respect to all natural resources, including hard seabed minerals considered in H.R. 1260.

The subject of Guam's EEZ and the rights asserted over them are also outlined in H.R. 98, the draft Guam Commonwealth Act (GCA) legislation which has been introduced in the U.S. Congress, designed to achieve commonwealth status for Guam. The bill's Sections 101(b) and 1103 of the GCA restore to Guam's people their natural and traditional rights to their marine resources. Section 1001(b) of the GCA reaffirms the 200-mile EEZ as property belonging to Guam and confers on the Commonwealth of Guam complete jurisdiction over all resources in the 200-mile zone, including the right to determine the conditions and terms of pollution control (including pollution emanating from outside the EEZ), marine scientific research, management, exploration and exploitation.

Section 301 of the GCA extends authority over foreign affairs, as they affect Guam, to the United States. Through mutual consent, Guam will rely on the U.S. government for negotiating treaties for the use and/or extraction of ocean resources in the EEZ with foreign nations. This section also ensures that the appropriate revenues derived from those resources are returned to Guam in full measure.

Finally, Section 1103 anticipates that Guam will have its own dealings with individual firms, whether domestic or foreign, as opposed to governments, and that the negotiated fees resulting from these dealings will be paid directly into the Treasury of Guam.

SUMMARY

Guam's political status, native off-shore traditional practices and international norms amply demonstrate the territory's unique historic circumstances evincing claims to the resources of the surrounding EEZ. Our attitude toward the ocean resources should not be construed to be at odds with possible U.S. interests in our exclusive economic zone. We are quite aware that our EEZ contains not only pelagic resources of interest to U.S. consumers, but we are equally aware of the presence of strategic materials that are more than a passing interest to the United States government. As an island which accommodates important strategic interests of the federal government, Guam is also aware that the possibilities for other military needs may exist in Guam's EEZ. Guam is not opposed to these interests, but rather that these areas of possible federal benefit be resolved in relation to Guam's claims, not by an ousting of Guam's rights.

The bounty of the sea is one of the few resources available to us. It is a precious resource which should be controlled locally. We seek nothing more than the recognition of our inherited rights, supported by international custom. Our desire is nothing more than to realize the destinies of an island people, limited only by our sparse resources. And we hope for nothing more than for our destinies to coexist harmoniously with the destinies of a powerful nation. Recognizing that the power of this nation is comprised of the several states, we seek the support and sensitivity of the National Governors' Association to our claim when considering policies that would affect the only resource available to us beyond the island's 212 square miles of land.

FACSIMILE TRANSMITTAL

WASHINGTON OFFICE OF THE GOVERNOR OF GUAM
1615 New Hampshire Avenue, NW
Washington, DC 20009
Telephone: (202) 234-4826
Facsimile #: (202) 7 97012 0

TO: Pete
671-477-1812

August 15, 1991

FROM: Ann

3 pages including cover

Subject: NGA Policy Statement -- EEZ and NAFTA

Hafa Ad ai Pete:

My last fax before I take off for my Birthday Weekend... Some Good News... Some Bad News...

EEZ

- 1.) It's looking good, no one has called to say they would oppose... Hawaii gives outright support, which means Washington State will more than likely support...
- 2) Every SAC member received a fax copy of our 7pp briefing paper and received the bound copy Federal Express for their Governor's packet.
- 3) Debbie Turner (Utah) said she believed her Governor (Bangerter) would propose the amendment for us, BUT Governor Ada would need to discuss why we want the amendment... our selling points Traditional Rights and Unique status as a territory... International rights... nothing to step on the toes of some very sensitive states..
- 4) When you get to Seattle, check with Debbie (Debbie should be at the SAC meeting, Governor Bangerter is vice chair of the Energy and Environment Committee and he will be chairing regular Committee meeting since Governor Sinner is not expected to attend (illness... heart surgery)... also speak with Dick Gross, SAC member for Governor Sinner.
- 5) All we really need at SAC should be a short presentation... with the meeting being a joint meeting with the Agriculture Committee, and everyone running around as they usually do at NGA... I don't expect there will be much discussion... I'd be surprised if there was any opposition...
- 6) FYI, GOVERNOR SNELLING, VERMONT DIED YESTERDAY... CNN stated that his driver went to pick him up and found him by his pool... PLEASE BE AWARE AS GOVERNOR SNELLING IS A MEMBER OF THIS COMMITTEE.
- 7) I believe I've done all I could on this end.. GOOD LUCK PETE!

NAFTA

NOTE: IDENTICAL FAX WITH INFO BELOW WAS SENT TO SAN FRANCISCO HILTON, TO BARRY ISRAEL AND LELAND BETTIS...

NGA staff (Jody Thomas) called regarding our NAFTA language change... she advised that 3 states voiced concerns about the language because it "gave the territories something that even the states did not have". This "something" was based on the interpretation of the modified language that territories could make the decision on whether to be included in NAFTA or not...("allowed" and 'desirability"). The States she listed as having concerns were Wisconsin, Maine (Charlie Colgan) and Hawaii (Jan Lipson).

I've since spoken with Jan Lipson who indicated that changing the word "ALLOWED" to "CONSULTED" could possibly be more acceptable to states. I've also spoken with American Samoa (Fred R.) on the issue and he has no problem with either the original language or our modification. Today, the Director of the Hawaii office (Phil Shimer) called regarding our language and he indicated that although he could understand where the states were coming from..."why should the territories be given the option to pick and choose when states weren't"... he also understood our position... and said Governor Waihee would not oppose the language modification... but some states may.

As you are aware the original language was:

THE FEASIBILITY OF INCLUDING U.S. TERRITORIES UNDER THE NAFTA PROVISIONS SHOULD BE EXPLORED. THE NEEDS OF THE U.S. TERRITORIES SHOULD BE CONSIDERED AS PART OF THE NEGOTIATIONS. (we didn't like feasibility because it could and was misinterpreted by certain officials)

Our proposed modification is:

DURING THE NEGOTIATIONS, THE U.S. TERRITORIES SHOULD BE ALLOWED TO DETERMINE THE DESIRABILITY OF THEIR BEING INCLUDED UNDER THE NAFTA PROVISIONS, TAKING INTO CONSIDERATION THEIR NEEDS.

I don't believe our Governor will want to deal with any opposition on this issue, especially since all NGA SAC members support our desire in principle -- to have our needs considered in any negotiations... So, can we craft something without having it misinterpreted as it was by USTR staff in the original language format?

WHERE WE STAND NOW AND WHAT WE NEED TO DO:

1). There is general support for allowing our "technical" change but NOT as currently worded.

2) I suggest we continue to be pro-active and work out the language options, preferably prior to the SAC meeting, and we should also be prepared to compromise on wording at the SAC meeting itself. There are a number of alternatives -- We can argue for our modified language as is, being prepared for Staff and/or Governor's to potentially raise their concerns... or we can submit new language that is not as strong but meets our needs. FYI, NGA staff is supposed to craft new language taking into consideration everyone's concerns. I was told that language would be faxed to our office today, when received I will forward it on to you.

2) For what it's worth, my contribution on language options...

DURING THE NEGOTIATIONS, THE U.S. TERRITORIES AND COMMONWEALTHS SHOULD BE ACTIVELY CONSULTED TO DETERMINE THEIR UNIQUE NEEDS AND CONSIDERATION GIVEN TO HOW THESE NEEDS SHOULD BE TREATED FOR PURPOSES OF NAFTA. (language not run by anyone)

3) The Governor should talk to Governor Waihee in Seattle before the Committee meeting and let him know exactly what we are doing and why. He should also talk to Governor Thompson (who is chair of the committee), and our fellow island Governors.

4) Our staff should speak with Hawaii staff (Norma Wong), Maine staff, Governor Thompson's staff, and our fellow island staff, prior to SAC meeting.

5) Governor Ada should be prepared to discuss at the Governor's Trade Committee meeting, whatever provision is supported at the SAC meeting...

6) I know...a lot of work for a two sentence policy statement...

COMMITTEE ON HUMAN RESOURCES

SYNOPSIS OF BRIEFING PAPERS

- **State Initiatives on Health Care**

NGA's top priority is to provide access to quality health care for the underserved and needy population although many states are faced with declining revenues, recessionary forecasts and an extraordinary increase in health care costs.

The Department of Public Health and Social Services provides briefing papers on State Initiatives on Health Care.

Guam just like the states is confronted with high costs of health care. The department recommends that accessibility to health care should be assessed to determine whether the people's needs are adequately met. A government subsidized universal health insurance policy for qualifying individuals or families should be studied and introduced. The government should also address the shortage of medical doctors and should explore options that will make medical practice in Guam attractive.

- **Administration Acts to Address Medicaid Estimating Problems and Escalating Cost Increases**

Specifically for Guam Medicaid, the number of recipients has been decreasing but is being affected by the influx of Pacific Islanders who came to the territory to find better livelihood. Guam Medicaid does not really have serious problem in estimating cost for eligible recipients since the federal has only 50% participation in the \$2.5 million ceiling provided and expenditure in excess of the ceiling mark is shouldered by the territory. Guam has also another program, the Medically Indigent Program (MIP) which is locally funded and which provide services not covered by Medicaid. MIP helps ease the burden on Medicaid.

In the late of FY 1991 and in FY 1992, Guam Medicaid Program will be expecting an increase in expenditures due to increase in reimbursement rates and addition of certain services which originally are not covered by the program as a result of the amendments to the state plan. This will increase medical care

cost. The program has never experience the use of voluntary contributions and provider taxes to cover costs of medical care since the program is dependent solely on the grant award and the local matching funds. Provider taxes is not appropriate in Guam since taxes are considered as not covered charges under the Guam Medicaid Program.

- **Consolidated Block Grant Programs**

NGA has proposed consolidating the block grant programs in response to the President's offer of creating a mechanism that will give states greater flexibility in program administration and allowing them to better serve their citizens.

The Governor, in a letter to Governor Gardner, Chairman of NGA, supports the concept of consolidated block grant programs but expressed concern over the inclusion of the WIC program. WIC program on its own has been doing well. The program has been proven to be effective in care service delivery and reducing Medicaid costs. The Governor supports the proposal if inclusion of the WIC program does not reduce funding levels the WIC program would have normally received, terminate or limit program implementation at the state and territorial level or require inter-state competition for the funds that involve WIC Program funds.

- **Employment Security Reform**

The Department of Labor indicated that at present, Guam does not have an Unemployment Insurance (UI) Compensation Program. It is not feasible to implement the program since Guam is experiencing a severe manpower shortage due to continued economic growth. Guam's priority is to establish and maintain better coordination with its private sector in meeting the demands for a quality workforce and to initiate and support programs to wean those who are currently receiving public assistance and provide skills training for self-sufficiency. The UI Compensation will not be able to address issues and concerns of our manpower needs.

- **Proposed Job Training Partnership Act (JTPA) Amendments**

The changing demography of the labor force and the rapidly changing nature of work in America demands a national policy on employment and training and a sustained and systematic commitment to the preparation of the nation's workforce as essential elements of a national economic policy.

According to the Agency for Human Resources Development (AHRD), although JTPA has served thousands, it has also turned away thousands who are in need of skill training but can not

afford the high cost of training and are not eligible for the program. JTPA program reforms should target those other than the economically disadvantaged group. Rather than import H-2 workers, Guam's local human resources should be developed to fill the most advantageous jobs. The current system of assessing eligibility based on total "family" income has prevented many individuals from receiving services from JTPA but given a different circumstance would have automatically qualified for the program. On Guam, many families have been forced to live together because of the extremely high cost of food, clothing and shelter compounded by the shortage or non-availability of publicly-owned or financed housing. A better assessment of family income or what constitutes a family should be explored. The Governor should be given discretionary authority to determine what type of verification system to utilize when assessing program eligibility as well as authority to grant waiver from extremely restrictive regulations that serves to hamper rather than help the overall objectives of the JTPA program.

In the past seven years that JTPA has been implemented, only once has the Administrative Cost for the Territory of Guam been increased by 1%, from 5% to 6%. Inflation has steadily increased yet the allocated funding for the program remained status quo. A formula should be developed to determine percentages in the Administrative Cost Category for those service delivery areas with high growth economy.



GOVERNMENT OF GUAM
AGANA GUAM 96910

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Li



JUN 11 1991

MEMORANDUM

TO: Director, Bureau of Planning

FROM: Director, Department of Public Health & Social Services

SUBJ: Comments on NGA News Release: State Initiatives on Health Care

It is evident that Guam and many states are confronted with the high cost of health care. Increased expenditures in health care has prompted many states to develop initiatives to address this problem.

Although various health care programs exist, access to these programs are limited to those persons who meet eligibility. The news release pointed out several initiatives worth noting:

1. New York's proposal to increase access to health care sounds very promising. It is designed to increase access for the uninsured and to reduce the high costs of health care. The proposal (UNY*CARE) calls for a single-payer health financing system and was developed by Governor Mario M. Cuomo.
2. Other governors announced proposals which encourage small businesses to offer health insurance to their employees. Arkansas' proposal would allow companies with fifty (50) employees or fewer that have not offered health insurance for the previous 12 months to be able to offer a package without some state mandated services that are thought to increase costs. It will help provide affordable basic health care.
3. The state of Connecticut proposed that \$1.2 million in new funds be directed toward a Birth to Three early intervention program and services for handicapped infants and toddlers.
4. Other initiatives include a cut in a home relief program for non-Medicaid indigent care which include limiting physician visits and drug prices. Nevada Governor Bob Miller announced a price freeze agreement reached with the five largest hospitals in the state.



It is anticipated that a year long price freeze will give the state time to design long-range solutions to the problem of high hospital costs and will free up significant state dollars for rural hospital assistance. In addition, Ohio Governor Voinovich proposed cuts in welfare benefits and recommended eliminating the state's \$320 million general assistance program.

Accessibility to health care in Guam would probably need to be assessed in order to determine whether people's needs are adequately met. There are probably still many families who do not have health insurance coverage due to high cost. Introducing a government subsidized universal health insurance policy which provides coverage to individuals or families might be less costly and more beneficial to the territory.

The government should also address the shortage of medical doctors in Guam and to explore all options in attracting doctors to Guam and in developing local manpower resources in the area. Taking advantage of the region's medical resources would also produce results in this area.

Should you have any questions, please let me know.


LETICIA V. ESPALDON, M.D.

jsnl:memol7
6/7/91



GOVERNMENT OF GUAM
AGANA GUAM 96910

AUG 07 1991



Memorandum

To: Director, Bureau of Planning

From: Director of Public Health and Social Services

Subject: DPH & SS Comments
Re: NGA Medicaid Issues

In reference to your transmittal dated July 29, 1991 regarding the National Governor's Association Medicaid Issues, the following are our comments:

1. Administration Acts to Address Medicaid Estimating Problems and Escalating Cost Increases

We concur to the fact that medical care costs have escalated during the past years.

Specifically for Guam Medicaid, the number of Medicaid recipients has been decreasing but is being affected by the influx of other Pacific Islanders (Micronesian neighboring islands) who came to the territory for the purpose of availing a better livelihood and most importantly, medical care benefits. In the past years, the percentage of Micronesian Medicaid recipients was not that significant but recently, it increased tremendously that in the total Medicaid recipients, they occupy a noticeable percentage. It is evident that during Medicaid mass screenings being conducted by the Bureau of Economic Security of the Division of Public Welfare of this department, 50% or more of the participants come from the Micronesian states.

Guam Medicaid Program does not really have that serious problem in estimating how much the program has to spend for the purpose of medical care coverage to eligible recipients due to the following reasons:

- a. The program has a federal ceiling of only \$2.5 million at 50% federal - 50% local participation and any additional or increase of cost the program incurs in excess of the ceiling is shouldered by the state.

To: Director, Bureau of Planning
Re: DPHSS Comments - NGA Medicaid Issues
Page 2.

It is so unfortunate for the U. S. Territories like Guam that having a lower percentage of federal participation, we are also given a cap of \$2.5 million only compared to the Continental U.S. States who are enjoying higher percentage of federal participation and no expense limitation.

- b. The program depends on the legislature's appropriation from the General Fund which is composed of different revenues the territory realizes or generates.
- c. Reimbursement rates of medical care costs in Guam is low compared to the U.S. Mainland. Guam Medicaid has not increased its rates since 1984. Claims processing system is fully computerized that any deviation from the program's schedule of costs (Schedule of Maximum Allowable Menu), are being edited by the system.

Moreover, Guam has another program for medical care coverage that those that fall in between the cracks are accepted in the locally funded Medically Indigent Program. Any residents whose income and resource fall within the program's eligibility criteria are covered by this program. This program also covers a wider scope of medical services. Some services which are not covered by Medicaid are being covered by MIP, thus, easing up the burden of Medicaid.

2. Estimating Medicaid Expenditures; State Use of Voluntary Contributions and Provider Taxes

The Bureau of Health Care Financing who administers the three health care programs, Medicaid, Medically Indigent, and Catastrophic Illness Assistance Programs is the office who has the sole responsibility of submitting to the federal government its estimates of medical expenditures. This is being prepared and submitted on a quarterly basis which covers a three-year period estimates. But due to the ceiling limitations, the program is being limited on its estimates or

To: Director, Bureau of Planning
Re: DPHSS Comments - NGA Medicaid Issues
Page 3.

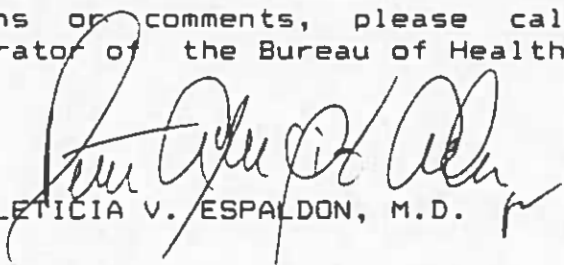
projections. This means that estimates or projections are based from the past expenditures plus certain allowances for future costs and recipients increases.

For fiscal year 1992 and certain months in fiscal year 1991, Guam Medicaid Program will be expecting an increase in medicaid expenditures due to the increase of reimbursement rates and the addition of certain services which were originally not covered by the program as a result of the amendments of the state plan. As soon as the Governor approves and signs these amendments and the concurrence of Medicaid's regional office is received, the program will implement such changes/amendments. These will significantly increase medical care costs.

The program has never experienced the use of voluntary contributions and provider taxes to cover costs of medical care. Guam Medicaid program solely depends from the \$2.5 million grant award from the federal government and the amount appropriated by the legislature from the general fund. Provider taxes is not appropriate in Guam since taxes are considered as not covered charges under Guam Medicaid program.

We hope that we have given you the right comments regarding the above subject.

Should you have any questions or comments, please call Ms. Adoracion A. Solidum, Administrator of the Bureau of Health Care Financing, at 734-7264.


LETICIA V. ESPALDON, M.D.

MAR 22 1991

Mr. Booth Gardner
Chairman, National Governor's Association
444 North Capitol Street
Northwest, Suite 250
Washington, DC 20001-1572

Dear Mr. Gardner:

As you know, I fully support the concept of consolidated block grant programs. I firmly believe that through block grant consolidation, states and territories are afforded greater flexibility in prioritizing the application and allocation of federal assistance grants to service areas most pressing in our nation's communities. Clearly, states and territories are best suited at determining where these priorities are, and the Federal Government is to be lauded for the recognition and sensitivity to this concern. While I support the concept of block grants, I wish to express my concern about the proposed inclusion of the WIC Program in block grants.

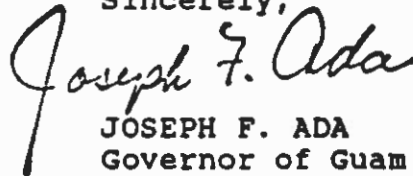
For the first time in eleven years, the President has proposed to expand the WIC Program with an additional appropriation of \$223 million in funding above the FY 1991 appropriation. The Administration has supported this increase due to the proven efficacy of the WIC program in reducing Medicaid costs. A study of over 105,000 mother and their babies found that every \$1 invested in prenatal WIC participation reduced Medicaid costs by up to \$3.13 within 60 days after birth. I have also learned that the WIC Program has been historically excluded from such federal laws as Gramm-Rudman-Hollings because of its proven effectiveness in both health care service delivery and cost-savings. Thus, President Bush's proposal to the states did not include WIC in his suggested list of programs for the proposed Block Grant.

Mr. Booth Gardner
Page 2

In the absence of information assuring safeguards to the integrity of the WIC Program particularly in the context of a block grant consolidation, I find it difficult to unconditionally support WIC's inclusion. I would be favorably disposed to supporting such a consolidation only if its inclusion does not reduce funding levels the program would have normally received; terminate or limit the program's implementation at the state and territorial level; nor require inter-state competition for the funds that involve WIC Program funds.

I am certain that many, if not all, states share these concerns. Hopefully, these issues were contemplated in the drafting of WIC Program's proposed inclusion in the block grant, in which case, I trust would have been properly dealt with so as to ensure the well-being of a program we all believe is highly successful in delivering service to our women, infant and children in need.

Sincerely,

A handwritten signature in cursive script that reads "Joseph F. Ada". The signature is written in dark ink and is positioned above the printed name and title.

JOSEPH F. ADA
Governor of Guam

NGA ANNUAL MEETING
SEATTLE, WASHINGTON
AUGUST 18-20, 1991

EMPLOYMENT SECURITY REFORM

Guam does not have an Unemployment Insurance (UI) Compensation Program. Guam is not a participant of the Interstate Benefit Payment Agreement, thus claims for UI Compensation cannot be filed nor accepted in our territory.

To implement the UI Compensation Program in Guam is not feasible at this juncture. Guam is currently experiencing a severe manpower shortage due to its continued economic growth as a result of increased tourism activities. Guam's current unemployment rate as of March, 1991 is 3.1 percent.

Guam's priority is to establish and maintain better coordination with its private sector (in all industries) in meeting the demands for a quality workforce. It will initiate and support disincentive programs to wean those who are currently receiving public assistance (welfare and foodstamps) and instead provide skills training for self-sufficiency. The UI Compensation Program will only encourage short-term employment and will not address issues and concerns of our manpower needs.



AGENCY FOR HUMAN RESOURCES DEVELOPMENT

GOVERNMENT OF GUAM • TELEPHONE: 646-9341/2/3 or 646-9336-39

August 12, 1991

MEMORANDUM

TO: Director
Bureau of Planning

FROM: Director
Agency for Human Resources
Development

SUBJECT: NGA Objectives: Proposed JTPA
Amendments

Thank you for affording us the opportunity of submitting comments relative to the proposed amendments to the Job Training Partnership Act (JTPA). JTPA has come a long way since its inception in October, 1983. Although several amendments have been introduced and enacted, these amendments focussed primarily on the "partners" side with minimal reforms made on the programmatic side of the measure. Keeping in mind that the objective of the Job Training Partnership Act (JTPA) is to afford job training and employment services to income-eligible youth and adults and those facing serious barriers to employment, who are in special need of such services, this recent notice of proposed amendments deals with the program aspect of JTPA and is very much needed, as well as welcomed.

Eligibility Requirements & Waivers of Statutory and Regulatory Requirements

Since its inception in our community, JTPA has trained thousands and placed hundreds of individuals in unsubsidized employment, despite some of its rather stringent eligibility requirements, which is viewed as one of the major obstacles in the delivery of programs and services in the Pacific region. Although JTPA has served thousands, JTPA has also turned away thousands who are in need of skill training but are unable to afford the high cost of such training, yet do not fall within Federally established income guidelines, therefore, are not eligible for our programs.

They are known as middle-income people. True, some of these people can be accommodated under JTPA's ten percent (10%) window provided there is a barrier to employment, however, the number of people without barriers who are in need of our services is staggering. Serious consideration should be given to introducing reforms in the JTPA program that addresses other than economically disadvantaged target groups. Perhaps, a certain percentage of funds can be allocated or identified for servicing those individuals who are most-in-need of skill training or upgrading from the middle-class category. As it stands now, our labor market demands exceed supply and, from all indications, this current trend will continue for a few more years. Rather than import H-2 workers or temporary alien labor, we'd like to develop our local human resources to fill the most advantageous jobs and, utilize the importation of alien labor only as a last resort.

Another factor to be considered as a possible amendment is the current system of assessing eligibility based on total "family" income. This may be acceptable in many states and other areas, however, it poses an obstacle to program enrollment for JTPA in the Territory. In an extended family circle, although the household is composed of many family members, not all members contribute financially to the well-being of the group, because of extenuating circumstances. Assessment of the family income based on total earnings has prevented many individuals from receiving services from JTPA, but given a different circumstance would have automatically qualified for the program. On Guam, many families have been forced to live together in order to survive, primarily because of the extremely high cost of food, clothing and shelter on the island. This is further compounded by the shortages or non-availability of publicly-owned or financed housing. Therefore, to assess eligibility for programs and services under JTPA, based on total family income is a disservice to the otherwise qualified individual. A better definition or assessment of "family income" or what constitutes a "family" should be explored.

In addition, to better assist entities in administering JTPA programs and services, the Governor should be given discretionary authority to determine what type of verification system to utilize when assessing program eligibility. The enormous amount of paperwork generated by the JTPA program is mind-boggling, yet necessary as far as current regulations go. There is a definite need to reduce paperwork! Governors should be allowed to dictate the type of system to be utilized and federal officials should be prepared to support each Governor's decision.

Furthermore, more authority should be given to the Governor to grant waivers from extremely restrictive regulations that serve to hamper, rather than help, the overall objectives of the JTPA program. This authority should extend to other federal programs where it has been determined that JTPA can better serve a particular target group in meeting their needs.

Administrative Cost

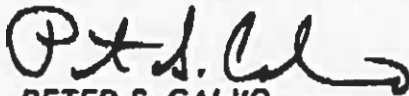
JTPA has been operational for nearly seven (7) years now,

and in that seven years, only once has the Administrative Cost Category for the Territory of Guam been increased — one percent (1%) — from five percent (5%) to six percent (6%). For the past seven years, inflation has steadily increased and continues to do so, yet the amount of funds allocated to administer and operate these programs remain status quo. A formula should be developed to determine percentages in the Administrative Cost Category for those service delivery areas with high growth economy (high cost of living).

Detailed Reporting

As mentioned earlier, JTPA generates too much paperwork. To impose additional reporting requirements, unnecessary data collection and imposition of unwanted OMB circulars is incomprehensible. As it stands, many service delivery areas are not equipped to handle or generate large-scale reporting requirements, nor are they receptive to adding more regulations upon the already mounting regulations for a program as simple and direct as JTPA. The less restrictive we are, regulation-wise, the easier it is to administer a program. Additional "bureaucratic red-tape" is not needed by JTPA.

Once again, thank you for affording us the opportunity of submitting input.


PETER S. CALVO

COMMITTEE ON JUSTICE & PUBLIC SAFETY

SYNOPSIS OF BRIEFING PAPERS

- **The Guam Youth Development Programs**

The Governors are very active in seeing that programs in delinquency prevention are developed. NGA reports that community-based programs can effectively serve large portion of the juvenile population without compromising public safety through coordination with social and correctional service systems for youth.

The Department of Youth Affairs prepared a briefing paper on the Guam State of Youth Development. Guam's present administration has made the concerns of our youth a major governmental priority. Efforts have been established to provide our young citizens employment opportunities, drug education, vocational career exploration and general work experience. With youth offenders detained at DYA, for over six years period (from October 1, 1984 through September 30, 1990), only a very small percentage was due to possession of a controlled substance, specifically possession of less than an ounce of Marijuana. From this one can assume that Guam is not experiencing drug problems with its youth.

In the Guam Police Department, the Juvenile Investigation Section Diversion Program played an important part in the prevention of juvenile delinquency through counselling sessions for both the juvenile and the parents. The program also promotes a better relationship between the Department of Education and GPD in the prevention and control of delinquency.

The Sanctuary, Inc, presented a briefing paper on the "State of Affairs" of Youth on Guam as seen by a service provider. According to Sanctuary, high school dropouts in vocational oriented schools are lower and they have a higher graduating percentage of their enrollment than the ordinary public high schools. On the health side, our island is well equipped to meet the needs of our youth. However, we have serious problems in our mental health care programs for the Department of Mental Health and Substance Abuse is currently unable to meet the needs of all the people needing its assistance especially our youth population. Incidence of suicides has increased significantly in the past two years and our youth

represented 50% of it. We witness the increase in social problems affecting our young people but we are limited in our physical resources with a severe shortage in human service providers. The attached statistical data were prepared for the Youth Empowerment Coalition grant application through UOG.

- **Impact of Reduction in Defense Forces on the National Guard**

In peacetime, the National Guard is under the command of the Governor. It is the only military force which a governor has available in time of natural or man made disasters. The proposed reduction in the National Guard could affect the state's ability to manage disasters, emergencies and its common defense.

At this time, the Guam Army National Guard is not programmed to lose units in this force reduction. However, any force structure loss to the Guam National Guard in the future will have a negative impact on the Territory's ability to effectively respond to disasters since the current force structure of the Guam National Guard is already small compared with other states.

An example, the 1st Battalion 294th Infantry of the Guam Army National Guard provides assistance in the maintenance of law and order, traffic control, security and protection of vital facilities and emergency clearance of debris and rubble. The loss of this unit would degrade the ability of the Guard to respond to and manage disasters, emergencies and land defense mission of Guam and the northern Marianas.

Guam and the reserve components on Guam are vital and valuable Pacific Basin assets. Guam's remote location demands that the Guard be self-sufficient in order to meet emergencies, both federal and territorial. The current structure although small compared with the other states, it has all of the similar missions and responsibilities. Guam does not have ready access to other forces in cases of emergencies. Any reduction to the force structure and support for existing units will have significant negative impact on the Territory and to the future capability of the United States military in the Pacific. Therefore, the consequences of today's decisions on tomorrow should be considered.

SOUTH PACIFIC COMMISSION

REGIONAL SEMINAR FOR PACIFIC YOUTH

(PAGO-PAGO, AMERICAN SAMOA, 17-21 JUNE, 1991)

COUNTRY STATEMENT FORMAT

1. A brief general overview of the state of Youth Development in your country.

The present administration has made the concerns of our island youth a major governmental priority. Education and vocational training, specifically, has been a primary focus with an emphasis on tourist related employment and training program. Efforts have been established to allow our young citizens employment opportunities by requiring private companies to give hiring preference (by law) to our local people. This policy concept includes all areas of employment from construction trades to even the artwork utilized in our hotel lobbys.

Foreign investors have been very sensitive and responsive to this affirmative action which allows our young citizens greater opportunities to share in the economic expansion of our island community. Additionally, programs relative to drug education, vocational career exploration and general work experience are being developed and administered by many of our governmental departments and agencies, under the direction of the Governor's office.

3. Substance abuse problems among youth

Over a six year period from October 1, 1984 through September 30, 1990, a total of 2,352 youth were detained at the Department of Youth Affairs for 47 different offenses. Of these, only nine youth were detained on Guam for the offense of Possession of a Controlled Substance, specifically for possessing less than one ounce of Marijuana. Additionally, no youth has been detained for the possession of a controlled substance in the last three years. Hence, statistically speaking, one would have to assume that Guam is not experiencing a drug problem with its youth, compared with other similar communities.

various Youth Month activities, which included the Youth Month Proclamation Signing/Merienda, Student Exchange, Islandwide Dance, Outstanding Student, Youth to Adult Conference, Oratorical Contest, Sports Day, Island Leadership Day and the Awards Banquet.

The Youth Development Division is also involved with other youth related activities on Guam. The division assists organizations including the Boy Scouts, Girl Scouts, 4H Club, and the Department of Parks and Recreation in coordinating youth activities in which the organizations may be lacking in funding, man power, or other administrative areas. The division also provides technical assistance to the Guam Youth Congress, which is a training venue for future student leaders, and closely mirrors the 21st Guam Legislature.

5. Youth and the Law

Our young citizens must be cared for like a farmer cares for his crops. We must nurture and be responsive to the everchanging needs our everchanging societies will most likely undergo. A major cause for lawlessness in most island societies is a direct result of well intentioned economic expansion. Our young may feel displaced or uninvolved in the plans that are being made for their future by island leaders. This failure will have dire consequences because their failure, will also be our failure. We should view our island communities as a large family. What affects one family member will inevitably affect all.

It is not enough to learn how to adjust to this modern lifestyle. Our young people, especially the economically disadvantaged, are struggling to survive in a world we have created for them. We then have a grave responsibility to assist them to be successful and productive to continue to give their children something they can identify with and be proud of.

6. Youth and Community

The Youth Development Division of the Department of Youth Affairs spearheads the community youth involvement on Guam. This division is responsible for the annual Guam Summer Youth Employment and Training Program, in which approximately 600 youth between the ages of 14-21 are hired at both Government of Guam agencies and local businesses for eight 30-hour weeks. The division is also responsible for the year-round Job Search Program, in which jobs within the community are developed and perspective youth are matched with these job opportunities.

The Youth Development Division is responsible for the annual Youth Month, and this April marked the 25th Annual Youth Month celebration. The various Youth Month events were all planned and developed by the members of the 1991 Central Planning Committee, comprised of students leaders from all participating Guam schools. The overall theme for this year's Youth Month was "Guam's Youth: United for a Better Future" and the various events were designed to encourage to strive to develop to their fullest leadership potential. Several thousand youth participated in the

POLICE DIVERSION PROGRAM (COUNSELING)

VOLUNTEER COUNSELING IS PART OF THE JUVENILE INVESTIGATION SECTION DIVERSION PROGRAM FOR THE JUVENILES AND PARENTS IN WHICH JUVENILES WERE INVOLVED FOR MINOR OFFENSES OR FOR NON-CRIMINAL OFFENSES.

COUNSELING FOR THE JUVENILES OR THE PARENTS IS STRICTLY VOLUNTARY AND THE JUVENILE AND THE PARENT HAVE NO OBLIGATION TO CONTINUE OR BE COUNSELED UNLESS THEY SO DESIRE.

IT SHOULD BE FURTHER UNDERSTOOD THAT THE JUVENILE MAY BE REFERRED BY THE JUVENILE INVESTIGATION SECTION TO THE OTHER AGENCIES OUTSIDE THE JUVENILE COURT SUCH AS COMMUNITY SERVICES AND OUTREACH CENTERS (CSOC), SANCTUARY, TEEN CHALLENGE, ETC.. WITH THE CONSENT OF THE PARENTS AND JUVENILE(S) INVOLVED. THAT IF THE PARENTS AND JUVENILE STILL WANT TO CONTINUE THE DIVERSION PROGRAM THERE IS THREE (3) SEPERATE MEETINGS.

ESTABLISHMENT OF SCHOOL LIAISON PROGRAM

OFFICERS OF THE JUVENILE INVESTIGATION SECTION ARE ASSIGNED A SCHOOL DISTRICT CONSISTING OF PRIVATE AND PUBLIC SCHOOLS. THE PROGRAM WAS ESTABLISHED TO EFFECTUATE A BETTER RELATIONSHIP BETWEEN THE DEPARTMENT OF EDUCATION AND THE GUAM POLICE DEPARTMENT IN THE PREVENTION OF JUVENILE DELINQUENCY.

THE SPECIAL AGENTS INFORM THE SCHOOL OFFICALS IN THEIR ASSIGNED DISTRIC THAT THEY ARE AVAILABLE TO GIVE FORMAL AND INFORMAL LECTURES IN THE CLASSROOMS REGARDING ETHICAL ISSUES OR LAW ENFORCEMENT'S ROLE IN SOCIETY AND TO PROVIDE INDIVUAL COUNSELING TO STUDENTS, WHERE APPROPRIATE.

ALL SPECIAL AGENTS SHALL MAKE FREQUENT CHECKS IN THE THEIR SCHOOL DISTRICTS FOR THE STATUS OF PREVIOUS PROBLEMS AND ANY NEW PROBLEMS DEVELOPING AND THROUGH FREQUENT CONTACTS, DEVELOP POSITIVE WORKING RELATIONS WITH SCHOOL OFFICALS IN THEIR DISTRICTS. A STATUS REPORT ON SERVICES MUST BE PROVIDED DURING THE WEEK SHALL BE SUBMITTED TO THE OFFICER IN CHARGE OF THE JUVENILE INVESTIGATION SECTION ON A WEEKLY BASIS.

TO ESTABLISH CLOSE INTERACTION BETWEEN LAW ENFORCEMENT, SCHOOLS, AND THE COMMUNITY, IN ORDER TO IMPLEMENT PROBLEM SOLVING STRATEGIES THROUGH PROGRAMS THAT DEAL WITH DELINQUENCY AND YOUTH CRIMES.

TO INCREASE UNDERSTANDING, COMMUNICION AND COOPERATION BETWEEN THE POLICE, COMMUNITY AND SCHOOLS, AS WELL AS TO SERVE AS A VIABLE RESOURCE TO SCHOOL PERSONNEL AND STUDENTS IN ORDER TO ASSIST IN THE PREVENTION AND CONTROL OF DELINQUENCY AND TO PROJECT AN IMAGE OF TRUST AND PROTECTION T THE STUDENTS AND COMMUNITY BY REPRESENTING THE TRUE ROLE OF LAW ENFORCEM



Sanctuary, Inc.

P.O. Box 21030, G.M.F.
Guam, M.I. 96921
(671) 734-2661 or 2537

"Serving Troubled Youths and their Families"



SERVICES

Emergency Shelter
Crisis Intervention
Counseling
24 Hour Hotline
Advocacy
Mental Health
Referral Information

May 03, 1991

TO: MR. PETER LEON GUERRERO
Director, Bureau of Planning

FROM: TONY C. CHAMPACO *[Signature]*
Executive Director

RE: COUNTRY STATEMENT - SPC REGIONAL SEMINAR FOR PACIFIC YOUTH

The following is the "state of affairs" as seen by a service provider based solely on the clients that are referred to us. On the outset, we would like to acknowledge that we are by no means the primary authority on the issues of youth employment, substance abuse and school drop outs. I would recommend that you solicit information from agencies that work specifically with youth relative to the aforementioned domains.

Although guidelines were provided for writing the country statement, because of time constraints, what is presented in the following is a paper prepared for the Association of Pacific Island Legislatures General Assembly, held in Guam, last year. The information provided is current and applicable to your request.

AN OVERVIEW ON THE "STATE OF AFFAIRS" OF YOUTH ON GUAM

Although the Department of Commerce has recently conducted a 1990 census, the results are unavailable at this time. However, the 1988 Guam Economics Review indicates that there are about 126,000 civilian population on Guam. Of this, approximately 50,000 fall below the age of 18. Thus, it is safe to estimate that our island youth population comprise about 40% (close to one half) of Guam's total population.

EDUCATION

According to the Department of Commerce, during school year 1989/90, our educational institutions, inclusive of both public and private, enrolled approximately 33,000 students, grades kindergarten through twelve. In 1989, the Department of Education reported that out of 1,099 students who entered their senior year, 936 graduated, leaving approximately 15 % of students who transferred, moved or dropped out during the school year. It is safe to assume that this figure significantly increases when other grade levels are considered (i.e., freshman, sophomore and junior students) especially when one recognizes that the age of 16 is the compulsory age for school attendance.

While Guam's educational system is basically college preparatory, most public high school students do not go on to college. Therefore, most high school graduates are expected to become competitors in Guam's job market despite minimal preparation or training during their high school years.

Local studies have indicated that when the school drop out rate of college preparatory high schools are compared with vocationally oriented schools, the latter institutions reflect a significantly lower figure, graduating a higher percentage of their enrollment. What is also significant is that students graduating from vocationally oriented schools are perceived by employers to be more qualified in entering the working force, therefore, are more readily hired. The Department of Education is aware of this, and have taken strides to change the orientation of the public high school curricula. More specifically, they have come up with a three phase plan that would incorporate the implementation of a more vocationally oriented curricula, to supplement traditional academics, in the high schools.

HEALTH

When we consider the "state of affairs" of physical/medical health services for youth on Guam, we can safely say that our island is well equipped to meet the needs of our youth for the most part. We have the adequate numbers of medical and dental practitioners for people with health insurance or have the financial means to pay for care. Families with limited income are eligible to receive several types of financial assistance accessing them to medical and dental care.

On the other hand, we have very serious problems when we look at adequate mental health care for youth. The Department of Mental Health and Substance Abuse is the government entity mandated to provide mental health services for the people of Guam. However, it is currently unable to meet the needs of all the people needing such assistance, especially our youth population. At the present time, the Department is not equipped to provide any type of in-patient care for youths under the age of sixteen, and for those 16 to 18, care is often limited and restricted. This lack of in-patient care often results in unnecessary, inappropriate and sometimes very costly alternatives. These alternatives have unfortunately included unnecessary incarceration and off-island placements of youths needing intensive mental health treatment, costing the Government of Guam an exorbitant sum annually.

Additionally, the incidences of suicide has significantly increased during the past couple of years. In 1990 alone, there were reportedly close to twenty suicide completions, of which over 50% were youth under the age of 25. This figure did not include youth who were expressing suicidal ideations or who have attempted, nor did it include numbers from this current year. Again, services and facilities are limited at this time. However, what is promising is the creation of a Comprehensive Crisis Hotline by the Government, to help alleviate the incidences of suicide and to assist others who are in a crisis situation.

The recent Guam Comprehensive Mental Health Plan, developed by the Guam Mental Health Planning Council, is definitely encouraging. Some of the issues relative to youth mental health services were addressed and plans of action are in place. The overall plan calls for a three-phase approach, including the creation of an adolescent unit and other services for our young people.

Additionally, recent legislation have allowed for consultants to come on island to collaborate with the Department of Mental Health in developing residential treatment facilities.

The mental health system is not the only system struggling with identifying how to best meet the needs of our youth. The juvenile justice system, although much improved over the years, is nevertheless caught up with the same predicament. Because of scarce viable options and limited alternatives, we still see inadequacies with the system. A prime example of this is the continued mixing of kids who are non-criminal offenders with juvenile delinquents in the same facilities. Additionally, the lack of resources has forced the housing of children (0-11) with troubled youth (12-17). This all too common practice is a grave concern for those with experience in the field of human services and who work with adolescents, when one considers all the possible negative ramifications that this kind of set up can elicit.

Other youth related problems continue to be on the upswing. Alcoholism, substance abuse, runaways, teen pregnancy, gangs, juvenile delinquency, and child abuse of all forms are all too familiar to us. The most recent report from the Child Abuse Task Force, alarmingly disclosed that there was a 300% increase of various forms of child abuse reporting on Guam. Youth serving agencies from both the public and private sectors are exhausted with the influx of youth needing assistance. Long waiting lists are all too common with the demands exceeding the available resources.

The incidences of homelessness and "throwaway" youth, especially for the older youth, has become a concern recently. As our people move away from the traditional close familial structure, and our island becomes more multi-cultural and exposed to other social influences, families are increasingly beginning to lose their sense of responsibility for their children. Consequently, these youth often end up being under the care of the government or other systems.

As we witness the increase in social problems affecting our young people, we concurrently recognize that not only are we limited in physical resources, but this is coupled with a severe shortage of human service providers/professionals, that if not immediately reckoned with, would leave us in a "state of emergency."

I hope that the aforementioned information will assist you in developing the country statement for Guam in preparation for the American Samoa Conference. I have also included an excerpt from the recent grant application for the new Project Youth Empowerment Coalition through the University of Guam that provides some excellent statistical data.

Should you have any questions, or need further information, please do not hesitate to contact me at 734-2661/2537.

STATEMENT OF NEED

The rapid changes in the political make up of the U.S. Trust Territories, coupled with the rapid development of tourism and related industries, has brought an epidemic of problems to the island. The young person on Guam has found that jobs are being filled by alien (H-2) workers and the cost of housing and expenses for daily living have skyrocketed. The development of trade and air routes from Asia has increased the drug traffic and crime on the island. More and more children with little or no English background and understanding of the island culture are entering the school system. This continued growth has led to multicultural problems of language, value differences, religion and rapid increase in population densities and pressures on the schools and health system. (In 1985 the Community Development Institute reported that children between the ages of 5 and 15 were the most likely not to take advantage of the preventative medicine available on Guam.

The school drop out rate on Guam has been estimated by the DOE Office of Research, Planning and Evaluation, as between 40 and 60%. This figure is based on a one year or 12 month period and might be much

higher if a 4 year rate was used. Recent research on causes of drop outs on Guam found that the most common causes were:

1. Grades, 2. Ethnicity, 3. School attendance, 4. Speaking a language other than English at home, 5. Having drop-out friends, 6. Parental opinion toward dropping out, 7. Being hassled by other students, 8. Peer pressure, 9. Employment reasons, 10. Excessive absences, and 11. School was boring. Action against school truancy increased from 32 cases in 1986 to 141 cases in 1987. Related to this the juvenile probation cases jumped 52% from 1986 to 1987. The Governor has stated that the literacy rate among school children on Guam has dropped.

Drug-related crimes and misdemeanors are high on Guam. In 1985, 36% of all crimes reported were for juveniles between the ages of 15 and 19 and 7% of all DWI arrests were juveniles. In 1987, 18% of all drug related arrests were juveniles. These figures continue to increase. Alcohol is readily available to youth at the many island fiestas and at the large family gatherings. Youth are often asked to get liquor for adults and seeing a youth with alcohol is not uncommon.

With the increase of residents from the freely associated states of Micronesia, alcohol and alcohol-related problems have increased. This increase is shown by the fact that between 1985 and 1987 alcohol related arrests increased from 11% to 17% for Micronesians.

Guam is the gateway to immigration for most of the Pacific Rim and Asia. Consequently Guam is truly a multicultural community with several dominant cultures: Statesiders, Chamorro, and Filipino inter-mixed with other Asian and Pacific islanders. This multicultural mix is further complicated by a transient military population, that often does not understand the local cultures and brings a younger population often familiar with drugs, alcohol and other delinquent behaviors. This multi-

cultural and transient population presents a special challenge to delivering education and youth programs on Guam.

According to the U.S. Office of Economic Opportunity, 25% of Guam's families with seven members or less are below the poverty level. The Community Development Report, Health Status of the Population of Guam, states that poverty increases in families with over 11 members. It is estimated that 40% of the middle school enrollment on Guam is eligible for the free or reduced-price school lunch program. With the price of consumer goods on Guam being substantially higher and the average family income less than the U.S. average, this presents a major problem to low income families on Guam. Many household heads must hold more than one job just to make ends meet.

A special problem on Guam is the high rate of teen pregnancy and child abuse. Child abuse is often related to young mothers, as well as, alcohol and drug abuse. Reported child abuse cases on Guam doubled from 1982 to 1986 and continue to increase. Guam has the highest reported single women birth rate in the U.S. About one birth in four was to an unmarried women on Guam, with about one half of all babies of teenage mothers born out of wedlock. (Public Health & Social Services Vital Statistics Report). Guam's median age is 22.2 years compared to the U.S. median of 30. By 1994, it is projected that 30% of women of child-bearing age will be under the age of 20. Incest and sexual abuse are also frequent causes for single parents and teen pregnancy.

Guam's youth are faced with a myriad of problems. Each youth faces numerous risks. Currently, there is no one agency or organization on Guam that can address these problems and provide an overview of the services available to youth on Guam. The Project Youth Empowerment Coalition will provide the mechanism to form such an organization with interested private and government agencies.

*Brochlet on where youth can
get help*



DEPARTMENTS OF THE ARMY AND THE AIR FORCE

OFFICE OF THE ADJUTANT GENERAL OF GUAM
622 EAST HARMON INDUSTRIAL PARK ROAD
BLDG 31 FORT JUAN MUNA TAMUNING, GUAM 96911-4421

REPLY TO

ATTENTION OF:

August 12, 1991

lbi

Office of The
Adjutant General

Honorable Joseph F. Ada
Governor of Guam
Agana, Guam 96910

Dear Governor Ada:

Attached is the briefing paper you requested from your National Guard relative to the impact of a reduction on Defense Forces on the National Guard.

I believe that the Guam National Guard, both the Army and Air, is a valuable asset for Guam. Strong, well trained and equipped units are capable of accomplishing both Federal and Territorial missions.

I hope and pray that your presentation on behalf of the military and National Guard will assist in keeping this valuable "in-house" asset strong, and productively utilized by all Governors.

The second attachment is sensitive in nature and is for your eyes only.

Sincerely,

E. G. PEREZ

EG, Guam National Guard.
The Adjutant General

Enclosures

Impact of Reduction in Defense Forces on the National Guard
Impact on Guam of Reduction in Force (Governor's Eyes only)
(Sensitive)

SUBJECT: IMPACT OF REDUCTION IN DEFENSE FORCES ON THE NATIONAL
GUARD

1. IN RESPONSE TO BUDGET REDUCTIONS, HEADQUARTERS, DEPARTMENT OF THE ARMY HAS DIRECTED THAT ARMY NATIONAL GUARD FORCE STRUCTURE BE REDUCED. THIS FORCE REDUCTION IS TO OCCUR OVER THE NEXT FIVE FISCAL YEARS, TO INCLUDE FISCAL YEAR 1991. THE TOTAL REDUCTION IN FORCE EQUATES TO 143,000 SPACES, AND FOR SOME STATES, IS A THIRTY (30) TO FIFTY (50) PERCENT REDUCTION IN STRENGTH AUTHORIZATION. REDUCTIONS OF THIS MAGNITUDE MAY AFFECT THE ABILITY OF STATES AND TERRITORIES TO MANAGE DISASTERS, EMERGENCIES AND COMMON DEFENSE. ALTHOUGH THE ~~GUAM ARMY NATIONAL GUARD IS NOT PROGRAMMED TO LOSE UNITS IN THIS~~ FORCE REDUCTION AT THIS TIME, ANY FORCE STRUCTURE LOSS TO THE GUAM NATIONAL GUARD IN THE FUTURE WILL HAVE A NEGATIVE IMPACT ON THE TERRITORY OF GUAM'S ABILITY TO EFFECTIVELY RESPOND TO DISASTERS.

2. THE CURRENT FORCE STRUCTURE OF THE GUAM NATIONAL GUARD IS ALREADY SMALL COMPARED WITH OTHER STATES. THE GUAM NATIONAL GUARD CURRENTLY HAS A COMBINED (ARMY AND AIR) AUTHORIZED STRENGTH OF 810, WITH SIX MAJOR UNITS CAPABLE OF SUPPORTING THE TERRITORY OF GUAM IN NATURAL OR MAN-MADE DISASTERS. THE GUAM NATIONAL GUARD CURRENTLY HAS THE FOLLOWING UNITS IN ADDITION TO THE HEADQUARTERS, TERRITORIAL AREA COMMAND:

A. FIRST BATTALION 294TH INFANTRY - 444 AUTHORIZED STRENGTH, CAPABLE OF PROVIDING ASSISTANCE IN THE MAINTENANCE OF LAW AND ORDER, TRAFFIC CONTROL, SECURITY AND PROTECTION OF VITAL FACILITIES AND EMERGENCY CLEARANCE OF DEBRIS AND RUBBLE.

THE LOSS OF THIS UNIT WOULD BE SIGNIFICANT AND WOULD DEGRADE THE ABILITY TO RESPOND TO AND MANAGE DISASTERS, EMERGENCIES, AND MOST IMPORTANTLY, THE LAND DEFENSE MISSION OF GUAM AND THE NORTHERN MARIANAS.

B. 838TH MEDICAL COMPANY - 126 AUTHORIZED STRENGTH, CAPABLE OF PROVIDING MEDICAL TREATMENT OF CASUALTIES AND GENERAL MEDICAL ASSISTANCE TO HELP PREVENT OR CONTROL THE INCIDENCE AND SPREAD OF INFECTIOUS DISEASES.

C. 1224TH ENGINEER DETACHMENT - 56 AUTHORIZED STRENGTH, CAPABLE OF PROVIDING ASSISTANCE IN DAMAGE ASSESSMENT AND THE RESTORATION OF FACILITIES AND UTILITIES.

D. 909TH QUARTERMASTER DETACHMENT (WATER PURIFICATION) - 14 AUTHORIZED STRENGTH, CAPABLE OF PRODUCING 9000 GALLONS OF POTABLE WATER PER HOUR WITH MODERN REVERSE OSMOSIS WATER PURIFICATION EQUIPMENT.

3. IN ADDITION TO THE ARMY NATIONAL GUARD UNITS, THE AIR NATIONAL GUARD HAS TWO UNITS WHICH ARE VALUABLE AND WHOSE LOSS WOULD FURTHER DEGRADE THE TERRITORY OF GUAM'S ABILITY TO RESPOND AND MANAGE DISASTERS AND EMERGENCIES.

A. 254TH CIVIL ENGINEERING SQUADRON - 100 AUTHORIZED STRENGTH, CAPABLE OF PROVIDING ASSISTANCE IN DAMAGE ASSESSMENT AND THE RESTORATION OF FACILITIES AND UTILITIES.

B. 254TH SERVICES FLIGHT - 25 AUTHORIZED STRENGTH, CAPABLE OF PROVIDING FOOD PREPARATION, HOUSING ASSISTANCE, AND THE RECOVERY, IDENTIFICATION, REGISTRATION AND DISPOSITION OF DECEASED PERSONNEL.

4. THE GUAM NATIONAL GUARD HAS BEEN CALLED UPON ALMOST EVERY YEAR TO SUPPORT THE TERRITORY OF GUAM IN EMERGENCY SITUATIONS: PROVIDING WATER IN DROUGHTS AND OTHER WATER EMERGENCIES, ASSISTANCE TO THE PRISON, AND TYPHOON RECOVERY OPERATIONS. MOST RECENTLY, IN DECEMBER OF 1990, GUAM WAS DEVASTATED BY TYPHOON RUSS, AND THE GUAM NATIONAL GUARD MADE SIGNIFICANT CONTRIBUTIONS TO THE POST-TYPHOON RECOVERY OF GUAM. EVERY YEAR, GUAM IS FACED WITH THE DESTRUCTIVE POTENTIAL OF TYPHOONS AND IT IS REASSURING TO KNOW THAT GUAM HAS A VALUABLE ASSET PREPARED TO RENDER ASSISTANCE.

5. OPERATION "FIERY VIGIL" WAS ANOTHER EMERGENCY IN WHICH THE GUAM NATIONAL GUARD MADE A SIGNIFICANT AND IMPORTANT CONTRIBUTION BY HELPING PROVIDE ASSISTANCE TO ACTIVE USAF DEPENDENT EVACUEES PASSING THROUGH GUAM FROM CLARK AIR FORCE BASE. THE AIR NATIONAL GUARD ASSISTED IN PROVIDING MUCH NEEDED ADMINISTRATIVE SUPPORT IN THE COORDINATION OF HOUSING AND THEY PROVIDED FOOD SERVICE ON A TWENTY-FOUR HOUR BASIS. THE ARMY NATIONAL GUARD PROVIDED FOOD SERVICE SUPPORT, CHAPLAIN AND MEDICAL ASSISTANCE. THE DEDICATION AND PROFESSIONALISM DISPLAYED BY GUAM NATIONAL GUARD MEN AND WOMEN WAS EQUAL TO THAT OF THE ACTIVE COMPONENT PERSONNEL WITH WHOM THEY WORKED, AND DEMONSTRATED THE IMPORTANCE OF A STRONG AND WELL-TRAINED RESERVE COMPONENT FORCE IN THIS PACIFIC REGION OF THE WORLD.

6. ALONG WITH THE OTHER FIFTY-THREE STATES AND TERRITORIES, THE GUAM NATIONAL GUARD IS PLAYING A VITAL ROLE IN THE WAR ON DRUGS. GUAM'S LOCATION IN THE FAR EAST, THE GROWING TOURIST INDUSTRY AND MULTI-CULTURAL MAKE-UP OF THE ISLAND, MAKES GUAM VULNERABLE TO DRUG TRAFFICKING. THE GUAM NATIONAL GUARD HAS BEEN SUPPORTING THE GUAM CUSTOMS COUNTER-DRUG OPERATION WHICH HAS RESULTED IN AN INCREASE IN ARRESTS AND CONFISCATION OF DRUGS ENTERING GUAM. THE GUAM NATIONAL GUARD PROGRAM HAS RECEIVED INCREASED FUNDING AND IS EXPECTED TO MAKE AN EVEN GREATER CONTRIBUTION TO THE WAR ON DRUGS IN THE COMING YEARS.

7. HISTORICALLY, IT HAS BEEN DEMONSTRATED THAT A STRONG, LARGE AND WELL-TRAINED RESERVE COMPONENT HAS SIGNIFICANTLY CONTRIBUTED TO THE SUCCESSES EXPERIENCED BY OUR NATION'S ARMED FORCES SINCE WORLD WAR II. MOST RECENTLY, OF COURSE, WERE THE CONTRIBUTIONS MADE DURING OPERATION DESERT STORM. THE SUCCESS OF OPERATION DESERT STORM WOULD NOT HAVE BEEN POSSIBLE WITHOUT THE NATIONAL GUARD AND OTHER RESERVE FORCES. THE PEOPLE OF GUAM WERE ONCE AGAIN PROUD TO HAVE SERVED IN OPERATION DESERT STORM WITH THE ACTIVATION OF THE GUAM ARMY NATIONAL GUARD'S 731ST MILITARY POLICE COMPANY (ENEMY PRISONERS OF WAR PROCESSING).

PARTICULARLY IN THE PACIFIC. DETERRING AGGRESSION IN THE ASIA-PACIFIC THEATER HAS BECOME INCREASINGLY IMPORTANT, BECAUSE, LOCALIZED AND LOW INTENSITY CONFLICT IS QUITE POSSIBLE IN THIS CRITICAL REGION. THE UNITED STATES HAS VITAL INTERESTS AND OBLIGATIONS IN THIS REGION. CONSIDER THE FOLLOWING:

- THE LAST FIVE MAJOR WARS INVOLVING THE UNITED STATES, BEFORE DESERT STORM, WERE FOUGHT IN WHOLE OR IN PART IN THE PACIFIC REGION.

- TWO-THIRDS OF THE WORLD'S POPULATION LIVES IN THE ASIA-PACIFIC THEATER WITH SEVEN OF THE WORLD'S LARGEST STANDING ARMIES (TOTALING MORE THAN 10 MILLION TROOPS).

- FIVE OF THE MOST POWERFUL NATIONS IN THE WORLD SHARE BORDERS WITH, AND HAVE INTERESTS IN, THE PACIFIC REGION: THE UNITED STATES, JAPAN, CHINA, THE SOVIET UNION AND INDIA.

- THE UNITED STATES HAS TREATY OBLIGATIONS WITH SEVERAL COUNTRIES IN THE AREA, CALLING FOR US TO DEFEND OUR PACIFIC PARTNERS. IN CASE OF AGGRESSION FROM A THIRD COUNTRY.

- SOME GOVERNMENTS IN THE AREA ARE OPENLY HOSTILE TO U.S. INTERESTS THERE.

- THE UNITED STATES HAS HAD AN UNEASY TRUCE WITH NORTH KOREA SINCE 1952, OFTEN PUNCTUATED BY LIVE FIRE AND BLOODSHED.

- THE VALUE OF U.S. TRADE IN THE PACIFIC REGION NOW EXCEEDS \$300 BILLION PER YEAR, MORE THAN 40 PERCENT OF TOTAL U.S. TRADE.

- MILITARY UNITS IN THIS AREA ARE BASED BETWEEN THE U.S. MAINLAND AND OVERSEAS FORWARD DEPLOYMENT AREAS, AND SERVE AS A FIRST LINE OF DEFENSE FOR OUR PACIFIC COAST AS WELL AS A HIGHLY VISIBLE FORWARD-DEPLOYED DETERRENT.

9. GUAM AND THE RESERVE COMPONENTS ON GUAM, ARE VITAL AND VALUABLE PACIFIC BASIN ASSETS. GUAM IS LOCATED 3,800 MILES FROM HAWAII AND OVER 1500 MILES FROM KEY COUNTRIES IN THE PACIFIC BASIN. THIS REMOTENESS DEMANDS THE GUAM NATIONAL GUARD BE SELF-SUFFICIENT IN ORDER TO MEET EMERGENCIES, BOTH FEDERAL AND TERRITORIAL. THE CURRENT FORCE STRUCTURE OF THE GUAM NATIONAL GUARD IS ALREADY SMALL COMPARED WITH THE OTHER STATES, YET IT HAS ALL OF THE SIMILAR MISSIONS AND RESPONSIBILITIES. AFTER HURRICANE HUGO, ACTIVE AND RESERVE COMPONENT FORCES FROM SURROUNDING STATES RESPONDED TO THAT EMERGENCY. GUAM DOES NOT HAVE THAT READY ACCESS TO OTHER FORCES.

10. ANY REDUCTION TO THE GUAM NATIONAL GUARD FORCE STRUCTURE AND SUPPORT FOR EXISTING UNITS WILL HAVE A MOST SIGNIFICANTLY NEGATIVE IMPACT ON THE TERRITORY OF GUAM AND TO THE FUTURE CAPABILITY OF THE UNITED STATES MILITARY IN THE PACIFIC. THERE IS NO QUESTION THAT WE MUST CAREFULLY CONSIDER THE CONSEQUENCES OF TODAY'S DECISIONS ON TOMORROW.

COMMITTEE ON TRANSPORTATION, COMMERCE AND COMMUNICATIONS

SYNOPSIS OF BRIEFING PAPERS

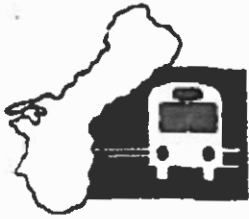
- **Surface Transportation Assistance Act**

The Administration has released its proposed Surface Transportation Reauthorization Bill and NGA's position statement regarding surface transportation raised concerns from the governors. NGA lists objectives for the governors consideration.

The Guam Mass Transit Authority prepared briefing paper supporting NGA's objectives. However, GMTA expressed some concerns. Guam, CNMI, Virgin Islands and American Samoa do not receive their fair share of the Federal Transportation Grant Funds because of their small population and remote location. GMTA proposed that the islands be each guaranteed no less than 75% of their total percentage of America's population. The "Nickel for America" federal gas tax proposed by the House of Representatives be supported if earmarked for highways, bridges and public transit. We should support the dollar coin proposal, that is, replacing the dollar bill. This will reduce costs for most business that deals with large number of small money denomination. The withholding of the Spennedown of the Federal Highway/Mass Transit Trust Fund Moneys is illogical.

- **FY 1992 Highway Obligation Ceiling Hike**

The Department of Public Works' briefing paper for 1991 NGA Winter Meeting is included in this package. The Territory has been receiving funds for highway construction through the Federal Aid Highway Program. However, the current funding is provided under the Primary Road Program in the Surface Transportation and Uniform Relocation Act of 1987. The authorized fund for five year period (\$5 Million each year) will expire at the end of FY 1991. The Department wish to ensure that Guam will get the same or even more in the enactment of a new bill to continue the federal-aid highway program.



Guam Mass Transit Authority

Government of Guam
P.O. Box 24383, GMF, Guam 96921
Telephone: 649-9846
Fax: 649-9247



COMMONWEALTH NOW!

6 August 1991

MEMORANDUM

To: Director, Bureau of Planning

From: General Manager

Re: Briefing Papers: NGA Annual Meeting, Seattle, Washington, August 18 - 20, 1991 "Surface Transportation Assistance Act", per your request

The NGA objectives GMTA fully supports and believes the Governor should support are as follows:

1. "Program consolidation and refocusing, with a separate bridge program and two basic highway tiers".
2. "Timely reauthorization of multi-year bill".
3. "Maintenance of the overall matching rates (82/18 average)".
4. "No further sanctions or mandates".
5. "Greater investment through a faster spend-down of trust fund revenues (including the new 2 1/2 cents, plus interest, and the balance) and elimination of the 2 1/2 cent diversion to the general fund".

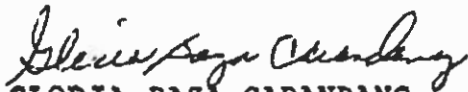
The above represents our general support of the NGA objectives. However, GMTA's specific concerns are as follows:

1. The Territories of Guam, CNMI, Virgin Islands and American Samoa are doomed because of their small population and remote locations to be excluded from most Grant funds (Urban Grants, Interstate highway programs, Maglev, etc.). Therefore, we do not receive our fair share, by population, of Federal Transportation Grant Funds. We propose that the aforementioned territories be each guaranteed not less than 75% of their total percentage of America's population. This will actually be a very small amount, since the total population of these territories amount to less than 0.2% of America's population.

Page 2
August 6, 1991
NGA Annual Meeting

2. We should support the "Nickel for America" Federal gas tax now being proposed by the U. S. House of Representatives. The people who benefit from and use our highways should reasonably pay for it. National Surveys have indicated a majority of Americans would support this tax, if earmarked for highways, bridges and public transit.
3. We should support the dollar coin proposal, that is, replacing the dollar bill with a dollar coin. This will reduce costs for Public Transit Systems, vending machine operators and most businesses that deal with large numbers of small amounts.
4. The withholding of the Spenddown of the Federal Highway/Mass Transit Trust Fund Moneys is illogical. The taxes were imposed to improve highways and Mass Transit. Deliberately not spending dedicated tax funds is not reasonable. The theory is that by not spending the funds, the overall Federal Cash Deficit looks better but this is an unwarranted connection of two different problems.

We appreciate the opportunity to provide our input to Governor Ada. Please let us know if we can provide further information or insights.



GLORIA BAZA CARANDANG
Acting General Manager

FILE: EXECUTIVE, BUREAU OF PLANNING, FY91
FILENAME: AGOVBOF

SURFACE TRANSPORTATION ASSISTANCE ACT

The current Surface Transportation Assistance Act expires at the end of FY 1991. It was authorized for a five-year period and requires re-enactment for another five-year period, assuming it follows the previous reauthorization format.

Guam has been receiving approximately \$5.0 million each year in 100% federal funds from the existing act. We must ensure that Guam is again included in the funding, and that we get at least the current amount or greater. We understand that Guam is slated to receive \$7-8 million in the first year of the new act increasing to \$11-12 million by the fifth year. We should exert all efforts possible to ensure that this funding is maintained in the act that is passed for FY 1992 and beyond and that Guam's funding remains 100% federal funds with no matching requirements.



JAN 28 1991

MEMORANDUM

TO: Director, Bureau of Planning
FROM: Director of Public Works
SUBJECT: Briefing Paper for the Upcoming NGA Winter Meeting

The Territory of Guam has been receiving federal funds for highway construction thru the Federal Aid Highway Program. This is clearly shown in the previous years' Highway/Road projects that were constructed thru the support of federally aided funds. The current funding is provided under the Primary Road Program in the Surface Transportation and Uniform Relocation Act of 1987, and amounts to approximately \$5 Million each year. This act authorized funds for a 5-Year period and expires at the end of FY-1991. We therefore wish to ensure that Guam is included for at least the same or even greater funding in the enactment of a new act to continue this federal-aid highway program. To keep up with the rapid development, the Territory of Guam must continue to participate in the programs and benefits covered in the following Sections of Title 23 USC 215 of Public Law 100-17: Section 120(i); Section 125(b); Section 125(d) and Section 152(h) (in combination with Section 401).

In fact, we urge that Guam's allocation be at least doubled for the following reasons:

- Guam's ongoing Highway Projects currently under construction and nearing completion amount to \$30 Million, and an estimated cost of \$22 Million is projected for FY-1991 alone, both federally/locally funded. Under design and ready for implementation in FY-1992 are projects estimated at \$50 Million in construction costs.
- With an increase of over 22,000 motor vehicles travelling Guam's roadways, over the last five years, which is approximately 10% increased use of our highways and roads, funds for the Federal-Aid Highway Program must be increased substantially to keep up with the required reconstruction of our highways. In addition to this is the need to fund the Highway Hazard Elimination projects and Highway Safety Programs.



Commonwealth Now!

Government of Guam, P.O. Box 2950, Agaña, Guam 96910

Memo to Director, Bureau of Planning
Briefing Paper for the Upcoming NGA
Winter Meeting
Page 2

- The Public Transportation (Mass Transit) System in Guam is still in its infancy. Movement of people is still primarily by private vehicles. This mode of transportation will continue into the foreseeable future.
- The recent Typhoon Russ caused considerable damage. It will cost approximately \$2.2 Million to repair the roadways, road signs, traffic signals, street lights and erosion control facilities. Sections 125(b) and 125(d) of Title 23 USC 215 are very supportive in this case.
- Since the early 1980's when facilities started being built based on "Barrier-Free Design" for the physically handicapped, Guam's Highway Safety Program has provided safer and more convenient movement of the physically handicapped people. Again, Section 402(b)(1)(B) supports this. Title II which is the Highway Safety Act further supplements this.

Guam clearly needs continuing programs such as the Federal-Aid Highway and Highway Safety Programs. Public Law 100-17 therefore should be reauthorized for the Territory of Guam to provide the highway infrastructure necessary to support the massive growth.


BENIGNO M. PALOMO

Attachments