

NATIONAL GOVERNORS' ASSOCIATION

1992 ANNUAL WINTER MEETING

WASHINGTON, D.C.
FEBRUARY 2-4, 1992

NATIONAL GOVERNORS' ASSOCIATION

*Chairman - Governor John Ashcroft
Vice Chairman - Governor Roy Romer*

1991-1992 COMMITTEES

- *Executive Committee
Missouri Governor John Ashcroft - Chairman
Colorado Governor Roy Romer - Vice Chairman*
- *Agriculture and Rural Development
Montana Governor Stan Stephens - Chairman
Nebraska Governor E. Benjamin Nelson - Vice Chairman*
- *Economic Development & Technological Innovation
Illinois Governor Jim Edgar - Chairman
Maryland Governor W. Donald Schaefer - Vice Chairman*
- *Energy and Environment
North Dakota Governor George A. Sinner - Chairman
Utah Governor Norman H. Bangerter - Vice Chairman*
- *Human Resources
Maine Governor John R. McKernan Jr. - Chairman
New Jersey Governor Jim Florio - Vice Chairman*
- *International Trade and Foreign Relations
Hawaii Governor John Waihee - Chairman
Michigan Governor John Engler - Vice Chairman*
- *Justice and Public Safety
Nevada Governor Bob Miller - Chairman
Massachusetts Governor William Weld - Vice Chairman*
- *Transportation, Commerce & Communications
Louisiana Governor Buddy Roemer - Chairman
West Virginia Governor Gaston Caperton - Vice Chairman*

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

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NATIONAL GOVERNORS' ASSOCIATION

**1992 WINTER MEETING, FEBRUARY 2-4
WASHINGTON, D.C.**

A G E N D A

SATURDAY, FEBRUARY 1:

1:00 pm - 1:45 pm

Opening Press Conference

2:30 pm - 4:00 pm

**Executive Committee
Governor John Ashcroft, Missouri
Chairman**

4:15 pm - 5:00 pm

**Education Initiative Leadership Group
Meeting
Governor John Ashcroft, Missouri
Chairman**

SUNDAY, FEBRUARY 2:

10:30 am - Noon

Education Action Team Meetings

12:15 pm - 1:45 pm

Governors-only Lunch

12:15 pm - 1:30 pm

**Staff Council Meeting
J.W. Marriott Hotel**

2:00 pm - 3:45 pm

Concurrent Committee Meetings:

- **Committee on Economic Development
and Technological Innovation
Governor Jim Edgar, Illinois
Chairman**

4:00 pm - 5:45 pm

- **Committee on International Trade and Foreign Relations**
Governor John Waihee, Hawaii
Chairman

Concurrent Committee Meetings

- **Committee on Energy and Environment**
Governor George A. Sinner, North Dakota
Chairman
- **Committee on Human Resources**
Governor John R. McKernan Jr.
Maine
Chairman

6:00 pm - 7:00 pm

Reception for all Attendees

7:30 pm - 10:00 pm

Evening with President and Mrs. Bush
The White House, Black Tie
(Governors and Spouses Only)

MONDAY, FEBRUARY 3:

7:30 am - 9:00 am

Meeting of the Republican Governors' Association

9:15 am - 10:45 am

Governors-only Meeting

- **Social Service Systems Reform Issues**
- **Strategic Review Task Force**
(Report Discussions)

10:50 am - 12:45 pm

Meeting with the President
(Governors Only)

1:00 pm - 2:15 pm

Informal Lunch for Governors and Corporate Fellows (By Invitation)

2:30 pm - 4:15 pm

Concurrent Committee Meetings:

- **Committee on Agriculture and Rural Development**
Governor Stan Stephens, Montana
Chairman
- **Committee on Justice and Public Safety**
Governor Bob Miller, Nevada
Chairman
- **Committee on Transportation, Commerce and Communications**
Governor Wallace G. Wilkinson, Kentucky
Chairman

TUESDAY, FEBRUARY 4:

7:30 am - 9:15 am

Meeting of Western Governors' Association
J.W. Marriott Hotel

9:30 am - Noon

Plenary Session
Governor John Ashcroft, Missouri
Chairman

12:15 pm - 12:45 pm

Closing Press Conference

AFTERNOON

Meetings on the Hill

Note: The Meeting of the Law and Public Safety Committee will be held on February 3rd. The Bureau of Planning is recommending that the Governor attends the meeting if he has available time for it.



Western Governors' Association
800 17th Street
Suite 1705 South Tower
Denver, Colorado 80202
(303) 623-9378
FAX (303) 534-7309

Mike Sullivan
Governor of Wyoming
Chairman
Fife Symington
Governor of Arizona
Vice Chairman
James M. Souby
Executive Director

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January 8, 1992

MEMORANDUM

TO: WGA Staff Council

FM: Jim Souby

RE: WGA Events at the NGA Winter Meeting

WGA will hold two events at the NGA meeting:

- Scott Farris has scheduled a Staff Council meeting for Sunday, February 2 from 12:15 to 1:30 p.m. at the J.W. Marriott Hotel*. A buffet lunch will be served.
- Governor Sullivan has scheduled a breakfast meeting for the western governors on Tuesday morning, February 4 from 7:30 - 9:15 a.m. at the J. W. Marriott Hotel*. A buffet breakfast will be served. Please limit staff attendance to one person per governor.

Agendas are attached. Other special meetings may be scheduled as appropriate for individual governors.

By the way, we will take up NGA resolutions at the Staff Council meeting so if you have one you are sponsoring or of interest to you, please send a copy so we can have them available at the meeting. Thanks.

- We will notify you of room name, sometime within the next few weeks.

Attachments

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**WESTERN GOVERNORS' ASSOCIATION
STAFF COUNCIL MEETING**

**Sunday, February 2, 1992
12:15 p.m. - 1:30 p.m.
J. W. Marriott Hotel
1331 Pennsylvania Ave.
Washington, D.C.**

PROPOSED AGENDA

- 12:15 p.m. Introduction - Scott Farris, Wyoming
- 12:20 p.m. Administrative Issues
FY 93 Workplan and Budget Development
Summer Meeting Plans
- 12:45 p.m. NGA Resolutions (to be raised by Staff Council)
- -
 -
- 1:25 p.m. Follow-up, next meeting proposed for April 9-10, 1992
- 1:30 p.m. Adjourn

**WESTERN GOVERNORS' ASSOCIATION
GOVERNORS BREAKFAST MEETING**

Tuesday, February 4, 1992

7:30 - 9:15 a.m.

**J.W. Marriott Hotel
1331 Pennsylvania Ave.
Washington, D.C.**

AGENDA

7:30 a.m. - 7:40 a.m.

Welcome*

**Governor Sullivan
Chairman, WGA**

Administrative Issues

**FY 93 Workplan is under Development
Summer Meeting Plans**

**Senators DeConcini, Hatch, Reid and Stevens
Co-Chairmen, WSC**

7:40 a.m. - 8:15 a.m.

**Discuss RCRA reauthorization and western concerns.
Governor Bangerter, Senator Baucus, Representatives
Swift and Schaefer.**

8:15 a.m. - 8:45 a.m.

**Discuss Indian gaming concerns and legislative solutions.
Governors King and Romer, Senator Inouye,
Representatives Miller and Rhodes.**

8:45 a.m. - 9:10 a.m.

Federal mandates and other critical concerns.

9:10 a.m. - 9:15 a.m.

Followup, next meeting.

*** *A buffet breakfast will be available at the meeting***



OFFICE OF NATIONAL DRUG CONTROL POLICY
EXECUTIVE OFFICE OF THE PRESIDENT
Washington, D.C. 20500

January 15, 1992

Mr. Peter P. Leon Guerrero
Director
Bureau of Planning
Office of the Governor
P.O. Box 2950
Agana, GU 96910



Dear Mr. Guerrero:

At the end of January, the President will release the 1992 National Drug Control Strategy. The Office of National Drug Control Policy will host a White House briefing for State drug program directors on Strategy IV on February 3-4, 1992. One seat will be reserved for each State drug program director at this meeting.

Since this meeting will coincide with the winter meeting of the National Governors' Association, we will also be briefing the governors themselves at a meeting of the Law and Public Safety Committee on February 3, 1992.

The agenda for the State drug program directors briefing will involve the distribution and discussion of several critical documents including: the 1992 National Drug Control Strategy and Budget Summary; Federal Funding Fact Sheets for each State; and information on the State Alliance Program of the Partnership for a Drug-Free America.

The briefing will begin at 1:00 p.m. on February 3, 1992, and conclude at 1:00 p.m. on February 4, 1992. Secretaries Sullivan, Kemp, and Alexander, as well as Attorney General Barr, have been invited to brief you on anti-drug initiatives and funding in their respective departments.

Please be advised that the Secret Service will require advance security data for each participant entering the White House on February 3, 1992. I ask that you confirm your attendance at this important policy event by calling my office on (202) 467-9660.

I look forward to seeing you at this meeting.

Sincerely,

BOB MARTINEZ
Director



ADOPTION OF POLICY STATEMENTS IN PLENARY SESSIONS

Article IX of the National Governors' Association Articles of Organization and the Rules of Procedure determine the procedures and votes necessary to adopt policy statements. In accordance with these Rules, enclosed are the Committee policy statements, amendments, and resolutions proposed for the NGA Winter Meeting. Proposed policy statements are submitted by the Standing Committees of the Association and must be transmitted to all Governors at least 15 days in advance of the plenary session.

1. Germane Committee amendments and floor amendments by individual Governors to proposed Committee policies require a two-thirds vote. Final adoption of a Committee amended policy statement requires a two-thirds vote.
2. Individual Governors must submit proposed policy statements to the Executive Director at least 45 days in advance of the plenary session. These proposals are transmitted to the appropriate NGA Standing Committee for further action.

If an individual Governor's proposal is not adopted by the Standing Committee and therefore not included in the 15-day advance mailing to all Governors, it is then subject to the suspension of the rules if the individual Governor or the Committee chooses to re-submit the proposal at the plenary session.

3. Any proposed new policy by a Committee or an individual Governor that is not included in the advance mailing requires a three-fourths vote to suspend the rules, a three-fourths vote for final passage, and a three-fourths vote for any amendment.
4. Resolutions do not address new policy, but may affirm existing policy and recognize certain persons, places and events. If a Committee decides to report a resolution to the full Association, it requires a two-thirds vote for adoption.
5. Notice procedures: Motions for the suspension of the Rules of Procedure shall be distributed to all Governors present by the end of the calendar day before such motion is put to a vote. The Chairman may request that copies of floor amendments also be available for distribution.
6. Non-debatable motions include: Table -- majority vote, Previous Question -- two-thirds vote, Suspend the Rules -- three-fourths vote.
7. A motion to postpone is debatable on the entire policy only and requires a majority vote.
8. Voting may be by voice, show of hands, or roll call. A roll call vote shall be called by a show of hands of ten members.

LIST OF PROPOSED CHANGES IN POLICY

COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT

- G-1 Proposed Amendment - "Global Agricultural Trade and Development"
(Agricultural Barter)

COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGICAL INNOVATION

- E-11 Proposed Policy Position - "National Partnership for Affordable Housing"
E-12 Proposed Policy Position - "The Regulation of Insurance"
-- Proposed Resolution - "Interstate Bank Branching"

COMMITTEE ON ENERGY AND ENVIRONMENT

- D-17 Proposed Amendment - "Superfund Policy"
D-23 Proposed Amendment - "Water Resource Management"
(Wetlands)
D-36 Proposed Amendments - "Waste Management Policy"
-- Proposed Resolution - "A Comprehensive National Energy Policy"

Reaffirm Existing Policy

- D-18 Reaffirm - "Forestry"

COMMITTEE ON HUMAN RESOURCES

- C-1 Proposed Amendment (in the form of a substitute) - "From Classrooms to Workrooms: Meeting the Needs of the Changing American Family"
C-13 Proposed Amendments - "Child Support Enforcement"
(Preface) (Interstate Child Support)
-- Proposed Resolution - "U.S. Ratification of the Convention on the Rights of the Child"

Reaffirm Existing Policy

- C-3 Reaffirm (to be amended at a later date) - "Employment and Training"
C-8 Reaffirm (to be amended at a later date) - "Social Services"
C-9 Reaffirm (to be amended at a later date) - "Populations with Special Needs"
C-14 Reaffirm - "Immigration and Refugee Policy"
C-15 Reaffirm (to be amended at a later date) - "Prevention and Treatment of Child Abuse and Neglect"
C-16 Reaffirm (to be amended at a later date) - "Worker Adjustment"
C-17 Reaffirm (to be amended at a later date) - "AIDS"

COMMITTEE ON INTERNATIONAL TRADE AND FOREIGN RELATIONS

- H-2 Proposed Amendment - "Promotion and Expansion of International Trade"
(Trade Disputes)
- H-5 Proposed Amendment - "Specific Opportunities in Trade"
(European Community 1992)
- H-6 Proposed Amendment - "Bilateral and Regional Trade Agreements"
(Border Infrastructure)

COMMITTEE ON JUSTICE AND PUBLIC SAFETY

- B-2 Proposed Amendments - "Delinquency Prevention and Youth Offender Programs"
- Proposed Resolution - "Continuing the Attack on Violent Crime and Drug Abuse"

COMMITTEE ON TRANSPORTATION, COMMERCE, AND COMMUNICATIONS

- Proposed Resolution - "Surface Transportation Financing"

EXECUTIVE COMMITTEE

- C-24 Proposed Amendment - "A Process for Measuring and Reporting on Progress Toward the National Education Goals"
(National Education Goals Panel)

Reaffirm Existing Policy

- A-5 Reaffirm - "Equal Rights Amendment"
- A-6 Reaffirm - "Voting Representation for the District of Columbia"
- A-8 Reaffirm - "Martin Luther King, Jr. National Holiday"

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

LIST OF BRIEFING & ISSUE PAPERS

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STRATEGIC PLANNING TASK FORCE

Summary Report

The Strategic Planning Task Force composed of six governors and their staffs as members and NGA's Chairman and his staff as Ex-officio members was created in August 1991 to evaluate the mission and the services of the National Governors' Association. The task Force based on its findings will make recommendations to ensure the continued effectiveness of the Association. The report is a result of several discussions made with other Governors and state officials and input from a series of surveys.

The Task Force has identified key issues in four critical areas, recommended changes to the current NGA process and posed questions that will allow Governors to provide additional direction. The report discussion will be carried out at the 1992 Winter Meeting and any approved changes in organizational structure or process will be implemented following the 1992 Annual Meeting. The four identified critical areas are:

- ***Establishing Association Priorities***

The Task Force believes that NGA could be more effective if the Governors established a limited number of priorities each year. Governors can exert great influence on an issue when there is strong gubernatorial involvement and concentrated effort by staff. The Task Force recognizes that the level of gubernatorial involvement can not be expected continuously and on every issue. Therefore, NGA should identify key issues and activities in which the Governors are willing to make sufficient commitment to have a real impact.

- ***NGA's Federal Orientation***

As demonstrated during the last Congress, the Governors can be a powerful force in setting national policy. The Task Force believes that the "care and feeding" of the policy process uses substantial NGA staff resources and these resources might be better used communicating the Governors' positions to external audiences, that is the Administration and Congress, on a narrower range of issues.

- **NGA's State Orientation**

NGA's state-oriented activities fall into two categories:

- *the transition assistance and ongoing assistance in gubernatorial leadership and management offered through the Office of State Services, and;*
- *the assistance on state policy and program development and implementation through the Center for Policy Research, including coordination and assistance to executive branch advisors.*

The Task Force learned that responses to the Governors' survey were often contradictory. The Governors may expressed strong interest in learning about emerging issues and innovative state practices, however, they questioned the value of research reports and on-site technical assistance. The Task Force recommends changes, to use the committees and the priority-setting process to drive NGA's state-oriented activities and to identify new ways to expose Governors to information about innovative state practices and emerging issues.

- **NGA Meetings and Other Forums**

The survey results show that Governors value the opportunity to discuss their common interests and concerns about state government and national policy. As the current NGA's two meetings each year are structured around plenary sessions, Governors-only sessions and committees meetings, the Task Force recommends a more flexible approach to annual meetings which can be more responsive to the Governors' interests in topics that transcend a single committee or that result from current state, federal or international events.

Bureau of Planning

The Bureau of Planning believes that the creation of the Strategic Planning Task Force is well thought of. Reported changes provided by the Task Force in both NGA's organizational structure and process will provide incentives for the Governors to be more active and committed to the Association's activities and mission. The Bureau recommends support of the changes recommended by the Strategic Planning Task Force.



Handwritten initials/signature

January 16, 1992

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

Dear Joe:

As you know at the annual meeting in Seattle last August, Governor Ashcroft created a Strategic Review Task Force (SRTF) of six Governors. The purpose of the Task Force was to evaluate the mission and services of the National Governors' Association and to make recommendations to ensure the continued effectiveness of the Association.

Over the past several months Governor Clinton, Governor Edgar, Governor Romer, Governor Voinovich, Governor Walters and I, along with our staffs and representatives from the NGA staff have devoted considerable time to this task. Based on this work, discussion with other Governors and state officials, and the input from a series of surveys we have identified four areas where we are recommending changes. These four areas and our tentative recommendations are described in the attached paper.

One theme connects these recommendations and has been the basis for our overall project. To be effective the NGA must understand and respond to the needs of the Governors. As a result, we need your reactions to the proposed changes. Do you agree with our recommendations? If not, what alternatives should we consider? Are there additional areas we should address?

The attached report will be discussed in more detail at the second Governors' only session at the NGA Winter meeting. This session will take place Monday, February 3 from 9:15 a.m. to 10:45 a.m. To facilitate your input we will break into five or six smaller groups led by Governors.

Following these discussions the Task Force will revise its recommendations and distribute them to all Governors for a final round of comments, probably in March. Assuming that these recommendations are positively received they will be considered formally by the Executive Committee in May. Phased implementation should begin by the annual meeting in Princeton.

Page Two
January 16, 1992

Please take a few minutes to review the draft recommendations and preliminary survey results prior to the February 3 meeting.

I look forward to a frank and productive discussion.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike", written in a cursive style.

Governor Michael N. Castle

Enclosure

**NATIONAL GOVERNORS' ASSOCIATION
STRATEGIC PLANNING TASK FORCE**

Summary Report

Draft 1/17/92

STRATEGIC PLANNING TASK FORCE

Members

Governor Michael N. Castle, Delaware
Chairman

Governor Bill Clinton, Arkansas
Vice-Chairman

Governor Roy Romer, Colorado

Governor Jim Edgar, Illinois

Governor George Voinovich, Ohio

Governor David Walters, Oklahoma

Governor John Ashcroft, Missouri*

NGA Executive Director Ray Scheppach*
(202) 624-5320

* Ex-officio members

SAC Representative

Kathryn J. Way (202) 624-7724

Carol Rasco, (501) 682-2345

B.J. Thornberry, (303) 866-2471

Dan Caprio, (202) 624-7760

Tom Needles, (202) 624-5844

Dan Cooney, (202) 508-3820

Marise Stewart, (202) 624-7720

NGA Staff Resource Group

Barry Van Lare, Deputy Executive Director, (202) 624-5342

Rae Young Bond, Director of Public Affairs, (202) 624-5331

Doug Champion, Director of State Services, (202) 624-7872

Jay Kayne, Director of Capitol Resources Policy Studies, (202) 624-5392

Alicia Pelrine, Director of Human Resources Group, (202) 624-5340

Background

In August 1991 NGA Chairman John Ashcroft created a Strategic Planning Task Force to review the mission and roles of the National Governors' Association.

The findings and recommendations in this report are based largely on the task force's experience in NGA and on state comments and concerns. The Task Force also considered Governors' responses to the survey on NGA's mission and activities. Surveys have been received from 20 Governors and from Governors and/or key staff in a total of 30 states to date.

This report will be discussed by all Governors at NGA's 1992 Winter Meeting. The task force will present its final recommendations to all Governors in mid-March, and then to the NGA Executive Committee for final action in May. In most instances, any approved changes in organizational structure or process will be implemented following the 1992 annual meeting.

General Findings

The Governors' survey provides some clear messages about how they view the relative value of various NGA activities and the clientele NGA should serve:

- Governors rate highly NGA's role as a forum to talk with each other.
- They want to know what other Governors are doing and what is going on in other states.
- While they want data/information, there is confusion about how NGA's "research" activities translate into this kind of useful information.
- Governors want NGA to provide a forum to establish and articulate policy on national issues of concern to states.
- Governors view NGA's primary clientele as Governors and senior staff (e.g., chiefs of staff, press aides, Washington representatives).

Responses to questions about NGA's mission were inconclusive and sometimes inconsistent. For example, some individual services that respond to a mission received much higher ratings than did the corresponding mission statement.

Issues and Recommendations

The Task Force believes strongly that NGA works best with broadbased gubernatorial ownership and within a spirit of collaboration and bipartisanship. The Task Force identified changes that could increase gubernatorial ownership of NGA and that would increase NGA's flexibility to respond to emerging issues and better provide services that Governors value most. Key recommendations include:

- Adopt a process to establish association priorities and more narrowly focus the association's efforts on the priority issues;
- Reduce the number of permanent standing policy committees, but expand the use of lead Governors and task forces to focus on short-term issues within the policy committees. The policy committees can manage/oversee the priority issues they establish, including creating Task Forces and naming lead Governors.
- Use new blocks of time at winter and annual meetings (freed up by reducing the number of committees and eliminating overlapping committee assignments) for special sessions on emerging issues and/or innovative state practices.

- Provide more opportunities for Governors to meet and work together in small groups and informal settings.
- Create a new committee on state management that would address non-policy issues (i.e., downsizing and management reform in state government) .
- Adjust the NGA policy process to create permanent policy in key areas that set parameters for NGA positions (i.e , flexibility, mandates, preemption), and establish a new procedure that allows NGA to respond to emerging policy issues and legislative developments.
- Sharpen the focus of NGA's state-oriented activities and identify new ways to expose Governors to information about innovative state practices and emerging issues .

These recommendations and others are discussed in this paper.

The Task Force has identified key issues in four critical areas, recommended changes to the current NGA process, and posed questions that will allow Governors to provide additional direction.

The four areas are:

- Establishing Association Priorities
- NGA's Federal Orientation
- NGA's State Orientation
- NGA Meetings and Other Forums

The Task Force recommendations deal with changes in NGA structure and processes. It feels that it remains the responsibility of NGA's Executive Director to determine how best to use available resources to carry out any changes adopted by the Governors. The Task Force sees this happening through a new internal NGA staff strategic planning group that will assist and advise the Executive Director in these tasks.

ISSUE I: ESTABLISHING PRIORITIES

The Task Force believes that NGA is spread too thin. (For purposes of this report, NGA refers to the Governors and staff working together. Specific references to the staff will be so identified.) NGA could be more effective if the Governors established a limited number of priorities each year. Governors can exert great influence on an issue when there is strong gubernatorial involvement and concentrated effort by staff. The Task Force recognizes that it cannot expect that level of gubernatorial involvement continuously and on every issue. Therefore, NGA should identify key issues and activities in which Governors are willing to make a sufficient commitment to have a real impact.

Recommendations

The Task Force recommends the following changes:

1. **Adopt a process to establish annual priorities, which involves broad participation and discussion through the committee structure.**

Each standing committee would identify and recommend ranked priorities within their policy and program area(s). The Executive Committee would select two or three of these as association-wide priorities, including one to be considered for the chairman's initiative.

The Executive Committee, in consultation with committee chairs, would develop an annual association work plan that outlined objectives for each priority and assigned oversight responsibility to committees.

2. **Reduce the number of policy committees from the current seven committees.**

The Task Force discussed two options for restructuring the committees:

- A. **Three policy committees -- Capital Resources (including the current committees on Transportation, Commerce, and Communications; Economic Development and Technological Innovation; and International Trade and Foreign Relations; and the rural development component of the current Agriculture Committee); Human Resources (including the current committees on Human Resources and Justice and Public Safety); and Natural Resources (including the current Energy and Environment Committee and the Agriculture component of the current Agriculture and Rural Development Committee); and a new State Management Committee that would address non-policy issues.**
- B. **Four policy committees (Capital Resources, Natural Resources, Education, and Human Services, which includes health) and a new State Management Committee.**

Option A (retaining a single Human Resources Committee) assumes that education and health issues will likely remain association-wide priorities and will be handled through special working groups and at plenary sessions at the annual meetings.

Option B is based on the belief of some Task Force members' that education and health will dominate Governors' discussions for several years. Although both are now handled by a single committee, the issue was raised that keeping both issues in a single Human Resources Committee might be an overload of responsibility. In addition, there might be excessive demand by Governors to serve on a single committee that covered so many issues that are major priorities.

In addition, the title of the Capital Resources Committee should be changed to something that more accurately reflects the issues covered by the committee. One suggestion is "Development and Commerce."

3. Use NGA committees to determine priorities within their issue areas.

Priorities would include both legislative priorities and priorities for NGA services that support in-state activities. (Note: More details on the policy process are found in the next section.)

4. Maintain broad gubernatorial involvement by creating task forces and lead governors in critical issue areas.

There was concern that reducing the number of committees would diminish national leadership opportunities for Governors as Committee chairs. The Task Force recommends that each NGA priority, whether federally or state oriented, have a lead Governor. These lead roles would provide a vehicle for Governors to work up through the ranks of NGA leadership.

5. Limit each Governor to membership on one of the three or four policy committees. In addition, interested Governors could also serve on the management committee.

(Note: Committee meetings are always open to all Governors; therefore, Governors can participate in the deliberations of any committee, even if they are not members.)

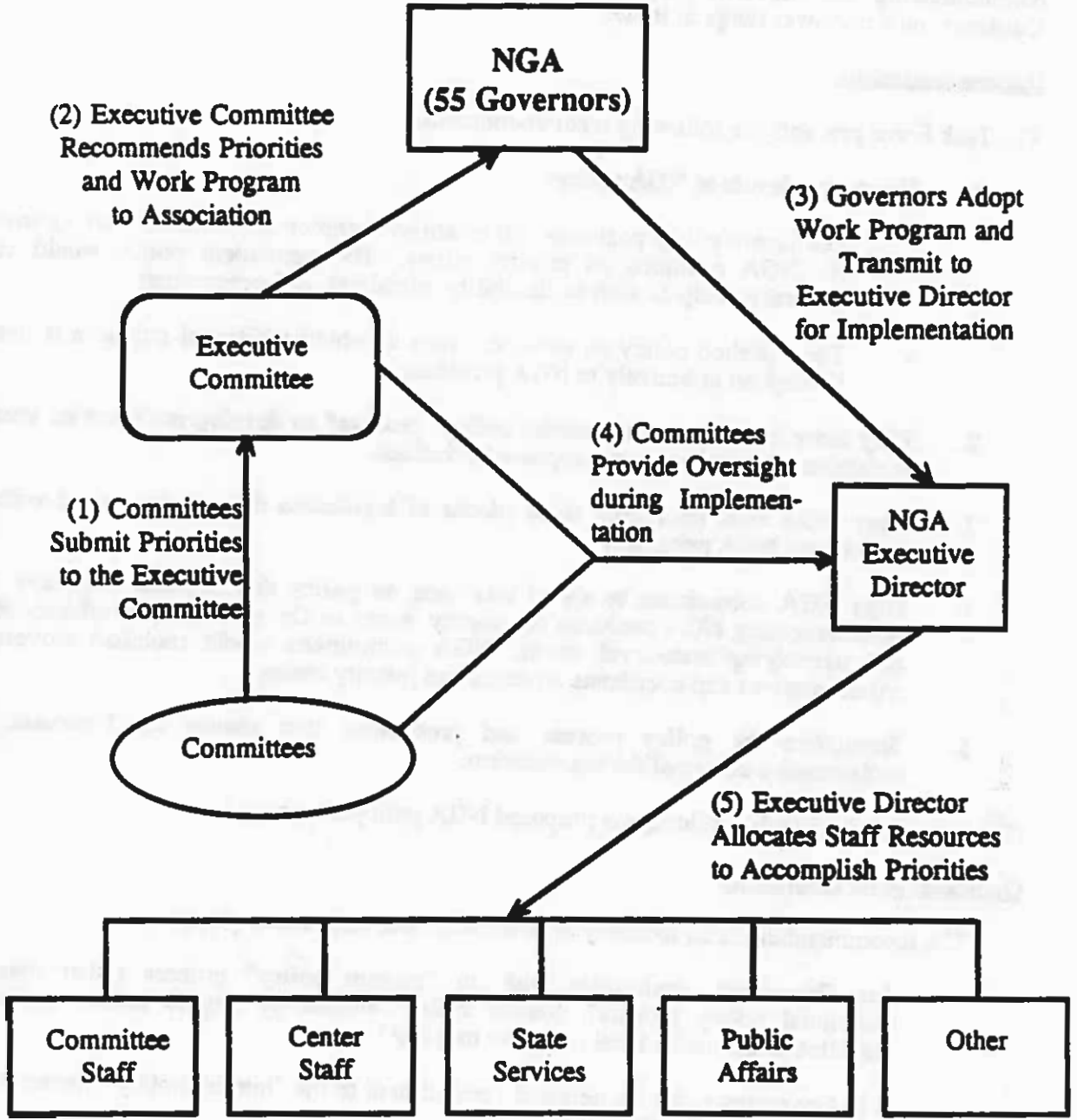
6. Discuss and adopt the NGA priorities for the coming year at the final plenary at each Annual Meeting.

(See page 4-A for a chart showing the priority-setting process and the roles of the standing committees, the Executive Committee, and the association.)

Questions to be Addressed

- Are the Governors willing to limit themselves to no more than 10-15 priorities? What happens to non-priority issues?
- How does the Chairman's initiative fit into the priorities? Should there be one? How should it be chosen? Should it be one of the two or three association-wide priorities?
- How specific should a recommended priority be? General area (e.g., health care)? Specific problem or direction (e.g., assisting states to experiment with programs and policies needed to increase access and reduce health care costs (federal legislation to promote demonstrations and facilitate waivers, state-level assistance in program decision); coordination of national activities to assist states in the restructuring of elementary and secondary education; or development of standards and assessments for post secondary education and workfare training.

**Proposed
NGA PRIORITY SETTING PROCESS**



ISSUE 2: FEDERAL ORIENTATION

During the last Congress, Governors demonstrated that they can be a powerful force in setting national policy.

The Task Force believes that the "care and feeding" of the policy process uses substantial NGA staff resources. The Task Force believes these resources might be better used communicating the Governors' positions to external audiences (i.e., the Administration, Congress) on a narrower range of issues.

Recommendations

The Task Force presents the following recommendations:

1. **Create two levels of NGA policy:**
 - Permanent policy positions that establish common elements that set parameters for NGA positions on priority issues. The permanent policy would cover general principles such as flexibility, mandates, and preemption.
 - Time-limited policy on specific issues in which additional guidance is needed to respond effectively to NGA priorities.
2. **Rely more heavily on the "interim policy" process* to develop positions on specific legislation that addresses the approved priorities.**
3. **Have NGA staff track only those pieces of legislation that are consistent with the established NGA priorities.**
4. **Urge NGA committees to spend less time on policy development and more time communicating NGA positions on priority issues to Congress and the administration and identifying state-level needs. NGA committees would mobilize Governors' representatives and coordinate strategies on priority issues.**
5. **Strengthen the policy process and procedures that ensure the bipartisan and collaborative nature of the organization.**

(See page 5-A for a table outlining the proposed NGA policy hierarchy.)

Questions to be Addressed

The recommendations on federally oriented activities raise these questions:

- Are Governors comfortable with an "interim policy" process rather than the traditional policy process? Should NGA continue to require interim policy be validated at the next annual or winter meeting?
 - Will Governors make the personal commitment to the "interim policy" process that is required for it to be effective?
 - What is NGA's responsibility for nonpriority legislation? How do Governors get information on nonpriority issues if NGA tracks only those bills on which it is lobbying?
- * NGA bylaws allow an interim policy process by which two-thirds of the members of the Executive Committee or of a standing committee can adopt policy, when necessary, outside of plenary meetings of the membership. Both the Executive Committee and standing committees can adopt interim policy, subject to review by the Executive Committee and the association. The Executive Committee can, upon recommendation of the appropriate standing committee, endorse or oppose specific legislation.

**Proposed
NGA POLICY HIERARCHY**

Category	Description	Format and Approval Process
Permanent Policy	General principles of state governance and state/federal relationship that serve as the basis for special policies and positions on specific pieces of legislation. Examples: Avoiding Federal Preemption of State Laws and Policies, Federalism	Published in <i>Policy Positions</i> Book upon approval of the Governors under the current policy adoption rules at a full meeting of the Governors. There would be no sunset provision for permanent policy.
Special Policy	Policy related to a specific NGA priority, especially when NGA takes a proactive approach to a national issue. Examples: Health Care, Welfare Reform	Published as a freestanding document upon approval of the Governors under the current policy adoption rules at a full meeting of the Governors. Special positions would sunset at the end of two years, unless otherwise noted in the policy itself.
Interim Policy	Policy adopted outside of plenary sessions of the membership. (Currently provided for under NGA Articles of Incorporation.)	Two-thirds of the members of the Executive Committee or a standing committee can adopt policy, when necessary, outside of plenary meetings of the membership. Interim policy is subject to review by the Executive Committee and the Association. Such policy would address the range of issues included in both permanent and special policy. In addition, the Executive Committee can, upon recommendation of the appropriate standing committee, endorse or oppose specific legislation.
Policy Interpretations	Specific language interpreting permanent, special or interim policy that will be used as the basis for lobbying NGA priority issues.	Published in the form of an issue paper or incorporated into a letter to Congress or the Administration. Policy interpretations could be developed by members of a committee in consultation with the chair and vice-chair of the Association.
Resolutions	Expresses the sense of the Governors on a specific issue.	Maintained on file at the NGA offices and incorporated in the minutes of the Annual or Winter Meeting at which the resolution is adopted. Approval requires the vote of two-thirds of those present at a plenary meeting of the Association.

ISSUE 3: STATE ORIENTATION

NGA's state-oriented activities fall into two general categories:

- transition assistance and ongoing assistance in gubernatorial leadership and management offered through the Office of State Services; and
- assistance on state policy and program development and implementation through the Center for Policy Research, including coordination and assistance to executive branch advisors (such as JTPA directors, Governors' science and technology advisors).

Responses to the Governors' survey were often contradictory. For example, the Governors expressed strong interest in learning about emerging issues and innovative state practices; however, they questioned the value of research reports and on-site technical assistance.

Recommendations

The Task Force recommends these changes to NGA's state-oriented activities:

1. **Use the committees and the priority-setting process to drive NGA's state-oriented activities.**

Responsibility for oversight of these activities would fall to the entity (Executive Committee, policy committees, or management committee) designated by the Executive Committee.

2. **Identify new ways to expose Governors to information about innovative state practices and emerging issues.** (See discussion of NGA meetings on page 7.)

NGA will consult with its affiliate organizations on this issue.

Questions to be Addressed

There are many outstanding issues related to the funding and the operation of the NGA Center for Policy Research. Often Center projects provide the staff capacity to gather information about innovative state practices and emerging issues, even though the specific project may not be an NGA priority.

The Task Force asks Governors for guidance on the following issues:

- What is the best way to get services and information to Governors? What level of detail do they want? Who should receive the information?
- Should the Center develop projects when there is high interest from a few Governors? For example, technical assistance projects may provide direct services to a limited number of states; however, knowledge gained from the experience is generally shared with all states.
- Should some executive branch functions (e.g., energy offices, JTPA directors, science/technology advisors) continue under NGA's umbrella?
- Are Governors willing to let the staff explore other areas of funding for the Center (e.g., more corporate support) that might provide flexible funding to accomplish NGA priorities?
- Are Governors willing to have NGA evaluate and compare state programs and policies to provide comparative data, even if the data doesn't reflect all states in an equally positive light?

ISSUE 4: MEETINGS AND OTHER FORUMS

The survey results clearly show that Governors value the opportunity to discuss their common interests and concerns about state government and national policy. Currently, NGA's two meetings each year are tightly structured around plenary sessions, Governors-only sessions, and committees meetings. The Task Force recommends a more flexible approach to annual meetings, which can be more responsive to the Governors' interests in topics that transcend a single committee or that result from current state, federal, or international events.

Recommendations

1. Use new blocks of time (freed up by reducing the number of committees and eliminating overlapping committee assignments) for special sessions on emerging issues and/or innovative state practices.
2. Develop meeting agendas that give Governors more opportunities to talk about innovative practices within their respective states.
3. Make the agendas for plenary sessions and committee meetings less scripted to allow for more open discussion of Governors' priorities and policies.
4. Have a different focus for the two annual meetings.

The Winter Meeting in Washington should focus on the federal priorities, while the Annual Meeting focuses on state government issues and activities (e.g., management, state programs, policies).

5. Have a stronger substantive focus, with less emphasis on photo opportunities or "pomp and circumstance."

For example, sessions with the President should be closed to all but Governors and should not require programmed questions.

6. Provide more opportunities for Governors to meet with each other in small groups for informal conversations.

For example, some Governors-only meals could be set up for smaller round tables rather than the more formal "hollow square."

Questions to be Addressed

Since NGA meetings serve many purposes for the Governors collectively and individually, the Task Force feels that there are issues related to meetings that need to be addressed by the Governors:

- How does NGA reconcile the conflicting desire of the Governors to meet privately (Governors-only sessions) with their desire for visibility about their activities (news coverage)?
- How much "real" discussion/debate do Governors want versus "safe" discussion for TV and news coverage? Are Governors comfortable with media coverage of "real" debate?
- Should the two annual meetings be used to provide additional opportunities for gubernatorial staff (e.g., briefings, workshops, consultation)?

TIMETABLE AND PROCESS FOR STRATEGIC PLANNING TASK FORCE

The Task Force recommends the following timeline and process for the strategic planning effort. It assumes that any adopted changes in NGA structure and process would be implemented at the beginning of the next chairman's term at the annual meeting in August 1992.

February 3, 1992

- During the Governors-only session, each member of the Task Force will lead a small group discussion on the Task Force recommendations
- Governors' SAC representatives will serve as recorders for the small group discussions

Mid-February 1992

- Task Force SAC will revise recommendations based on small group discussions at the Winter Meeting

Late-February/Early-March 1992

- Task Force reviews revised draft by conference call

Mid-March 1992

- Task Force submits final recommendations to all Governors for comment

May 1992

- Task Force presents recommendations with comments to Executive Committee for action.

May-August 1992

- NGA Executive Director and staff work with outgoing and incoming chairs to begin implementing changes in structure, process, and staffing

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

EXECUTIVE COMMITTEE

TAB 5

- **Summary of Issues and Briefing Papers** **G**
- **C-24: A Process for Measuring and Reporting on Progress Toward the National Education Goals** **H**
- **Proposed Policy on Education (Postsecondary Education)** **I**
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- **A-8: Martin Luther King, Jr. National Holiday** **M**

EXECUTIVE COMMITTEE

Summary of Issues and Briefing Papers

ISSUE:

- ***C-24: A Process for Measuring and Reporting on Progress Toward the National Education Goals***

As agreed by the President and the Governors, a National Education Goals Panel was established to oversee the development and implementation of a national education progress reporting system. The panel is composed of four senior-level federal executive branch officials appointed by the President, six Governors appointed by the Chairman of NGA, and four Congressional leaders. The Chairman of the Panel is appointed by the chairman of NGA. The Panel is responsible for determining the indicators used to measure the national education goals and for reporting progress toward their achievement. Amendment to the policy would reconfigure the National Education Goals Panel to make it politically balanced and to include congressional participants as full voting members rather than ex-officio members. The amendment will also add more responsibilities to the panel.

The six national education goals were adopted by the nation's governors and endorsed by President Bush in 1990. Education reform initiatives are launched aimed for each goal to be attained in the year 2000. A new standard for an educated citizenry is required suitable for the next century, if the United States is to maintain a strong and responsible democracy and a prosperous and growing economy.

In achieving all educational goals, substantial fundamental, even radical changes in our education system must be made involving educators, parents, students, communities, business and civic groups, the state, local and federal governments. Every part of our society must be involved in meeting the challenge of making America's educational performance second to none in the 21st century. The following are the six national education goals:

- 1) **Readiness - by the year 2000, all children in America will start school ready to learn.**
- 2) **School Completion - by the year 2000, the high school graduation rate will increase to at least 90 percent.**
- 3) **Student Achievement and Citizenship - American students will leave grades, 4,8 and 12 having demonstrated competency over challenging subject matter, including English, Mathematics, Science, History and Geography. Every school in America will ensure that all students learn to use their minds well so they may be prepared for responsible citizenship, further learning and productive employment in our modern economy.**
- 4) **Mathematics & Science - American students will be first in the world in Mathematics and Science achievement.**
- 5) **Adult Literacy and Lifelong Learning - by the year 2000, every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.**
- 6) **Safe, Disciplined and Drug-Free Schools - by the year 2000, every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning.**

ISSUE:

- ***Proposed Policy on Education (Postsecondary Education)***

The proposed amendment to replace section C-2.4 recognizes critical role postsecondary education must play to achieve the National Education Goals. The policy confirms the Governors' long-standing belief that the federal role in higher education is to promote equal access to educational opportunities for needy students and to provide leadership in research and development. The policy addresses federal financial aid programs, educational quality and accountability, early intervention strategies and public/private partnerships to enable our country to compete effectively.

BRIEFING PAPER:

University of Guam (UOG)

UOG supports the Committee's recommendation to provide students with more federal grants rather than loans. Bill H.R. 3553 which proposes to increase the Pell Grant maximum award to \$4,500 will also benefit middle income students who are not eligible for Pell Grant, that is if the needs analysis of the Pell Grant will be adjusted.

Based from past experience, UOG does not support student loans in any form or from any source beyond its control. UOG recommends that student loans should only be made available to students with 3.0 GPA or better for they are most likely to succeed in completing their undergraduate degree programs and finding employment thus having the ability to repay their loans. UOG is not opposed to the proposed direct loan programs of Bill H.R. 3553, however, recommendation is that UOG be given the authority to deny high credit risk applicants. UOG support continuance of the State Student Incentive Grant (SSIG), which exempt Guam from the matching requirement. However, recommendation is that the Governor lobby for an increase of SSIG funding. Additionally, UOG favors provisions of Bills H.R. 3553 and S. 1150 which simplify the federal aid application. Students get turned off applying for federal aid because of complicated forms. Overall, UOG supports the Reauthorization proposals on issues that may impact the students' eligibility for federal aid.

ISSUE:

- ***Health Care Reform: Continuing Efforts to Develop both Short and Long-Term Strategies to Address the Crisis in Health Care***

Health Care Reform is a top priority issue for the nation's Governors. Today's health care is provided in a patchwork system that neglects the employees of small business, the self employed, part-time workers, the unemployed, the working poor and those who are not eligible for Medicaid. To improve our current health care system, a Health Care Task Force was established to undertake an in-depth look at health care reforms and make recommendations for a comprehensive reform of our health care system to assure that all Americans have access to affordable, quality health care.

In the short-term health care reform the Governors want to pursue comprehensive state demonstration projects that can be carefully evaluated to test various strategies to control costs of insurance and increase access to small employees. The long-term

health care reform demands a fundamental restructuring of the Medicaid Program to develop a new public program better equipped to provide access to health care for the low-income uninsured.

BRIEFING PAPER:

Guam Health Planning & Development Agency

The success of health care reform is dependent upon a comprehensive design, controlling health care inflation and eliminating insurance costs shifting. Guam has recognized the need for a quality health management system now and in the future. Health professionals have been independently working in setting reform goals towards an improved health care and service delivery system for years and to initiate reform initiatives have endorsed the policy of "Health for All" by the year 2000. Service and access health goals were developed as a result of Guam's commitment to positive life enhancement programs for vitality and longevity. A Governor's Health Task Force was established to undertake activities towards achieving these health goals.

Department of Public Health and Social Services

The department supports NGA's position to make health care affordable to all Americans and that the system should have sufficient controls in place to ensure the cost-effective delivery of care. The Territory should be given authority to determine the best mechanism to accomplish this goal for our community. The Government of Guam has been exerting efforts through legislation and fiscal support which resulted in the evolution of various health programs to improve health care services. However, despite these efforts, health care is still not available to everyone on island partly due to the limitations of the department and the private medical community's resources to meet the "total need" and the lack of insurance coverage for several categories of residents. The department has made a list of recommendations that need to be addressed aggressively.

ISSUE:

- ***A-6: Voting Representation for the District of Columbia***

The nation's Governors support the policy that would permit the citizens of the District of Columbia to have a voice in the United States Congress equal to that of the citizens who reside in all the 50 states.

BRIEFING PAPER:

Commission on Self-Determination

The voting representation that District of Columbia is pushing is consistent with its wish for statehood. Unlike Guam, D.C. pays federal tax to the U.S. Treasury and has a vote in the electoral college for U.S. Presidency. The residents preferred the status of statehood thus the proposal on voting representation which emulates from District of Columbia's quest for statehood deserves Guam's support.

C- 24. A PROCESS FOR MEASURING AND REPORTING ON PROGRESS TOWARD THE NATIONAL EDUCATION GOALS

24.1 Preface

24.2 National Education Goals Panel

The National Education Goals Panel will be composed of:

- TWO SENIOR-LEVEL FEDERAL EXECUTIVE BRANCH OFFICIALS APPOINTED BY THE PRESIDENT.
- EIGHT GOVERNORS APPOINTED BY THE CHAIRMAN OR VICE CHAIRMAN OF THE NATIONAL GOVERNORS' ASSOCIATION, WITH EACH APPOINTING THOSE OF THEIR RESPECTIVE POLITICAL PARTIES, IN CONSULTATION WITH EACH OTHER. SIX OF THE GOVERNORS, THREE OF EACH PARTY, WILL SERVE TERMS BEGINNING AT THE NGA ANNUAL MEETING. TWO OF THE GOVERNORS, OF THE OPPOSITE PARTY OF THE PRESIDENT, WILL SERVE TERMS BEGINNING AT THE NGA WINTER MEETING.
- FOUR CONGRESSIONAL MEMBERS APPOINTED BY THE MAJORITY AND MINORITY LEADERS OF THE U.S. SENATE AND THE U.S. HOUSE OF REPRESENTATIVES.
- ~~Four senior level federal executive branch officials appointed by the President;~~
- ~~Six Governors appointed by the chairman of the National Governors' Association in consultation with the vice chairman, with no more than three of the Governors being from the same party; and~~
- ~~Four congressional leaders (Senate Majority and Minority Leaders, the Speaker of the House or his designee, and House Minority Leader) invited to serve as *ex officio* non-voting members.~~

The chairman of the panel will be appointed annually by the chairman of the National Governors' Association.

THE PRESIDENT AND CONGRESSIONAL LEADERSHIP WILL DETERMINE THE TERMS OF THEIR RESPECTIVE MEMBERS. GUBERNATORIAL APPOINTMENTS WILL BE FOR TWO-YEAR TERMS, EXCEPT THAT THE INITIAL TWO GUBERNATORIAL APPOINTMENTS MADE FOR TERMS BEGINNING AT THE NGA WINTER MEETING WILL BE FOR ONE YEAR.

~~The executive branch officials will serve at the pleasure of the President. Governors will be appointed to the panel for a two year term, except that two of the initial appointments, equally divided between the two parties, shall be for a three year term.~~

The panel will be responsible for determining the indicators used to measure the national education goals and for reporting progress toward their achievement. Its responsibilities shall include:

- Selecting interim and final measures and appropriate measurement tools to be developed as necessary in each goal area;
- Determining baselines and benchmarks against which progress may be evaluated;
- Determining the format for an annual report to the nation; and
- Reporting on the federal government's action to fulfill those responsibilities set forth in the federal-state partnership at Charlottesville, including funding the federal financial role,

providing more flexibility in spending under existing federal programs, and controlling mandates that limit the states' ability to fund education, as defined in the Joint Statement issued at the Charlottesville Summit.

In addition, the panel will review proposed changes in national and international measurement systems as appropriate and make recommendations to the President, the Congress, and the Governors for needed improvements. THE PANEL ALSO WILL APPOINT MEMBERS TO THE NATIONAL STANDARDS AND ASSESSMENT COUNCIL, AND IT WILL CERTIFY WORLD-CLASS STANDARDS AND CRITERIA FOR ASSESSMENTS.

The panel will not be limited by availability of current data and measurements in its decisions as it designs the format of the report card. It will seek to identify fair, constructive measures that will boost the performance of students at all levels.

The panel shall have the authority to hire and direct an independent staff to assist it with its responsibilities.

In making final decisions, the panel will operate on the principle of consensus among the Governors, executive branch, and Congress. In the event that a vote must be taken, a decision will require 75 percent of the voting members.

24.2.1 Expert Advisers. The process for developing and establishing appropriate measures shall benefit from the experiences and expertise of the education research and measurement communities and other interested parties.

The panel, in carrying out its responsibilities, will consult broadly with experts in the field of research and measurement, as well as with other interested parties, in order to:

- Identify and evaluate existing indicators; and
- Prepare specific options and recommendations for the panel concerning: the selection of appropriate indicators, baselines, and benchmarks against which performance may be evaluated; and the format for an annual report.

24.3 Report to the Nation

24.4 Extending the Partnership

INTRODUCTION

The National Education Goals were developed by the members of the National Governors' Association in 1990. They represent a consensus of the nation's leaders on the direction of education in the United States. The goals are intended to provide a framework for state and local education agencies to develop their own plans and programs.

The goals are organized into three broad categories: basic education, higher education, and workforce preparation. Each category contains specific, measurable goals that are intended to be achieved by the year 2000. The goals are intended to be used as a guide for state and local education agencies to develop their own plans and programs.

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NATIONAL EDUCATION GOALS

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These goals were adopted by the members of the National Governors' Association on February 25, 1990.

INTRODUCTION

At the historic education summit in Charlottesville five months ago, the President and the Governors declared that, "the time has come, for the first time in U.S. history, to establish clear, national performance goals, goals that will make us internationally competitive." The six national education goals contained here are the first step in carrying out that commitment.

America's educational performance must be second to none in the 21st century. Education is central to our quality of life. It is at the heart of our economic strength and security, our creativity in the arts and letters, our invention in the sciences, and the perpetuation of our cultural values. Education is the key to America's international competitiveness.

Today, a new standard for an educated citizenry is required, one suitable for the next century. Our people must be as knowledgeable, as well trained, as competent, and as inventive as those in any other nation. All of our people, not just a few, must be able to think for a living, adapt to changing environments, and to understand the world around them. They must understand and accept the responsibilities and obligations of citizenship. They must continually learn and develop new skills throughout their lives.

America can meet this challenge if our society is dedicated to a renaissance in education. We must become a nation that values education and learning. We must recognize that every child can learn, regardless of background or disability. We must recognize that education is a lifelong pursuit, not just an endeavor for our children.

Sweeping, fundamental changes in our education system must be made. Educators must be given greater flexibility to devise challenging and inspiring strategies to serve the needs of a diverse body of students. This is especially important for students who are at risk of academic failure -- for the failure of these students will become the failure of our nation. Achieving these changes depends in large part on the commitment of professional educators. Their daily work must be dedicated to creating a new educational order in which success for all students is the first priority, and they must be held accountable for the results.

This is not the responsibility of educators alone, however. All Americans have an important stake in the success of our education system, and every part of our society must be involved in meeting that challenge. Parents must be more interested and involved in their children's education, and students must accept the challenge of higher expectations for achievement and greater responsibility for their future. In addition, communities, business and civic groups, and state, local, and federal government each has a vital role to play throughout this decade to ensure our success.

The first step is to establish ambitious national education goals -- performance goals that must be achieved if the United States is to remain competitive in the world marketplace and our citizens are to reach their fullest potential. These goals are about excellence. Meeting them will require that the performance of our highest achievers be boosted to levels that equal or exceed the performance of the best students anywhere. The performance of our lowest achievers must be substantially increased far beyond their current performance. What our best students can achieve now, our average students must be able to achieve by the turn of the century. We must work to ensure that a significant number of students from all races, ethnic groups, and income levels are among our top performers.

If the United States is to maintain a strong and responsible democracy and a prosperous and growing economy into the next century, all of our citizens must be involved in achieving these goals. Every citizen will benefit as a result. When challenged, the American people have always shown their determination to succeed. The challenge before us calls on each American to help ensure our nation's future.

NATIONAL GOALS FOR EDUCATION

Readiness

Goal 1: BY THE YEAR 2000, ALL CHILDREN IN AMERICA WILL START SCHOOL READY TO LEARN.

Objectives:

- o All disadvantaged and disabled children will have access to high quality and developmentally appropriate preschool programs that help prepare children for school.
- o Every parent in America will be a child's first teacher and devote time each day helping his or her preschool child learn; parents will have access to the training and support they need.
- o Children will receive the nutrition and health care needed to arrive at school with healthy minds and bodies, and the number of low birthweight babies will be significantly reduced through enhanced prenatal health systems.

School Completion

Goal 2: BY THE YEAR 2000, THE HIGH SCHOOL GRADUATION RATE WILL INCREASE TO AT LEAST 90 PERCENT.

Objectives:

- o The nation must dramatically reduce its dropout rate and 75 percent of those students who do drop out will successfully complete a high school degree or its equivalent.
- o The gap in high school graduation rates between American students from minority backgrounds and their non-minority counterparts will be eliminated.

Student Achievement and Citizenship

Goal 3: BY THE YEAR 2000, AMERICAN STUDENTS WILL LEAVE GRADES FOUR, EIGHT, AND TWELVE HAVING DEMONSTRATED COMPETENCY OVER CHALLENGING SUBJECT MATTER INCLUDING ENGLISH, MATHEMATICS, SCIENCE, HISTORY, AND GEOGRAPHY, AND EVERY SCHOOL IN AMERICA WILL ENSURE THAT ALL STUDENTS LEARN TO USE THEIR MINDS WELL, SO THEY MAY BE PREPARED FOR RESPONSIBLE CITIZENSHIP, FURTHER LEARNING, AND PRODUCTIVE EMPLOYMENT IN OUR MODERN ECONOMY.

Objectives:

- o The academic performance of elementary and secondary students will increase significantly in every quartile, and the distribution of minority students in each level will more closely reflect the student population as a whole.
- o The percentage of students who demonstrate the ability to reason, solve problems, apply knowledge, and write and communicate effectively will increase substantially.
- o All students will be involved in activities that promote and demonstrate good citizenship, community service, and personal responsibility.
- o The percentage of students who are competent in more than one language will substantially increase.
- o All students will be knowledgeable about the diverse cultural heritage of this nation and about the world community.

Mathematics and Science

Goal 4: BY THE YEAR 2000, U.S. STUDENTS WILL BE FIRST IN THE WORLD IN MATHEMATICS AND SCIENCE ACHIEVEMENT.

- Objectives:

- o Math and science education will be strengthened throughout the system, especially in the early grades.
- o The number of teachers with a substantive background in mathematics and science will increase by 50 percent.
- o The number of U.S. undergraduate and graduate students, especially women and minorities, who complete degrees in mathematics, science, and engineering will increase significantly.

Adult Literacy and Lifelong Learning

Goal 5: BY THE YEAR 2000, EVERY ADULT AMERICAN WILL BE LITERATE AND WILL POSSESS THE KNOWLEDGE AND SKILLS NECESSARY TO COMPETE IN A GLOBAL ECONOMY AND EXERCISE THE RIGHTS AND RESPONSIBILITIES OF CITIZENSHIP.

Objectives:

- o Every major American business will be involved in strengthening the connection between education and work.
- o All workers will have the opportunity to acquire the knowledge and skills, from basic to highly technical, needed to adapt to emerging new technologies, work methods, and markets through public and private educational, vocational, technical, workplace, or other programs.
- o The number of quality programs, including those at libraries, that are designed to serve more effectively the needs of the growing number of part-time and mid-career students will increase substantially .
- o The proportion of those qualified students, especially minorities, who enter college; who complete at least two years; and who complete their degree programs will increase substantially.
- o The proportion of college graduates who demonstrate an advanced ability to think critically, communicate effectively, and solve problems will increase substantially.

Safe, Disciplined, and Drug-Free Schools

Goal 6: BY THE YEAR 2000, EVERY SCHOOL IN AMERICA WILL BE FREE OF DRUGS AND VIOLENCE AND WILL OFFER A DISCIPLINED ENVIRONMENT CONDUCTIVE TO LEARNING.

Objectives:

- o Every school will implement a firm and fair policy on use, possession, and distribution of drugs and alcohol.
- o Parents, businesses, and community organizations will work together to ensure that schools are a safe haven for all children.
- o Every school district will develop a comprehensive K-12 drug and alcohol prevention education program. Drug and alcohol curriculum should be taught as an integral part of health education. In addition, community-based teams should be organized to provide students and teachers with needed support.

NECESSARY CHANGES AND RESTRUCTURING

These goals are ambitious, yet they can and must be achieved. However, they cannot be achieved by our education system as it is presently constituted. Substantial, even radical changes will have to be made.

Without a strong commitment and concerted effort on the part of every sector and every citizen to improve dramatically the performance of the nation's education system and each and every student, these goals will remain nothing more than a distant, unattainable vision. For their part, Governors will work within their own states to develop strategies for restructuring their education systems in order to achieve the goals. Because states differ from one another, each state will approach this in a different manner. The President and the Governors will work to support these state efforts, and to recommend steps that the federal government, business, and community groups and educators should take to help achieve these national goals. The nature of many of these steps is already clear.

The Preschool Years

American homes must be places of learning. Parents should play an active role in their children's early learning, particularly by reading to them on a daily basis. Parents should have access to the support and training required to fulfill this role, especially in poor, undereducated families.

In preparing young people to start school, both the federal and state governments have important roles to play, especially with regard to health, nutrition, and early childhood development. Congress and the administration have increased maternal and child health coverage for all families with incomes up to 133 percent of the federal poverty line. Many states go beyond this level of coverage, and more are moving in this direction. In addition, states continue to develop more effective delivery systems for prenatal and postnatal care. However, we still need more prevention, testing, and screening, and early identification and treatment of learning disorders and disabilities.

The federal government should work with the states to develop and fully fund early intervention strategies for children. All eligible children should have access to Head Start, Chapter 1, or some other successful preschool program with strong parental involvement. Our first priority must be to provide at least one year of preschool for all disadvantaged children.

The School Years

As steps are taken to better prepare children for schools, we must also better prepare schools for children.

This is especially important for young children. Schools must be able to educate effectively all children when they arrive at the schoolhouse door, regardless of variations in students' interest, capacities, or learning styles.

Next, our public education system must be fundamentally restructured to ensure that all students can meet higher standards. This means reorienting schools so they focus on results, not on procedures; giving each school's principal and teachers the discretion to make more decisions and the flexibility to use federal, state, and local resources in more productive, innovative ways that improve learning; providing a way for gifted professionals who want to teach to do so through alternative certification avenues, and giving parents more responsibility for their children's education through magnet schools, public school choice, and other strategies. Most important, restructuring requires creating powerful incentives for performance and improvement, and real consequences for persistent failure. It is only by maintaining this balance of flexibility and accountability that we can truly improve our schools.

The federal government must sustain its vital role of promoting educational equity by ensuring access to quality educational programs for all students regardless of race, national origin, sex, or handicapping condition. Federal funds should target those students most in need of assistance due to economic disadvantage or risk of academic failure.

Finally, efforts to restructure education must work toward guaranteeing that all students are engaged in rigorous programs of instruction designed to ensure that every child, regardless of background or disability, acquires the knowledge and skills necessary to succeed in a changing economy. In recent years, there has been an increased commitment to math and science improvement programs. The federal government should continue to enhance financial assistance to state and local governments for effective programs in these areas. Likewise, there has been a greater federal emphasis on programs that target youth at risk of school failure and dropping out. The federal government should continue to enhance funding and seek strategies to help states in their efforts to seek solutions to these problems.

Improving elementary and secondary student achievement will not require a national curriculum, but it will require that the nation invest in developing the skills and knowledge of educators and equipping our schools with up-to-date technology. The quality of teachers and teaching is essential to meeting our goals. We must have well-prepared teachers and we must increase the number of qualified teachers in critical shortage areas, including rural and urban schools, specialized fields such as foreign languages, mathematics and science, and from minority groups. Policies must attract and keep able teachers who reflect the cultural diversity of our nation. Policies that shape how educators are prepared, certified, rewarded, developed, and supported on the job must be consistent with efforts to restructure the education system and ensure that every school is capable of teaching all of our children to think and reason. Teachers and other school leaders must not only be outstanding, the schools in which they work must also be restructured to utilize both professional talent and technology to improve student learning and teacher- and system-productivity.

The After-School Years

Comprehensive, well-integrated lifelong learning opportunities must be created for a world in which three of four new jobs will require more than a high school education; workers with only high school diplomas may face the prospect of declining incomes; and most workers will change their jobs ten or eleven times over their lifetime.

In most states, the present system for delivering adult literacy services is fractured and inadequate. Because the United States has far higher rates of adult functional illiteracy than other advanced countries, a first step is to establish in each state a public-private partnership to create a functionally literate workforce.

In some countries, government policies and programs are carefully coordinated with private sector activities to create effective apprenticeship and job training activities. By contrast, the United States has a multilayered system of vocational and technical schools, community colleges, and specific training programs funded from multiple sources and subject to little coordination. These institutions need to be restructured so they fit together more sensibly and effectively to give all adults access to flexible and comprehensive programs that meet their needs. Every major business must work to provide appropriate training and educational opportunities to prepare employees for the twenty-first century.

Finally, a larger share of our population, especially those from working class, poor, and minority backgrounds, must be helped to attend and remain in college. The cost of a college education, as a percent of median family income, has approximately tripled in a generation. That means more loans, scholarships, and work-study opportunities are needed. The federal government's role in ensuring access for qualified students is critical. At the same time, the higher education system must use existing resources far more productively than it does at present, and must be held more accountable for what students do or do not learn. The federal government will continue to examine ways to reduce students' increasing debt burden and to address the proper balance between grant and loan programs.

ASSESSMENT

National education goals will be meaningless unless progress toward meeting them is measured accurately and adequately, and reported to the American people. Doing a good job of assessment and reporting requires the resolution of three issues.

First, what students need to know must be defined. In some cases, there is a solid foundation on which to build. For example, the National Council of Teachers of Mathematics and the Mathematical Sciences Education Board have done important work in defining what all students must know and be able to do in order to be mathematically competent. A major effort for science has been initiated by the American Association for the Advancement of Science. These efforts must be expanded and extended to other subject areas.

Second, when it is clear what students need to know, it must be determined whether they know it. There have been a number of important efforts to improve our ability to measure student learning at the state and national levels. This year for the first time, the National Assessment for Education Progress (NAEP) will collect data on student performance on a state-by-state basis for thirty-seven states. Work is underway to develop a national assessment of adult literacy. These and other efforts must be supported and strengthened.

The Governors urge the National Assessment Governing Board to begin work to set national performance goals in the subject areas in which NAEP will be administered. This does not mean establishing standards for individual competence; rather, it requires determining how to set targets for increases in the percentage of students performing at the higher levels of the NAEP scales.

Third, measurements must be accurate, comparable, appropriate, and constructive. Placement decisions for young children should not be made on the basis of standardized tests. Achievement tests must not simply measure minimum competencies, but also higher levels of reading, writing, speaking, reasoning, and problem-solving skills. And in comparing America's achievement with that of other countries, it is essential that international comparisons are reliable. In addition, appropriate, nationally directed research, demonstration projects, data collection, and innovation should be maintained and recognized as a set of core responsibilities of the federal government in education. That role needs to be strengthened in cooperation with the states.

The President and the Governors agree that while we do not need a new data-gathering agency, we do need a bipartisan group to oversee the process of determining and developing appropriate measurements and reporting on the progress toward meeting the goals. This process should stay in existence until at least the year 2000 so that we assure ten full years of effort toward meeting the goals.

A CHALLENGE

These national education goals are not the President's goals or the Governors' goals; they are the nation's goals.

These education goals are the beginning, not the end, of the process. Governors are committed to working within their own states to review state education goals and performance levels in light of these national goals. States are encouraged to adjust state goals according to this review, and to expand upon national goals where appropriate. The President and the Governors challenge every family, school, school district, and community to adopt these national goals as their own, and establish other goals that reflect the particular circumstances and challenges they face as America approaches the twenty-first century.

UNIVERSITY OF GUAM
Financial Aid Office

January 03, 1992

Memorandum

To: Dee Johnson

Re: Comments - Briefing Paper 1992 NGA Winter Meeting

The following are our comments regarding the HEA Reauthorization Bill.

Pell Grant

We support the Committee's desire to provide students with more federal grants than loans. Bill H.R. 3553 which proposes to increase the Pell Grant maximum award to \$4,500 will benefit middle income students if the needs analysis does not include farm, house, and small business equities. Most often students with home and business equities are not eligible for Pell Grant. Further, their family contribution for the Campus-Based programs, Stafford Loan, and SSIG reduces their financial need.

Please note, however, that the Pell Grant cost for room and board, transportation, books and supplies, and miscellaneous expenses is controlled by the federal government. At present, the maximum amount an institution may apply for this cost is \$1,800 for students without dependents living with parents and \$2,400 for all other students. The tuition and fees for the Pell Grant attendance costs are the only costs institutions may adjust to effectuate an increase in the Pell Grant award. (See attachment #1) We all know that any proposed increase in tuition and fees will be objected by students and the public, especially by those students who are not eligible for federal aid.

Student Loan

From past experiences, we do not support student loans in any form or from any source which we do not control. Perhaps if loans are made available only to students with 3.0 GPA or better, we might have a lower default rate. These students are most likely to succeed in completing their undergraduate degree programs. Further, they are most likely to succeed in finding employment and having the ability to repay their loans.

The proposed direct loan, Bill H.R. 3553, is similar to the Perkins Loan which was formerly the National Direct Student Loan (NDSL). The NDSL program was a disaster at UOG. About 74% of the student who borrowed from this program between 1964 to 1979 were in default. We finally assigned all outstanding NDSL loans to the federal government in 1989. (See attachment #2) This, however, does not mean that we oppose direct loan programs. We will support loan programs if we have the authority to deny high credit risk applicants.

State Student Incentive Grant (SSIG)

We support the continuance of this program. Guam is exempt from matching thus 100 % of the SSIG fund is awarded to the students. The average funding for Guam is \$20,000 since first implemented in academic year 1985-86. The State funding is based on the average full-time equivalent students and the CWS expenditures at the established base year for the Institution's SSIG program.

We hope Governor Ada can influence an increase of the SSIG funding for Guam.

Simplification of Financial Aid

We are in favor of the provisions of Bills H.R. 3553 and S. 1150 to simplify the federal aid application. Students get turned off applying for federal aid because of the complicated form.

Early Intervention

We favor the proposals in both Bills H.R. 3553 and S. 1150 for early intervention. We especially support the Technical Assistance to teachers and counselors in Bill H.R. 3553. This will help students since they have the advantage for one-on-one communication with teachers and counselors in the high school. Presently, our process for informing high school students of the available of aid programs at UOG are made via the High School Counselors and the UOG Counseling Office. The sessions are held in groups at the high school and is not as effective as the personal assistance given each student.

Overall, we support the Reauthorization proposals. NASFAA and WASFAA have been representing all participating institutions, which includes UOG, in the issues which may adversely impact the students eligibility for federal aid, the funding level for the institution, etc. We have also enclosed (attachment #3) NASFAA Newsletter, Volume XXIII, No. 19 for your reference.

Thank you.


Rita C. Walsh

RCW:amp

Enclosures

xc: Dean, Student Affairs
Chrono

C-2. EDUCATION

2.1 General Principles

2.2 Early Childhood Development

2.3 Elementary and Secondary Education

2.4 Postsecondary Education

2.4.1 INTRODUCTION. POSTSECONDARY EDUCATION, DEFINED AS EDUCATION AND TRAINING PROGRAMS FOLLOWING HIGH SCHOOL, IS CRITICAL FOR ACHIEVING THE NATIONAL EDUCATION GOALS AND IS FUNDAMENTAL TO OUR NATION'S FUTURE. OUR NATION'S ECONOMY IS UNDERGOING A MAJOR TRANSFORMATION THAT REQUIRES FAR MORE OF OUR ADULTS TO COMPLETE POSTSECONDARY PROGRAMS IN ORDER FOR THE UNITED STATES TO REMAIN INTERNATIONALLY COMPETITIVE. IN THE PAST, LOW PARTICIPATION AND HIGH ATTRITION RATES IN POSTSECONDARY EDUCATION DID NOT SIGNIFICANTLY THREATEN OUR NATION'S ECONOMY, STANDARD OF LIVING, AND WELL-BEING. THIS IS NO LONGER TRUE. OUR POPULATION AND WORKFORCE ARE BECOMING OLDER AND MORE DIVERSE AND ARE GROWING MORE SLOWLY THAN AT ANY TIME IN MORE THAN FIFTY YEARS. MOREOVER, OUR FASTEST GROWING JOBS REQUIRE HIGH EDUCATION AND SKILL LEVELS. FOR THE FIRST TIME IN HISTORY, IT IS PROJECTED THAT A MAJORITY OF ALL NEW JOBS WILL REQUIRE POSTSECONDARY EDUCATION.

2.4.2 POSTSECONDARY EDUCATION AND THE NATIONAL EDUCATION GOALS. POSTSECONDARY EDUCATION HAS A SIGNIFICANT ROLE TO PLAY IN ACHIEVING THE NATIONAL EDUCATION GOALS. WHILE AMERICA'S SYSTEM OF POSTSECONDARY EDUCATION IS CONSIDERED ONE OF THE STRONGEST IN THE WORLD, THE NATION'S GOVERNORS BELIEVE WE CANNOT BE COMPLACENT WITH OUR SUCCESS. OUR INCREASINGLY COMPLEX SOCIETY AND DIVERSE POPULATION REQUIRES POSTSECONDARY INSTITUTIONS TO ADAPT THEIR POLICIES TO HELP PREPARE STUDENTS FOR THE TWENTY-FIRST CENTURY.

POSTSECONDARY EDUCATION HAS A VITAL STAKE IN THE SUCCESS OF OUR NATION'S SCHOOLS AND MUST BE WILLING TO WORK CLOSELY WITH THE SCHOOLS TO IMPROVE STUDENTS' PERFORMANCE AND COMPLETION RATES. PROVIDING ADULTS, AT EVERY STAGE IN LIFE, THE OPPORTUNITY TO BECOME FULL PARTICIPATING MEMBERS OF SOCIETY AND RESPONSIBLE CITIZENS IS ALSO CRITICAL TO REACHING THE GOALS. IT MUST PREPARE AND RETRAIN THE NATION'S WORKFORCE, TRANSMIT SHARED CULTURAL AND SOCIETAL VALUES, AND SUPPORT OUR NATION'S VITAL INTERESTS IN HIGH-PRIORITY AREAS SUCH AS MATH, SCIENCE, TECHNOLOGY, TEACHING, FOREIGN LANGUAGES, AND ECONOMIC DEVELOPMENT.

SPECIFICALLY, WE MUST DO A BETTER JOB OF ATTRACTING AND GRADUATING WOMEN AND MINORITIES, ESPECIALLY IN FIELDS SUCH AS ENGINEERING, SCIENCE, AND MATHEMATICS. INSTITUTIONS SHOULD ALSO WORK TOWARD STRENGTHENING OUR GLOBAL TECHNOLOGICAL CAPACITY THROUGH RESEARCH AND DEVELOPMENT TO HELP ACHIEVE THE GOALS.

2.4.3 FEDERAL AND STATE ROLES IN POSTSECONDARY EDUCATION. SUPPORT FOR POSTSECONDARY EDUCATION FROM BOTH FEDERAL AND STATE PROGRAMS, THE AMERICAN TAXPAYERS, CHARITABLE CONTRIBUTIONS, AND OUR NATION'S INSTITUTIONS OF HIGHER EDUCATION HAS BEEN AND SHOULD CONTINUE TO BE THE MEANS TO ENSURE AVAILABILITY OF AND ACCESSIBILITY TO QUALITY EDUCATIONAL PROGRAMS. THE FEDERAL GOVERNMENT HAS THE PRIMARY ROLE IN ENSURING ACCESS FOR ALL STUDENTS WHO CAN BENEFIT FROM SUCH EDUCATION AND IN PROVIDING LEADERSHIP IN THE PROMOTION OF RESEARCH ACTIVITIES AND THE ADVANCEMENT OF KNOWLEDGE. STATES HAVE THE MAIN RESPONSIBILITY FOR ENSURING PROGRAM QUALITY AND PROVIDING APPROPRIATE FACILITIES, EQUIPMENT, FACULTY, AND CURRICULUM. THE STATES' CONTRIBUTION TO THESE INSTITUTIONS IS SIGNIFICANT. THREE-QUARTERS OF ALL STUDENTS IN AMERICAN HIGHER EDUCATION ATTEND A STATE-SUPPORTED COLLEGE OR UNIVERSITY. THE STATES APPROPRIATE MORE THAN \$30 BILLION A YEAR FOR OPERATING AND INSTRUCTIONAL COSTS. AT PUBLIC INSTITUTIONS, STATES' SUBSIDIES REDUCE THE COST TO STUDENTS BY MORE THAN ONE-HALF. IN 1986-87, THE FEDERAL GOVERNMENT CONTRIBUTED ALMOST \$8 BILLION, OR 10 PERCENT OF THE TOTAL COST OF HIGHER EDUCATION. ULTIMATELY, BOTH FEDERAL AND STATE GOVERNMENTS ARE ACCOUNTABLE FOR THE EFFECTIVE USE OF PUBLIC FUNDS AND FOR THE QUALITY AND INTEGRITY OF THE PROGRAMS AND INSTITUTIONS.

2.4.3.1 ACCESS. THE FEDERAL GOVERNMENT HAS THE DUTY TO ENSURE EQUAL ACCESS TO EDUCATION OPPORTUNITIES FOR QUALIFIED STUDENTS, BOTH FULL AND PART TIME, REGARDLESS OF ECONOMIC STATUS, RACE, OR PLACE OF RESIDENCE. FEDERAL SUPPORT FOR STUDENT FINANCIAL ASSISTANCE IS BOTH APPROPRIATE AND NECESSARY. THE FEDERAL GOVERNMENT'S PRIORITY SHOULD BE TO SERVE NEEDY STUDENTS WHO WOULD OTHERWISE BE DENIED POSTSECONDARY EDUCATION. HOWEVER, GOVERNORS ARE CONCERNED THAT STUDENTS FROM MIDDLE-INCOME FAMILIES ARE INCREASINGLY BEING SQUEEZED OUT OF FEDERAL FINANCIAL AID PROGRAMS. WHILE A STUDENT'S FAMILY CONTRIBUTION IS AND SHOULD BE A MAJOR FACTOR IN DETERMINING AID ELIGIBILITY, MIDDLE-INCOME FAMILIES ARE INCREASINGLY UNABLE TO CONTRIBUTE AS MUCH AS THEY WOULD LIKE, DUE TO COMPETING FINANCIAL PRESSURES ON THE FAMILY, THE DRAMATICALLY INCREASING COST OF ATTENDING COLLEGE, OR ASSETS THAT CANNOT BE EASILY LIQUIDATED. THE GOVERNORS

ARE CONCERNED THAT INCREASES IN COLLEGE COSTS ARE EXCEEDING INCREASES IN THE COST OF LIVING, AND BELIEVE INCENTIVES SUCH AS INDIVIDUAL RETIREMENT ACCOUNTS AND TARGETED TAX DEFERRED COMPENSATION PLANS SHOULD BE DEVELOPED TO HELP FAMILIES FINANCE THEIR EDUCATION TO THE GREATEST EXTENT POSSIBLE. IN ADDITION, THE GOVERNORS BELIEVE CONSIDERATION SHOULD BE GIVEN TO REVISING THE WAY IN WHICH HOME, FARM, OR SMALL BUSINESS EQUITY IS EVALUATED IN FINANCIAL AID NEEDS ANALYSIS. GRANTS OR LOW-INTEREST LOANS SHOULD BE AVAILABLE TO MAKE UP THE DIFFERENCE BETWEEN COLLEGE COSTS AND A FAMILY'S CONTRIBUTION.

2.4.3.2 THE BALANCE BETWEEN GRANTS AND LOANS. THE STAFFORD GUARANTEED STUDENT LOAN PROGRAM, THE LARGEST PART OF THE FEDERAL FINANCIAL AID PROGRAM, HAS ACHIEVED GREAT SUCCESS, YET HAS FACED MAJOR DIFFICULTIES OVER THE LAST SEVERAL YEARS. WHILE LOANS DO PROVIDE ACCESS FOR STUDENTS, THE GOVERNORS ARE CONCERNED ABOUT THE INCREASING PROPORTION OF LOAN USAGE AND SUBSEQUENT DEBT BURDEN FACING STUDENTS. DEFAULTED LOANS HAVE GROWN DRAMATICALLY AND ARE COSTING THE FEDERAL GOVERNMENT MORE THAN \$2 BILLION A YEAR. RECENT CHANGES IN THE BALANCE BETWEEN GRANTS AND LOANS AND THE HIGH DROPOUT RATE HAS RESULTED IN MANY PROPOSALS SUCH AS FRONT-LOADING GRANTS IN THE EARLY PART OF A STUDENT'S CAREER. THE GOVERNORS URGE THE FEDERAL GOVERNMENT TO CONTINUE TO EXAMINE WAYS TO REDUCE STUDENTS' DEBT BURDEN AND ADDRESS THE PROPER BALANCE BETWEEN GRANTS AND LOANS.

2.4.3.3 PROGRAM INTEGRITY. FEDERAL FINANCIAL AID IS A NECESSARY AND CRITICAL COMPONENT OF OUR POSTSECONDARY EDUCATION SYSTEM; AS ITS BENEFITS ARE SHARED BY GOVERNMENT AND POSTSECONDARY INSTITUTIONS, SO SHOULD BE ITS RISKS. GOVERNORS ARE WILLING TO WORK WITH THE FEDERAL GOVERNMENT TO RESTORE THE INTEGRITY OF THE FINANCIAL AID PROGRAM. SHOULD THE STATES BE ASKED TO ACCEPT GREATER RESPONSIBILITY IN DEFAULT REDUCTION EFFORTS, STATES WOULD HAVE TO BE GIVEN MORE AUTHORITY OVER THE MANAGEMENT AND OVERSIGHT OF THE STUDENT LOAN PROGRAM. CONSIDERATION SHOULD BE GIVEN TO ESTABLISHING MECHANISMS AND INCENTIVES FOR STATES TO REDUCE DEFAULTS IN THEIR STATES.

THE FEDERAL GOVERNMENT IS NOT ALONE IN ITS ENDEAVOR TO ASSIST STUDENTS IN PURSUING POSTSECONDARY EDUCATION. STATES' NEED-BASED AID TO STUDENTS AVERAGED \$1.6 BILLION OVER THE LAST THREE YEARS AND TOTAL AID AVERAGED \$2.1 BILLION - A SIGNIFICANT INCREASE IN STATES' COMMITMENT TO INCREASING ACCESS FOR STUDENTS.

2.4.3.4 **SIMPLICITY. FINANCIAL AID PROGRAMS MUST BE SIMPLIFIED IN ORDER TO CONTINUE THEIR SUCCESS. THE COMPLEXITY OF THE ENTIRE SYSTEM HAS MADE IT DIFFICULT FOR STUDENTS AND FAMILIES TO UNDERSTAND WHAT AID IS AVAILABLE, HOW TO APPLY FOR IT, HOW IT WILL BE DELIVERED, AND WHAT THEIR RESPONSIBILITIES ARE WHEN ACCEPTING AID. FOR LOAN PROGRAMS, IT IS NECESSARY TO HELP STUDENTS MANAGE THEIR DEBT BURDEN FOR TIMELY REPAYMENT. IN ADDITION, FINANCIAL AID ELIGIBILITY SHOULD BE COORDINATED WITH OTHER PROGRAMS TO AVOID DUPLICATION. FOR EXAMPLE, A FINANCIAL AID NEEDS ANALYSIS SHOULD BE UNNECESSARY FOR AFDC-ELIGIBLE INDIVIDUALS. THE GOVERNORS ARE ALSO CONCERNED ABOUT THE PROLIFERATION OF SMALL, OFTEN SPECIALIZED FINANCIAL AID PROGRAMS THAT TEND TO COMPLICATE FINANCIAL AID OPTIONS FOR STUDENTS, FAMILIES, AND ADMINISTRATORS. SUCH PROGRAMS SHOULD BE BETTER INTEGRATED WITH THE PRIMARY AID PROGRAMS.**

2.4.4 **ACCOUNTABILITY AND QUALITY**

2.4.4.1 **STATE AND FEDERAL RESPONSIBILITIES. INSTITUTIONAL AND PROGRAM QUALITY IS BOTH A FEDERAL AND STATE CONCERN, BUT PRIMARILY A STATE RESPONSIBILITY. IN ADDITION, STATES' DUAL RESPONSIBILITY FOR CONSUMER PROTECTION AND PROGRAM QUALITY CANNOT AND SHOULD NOT BE SEPARATED WHEN REGULATING INSTITUTIONS. THE RECENT GROWTH AND INCREASING COMPLEXITY OF FINANCIAL AID PROGRAMS NOW MAKE IT NECESSARY TO PLACE MOST OVERSIGHT RESPONSIBILITY WITH STATE GOVERNMENTS AND THE FEDERAL GOVERNMENT. THE GOVERNORS ARE PREPARED TO MAKE STATE LICENSURE THE CENTERPIECE IN DETERMINING INSTITUTIONAL ELIGIBILITY, RECOGNIZING THAT THE FEDERAL GOVERNMENT WILL CONTINUE TO EXERCISE ITS RESPONSIBILITY FOR INSTITUTIONAL CERTIFICATION TO PARTICIPATE IN FEDERAL STUDENT AID PROGRAMS. THE GOVERNORS EXPECT THE FEDERAL GOVERNMENT TO IMPROVE ITS OVERSIGHT AND REGULATION OF ALL POSTSECONDARY ACCREDITING BODIES. FEDERAL COSTS FOR GREATER OVERSIGHT AND ACCOUNTABILITY WILL BE MORE THAN OFFSET IN SAVINGS AND IMPROVED POSTSECONDARY EDUCATIONAL OPPORTUNITIES.**

BECAUSE THIS IS A NATIONAL PROGRAM WHERE STUDENTS, FINANCIAL AID, GUARANTEE AGENCIES, AND FINANCIAL INSTITUTIONS CROSS STATE BORDERS, IT IS NECESSARY FOR THE SECRETARY OF EDUCATION TO DEFINE GENERAL AREAS FROM WHICH THE STATES SET STANDARDS FOR LICENSURE OF INSTITUTIONS. STATES SHOULD HAVE MAXIMUM FLEXIBILITY IN ESTABLISHING AND IMPLEMENTING THEIR LICENSURE PROCEDURES AND SHOULD RECEIVE FUNDING FROM THE FEDERAL GOVERNMENT TO DEFRAY THE COSTS OF INCREASED

ACCOUNTABILITY. IN STATES CHOOSING NOT TO ESTABLISH STATE STANDARDS, THE SECRETARY SHOULD SET FEDERAL STANDARDS.

GREATER ACCOUNTABILITY ALSO REQUIRES NATIONALLY DIRECTED RESEARCH, DEMONSTRATION, DATA COLLECTION AND DISSEMINATION, AND INNOVATION. FOR EXAMPLE, PUBLIC DISCLOSURE OF INSTITUTIONS' DEFAULT RATES WOULD BE VERY USEFUL. STATES DEPEND ON THE FEDERAL GOVERNMENT TO PROVIDE LEADERSHIP IN THESE CRITICAL AREAS.

2.4.4.2 STUDENT PERFORMANCE. MORE THAN TWO-THIRDS OF THE STATES HAVE DEVELOPED STATE POLICIES TO REQUIRE HIGHER EDUCATION INSTITUTIONS TO ASSESS STUDENT LEARNING. THE FEDERAL GOVERNMENT SHOULD WORK CLOSELY WITH THE STATES TO ENABLE AND ENCOURAGE ALL INSTITUTIONS TO DEVELOP AND IMPLEMENT ASSESSMENT POLICIES THAT MEASURE STUDENT PERFORMANCE IN ORDER TO IMPROVE ACCOUNTABILITY OF THE POSTSECONDARY SYSTEM AND TO IMPROVE THE QUALITY OF TEACHING, PROGRAMS, AND CURRICULUM AT THE INSTITUTIONAL LEVEL. THE GOVERNORS ARE LOOKING FORWARD TO REVIEWING THE WORK OF THE NATIONAL EDUCATION GOALS PANEL REGARDING THE DEVELOPMENT OF MEANS BY WHICH THE PERFORMANCE OF COLLEGE GRADUATES IN THINKING CRITICALLY, COMMUNICATING EFFECTIVELY, AND SOLVING PROBLEMS MAY BE EVALUATED. AT A MINIMUM, DATA REGARDING STUDENT PERSISTENCE, GRADUATION, JOB PLACEMENT, AND LICENSURE PASS RATES SHOULD BE REPORTED, BY INSTITUTION AND MINORITY GROUP STATUS, TO THE PUBLIC REGULARLY.

2.4.5 PARTNERSHIPS

2.4.5.1 PREFACE. THE GOVERNORS APPLAUD THE EFFORTS OF MANY POSTSECONDARY INSTITUTIONS IN DEVELOPING PARTNERSHIPS WITH ELEMENTARY AND SECONDARY SCHOOLS, COMMUNITY-BASED ORGANIZATIONS, AND EMPLOYERS TO IMPROVE SCHOOL-TO-SCHOOL AND SCHOOL-TO-WORK TRANSITIONS. SUCH INSTITUTIONS HAVE MUCH TO CONTRIBUTE IN TRAINING, RESEARCH APPLICATIONS TO THE CLASSROOM, ASSESSMENT, MENTORING, AND CURRICULUM DEVELOPMENT. THROUGH SUCH PARTNERSHIPS, INSTITUTIONS CAN BE MORE RESPONSIVE TO AT-RISK STUDENTS AS WELL AS NONTRADITIONAL STUDENTS INCLUDING MINORITIES; DISPLACED WORKERS; WOMEN IN ENGINEERING, SCIENCE, AND MATHEMATICS; PART-TIME AND FIRST-GENERATION STUDENTS; AND OLDER, WORKING PEOPLE.

2.4.5.2 PARTNERSHIPS FOR EDUCATION REFORM. THE FEDERAL GOVERNMENT SHOULD SUPPORT COLLABORATIVE EFFORTS BETWEEN SCHOOLS, POSTSECONDARY INSTITUTIONS, BUSINESS AND INDUSTRY, COMMUNITY-BASED ORGANIZATIONS, AND OTHERS FOR HIGH-PRIORITY NATIONAL INTERESTS.

- EDUCATION REFORM SHOULD SERVE AS A DRIVING FORCE FOR POSTSECONDARY INSTITUTIONS TO WORK WITH SCHOOLS TO IDENTIFY AND SUPPORT CRITICAL CHANGE EFFORTS.
- EFFECTIVE TEACHING IS ESSENTIAL FOR STUDENTS' SUCCESS. TEACHER PREPARATION PROGRAMS MUST HAVE THE BEST AVAILABLE INFORMATION AND TRAINING CAPACITY RELATED TO EDUCATION REFORM EFFORTS SUCH AS SCHOOL RESTRUCTURING, SITE-BASED MANAGEMENT, CORE CURRICULA, AND PUPIL GROUPING PRACTICES. TRAINING TEACHERS SHOULD BE A PRIORITY THROUGHOUT THE INSTITUTION.
- TEACHING MUST BE A HIGH PRIORITY FOR FACULTY TO IMPROVE INSTRUCTION FOR ALL STUDENTS AND TO PROVIDE GOOD ROLE MODELS FOR FUTURE TEACHERS. PROFESSORS MUST HAVE AS MUCH INCENTIVE TO TEACH AS THEY DO TO PUBLISH AND DO RESEARCH.
- STUDENTS SHOULD BE ENCOURAGED TO COMPLETE THEIR SECONDARY EDUCATION THROUGH EVERY MEANS AVAILABLE. BARRIERS TO COMPLETION SHOULD BE RECOGNIZED AND REVIEWED -- FOR EXAMPLE, SIMPLY WAIVING THE FEE FOR THE GENERAL EDUCATION DEVELOPMENT (GED) EXAM CAN INCREASE STUDENT COMPLETION. IT IS CRITICAL THAT ALL QUALIFIED STUDENTS, REGARDLESS OF HOW OR WHEN THEY ACHIEVE A DIPLOMA, ARE PROVIDED EQUAL OPPORTUNITY FOR A HIGHER EDUCATION.
- SPECIAL EFFORTS MUST BE MADE TO PREPARE AND ATTRACT QUALIFIED MINORITY STUDENTS TO PARTICIPATE IN POSTSECONDARY EDUCATION, AND TO RETAIN THEM THROUGH COMPLETION OF THEIR PROGRAMS OF CHOICE.

2.4.5.3 PARTNERSHIPS FOR EARLY INTERVENTION. GOVERNORS BELIEVE THAT LOW ASPIRATIONS AND INADEQUATE ACADEMIC PREPARATION ARE LIMITING PARTICIPATION IN POSTSECONDARY EDUCATION. AS A RESULT, MANY STATES HAVE DEVELOPED STRATEGIES THAT COMBINE FINANCIAL ASSISTANCE WITH EARLY INTERVENTION PROGRAMS TO HELP STUDENTS AND PARENTS REALIZE THAT POSTSECONDARY EDUCATION IS BOTH ACADEMICALLY AND FINANCIALLY WITHIN THEIR REACH. THE FEDERAL GOVERNMENT SHOULD ENCOURAGE SUCH STRATEGIES BY ENTERING INTO A NEW PARTNERSHIP WITH STATES.

THROUGH MATCHING FUNDS, WHICH MAY INCLUDE PRIVATE SECTOR CONTRIBUTIONS, STATES WILL BE ABLE TO BEGIN OR BUILD ON THEIR EXISTING EARLY INTERVENTION

PROGRAMS AND MAKE A LONG-TERM INVESTMENT IN HELPING DISADVANTAGED STUDENTS PURSUE POSTSECONDARY EDUCATION. STATES SHOULD BE AFFORDED THE MAXIMUM FLEXIBILITY IN DESIGNING AND IMPLEMENTING EARLY INTERVENTION STRATEGIES. GOVERNORS BELIEVE THESE TYPES OF PROGRAMS ARE ESSENTIAL TO HELP STUDENTS TOWARD HIGHER ASPIRATIONS AND TO FULFILL THEIR DREAMS FOR POSTSECONDARY EDUCATION. SUCCESSFUL PROGRAMS SUCH AS TRIO SHOULD BE EMULATED, EXPANDED, AND INCREASINGLY INTEGRATED WITH EXISTING STATE EFFORTS TO ACHIEVE THE MOST EFFECTIVE AND COST-EFFICIENT USE OF FUNDS. INSTITUTIONS SHOULD CONTINUE TO PLAY AN IMPORTANT ROLE IN THE SUCCESS OF SUCH PROGRAMS.

2.4.5.4 PARTNERSHIPS FOR STATE STUDENT INCENTIVE GRANTS. THE MATCHING FUNDS MODEL IS USED QUITE SUCCESSFULLY WITH THE STATE STUDENT INCENTIVE GRANT (SSIG). STATES CONTINUE TO PROVIDE AT LEAST TWO DOLLARS FOR EVERY DOLLAR SPENT BY THE FEDERAL GOVERNMENT IN FINANCIAL AID THROUGH THE SSIG PROGRAM. TO KEEP THIS PROGRAM VIABLE, THE GOVERNORS SUPPORT A VOLUNTARY INCREASE OF COMMITMENT BY BOTH PARTNERS AND/OR AN EXPANDED SCOPE TO ALLOW STATES TO USE GRANT MONEY FOR INNOVATIVE EARLY INTERVENTION STRATEGIES.

2.4.5.5 PARTNERSHIPS TO ENABLE OUR COUNTRY TO COMPETE EFFECTIVELY. STATES ARE WORKING CLOSELY WITH BUSINESS, INDUSTRY, AND POSTSECONDARY INSTITUTIONS TO STRENGTHEN THE NATION'S CAPACITY IN SCIENCE, TECHNOLOGY, ECONOMIC DEVELOPMENT, AND OTHER CRITICAL AREAS. HOWEVER, IN ORDER TO ACHIEVE THE NATION'S EDUCATION GOALS, ESPECIALLY TO BE FIRST IN THE WORLD IN MATHEMATICS AND SCIENCE BY THE YEAR 2000, THE FEDERAL GOVERNMENT MUST TAKE A LEADERSHIP ROLE BY INCREASING ITS COMMITMENT TO ENHANCING ACHIEVEMENT IN THESE CRITICAL SUBJECTS THROUGHOUT THE EDUCATION SYSTEM.

- RESOURCES MUST BE ALLOCATED TO ADVANCE SCIENTIFIC RESEARCH, BOTH BASIC AND APPLIED, IN ORDER TO ENSURE THE COUNTRY'S LEADERSHIP IN A GLOBAL TECHNOLOGICAL WORLD.
- HIGH-QUALITY FACILITIES, EQUIPMENT, MATERIALS, AND SUPPLIES MUST BE AVAILABLE FOR POSTSECONDARY INSTITUTIONS TO MAINTAIN THEIR WORLD-CLASS STANDARDS.
- STUDENTS MUST BE BETTER PREPARED, FROM KINDERGARTEN THROUGH GRADUATE SCHOOL, TO ENSURE AN ADEQUATE PERSONNEL BASE TO MEET THE BASIC AND APPLIED RESEARCH NEEDS OF THE FUTURE.

- SPECIAL EMPHASIS SHOULD BE PLACED ON ENABLING AND ENCOURAGING STUDENTS TO PURSUE GRADUATE EDUCATION THROUGH APPROPRIATE ACADEMIC PREPARATION AND COUNSELING, FELLOWSHIPS, SCHOLARSHIPS, AND TRAINING OPPORTUNITIES.
- EDUCATION, TRAINING, AND RETRAINING MUST BE AVAILABLE AT THE WORK SITE FOR PEOPLE ALREADY IN THE WORKFORCE.
- RECRUITING, TRAINING, AND TRAINING FACULTY AT THE POSTSECONDARY LEVEL IS CRITICAL FOR INSTITUTIONS TO FULFILL THEIR MISSION.
- SPECIAL EFFORTS SHOULD BE MADE TO ENROLL AND GRADUATE QUALIFIED MINORITY STUDENTS FROM ALL POSTSECONDARY EDUCATION INSTITUTIONS.

~~Preface. The National Governors' Association recognizes the importance of our nation's postsecondary institutions in providing education and training opportunities for all persons. The states' contribution to these institutions is significant. In fiscal 1982, the states provided \$21.8 billion, or 30.3 percent, of the current operating budget of institutions of higher education. The federal government contributed \$8.3 billion, or 11.5 percent.~~

~~Ensuring access to postsecondary education opportunities and sustaining the quality and diversity of our nation's postsecondary institutions are shared responsibilities of the federal government, the states, institutional leaders, and the private sector. Governors believe that the continued progress of postsecondary education is vital to the economic growth and general welfare of our nation.~~

~~The Governors believe the federal role in postsecondary education includes ensuring access for individuals to attend a postsecondary education institution without regard to their family income, race, national origin, sex, or handicapping conditions, through student financial assistance and other means, coordinating with existing state and institutional structures, preparing the workforce by funding programs that address state-identified worker shortages and assuring an adequate labor supply in areas requiring special technical and advanced training, supporting research and development at postsecondary education institutions and associated research centers, and promoting excellence in postsecondary education.~~

~~In order to carry out this goal of ensuring access for individuals to attend postsecondary institutions and to continue the quality and diversity of the postsecondary education institutions, the Governors urge that Congress and the federal government pay special attention to the following issues:~~

~~Ensuring That Federal Student Assistance Programs Continue to Provide Access that Helps to Achieve the Fullest Development of the Nation's Human Resources. Federal support for student financial assistance programs is appropriate and necessary and should be maintained. We urge that Congress and the federal government examine ways to reduce students' increasing debt burden and to address the proper balance between grant and loan programs.~~

~~The Pell grant program, which serves as the foundation of student need-based financial assistance programs, should be maintained. The state student incentive grant program, which has given states incentives to use federal funds to match other forms of need-based student assistance programs, also should be maintained and states should be given added flexibility to use these funds to match state work study programs.~~

~~Coordinating the State/Federal/Institutional Partnership. The Governors recognize the long tradition of direct relationships between federal agencies and colleges and universities, their faculties, and students. It is important, however, that there be coordination among efforts by different levels of government that are aimed at similar public policy concerns. Without such coordination, small federal programs may have little or no impact. In addition, a well-intentioned~~

federal effort may have a negative or disruptive effect if it runs counter to delicately designed state strategies. Therefore, the National Governors' Association urges the Congress to design federal programs so that they result in an effective state/federal/institutional partnership in both the funding and delivery of student and institutional assistance.

Preparing the Workforce for a Changing Economy. There is a legitimate role for postsecondary education to play in supplying a well-educated workforce that can adapt to a rapidly changing economy. Our nation's economy is undergoing a major transformation. There are fewer jobs in heavy industry and more in skilled services and technology that require a more educated workforce. Postsecondary institutions contribute significantly in the training of the workforce for these new jobs. In addition, institutions provide information services and research essential to an efficient and productive workforce.

Sustaining the Federal Commitment to Support Basic and Applied Research for Scientific and Technological Advancement. More than two-thirds of the states have taken bold steps in partnership with business, industry, and postsecondary institutions to bolster the nation's capacity related to science, technology, and economic development. While substantial progress is being made through this joint partnership, a continued strong federal role in support of research and development is fundamental to the future capacity of the nation to compete in an increasingly technologically oriented international economy. The infrastructure of research is seriously decaying and should be rebuilt. This includes scientific equipment, instrumentation, and facilities on college and university campuses. Inadequate and outdated equipment and facilities jeopardize the productivity of federally supported research programs and weaken the training of undergraduate and advanced students. The National Governors' Association urges that federal funding be sustained for university-based research.

Increased federal support of graduate education through fellowships, traineeships, and training grants is needed. Postsecondary institutions should be assisted and encouraged to link more closely their research and development efforts with technological innovation that contributes to economic progress.

In addition, nationally directed research, demonstration, data collection, and innovation should be maintained and recognized as a set of core responsibilities of the federal government in education.

Effect of Federal Tax Policy on Postsecondary Education. The National Governors' Association urges Congress and the federal government to recognize the importance of charitable contributions to postsecondary institutions. Charitable giving is a major resource for all colleges and universities, particularly for small, independent institutions without large endowments. Any significant decline in this resource would have serious consequences for the quality and the eventual survival of many institutions, and Congress should seek to avoid any negative impact in the design of any tax reform proposal. Tax incentives for contributions of scientific equipment for research or experimentation to postsecondary institutions should be maintained.

Promoting Excellence in Postsecondary Education. The Governors recognize the need to promote and maintain quality education in all higher education institutions. Many states have undertaken efforts to achieve this goal. However, the states will have an increasing need in the future for reliable measures of effectiveness in the public colleges and universities. The National Governors' Association will work closely with state-based organizations and the postsecondary education community to develop these measures. The states also believe that the federal government must contribute to the promotion of excellence by supporting research on issues of national importance to postsecondary education.

Encouraging Families to Save for Their Children's Higher Education. The nation's Governors recognize the seriousness of increases in college costs that greatly exceed rises in the cost of living. In particular, we are concerned about the harmful effect these increases have on families' aspirations for their children's future. Polls indicate that a majority of the public is concerned that college costs are rising at a rate that will put college out of reach of most people in the foreseeable future.

In light of this widespread public concern, many states have initiated savings plans to address this concern. The Governors recognize the efforts being offered by the federal government and the Congress to encourage families to save for their children's higher education. While applauding such efforts, the Governors also ask that the following principles be reflected in policy established at the federal level:

- Federal incentives to encourage savings for higher education should be designed to increase the number of young Americans entering and completing quality higher education. College savings incentives at the Federal level should be designed to stimulate and complement, rather than preempt, similar policy initiatives by states and higher education institutions.
- Federal incentives should give equal standing to public and independent higher education institutions, allow for "portability" of college savings from state to state, and offer parents maximum freedom of choice in savings or investment vehicles.
- Reduced revenue resulting from tax incentives for savings for higher education should not lead to reductions in other vital federal higher education programs.

~~Assuring Minority Access to Higher Education. The National Governors' Association recognizes the need to develop comprehensive activities to increase the number of minority students in postsecondary education and therefore recommends that Governors encourage state education policymakers to develop a comprehensive "minority student postsecondary education plan" that addresses needed action at the elementary, secondary, and postsecondary levels to assure that an increasing number of minority students enroll in, and graduate from, postsecondary institutions. This plan should focus on curriculum and career awareness, mentorship activities, business partnership relationships, financial incentives such as scholarships, and examination of successful models already in existence. The plan should demonstrate collaboration and cooperation with minority community organizations.~~

- 2.5 Educating a Competitive Workforce
- 2.6 The Carnegie Forum Report
- 2.7 Literacy

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November 28, 1991

Committee on Human Resources
Contact: Susan Greene, (202) 624-7723

HOUSE AND SENATE MOVING FORWARD ON HIGHER EDUCATION REAUTHORIZATION

Introduction

The House and Senate are both moving quickly to reauthorize the Higher Education Act. The House Committee on Education and Labor has passed its bill, H.R. 3553. The Senate Labor and Human Resources Committee passed its bill, S. 1150, on October 30. This action took place after an extensive hearing schedule by both committees over the last year.

Both House and Senate committee members were eager to make major changes to the federal government's programs for postsecondary education. Specifically, committee members believed it was important to restore the integrity of the federal financial aid program after several years of bad publicity, including fraud and abuse of student aid funds. Rep. Bill Ford of Michigan, chairman of the House committee, indicated that everything was "on the table," meaning the committee would review all programs to determine their efficiency and effectiveness.

Issues for Reauthorization

Student Aid. Title IV is the largest piece of the reauthorization (90 percent of the funds) and the area in which most attention and controversy is focused. This section contains all provisions regarding federal financial aid.

- **Pell Grants.** Both the House and Senate committees were interested in providing more federal aid in grants than in loans.
 - H.R. 3553 makes Pell Grants an entitlement in fiscal 1994, increases the maximum Pell Grant award from \$2,400 to \$4,500, and increases the income eligibility for Pell Grant recipients.
 - S. 1150 makes Pell Grants an entitlement in fiscal 1997, increases the maximum Pell Grant award to \$3,600 in fiscal 1994 and increases it by \$200 each year, increases the minimum Pell Grant from \$200 to \$400 per year, and increases the income eligibility for Pell Grant recipients.

NOTICE

- Student Loans

- H.R. 3553 provides that all students, regardless of income, can borrow up to the maximum Stafford loan amount in order to help middle-income students receive federal assistance.
- H.R. 3553 provides for a direct loan program that would eliminate the banks from the Stafford loan program by 1996, replaced by direct loans from the U.S. Department of Education to postsecondary education institutions.
- S. 1150 increases the maximum loan amounts for both graduate and undergraduate students, but does not remove the income caps as the House bill does.
- S. 1150 does not include a direct loan provision. Senators Simon (D-Ill.) and Durenberger (R-Minn.) tried but failed to amend the bill in committee to include a direct lending program. They are expected to try again when the bill comes to the Senate floor.

- Middle-Income Students

- Both H.R. 3553 and S. 1150 remove farm, home, and small business equity from the financial aid needs analysis for determining student aid eligibility.
- H.R. 3553 removes the income caps on eligibility for the maximum Stafford loan.

- State Student Incentive Grant (SSIG)

- Both H.R. 3553 and S. 1150 continue the SSIG program despite the administration's attempts to discontinue it, arguing that it has outlived its usefulness.
 - H.R. 3553 reauthorizes the program at \$125 million and includes an escalation of effort clause for states if federal appropriations exceed \$75 million. Maximum SSIG grants would increase from \$2,500 to \$5,000.
 - S. 1150 reauthorizes the program at \$85 million and an additional \$100 million for a formula grant program for states to establish early intervention grants. The early intervention grants would be available only when SSIG appropriations equal or exceed \$63.5 million. Maximum SSIG grants would increase from \$2,500 to \$4,000.

- Simplification of Financial Aid

- Both H.R. 3553 and S. 1150 include provisions to simplify a student's participation in the financial aid process. Examples

of changes include a single need analysis formula, a simplified reapplication process, and the availability of a single, free federal form for applying for student aid.

Early Intervention. Both the House and Senate committee members were very interested in supporting programs to help students and their families learn more about the availability of financial assistance, the range of postsecondary education options, and the necessary high school curriculum for higher education. Both House and Senate bills create a new federal-state partnership to provide early intervention services to students, including tutoring and advising students and families. These provisions are modeled in part, on the Liberty Scholarship and "I Have A Dream" programs existing in many states.

- H.R. 3553 establishes the Federal Early Outreach and Student Services Program, including six major parts:
 - strengthening the existing TRIO programs;
 - establishing a National Liberty Scholarship program;
 - providing Model Program Community Partnership Counseling grants;
 - establishing achievement awards;
 - providing technical assistance to teachers and counselors; and
 - increasing public awareness.
- S. 1150 establishes a federal-state partnership to encourage states to offer early intervention services. Early intervention becomes one of the purposes of the SSIG program and is triggered by a \$63.5 million appropriation as described above.

Program Integrity. All parties interested in continuing a major federal role in postsecondary education believed it was necessary to "restore the integrity" of the federal financial aid programs due to a tremendous amount of negative publicity. Both the House and Senate committee members pledged to "get tough" on the institutions that were giving the program a bad name. Both bills include provisions to strengthen all facets of the program:

- H.R. 3553 severs the link between Title IV eligibility and accreditation, and gives states a new role in determining Title IV eligibility through the designation of a state postsecondary approving agency. The House committee, under strong pressure from the higher education community, watered down its original version, which would have allowed states to review all institutions. The revised provisions in effect exempt the majority of postsecondary institutions. In the current House bill, states will only have the authority to determine Title IV eligibility for the worst schools (based on standards set out in the bill). The House bill authorizes 1 percent of all Title IV funds, approximately \$150 million, for states to perform this role.
- H.R. 3553 sunsets all Department of Education certification and reestablishes new standards for eligibility and certification for all schools. It also requires institutions to be recertified every four years.

- H.R. 3553 provides guaranty agencies with more authority and more sources of information to perform their duties. It also requires guaranty agencies to have strong management plans, minimum reserves, and other provisions to help prevent fiscal problems.
- S. 1150 retains accreditation as part of the "triad" leading to institutional eligibility for Title IV funds. However, the legislation includes some new requirements for accrediting bodies to meet in order to be recognized by the Secretary of Education. Like the House bill, it requires states to designate a postsecondary approving agency; however, the Senate bill allows states to set their own standards for determining institutional eligibility and allows states to review all institutions. The Senate bill authorizes \$10 million for such state activity.
- S. 1150 strengthens the role of the Department of Education through provisional and conditional certification to institutions and requires a periodic review of institutions. It also directs the Secretary of Education to develop and carry out performance standards for the assessment of an institution's financial and administrative capability.
- S. 1150 also stipulates new authority and requirements on guaranty agencies to ensure fiscal solvency of the agency, while ensuring continued access to financial aid for students with a high risk of defaulting.

Other Provisions.

- Fund for the Improvement of Postsecondary Education (FIPSE)
 - Both bills reauthorize FIPSE and add provisions that allow FIPSE grants to go to entities other than educational institutions.
 - S. 1150 establishes a new program to provide a FIPSE grant to each state to fund innovative programs at higher education institutions within the state. These grants for states will be available only if FIPSE funding exceeds \$10 million. The federal share of this new program will be 50 percent.
- Serving Nontraditional Students
 - Both bills include provisions such as extending eligibility for Pell Grants and requiring a fair share of campus-based assistance (e.g., Supplemental Education Opportunity Grant, College Work Study) to less than half-time students. Other provisions intended to assist nontraditional students are described above.
- Community Service
 - Both bills include provisions to encourage institutions to work together with their communities, including their elementary and

secondary schools, to devise and implement solutions to community problems and encourage college students to participate in community service.

- **Educator Recruitment, Retention, and Development**

- Title V of both bills includes significant provisions to enhance educator recruitment, retention, and development. Programs include teacher academies, elementary/secondary school and university partnerships, the National Board for Professional Teaching Standards, scholarships and fellowships, teacher corps, academies for school leaders, merit awards, and alternative certification for teachers and principals.

- **Construction, Reconstruction, and Renovation of Academic Facilities**

- Title VII of both bills includes grants and loans to states and institutions for the stated purpose, including a focus on using new technology and equipment.

- **Assistance for Graduate Education**

- Title IX of both bills includes provisions to encourage and assist students to pursue graduate and postgraduate education through grants, scholarships, and fellowships. Many of these programs are targeted at students who have been underrepresented in graduate education and intended to encourage students to seek degrees in areas of national need such as math, science, and engineering.

Expected Timetable

With both House and Senate authorizing committees having completed their work, S. 1150 and H.R. 3553 are ready for floor action at any time. It is expected, however, that before either bill goes to the floor there will need to be some compromises on the two most controversial issues: direct lending and Pell Grant Entitlement. In addition, it is unclear when Congress will adjourn (expected around Thanksgiving). Most pundits believe that regardless of the timing of floor action, the reauthorization will not be complete finally until summer 1992.

GUAM HEALTH PLANNING AND DEVELOPMENT AGENCY

Health Care Reform--The "Year 2000" Urge

Briefing

Submitted to

Joseph F. Ada, Governor

Prepared by

Robert D. Santos, Ph.D.

Director

December 1991

Health Care Reform--The "Year 2000" Urge

Public and health professionals' attention has been drawn recently to the issue of a quality health care system for health system improvement. New developments in diagnostic and treatment technology, increased demand for driving down health care costs, and intense health provider competition are changing the nature of the health systems used to manage health care and services. According to the Governor of South Dakota, George S. Mickelson (1991), in order to better understand how to measure and assure quality, health providers, researchers, policy makers, and purchasers need to examine the framework and definition of health care reform. The success of health care reform is dependent upon a comprehensive design, controlling health care inflation, and eliminating cost shifting.

According to Naisbitt and Aburdene (1991, p. 184) in Megatrends 2000, "[t]he Pacific Rim is emerging like a dynamic young America but on a much grander scale." The rim includes Japan, China, Korea, Australia, and other island nations (i.e., Guam). America's Pacific Rim countries and island nations are well positioned to capitalize on the shift into the Century of the Pacific. The Pacific Rim is growing at a rate five times that of the industrial revolution (Naisbitt & Aburdene, 1991).

The health reform parameters, understanding, and quality management start with the control and strategic planning and development processes of an island nation that is experiencing a shifting of economic growth (i.e. commerce and tourism),

population diversity, changing disease patterns, and changing political status.

Guam, a United States' territory, has recognized the need for a quality health management system since the lifting of the Naval Clearing Act in 1962. Health professionals have been independently working in setting reform goals towards an improved health care and service delivery system for years. The health professionals of Guam have been standing at the dawn of a new era of stunning technological innovation, surprising health reform, and cultural rebirth for cultivation and culmination in the year 2000.

The year 2000 is affecting the health system like a powerful magnet reaching down into the 1990's intensifying the decade. The amplifying emotions, heightening awareness, and accelerating changes compel us to reexamine and restructure our values, culture, and institutions. Guam accepts the challenge of its technocratic changes with determination and commitment.

The reform process starts with a unified and solid voicing by the leaders. On January 27, 1991, in an historical assembly on the ceremonial ground of the Governor's office complex, the Guam leaders and I delivered a message on health that rededicated our commitment to quality health services and programs for the residents of Guam. This call was made to establish health goals that focused on results, accountability, and flexibility in the use and mobilization of local health resources--human and material.

Goals were derived from the Second Governor's Conference on Health, October 15, 1990, and are the continuation of the Executive's concerns on health issues on Guam. This conference brought together health professionals to develop goals to provide "Health for All" by the year 2000. This administration is actively involved in upgrading health facilities and shaping programs and services directed towards health promotion, health protection, and preventative health care and services.

Sweeping, fundamental changes in our health system must be made. Health professionals must be given greater flexibility to assess and devise challenging and inspiring strategies to serve the needs of the diverse body of residents in Guam. This is especially important for residents who are at high risk--for the failure of inadequate health services and programs for this group will become the failure of our island nation. Achieving these changes depends, in large part, on the commitment of leaders as well as health professionals. Our daily work must be dedicated to creating a new health order in which the success of a health community is the first priority, and we must be held accountable.

This is not the responsibility of the health professionals alone, however. All residents of Guam have an important stake in the success of our health service and access system, and every part of our society must be involved in meeting that challenge. Parents, communities, business, and civic groups, and local and federal governments each have a vital role to play throughout this decade to ensure success.

The first step is to establish ambitious island health goals (i.e., Second Governor's Conference on Health goals). The service and access goals that must be achieved if Guam is to continue to be committed to positive life enhancement programs for vitality and longevity are as follows:

1. Manpower Shortage--Increase health professional resources on Guam.
2. Health Planning--Establish a funded health planning agency that will be responsible for comprehensive health planning for the Territory of Guam.
3. Wellness Promotion--Promote wellness (mind, body, and spirit) through healthy lifestyle practices.
4. Health Information System--Develop and implement a comprehensive health information system.
5. Communicable Disease--Prevent and control the spread of infections.
6. Hazardous and Toxic Materials--Protect the community against the effects of hazardous materials.
7. Availability and Accessibility to Health Services--Improve access to comprehensive health care services.
8. Environmental Protection--Protect all natural resources.
9. Drugs and Alcohol--Prevent and reduce abusive use of drugs (including alcohol and tobacco) at all community levels.

10. Chronic Disease--Reduce the morbidity and mortality associated with chronic disease.
11. Injury Protection--Promote safety measures to reduce accidents, injuries, and deaths.
12. Maternal Child Health--Increase the proportion of babies born healthy and maintain wellness in children.
13. Vector Control--Improve pest control particularly tree snakes and stray animals.

The above goals concern quality, direction, and reform. Evidence of this still-evolving perspective abounds in our concern of the dangers of smoking and the abuse of alcohol and drugs; in the emphasis that we are placing on physical and emotional fitness; in our growing interest in good nutritional practices; and in our concern about the quality of our environment (U.S. Department of Health and Human Services Public Health Services, 1991).

If Guam is to maintain a strong and responsible health provider program and prosper into the next century, all of its residents must be involved in achieving these goals. When challenged, Guamanian people have always shown their determination to succeed. The challenge before us calls on each Guam resident to help ensure our island nation's future.

Indicators that the people of Guam have achieved in meeting the technocratic health reforms necessary for the year 2000 are as follows:

1. the endorsement of "health for all" as a policy at the Executive level,

2. the reestablishment by Public Law 20-200 of the Guam Health Planning and Development Agency--a charting agency,
3. the establishment of the first-ever research based 13 health goals by the Second Governor's Conference on Health,
4. the culmination of the people's anti-smoking effort by the passage of the first-ever education and awareness anti-tobacco program (Public Law 21-64),
5. the continuation of a quality medical referral office for island residents to Hawaii (Public Law 21-69),
6. the establishment in 1987 of the first-ever centralized and coordinating body for fitness, the Governor's Council on Physical Fitness and Sports (Executive Order Number 87-34),
7. the establishment of the first-ever physical education curriculum for majors at the University of Guam (Public Law 21-38),
8. the shifting of attitude from fitness to wellness--the balancing of mind, body, and spirit as shown in the Second Governor's Conference on Health Proceedings,
9. the restructuring of vector problems (i.e., animal control) by the establishment of Public Law 21-63,
10. the continued public conscious fortification on AIDS by Proclamation Number 91-131--the World AIDS Day,

11. Government agencies (i.e., Department of Education and Guam Health Planning and Development Agency) linking for synergistic effort on Youth Risk Behavior and HIV education survey for schools,
12. Department of Public Health and Social Services first-ever research on Behavior Risk Factors for the community,
13. the continued effort on maternal child health education through the Healthy Mothers Healthy Babies Campaign,
14. the establishment of the 9-1-1 emergency telephone system in 1991,
15. the continued coordination of the World Health Day in conjunction and cooperation with the World Health Organization, and using researchers for hazardous and toxic waste and tobacco control,
16. the continued coordination of health issues with the South Pacific Commission,
17. the addition of fire stations in the north and south,
18. the addition of the new pilot security system in Tumon--the kobans.
19. the maintenance of federal relationship through the law concerning habitual residents--the Impact of the Compact.

These indicators show that the public, leaders, and health professionals are taking a more active interest in their health than ever before. They realize that their influence can chart

their own health destinies and overall health status of the Nation.

The year 2000 is Guam's turning point in its health history by not making it a chaotic century. I believe that the 13 health goals are careful engagement on a national level agenda. I have established and empowered 13 Governor's Health Taskforces for the "meaning of life" to be characterized by significant reductions in preventable death and disability, enhancement of quality life, and a great reduction of disparities in the health status of a diverse population in our island community and the Pacific Rim.

Public Law 20-200 re-established the Guam Health Planning and Development Agency, a locally mandated agency, whose primary function is to be the health information data bank that will provide quality management on health issues, concerns, and direction for policy decision through planning and crafting the achievement of the established 13 year 2000 health goals.

The many initiatives and catalytic actions of the various health agencies or departments in Guam are shown in the following activities of the Taskforces:

1. The Governor's Taskforce on Health Manpower has initiated the first-ever comprehensive territorial-wide health manpower survey. The study will address 3 concerns: (1) identify and describe the needed manpower resources of the total workforce within the various health related departments, agencies, and organizations, (2) identify the workforce hindrance

factors, and (3) develop a recommended action plan for the appropriate departments, agencies, and organizations.

2. The Governor's Taskforce on Wellness Promotion plans a first-ever health reform effort in sports medicine promoting the shifting of attitude from fitness to wellness--a wholistic and holistic approach in community wellness. Planning includes off-island speakers who are nationally and internationally renowned, in the field of sports medicine, wellness, school health programs, community wellness, and leadership dynamics. In addition, the future participation of Guam sport participants in international sports competitions will benefit from the wholistic and holistic preparation of competition--the integration and balancing of mind, body, and spirit.
3. The Governor's Taskforce on Health Information System will establish a centralized comprehensive health information system, incorporating the concepts of total quality management and technology, within the Agency.
4. The Governor's Taskforce on Availability and Accessibility to Health Care and Service Delivery will review and research the current delivery care system on Guam. From these efforts, it will help determine the vital health care needs in terms of universality, accessibility, portability, service intensity, and

comprehensiveness and will project the corrective actions needed to ensure the attainment of the 13 goals by the year 2000.

The oath represented in the 13 goals involves people in all their multiplicity: age, family relationships, racial and ethnic diversity, gender, education, income level, and occupation. It involves the meaning of life from birth to death. Thus, the challenges to define the health reform parameters are (a) to increase the vitality and longevity of the lives of Guam residents, (b) to reduce health disparities among Guam residents, and (3) to achieve access to preventive services for all Guam residents by urging and defining a new framework for health care delivery system.

The practice of dividing Guam up onto a list of 13 health goals might at first seem too arbitrary. Its purpose, however, is not to render life simplistic or superficial, but to establish a categorical foundation on which a greater depth of knowledge can be built for a health reform framework and parameters for the year 2000.

DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES

NGA Briefing Papers

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Health Care Reform

The Department supports the National Governors Association's position that health care reform is needed to "make health care affordable and available for all Americans" and that the system "must have sufficient controls in place to ensure the cost-effective delivery of care". In this reform effort we ask that the territory be given sufficient authority to determine the best mechanism(s) to accomplish this goal for our community. Guam's population is a significantly younger population than that of the U.S.; our abilities to obtain and share medical resources are complicated by greater distances, time differences, and cost-factors; our budgetary resources are limited by both population base and federal statute; our community has finite resources.

Background

The Government of Guam has long recognized the importance of health care to its people as evidenced by legislation and fiscal support for health care programs and services.

In May 1982 the Department of Public Health and Social Services prepared a report on "indigent Health Care on Guam:

Review and Recommendations". This report was prepared in response to legislation (P.L. 16-47) and addressed the issue of providing medical care for the indigent.

Since that time various programs have evolved namely the Medically Indigent Program (MIP) and Catastrophic Illness Assistance Program (CIAP). Further, the Department expanded its health care services to the southern area through the Community Health Center project at the Inarajan Health Center. This model provides ambulatory care through third party insurance reimbursement or self-payment based on sliding fees and ability to pay.

Despite these efforts health care is still not available to everyone on island partly due to the limitations of this Department and the private medical community's resources to meet the "total need", and also due to the lack of insurance coverage for the self-employed, employees of small businesses, part-time workers, dependents of employer-sponsored plans, those ineligible for coverage, and those who financially are unable to purchase coverage or choose not to be insured.

Immigration of new residents who often fall into the aforementioned category have added to the proportion of persons without health care coverage and services.

This undesirable situation usually results in persons not having preventive health care and relying totally on expensive inpatient care facilities such as the emergency room for their "sick care". Therefore, illness is not prevented or ameliorated but is handled when it is a chronic, debilitating, or life threatening condition. By analogy, we do not prevent fires, we spend countless hours and dollars to put out fires and lose some lives in the process.

RECOMMENDATIONS

The Department plans to better address the health needs of the community by doing the following:

- a) Expand ambulatory primary health care services to the Northern Region Health Center. The supplemental FY 1992 budget includes two physician FTEs for this purpose.
- b) Take the community health center model and apply it to the Northern Region Health Center to maximize resources and build a system to recover some of the operational costs without creating barriers to the access of health care.
- c) Train and employ community outreach workers to augment our efforts to reach out and bring individuals and families into the health care system for health promotion and preventive care services.
- d) Continue efforts to raise or lift the Medicaid cap that is imposed on us by the federal government contrary to the situation in the states wherein local dollars are matched by federal dollars.
- e) Eliminate barriers for preventive health care.
- f) Expand program quality control activities to assure that standards of patient health care are being met.
- g) Eliminate delays in the operational administrative support activities (personnel recruitment, procurement) that are critical to health care delivery services.



FOR IMMEDIATE RELEASE
April 25, 1991 (74-91)
Contact: Rae Young Bond 202/624-5898

**DELAWARE GOV. MICHAEL N. CASTLE URGES CONGRESS
TO WORK WITH GOVERNORS ON LONG-TERM HEALTH CARE REFORM**

WASHINGTON, D.C. — The nation's governors want to work with Congress to reform the nation's health care system to assure that all Americans have access to affordable, quality health care, Delaware Governor Michael Castle told the House Committee on Ways and Means today.

Gov. Castle is a vice chairman of the NGA Task Force on Health Care, which is developing strategies for long-term health care reform.

"Today health care is provided in a patchwork system that neglects the employees of small business, the self-employed, part-time workers, dependents not covered under employer-sponsored insurance plans, the unemployed, the working poor, and those who aren't eligible for Medicaid," the Delaware governor said.

"In any given year as many as 37 million Americans are without access to any kind of health care coverage.

"Our health care system does not assure people access to primary and preventative care, but instead brings people in on the back end, when they are sicker and the care required is more acute," said Gov. Castle.

Expensive emergency care and a spiraling health care inflation rate encourage insurers to avoid risk rather than sharing it across a broad financial base. As the market excludes more and more people, the cost of uncompensated care rises thereby shifting costs of the uninsured to those with private health care coverage.

"If we as a nation are to build on our current health care system, the Governors believe any successful health care reform must be comprehensive and must control health care inflation, as well as eliminate cost shifting," said Gov. Castle.

NEWS RELEASES

Castle said the nation's governors are working on a two-part reform initiative:

- developing a federal policy that addresses reform issues; and
- preparing a comprehensive report that outlines state options to increase access to health care and to control costs.

* "In the short-term, Governors want to pursue comprehensive state demonstration projects that can be carefully evaluated to test various strategies to control costs and increase access," Governor Castle said.

"These projects can provide valuable insight to effective reform that will occur over time.

The governor cited state reforms to lower the cost of insurance and increase access to small employers. These include:

- Wider use of community rating practices and risk pooling arrangements that spread the risk of high-cost coverage to all insurers in the state.
- Public reinsurance, or stop-loss mechanisms, much like catastrophic protection, to limit the risk assumed by the insurer if claims exceed a set amount.
- Placing limits on premium increases, guaranteeing policy renewal, restricting coverage limits on pre-existing conditions, and requiring open enrollment.
- Creating benefit packages tailored to small businesses and providing subsidies for the administration and marketing of such policies.

While insurance market reform should increase access for those who are employed, health care needs to be extended to those who do not have insurance. State reforms in this area include:

- Maximum utilization of Medicaid options.
- Subsidized non-group insurance for both the working and non-working uninsured. The insurance plans may be provided by the state or private sector with a full subsidy for persons below 100 percent of poverty and a sliding scale subsidy for persons up to 200 percent of poverty is generally provided. The plans may emphasize catastrophic coverage and/or preventative care.
- Programs to meet the health care needs of a specified population, such as children or the developmentally disabled.
- Hospital-based uncompensated care subsidy programs under which tax or donations finance care for persons who are medically indigent.
- Increased use of public hospitals.

Finally, Governors believe that the Medicaid program needs to be dramatically restructured to develop a new program better equipped to health care for the low-income uninsured. The policy being developed by the task force will consider this issue. The policy will be considered at the governors' annual meeting in August of this year.

"Cost containment lies at the heart of successful health care and is integral to any insurance reform strategy," Governor Castle said.

"Without the ability to control our health care expenditures, we as a nation will not be able to increase access to care," he explained. "It is a problem of such a complex nature that it can be solved only by the federal and state governments and the private sector working in true partnership."

Cost containment strategies the governors are discussing include:

- Wider use of managed care strategies.
- Administrative reforms to decrease health care costs associated with the current multifaceted health care coverage system.
- Medical tort reforms to lower the cost of health care.
- State level all-payer stems that negotiate fees to eliminate cost shifting through the health care delivery system.
- Global budgeting to put a lid on a runaway health care costs. State-level resource allocation and capital expansion decisions, combined with caps on health care spending and inflation growth.

The Task Force on Health Care started in August 1989 to undertake an in-depth look at health care reform. The task force is meeting with industry officials, government, and private sector providers to determine what states can do to spur national reform efforts, identify areas of needed federal support or flexibility for state initiatives, and explore potential consensus on national policy issues.

**NATIONAL GOVERNOR'S ASSOCIATION
Winter Meeting, 1992**

Briefing Paper

Voting Representation for the District of Columbia

Voting representation in the U.S. House and Senate for the District of Columbia (Washington D.C.) is consistent with that entity's push for Statehood. Unlike the off-shore territories, the District of Columbia pays federal taxes to the U.S. Treasury and has a vote in the electoral college for U.S. Presidency.

Statehood clearly seems to be the preferred status of D.C. residents, and voting representation in the Congress would further minimize distinctions between its present status and Statehood. Guam clearly understands "self-determination," and since Statehood is D.C.'s preferred status, any strategic undertaking they invoke to achieve their popularly based goal deserves Guam's support.

It should be noted, however, that the U.S. Department of Interior is in the process of proposing a constitutional amendment to establish some form of an electoral college and House (not Senate) voting privileges for U.S. insular non-states. This issue is completely different from the case in the District of Columbia.

The differences are clear on three accounts. First, the DoI initiative emulates from D.C., and is not part of a self-determination process. Secondly, the off-shore non-states do not deposit their federal taxes in the federal treasury but would likely be forced to do so with the extension of any form of voting representation. Third, the DoI proposal would not include voting representation in the U.S. Senate.

Since the D.C. proposal on voting representation emulates from its statehood quest it should be supported. This D.C. effort, however, should not be confused with the situation in the off-shore non-states where different statuses are being pursued and where conditions differ significantly from the District of Columbia.

K

REAFFIRM

A- 6. VOTING REPRESENTATION FOR THE DISTRICT OF COLUMBIA

The National Governors' Association supports a constitutional amendment that would permit the citizens of the District of Columbia to have a voice in the United States Congress equal to that of the citizens who reside in the fifty states.

The residents of the District of Columbia carry the same burdens of citizenship as those in the fifty states, but only a handful retain the right to vote in one of our states. The remaining residents, more than 700,000, are subject to taxation without representation, conscription without a voice in international affairs, and governance by a Congress in which no voting member is accountable to them.

Our nation's capital has a unique and special role in our federal structure, but this does not justify denial of full voting representation in Congress to those who reside there.

We pledge our support for securing ratification for a constitutional amendment for full voting representation in the United States House of Representatives and the United States Senate for the District of Columbia when it is sent to our state legislatures for consideration.

Adopted August 1978; revised July 1987.

REAFFIRM

A- 5. EQUAL RIGHTS AMENDMENT

In 1976 the National Governors' Association expressed support for ratification and implementation of the Equal Rights Amendment, which would constitutionally guarantee full citizenship rights and opportunities for women.

In 1982 the drive for ratification fell short, and efforts to initiate the amendatory process were taken. The National Governors' Association supports these efforts and reaffirms its support for the Equal Rights Amendment.

Adopted August 1982; revised July 1987.

REAFFIRM

A- 8. MARTIN LUTHER KING JR. NATIONAL HOLIDAY

In 1983 legislation was enacted designating the third Monday of January as the federal holiday honoring the birthday of Dr. Martin Luther King Jr. The National Governors' Association suggests that states that have established holidays in Dr. King's honor consider conforming these state holidays to the federal holiday, if they have not already done so. Further, NGA encourages public and private entities to work together to plan and implement an annual day of celebration of the principles advocated by Dr. King.

Adopted July 1979; revised August 1985.

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

**COMMITTEE ON AGRICULTURE
AND
RURAL DEVELOPMENT**

TAB 6

- **Summary of Issue** **G**
- **G-1: Global Agricultural Trade
and Development (Agricultural Barter)** **H**

**COMMITTEE ON AGRICULTURE
AND
RURAL DEVELOPMENT**

Summary of Issue

ISSUE:

- ***G-1: Global Agricultural Trade and Development (Agricultural Barter)***

Farm and foreign policy issues are increasingly linked and Governors believe that both the U.S. government and foreign nations must manage farm and foreign policy together to avoid crisis in one area which will provoke costly problems in other areas.

The proposed amendment to the section on foreign trade supports the development of guarantees for barter transactions involving American agricultural products in order to facilitate market-style transactions between American producers and the constituent republics of the former Soviet Union. The proposed amendment is expected to be implemented within the limits of funds currently available to support agricultural trade; \$4 billion in credits to the Commodities Credit Corporation and \$165 million in Department of Agriculture appropriations for food and humanitarian aid to the Soviet republics.

G-1. GLOBAL AGRICULTURAL TRADE AND DEVELOPMENT

1.1 Preface

1.2 Foreign Trade

Farm policy and foreign policy issues are increasingly linked. Governors believe the U.S. government and foreign nations must manage farm and foreign policy together and avoid crises in the one area provoking costly problems in the other area.

We must re-establish a long-term competitive environment for agricultural trade. Better access to agricultural export markets now virtually closed and elimination of unfair competition from inefficient suppliers with subsidized exports will benefit efficient producers who have:

- a product or commodity that is desired by consumers;
- the ability to reliably supply the buyers' needs;
- lowest priced product of a given quality.

The Governors support the following farm policy provisions as long as unfair competition exists from competitors:

- All existing export enhancement programs should be fully implemented and continued during natural disasters to maintain American farmers' trade competitiveness.
- Countervailing measures necessary to make U.S. farm products competitive in world markets, such as the targeted assistance program to counter the adverse effect of subsidies, import quotas, or other unfair trade practices should be used when foreign producer subsidies distort world trade.
- Commodity programs should be revised as the U.S. comparative advantage strengthens. However, we oppose food embargoes and mandatory retaliation against nations with excessive trade surpluses or against farmers when government stockpiles are low because these policies undermine American farmers' trade competitiveness.
- International commodity-pool marketing systems should be pursued.
- Farm dairy programs should be adjusted to recognize the regional differences in production so that farmers in one part of the country are not penalized for production excesses of farmers in other regions.
- The agricultural secretary should use restraint in reducing the level of set-aside acreage following a natural disaster.

Bilateral and multilateral trade negotiations and international summit talks must negotiate reduction or elimination of tariff and nontariff barriers to agricultural trade, including government ownership, government marketing, transportation subsidies, and manipulated exchange rates. It should be recognized that a certain level of world food and land reserve is essential for mankind, and that food reserves should be shared proportionately by all exporting countries.

The United States should extend credit assistance to emerging free market economies where necessary, particularly in Eastern Europe. This assistance can help provide needed food during economic transition, mitigate political instability, and create markets for U.S. agricultural commodities. The Governors strongly support extending General Sales Manager (GSM) credit to the Soviet Union.

- 1.2.1 AGRICULTURAL BARTER. THE RAPID BREAKDOWN IN THE SOVIET COMMAND ECONOMY AND THE LACK OF FUNCTIONING MARKETS TO REPLACE IT ARE RESULTING IN BOTH SERIOUS SOVIET FOOD SHORTAGES AND MAJOR IMPEDIMENTS TO SUCCESSFUL OPERATION OF THE U.S. LOAN GUARANTEE PROGRAM FOR FOODSTUFFS. IT IS ALSO APPARENT THAT THE UNITED STATES IS LIMITED IN THE SCOPE OF AID IT CAN PROVIDE BY DOMESTIC ECONOMIC CONDITIONS AND BUDGETARY CONSTRAINTS. IT IS THEREFORE IN THE BEST INTERESTS OF BOTH THE U.S. AND THE SOVIET PEOPLES TO FIND WAYS TO INCREASE THE FLOW OF**

FOODSTUFFS TO THE CONSTITUENT REPUBLICS OF THE FORMER SOVIET UNION WHILE PROMOTING MARKET-BASED TRANSACTIONS AND LIMITING U.S. FINANCIAL LIABILITIES.

SEVERAL SOVIET REGIONS HAVE RECENTLY EXPRESSED INTEREST IN BARTERING SOVIET RAW MATERIALS OR COMMODITIES, SUCH AS OIL, FOR AMERICAN FOOD, SUCH AS GRAINS. WHILE THESE TRANSACTIONS ARE POTENTIALLY ATTRACTIVE, THE SOVIET COMMODITIES ARE OFTEN NOT IMMEDIATELY AVAILABLE IN SUFFICIENT QUANTITY TO PROVIDE EQUAL VALUE FOR THE AMERICAN FOODS THAT ARE NEEDED IMMEDIATELY. IN ORDER TO ENSURE THAT THE MAXIMUM AMOUNT OF FOODS AND OTHER AGRICULTURAL PRODUCTS ARE MADE AVAILABLE TO THE SOVIET PEOPLE ON A TIMELY BASIS, GUARANTEES OR OTHER ASSURANCES THAT THE BARTER WILL BE COMPLETED ARE REQUIRED.

THE GOVERNORS SUPPORT IMMEDIATE DEVELOPMENT OF A "FUTURES GUARANTEES" PROGRAM TO FACILITATE BARTER TRADES FOR U.S. COMMODITIES BY SOVIET REPUBLICS AND OTHER ORGANIZATIONS. THE DEVELOPMENT OF SUCH A PROGRAM WOULD ALLOW THE PROVISION OF CRITICALLY NEEDED FOODSTUFFS TO THE SOVIET PEOPLE ON AN EXPEDITED BASIS WITHOUT SIGNIFICANT NEW FINANCIAL EXPOSURE TO THE U.S. GOVERNMENT AND TAXPAYERS; ALLOW U.S. PRODUCERS TO SELL MORE U.S. COMMODITIES; AND FACILITATE AND ENCOURAGE THE DEVELOPMENT OF MARKET-STYLE TRANSACTIONS THROUGHOUT THE SOVIET REPUBLICS.

1.3 General Agreement on Tariffs and Trade

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

**COMMITTEE ON ECONOMIC DEVELOPMENT
AND
TECHNOLOGICAL INNOVATION**

TAB 7

- **Summary of Issues and Briefing Papers** **G**
- **E-11: National Partnership
for Affordable Housing** **H**
- **E-12: The Regulation of Insurance** **I**
- **Proposed Resolution: Interstate
Bank Branching** **J**

**COMMITTEE ON ECONOMIC DEVELOPMENT
AND
TECHNOLOGICAL INNOVATION**

Summary of Issues and Briefing Papers

ISSUE:

- ***E-11: National Partnership for Affordable Housing***

The proposed policy summarizes portions of existing (E-4 Affordable Housing) and new language is added regarding new programs and projects. Changes in support for the HOPE program (Homeownership Opportunities for People Everywhere) is aimed at increasing ownership opportunities for low and moderate-income families and persons and seeks changes in the comprehensive housing affordability strategies (CHAS) required in order to participate in federal housing and community development programs. The Governors will work with the federal government and local governments to remove unnecessary regulatory barriers to affordable housing. The HOPE program is funded in fiscal year 1992 at approximately \$350 million.

ISSUE:

- ***E-12: The Regulation of Insurance***

Pursuant to resolutions adopted in 1990 and 1991, the proposed policy establishes a comprehensive approach to the issue of insurance solvency and the preemption of state regulation of insurance. Only reform of health insurance and the establishment of a uniform product liability code are not included in its scope. The proposal supports the adoption by states of the recently established Financial Regulation Standards and Accreditation program developed by the National Association of Insurance Commissioners and calls on states to ensure adequate funding of insurance regulation. It also seeks federal action to strengthen insurance fraud penalties, calls for a supportive dialogue with the federal government to

improve state insurance regulation and opposes federal action to preempt state authority. The proposal also calls on Governors to regularly review state regulatory systems and affirms the need for increased cooperation and communication among states to promote a sound regulatory system.

ISSUE:

- ***Interstate Bank Branching (Resolution)***

The proposed resolution builds on existing policy supporting the dual banking system. The resolution states support for interstate bank branching and for the "opt-in" approach where states have the authority to establish branching within their own borders.

E- 11. NATIONAL PARTNERSHIP FOR AFFORDABLE HOUSING

11.1 PREFACE

WITH THE PASSAGE OF THE NATIONAL AFFORDABLE HOUSING ACT IN 1990, CONGRESS AND THE ADMINISTRATION HAVE APPROVED A NUMBER OF PROGRAMS AIMED AT CLOSER COOPERATION AMONG FEDERAL, STATE, AND LOCAL GOVERNMENTS WITH THE GOAL OF INCREASING THE SUPPLY OF AFFORDABLE HOUSING AND REDUCING THE NUMBER OF HOMELESS INDIVIDUALS AND FAMILIES. CONSISTENT WITH EXISTING POLICY ON AFFORDABLE HOUSING, THE NATION'S GOVERNORS PLEDGE THEIR SUPPORT TO THIS PARTNERSHIP. KEY ELEMENTS OF THIS PARTNERSHIP INCLUDE REAUTHORIZATION OF THE HOME INVESTMENT PARTNERSHIPS PROGRAM, PERMANENT EXTENSION OF BOTH THE MORTGAGE REVENUE BOND PROGRAM AND THE LOW-INCOME HOUSING TAX CREDIT, AND IMPLEMENTATION OF THE NATIONAL FAIR HOUSING ACT AMENDMENTS OF 1988. THE GOVERNORS ALSO SUPPORT THE HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE (HOPE) PROGRAM TO FURTHER OPPORTUNITIES FOR HOMEOWNERSHIP FOR LOW-INCOME PEOPLE, AND SUPPORT CONTINUING EFFORTS TO REDUCE THE COST OF AFFORDABLE HOUSING THROUGH LOWERING UNNECESSARY REGULATORY BARRIERS. AGAIN THE GOVERNORS URGE THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) TO WORK MORE CLOSELY WITH STATE HOUSING AGENCIES TO IMPLEMENT EFFECTIVE AFFORDABLE HOUSING PROGRAMS.

11.2 HOME INVESTMENT PARTNERSHIPS PROGRAM

FOR GOVERNORS, THE KEY PROGRAM IN THE NATIONAL AFFORDABLE HOUSING ACT WAS THE HOME INVESTMENT PARTNERSHIPS PROGRAM, WHICH PROVIDES FUNDS TO PARTICIPATING STATES AND LOCALITIES TO REHABILITATE EXISTING UNITS OF AFFORDABLE HOUSING, TO PROVIDE RENTAL ASSISTANCE FOR LOW-INCOME FAMILIES AND INDIVIDUALS, AND TO CONSTRUCT ADDITIONAL UNITS OF AFFORDABLE HOUSING. THE GOAL OF THE PROGRAM SHOULD BE TO PERMIT STATES THE FLEXIBILITY TO DESIGN PROGRAMS, TO LINK THE PROGRAMS WITH OTHER STATE AND FEDERAL HOUSING PROGRAMS, AND TO REQUIRE HUD TO ENTER INTO A PARTNERSHIP WITH STATES.

THE MATCHING REQUIREMENTS FOR THE HOME PROGRAM SHOULD BE FLEXIBLE IN LIGHT OF FISCAL DISPARITIES AND DIFFERING HOUSING NEEDS AMONG REGIONS OF THE COUNTRY, AND BECAUSE OF THE CURRENT FISCAL CRISIS. MATCHING FUND REQUIREMENTS SHOULD NOT BE USED TO DIRECT STATE HOUSING POLICY. FINALLY, FUNDING FOR THE PROGRAM SHOULD BE INCREASED IN ORDER TO ENCOURAGE A GENUINE PARTNERSHIP.

11.3 MORTGAGE REVENUE BONDS AND THE LOW-INCOME HOUSING TAX CREDIT

TWO PROGRAMS CONTAINED IN THE FEDERAL TAX CODE PROVIDE STATES A KEY ROLE IN INCREASING THE INVESTMENT IN AFFORDABLE HOUSING AND FORGING ESSENTIAL PARTNERSHIPS WITH THE PRIVATE SECTOR -- THE MORTGAGE REVENUE BOND PROGRAM AND THE LOW-INCOME HOUSING TAX CREDIT. BOTH PROGRAMS SHOULD BE EXTENDED PERMANENTLY TO IMPROVE THEIR VALUE AND EFFICIENCY, AND TO SOLIDIFY TODAY'S EFFECTIVE PARTNERSHIP.

11.4 FAIR HOUSING

THE FAIR HOUSING ACT AMENDMENTS OF 1988 REQUIRED STATES TO DEVELOP "SUBSTANTIALLY EQUIVALENT" FAIR HOUSING PROGRAMS OR TO TURN OVER ENFORCEMENT OF THIS ISSUE TO THE FEDERAL GOVERNMENT. APPROXIMATELY THIRTY-TWO STATES ARE STILL WORKING WITH THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO ATTAIN THIS EQUIVALENCY, AND THE GOVERNORS URGE CONGRESS AND THE ADMINISTRATION TO WORK WITH STATES TO RESOLVE THESE REMAINING CONCERNS TO EFFECTIVELY ESTABLISH THIS PARTNERSHIP.

11.5 HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE (HOPE) PROGRAM

THE GOAL OF THE HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EVERYWHERE (HOPE) PROGRAM IS TO PROVIDE HOMEOWNERSHIP OPPORTUNITIES FOR PUBLIC HOUSING RESIDENTS, AND TO INCREASE HOMEOWNERSHIP OPPORTUNITIES FOR LOW- AND MODERATE-INCOME FAMILIES AND INDIVIDUALS, WHETHER OR NOT THEY ARE LIVING IN ASSISTED HOUSING. HOPE GRANTS ALSO OFFER AN OPPORTUNITY TO BETTER UTILIZE EXISTING ABANDONED, GOVERNMENT-OWNED, SINGLE-FAMILY PROPERTIES AND MULTIFAMILY PROPERTIES EXPERIENCING FINANCIAL DIFFICULTIES. WHILE HOME FUNDS CAN BE USED FOR SUCH HOMEOWNERSHIP PROJECTS, THE HOPE PROGRAM EMPHASIZES THIS APPROACH AND PROVIDES COUNSELING AND MANAGEMENT TRAINING FOR PARTICIPANTS. AN IMPORTANT COMPONENT OF HOPE GRANTS FOR PUBLIC HOUSING IS FUNDING FOR REPLACEMENT OF THIS IMPORTANT RESOURCE, ESPECIALLY SINCE SO MANY THOUSANDS OF FAMILIES REMAIN ON WAITING LISTS FOR UNITS. FUNDING FOR HOPE GRANTS SHOULD INCREASE, BUT NOT AT THE EXPENSE OF OTHER NGA HOUSING PRIORITIES.

11.6 COMPREHENSIVE HOUSING AFFORDABILITY STRATEGY

THE NATIONAL AFFORDABLE HOUSING ACT OF 1990 REQUIRED COMPREHENSIVE HOUSING AFFORDABILITY STRATEGIES (CHAS) AS OVERALL PLANNING DOCUMENTS AT THE

STATE AND LOCAL LEVEL TO APPLY FOR A WIDE RANGE OF HOUSING FUNDS AND COMMUNITY DEVELOPMENT FUNDS, INCLUDING CDBG. TEMPORARY REGULATIONS FOR THE CHAS PERMIT STATES GREAT FLEXIBILITY FOR THE FIRST TWO YEARS OF THE PROGRAM, BUT CONTAIN PROHIBITIVELY EXPENSIVE REQUIREMENTS AFTER THAT DATE. SOME OF THE DATA REQUIRED OFTEN IS NOT AVAILABLE AND IN CERTAIN CASES OBTAINING THE DATA WOULD REQUIRE RESTRUCTURING OF EXISTING STATE PLANNING PROCESSES. REQUIREMENTS FOR THE CHAS NEED TO BE MORE FLEXIBLE, RECOGNIZING THE DIVERSITY OF NEEDS AND RESOURCES AMONG STATES, AND MORE IN LINE WITH THE STATE ROLE OF POLICYMAKER IN AFFORDABLE HOUSING, RATHER THAN HOUSING PROVIDER. WHEREVER POSSIBLE, CHAS REQUIREMENTS SHOULD PERMIT STATES TO PROVIDE EQUIVALENT DATA OR NARRATIVE INFORMATION, SINCE MUCH IMPORTANT HOUSING DATA IS DIFFICULT TO ATTAIN AND IS RAPIDLY CHANGING.

11.7 REGULATORY BARRIERS TO AFFORDABLE HOUSING

THE REPORT OF THE KEMP COMMISSION ON REGULATORY BARRIERS TO AFFORDABLE HOUSING, CHAIRED BY FORMER GOVERNOR THOMAS KEAN, INCLUDES A NUMBER OF IMPORTANT SUGGESTIONS TO THE FEDERAL GOVERNMENT AS WELL AS TO STATES AND LOCALITIES FOR REVIEWING EXISTING REGULATIONS AND FEES IMPOSED ON AFFORDABLE HOUSING PROJECTS. PROVIDING AFFORDABLE HOUSING MUST BECOME A HIGHER PRIORITY FOR ALL LEVELS OF GOVERNMENT. THE COMMISSION HAS SUGGESTED THAT HUD WITHHOLD HOUSING FUNDS FROM STATES AND LOCAL GOVERNMENTS UNTIL STEPS ARE TAKEN TO REMOVE EXISTING REGULATORY BARRIERS, BUT THE GOVERNORS OPPOSE THIS APPROACH. THE GOVERNORS INSTEAD CALL FOR HUD TO WORK WITH STATES IN REVIEWING THE PROBLEM TO DEVELOP AN APPROACH THAT RETAINS ADEQUATE LOCAL CONTROL, RESPONDS TO EXISTING FEDERAL MANDATES, AND RESPECTS OTHER COMPETING STATE AND NATIONAL PRIORITIES, SUCH AS ENVIRONMENTAL PROTECTION. THE NATION'S GOVERNORS PLEDGE THEIR SUPPORT TO JOINT EFFORTS WITH HUD AND LOCAL GOVERNMENTS TO REDUCE REGULATORY BARRIERS.

E- 12. THE REGULATION OF INSURANCE

12.1 PREFACE

THE NATION'S GOVERNORS REAFFIRM EXISTING POLICY STATING OPPOSITION TO FEDERAL PREEMPTION OF STATE REGULATION OF THE INSURANCE INDUSTRY. THE GOVERNORS ALSO REAFFIRM THEIR COMMITMENT TO AN EFFECTIVE SYSTEM OF STATE INSURANCE REGULATION AIMED AT THE PROTECTION OF POLICYHOLDERS AND CLAIMANTS THROUGH THE SAFETY AND SOUNDNESS OF INSURANCE COMPANIES. TODAY'S RAPIDLY CHANGING FINANCIAL MARKETS AND GLOBAL COMPETITION ARGUE FOR INCREASED STATE EFFORTS TO MONITOR THE FISCAL HEALTH OF INSURANCE COMPANIES, TO PROVIDE ADEQUATE CONSUMER SAFEGUARDS, AND TO EFFECTIVELY AND EFFICIENTLY REGULATE THIS KEY INDUSTRY. REFORM OF HEALTH INSURANCE SHOULD BE PURSUED ACCORDING TO THE GOVERNORS' POLICY ON HEALTH CARE REFORM.

12.2 FINANCIAL STANDARDS AND STATE ACCREDITATION

THE ESTABLISHMENT OF MINIMUM FINANCIAL REGULATION STANDARDS BY THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS (NAIC) IN 1989 AND THE CREATION OF THE STATE CERTIFICATION PROGRAM IN 1990 TO ENCOURAGE STATE ADOPTION OF THESE STANDARDS ARE IMPORTANT STEPS TOWARD IMPROVED REGULATION. THE ENCOURAGING RESPONSE BY THE STATES TO NAIC'S MINIMUM REGULATORY STANDARDS DEMONSTRATES THAT STATES ARE PREPARED TO MEET THE CHALLENGES POSED BY A RAPIDLY CHANGING INDUSTRY, AND THAT STATES ARE COMMITTED TO AN EFFECTIVE AND EFFICIENT SYSTEM OF COOPERATIVE REGULATION. THE NATION'S GOVERNORS SUPPORT NAIC'S FINANCIAL REGULATION STANDARDS AND ACCREDITATION PROGRAM AS AN IMPORTANT STEP TOWARD REGULATORY CONSISTENCY IN THIS AREA AND A MEANS OF ENHANCING THE EFFECTIVENESS OF STATE REGULATION WHILE PRESERVING THE STRENGTHS OF THE STATE INSURANCE REGULATION SYSTEM.

12.3 ISSUES FOR CONTINUING STUDY AND REFORM

IMPORTANT ISSUES REMAIN IN REGULATING THE INSURANCE INDUSTRY TODAY. THESE INCLUDE ESTABLISHING ADEQUATE CAPITAL AND SURPLUS REQUIREMENTS THROUGH SUCH DEVICES AS RISK-BASED CAPITAL; ENSURING THE ADEQUACY OF THE CURRENT GUARANTY FUND SYSTEM; IMPROVING EFFICIENCY IN THE INSURANCE RECEIVERSHIP PROCESS; STRENGTHENING INTERSTATE COOPERATION BY EXAMINING SUCH MECHANISMS AS INTERSTATE COMPACTS; REGULATING HOLDING COMPANIES AND AFFILIATE COMPANIES;

AND MONITORING SURPLUS LINES AND REINSURANCE, ESPECIALLY NON-U.S. INSURANCE FIRMS.

THE GOVERNORS CALL ON STATE INSURANCE OFFICIALS TO CONTINUE THEIR EFFORTS TO DEVELOP, MONITOR, AND IMPROVE MODEL LAWS AND REGULATORY PROCEDURES AS NEEDED TO RESPOND TO THESE ISSUES AND TO STRENGTHEN STATE INSURANCE REGULATION.

CONCERN ALSO HAS BEEN EXPRESSED OVER THE ANTI-TRUST EXEMPTION FOUND IN THE MCCARRAN-FERGUSON ACT. THE GOVERNORS ARE INTERESTED IN THE ABILITY OF THE INSURANCE INDUSTRY TO OFFER A WIDE ARRAY OF SAFE AND RESPONSIVE CHOICES FOR CONSUMERS. CURRENTLY THERE ARE CONFLICTING VIEWS ON THE IMPACT OF THE ANTI-TRUST EXEMPTION ON COMPETITION IN THE INDUSTRY. AS THIS ISSUE IS STUDIED FURTHER, THE GOVERNORS WANT AN ASSURANCE THAT ANY PROPOSED CHANGES CONTINUE TO PROMOTE COMPETITION AND DO NOT THREATEN THE VIABILITY OF SMALLER INSURANCE COMPANIES.

12.4 FINANCIAL RESOURCES

TODAY'S ECONOMIC CONDITIONS AND THE FISCAL SITUATION IN MOST STATES MAKE ISSUES OF RESOURCE ALLOCATION CRITICAL. HOWEVER, THE NECESSARILY COOPERATIVE NATURE OF STATE REGULATION OF INSURANCE COMPANIES THAT OFTEN OPERATE IN MORE THAN ONE STATE REQUIRES THAT ADEQUATE RESOURCES BE PROVIDED FOR REGULATION IN EACH STATE. STATES SHOULD SERIOUSLY CONSIDER ALL AVAILABLE OPTIONS TO ENSURE ADEQUATE FUNDING OF INSURANCE REGULATION.

12.5 FEDERAL ROLE

12.5.1 INSURANCE FRAUD. PREVENTION, DETECTION, AND PUNISHMENT OF FRAUD COMMITTED AGAINST INSURANCE COMPANIES BY PERSONS WITHIN THE INDUSTRY HAVE LONG BEEN THE DUAL RESPONSIBILITY OF STATE AND FEDERAL GOVERNMENTS. AT BOTH LEVELS, CRIMINAL AND CIVIL REMEDIES EXIST. HOWEVER, THE GROWING INTERSTATE AND INTERNATIONAL NATURE OF INSURANCE FRAUD HAS OUTSTRIPPED THE ABILITY OF STATE AND FEDERAL LAW ENFORCEMENT OFFICIALS TO PROTECT CONSUMERS FROM CRIMINAL ELEMENTS IN THE INDUSTRY. STATE LAW ENFORCEMENT EFFORTS DO NOT EASILY CROSS STATE LINES, AND EXISTING FEDERAL STATUTES DO NOT ADDRESS SEVERAL IMPORTANT FORMS OF INSURANCE FRAUD.

IN THE SPRING OF 1991, NAIC PROPOSED TO CONGRESS A BILL TO MAKE INSURANCE FRAUD A FEDERAL CRIMINAL OFFENSE, SUBJECTING OFFENDERS TO STIFF PENALTIES. IN RESPONSE TO THE NAIC PROPOSAL, BOTH THE SENATE AND THE HOUSE OF REPRESENTATIVES HAVE APPROVED MEASURES THAT INCORPORATE KEY ELEMENTS OF THE NAIC PROPOSAL INTO FEDERAL CRIMINAL STATUTES.

THE NATION'S GOVERNORS SUPPORT THE EFFORTS OF CONGRESS TO CLOSE THE EXISTING LOOPHOLES IN FEDERAL LAW AND ENSURE THAT INSURANCE CONSUMERS HAVE FULL PROTECTION AGAINST CRIMINAL ACTIVITIES IN CONNECTION WITH THE BUSINESS OF INSURANCE.

12.5.2 STATE-FEDERAL DIALOGUE. STATE REGULATION OF SUCH A KEY NATIONAL AND INTERNATIONAL INDUSTRY AS INSURANCE CAN BENEFIT FROM AN OPEN DIALOGUE WITH THE FEDERAL GOVERNMENT. UNFORTUNATELY, THAT HAS NOT BEEN THE NATURE OF A NUMBER OF STATE-FEDERAL DISCUSSIONS ON INSURANCE REGULATION, ALTHOUGH SOME GOOD HAS COME EVEN FROM THESE CONFRONTATIONAL DISPUTES. THE CURRENT SYSTEM OF STATE GUARANTY FUNDS BEGUN IN 1968 GREW RAPIDLY, IN PART DUE TO CONGRESSIONAL HEARINGS ON THAT TOPIC. CURRENT STATE EFFORTS TO ADOPT MORE EFFECTIVE FINANCIAL STANDARDS HAVE BEEN FURTHERED BY CONGRESSIONAL HEARINGS ON THE ISSUE. STATE AGENCIES AND NAIC CONSISTENTLY HAVE BEEN SUPPORTIVE OF FEDERAL REQUESTS FOR INFORMATION ON INSURANCE REGULATION AND IN MANY INSTANCES HAVE DEVELOPED AN EFFECTIVE PARTNERSHIP. YET THE TONE OF SOME OF THESE REQUESTS ALSO HAS BEEN CONFRONTATIONAL. THE NATION'S GOVERNORS SEEK A SUPPORTIVE AND CONTINUING DIALOGUE WITH THE FEDERAL GOVERNMENT AIMED AT IMPROVING STATE REGULATION OF THE INSURANCE INDUSTRY.

SUCCESSFUL STATE EFFORTS TO RESPOND TO RECENT INSOLVENCIES AND TROUBLED COMPANIES DEMONSTRATE THE EFFECTIVENESS OF STATE REGULATION OF THE INSURANCE INDUSTRY. IN ADDITION, A LONG HISTORY OF POLICYHOLDER PROTECTION SUPPORTS STATE CLAIMS OF COMPETENT, PROFESSIONAL REGULATION. RECOMMENDATIONS AND SUGGESTIONS TO STATES FROM THE FEDERAL GOVERNMENT TO IMPROVE THE REGULATORY SYSTEM ARE WELCOME. HOWEVER, FEDERAL ACTIONS TO PREEMPT STATE AUTHORITY AND TO IMPOSE A STRONGER FEDERAL ROLE IN INSURANCE REGULATION ARE UNWARRANTED. FURTHER, THE FEDERAL GOVERNMENT SHOULD TAKE NO ACTION THAT WOULD DIRECTLY OR INDIRECTLY AFFECT THE ABILITY OF STATES TO RAISE REVENUE THROUGH ASSESSMENTS, TAXES, OR FEES LEVIED AGAINST INSURANCE OPERATIONS WITHIN THEIR BORDERS.

12.6 STATE RÔLE

STATE RESPONSIBILITIES INCLUDE ESTABLISHING AND ENFORCING ADEQUATE FINANCIAL STANDARDS AND CONSUMER PROTECTIONS, UPGRADING AND IMPROVING REGULATORY SYSTEMS, CONTINUING STUDY AND REFORM, PROVIDING ADEQUATE FINANCIAL RESOURCES FOR EFFECTIVE REGULATION, AND PROVIDING ADEQUATE CRIMINAL SANCTIONS. THE GOVERNORS, IN CONSULTATION WITH THEIR STATE INSURANCE OFFICIALS, SHOULD REGULARLY REVIEW THE EFFECTIVENESS OF STATE REGULATORY SYSTEMS FOR THE PROTECTION OF STATE POLICYHOLDERS AND STATE TAXPAYERS.

THE GOVERNORS CALL ON STATES TO SUPPORT THE STATUTORY AMENDMENTS AND REGULATORY ENHANCEMENTS NECESSARY TO ENSURE STATE ACCREDITATION UNDER THE NAIC PROGRAM. THE GOVERNORS FURTHER AFFIRM THAT INCREASED COMMUNICATION AND COOPERATION AMONG STATES WILL PROMOTE A HEALTHY AND SOUND STATE REGULATORY SYSTEM THAT PROTECTS POLICYHOLDERS AND CLAIMANTS THROUGH A SOUND AND COMPETITIVE INSURANCE INDUSTRY.

RESOLUTION*

INTERSTATE BANK BRANCHING

THE NATION'S GOVERNORS REAFFIRM THEIR STRONG SUPPORT FOR THE CONTINUATION OF THE DUAL BANKING SYSTEM. THE GOVERNORS ALSO URGE CONGRESS AND THE ADMINISTRATION TO PERMIT NATIONAL BANKS TO BRANCH ACROSS STATE LINES INTO STATES THAT HAVE ADOPTED LEGISLATION PERMITTING SUCH BRANCHING. THIS "OPT IN" APPROACH TO INTERSTATE BRANCHING IS MOST CONSISTENT WITH THE DUAL BANKING SYSTEM AND PROVIDES THE GREATEST SAFEGUARDS THAT THE INDUSTRY WILL REMAIN RESPONSIVE TO BUSINESS AND CONSUMER NEEDS. FURTHER, IT PROVIDES GREATER ASSURANCE THAT STATE LAWS, REGULATIONS, AND PROCEDURES THAT APPLY TO NATIONAL BANKS WILL REMAIN IN PLACE AND NOT RESULT IN ANY UNINTENDED COMPETITIVE ADVANTAGE FOR EITHER STATE OR NATIONAL BANKS.

INTERSTATE BANKING HAS DEVELOPED ON THIS "OPT IN" BASIS, AND STATES HAVE DEMONSTRATED THEIR SUPPORT FOR CONTINUING TO EXPAND THIS CONCEPT. INTERSTATE BRANCHING WILL PROCEED IN A SIMILAR FASHION, WITH A FEW STATES TAKING THE LEAD, LEARNING FROM EXPERIENCE WHAT ARRANGEMENTS ARE MOST EFFECTIVE, AND PROVIDING MODELS FOR OTHER STATES TO FOLLOW. CONTRARY TO ASSERTIONS THAT THE "OPT IN" APPROACH WILL YIELD FIFTY DIFFERENT SETS OF REQUIREMENTS, MOST STATE PROGRAMS ARE RELATIVELY CONSISTENT ACROSS THE NATION, USUALLY BASED ON FOUR OR FIVE MODELS STEMMING FROM SIGNIFICANT DIFFERENCES IN SIZE AND ECONOMIC STRUCTURE AMONG THE FIFTY STATES.

* based upon Policy A-2

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

COMMITTEE ON ENERGY AND ENVIRONMENT

TAB 8

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COMMITTEE ON ENERGY AND ENVIRONMENT

Summary of Issues and Briefing Papers

ISSUE:

- ***D-17: Superfund Policy (Hazardous Waste Management)***

The proposed policy is unchanged from the existing language but has been reorganized as an individual policy statement and has been retitled. Sections of the former policy, the Hazardous Waste Management policy which deals with other hazardous waste issues has been compiled into a separate policy (D-36).

The nation's Governors urge Congress to reauthorize and extend for 5 years, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund) in order that Congress could address relevant hazardous waste issues. The proposed policy aims at ensuring a more equitable distribution of hazardous waste management facilities and compensating waste importing states for the risks and costs they incur. The amendment seeks authority for states to impose differential fees on imported waste and to collect generator fees to be used to support pollution prevention programs. The policy does not support the use of outright hazardous waste import bans, but recognizes that limited bans may be appropriate when the environmentally preferred technology also exists in the exporting state.

The policy also recommends that to lessen administrative burdens and expedite hazardous waste cleanups, state cleanups should be exempted from RCRA permits provided requirements of state and federal laws are satisfied. All states will benefit from the generator fee and permit exemption amendments. The fiscal impact of the import fee will be positive for importing states and neutral for exporting states since industry will be paying for the fee.

ISSUE:

- **D-23: *Water Resource Management (Wetlands)***

The proposed new policy consolidates and incorporates parts of several NGA's Energy and Environment policies that would then be deleted. The new policy recommends that water be managed comprehensively on a geographic basis rather than through categories of water. With regards to wetlands, the policy advocates development of a comprehensive wetland protection strategy stressing the need for integration of wetland management to recognize regional variance in the resource and in particular, to recognize the unique circumstances in the state of Alaska. The policy recognizes that the state assumption of the wetlands program must be a cornerstone of federal policy. The policy recommends a funding of at least \$2.1 billion annually for state revolving funds and \$400 million over a four-year period for nonpoint source control. The policy would not significantly increase state funding requirements and is consistent with the current budget agreement.

A comprehensive new policy on water resource management includes preservation, conservation and management of wetlands. The policy urges the administration to consider public comments and changes to a federal wetlands manual that set forth guidelines for identifying and delineating wetlands. The manual must be scientifically valid, legally defensible and workable in the field. A complete analysis of the impact of the manual requires field testing period through spring to evaluate indicators of hydrology which is the movement of water through the ground that indicates whether a site is a wetland.

The Governors will consider changes to the existing NGA wetlands policy and recommends legislative changes to the federal program that regulates wetlands (Section 404 of the Clean Water Act). An NGA staff-level task force on wetlands protection is developing recommendations on ways to preserve, conserve and manage wetlands and has identified administrative steps, consistent with NGA policy that might be taken to improve the implementation of the federal wetlands program.

- **D-36: *Waste Management Policy (Solid Waste)***

The existing NGA waste management policies are reorganized to clarify NGA's recommendations on various waste types. The amendments clarify NGA's position that states should be authorized to impose differential fees on the importation of solid waste and that such authority should not be conditioned upon EPA approval of a state solid waste management plan. The proposed fee structure would involve a five-year transition period during which fees would be limited by an escalating cap. The policy supports selective bans on imports of solid waste and provides that

after the transition period, the fee a state could levy on imported waste would be limited. Recyclable and recycled products would be exempt from any import fees unless such product are transported for disposal.

Under the proposal, EPA's role in state plan review would be limited to a check for completeness based on elements outlined in the policy. Should a state fail to submit a complete plan, EPA would assume permit and enforcement activities within the state. The fiscal impact of the amendments will be positive for importing states while local governments or waste management companies will pay more in waste exporting state. The limited role by EPA in state planning should help to contain state costs for that activity.

ISSUE:

- ***Resolution: Comprehensive National Energy Policy (Based upon D-44)***

The proposed resolution urges the federal government to develop a comprehensive national energy policy that supports the environmentally acceptable development of domestic energy resources and emphasizes energy conservation and efficiency in order to significantly reduce the nation's dependence on foreign oil.

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.

BRIEFING PAPER:

Guam Energy Office

The Guam Energy Office (GEO) expresses support for the policy resolution. The office agrees that U.S. reliance on imported oil at the current and future level poses serious risk related to national security. Concentration should be carried out in tapping domestic resources such as coal and natural gas. The U.S. deficit trade will be greatly reduced while more jobs will be created that will spur the national economy and perhaps eliminate recession. GEO supports NGA's policy position on a concurrent aggressive energy conservation program and a balance between energy and environment concerns. GEO recommends support of NGA's recommended actions on renewable energy sources in terms of continuing research and development of solar, biomass, wind, ocean thermal, hydroelectric and tidal energy. Guam's salvation from imported fossil fuels is dependent on the use of alternative

but cost-effective and affordable use of renewable alternate energy such as solar energy which is abundant on island.

ISSUE:

- ***The Territorial Sea and Contiguous Zone Extension Act of 1991***

The bill would extend the territorial sea of the United States from 3 to 12 nautical miles and the contiguous zone from 12 to 24 nautical miles for domestic as well as international purposes. The bill will also make conforming amendments to several U.S. titles and laws affected by the bill, however, the bill is not intended to alter the authority of the States nor the Federal Government under the Submerged Land Act nor the Magnuson Fishery Conservation and Management Act.

Congress' reason for the enactment of the legislation is that the United States can best protect its interests in the territorial sea through the application of U.S. laws through out the extended territorial sea. However, the question of State-Federal relations in the extended territorial sea is not addressed in the bill. The bill maintains that the United States' authority over its territorial sea is limited in international law by the granting to foreign vessels of the right of innocent passage and transit passage through international straits.

BRIEFING PAPERS:

Guam Coastal Management Program (Bureau of Planning)

The bill, if passed, will do damage to Guam's claims under the Commonwealth Act, in that, it will specifically give rights to the Federal Government in an area, while within the 200 EEZ, is legally separable from that larger area.

Department of Agriculture

Section 3 and 5 were viewed as arbitrary and incongruous on the part of the U.S as it is not a signatory to the U.N. Convention on the Laws of the Sea. Since Guam is asserting its claim over the living and non-living resources through its self-determination negotiations with the federal government, it would be to Guam's benefit if the language of the bill is made clear that the Act does not apply to Guam.

University of Guam

The impact of the bill on Guam would center on the issue of whether Guam or the U.S. controls activities in the EEZ around Guam and the result might make it more

difficult for Guam to gain federal recognition of the Island's jurisdiction over EEZ waters.

The Contiguous Zone appears simply to give the Federal authorities an additional 12 miles to apprehend a vessel which has violated some regulations of the Territorial Sea. The draft bill does not change Guam's control and management of its resources within three miles of shore or provision under the Magnuson Fishery Conservation and Management Act which states that the federal government, through the Department of Commerce and various Regional Fisheries Council regulates the management, conservation and allocation of resources which exist between three miles and 200 miles of shore.

Economically, the bill is neutral but there maybe political, cultural or nationalistic reasons to support or oppose the bill. A point that Guam does not generate any significant value from the fishery resources caught within the EEZ could be resolved by enforcing indirect taxation other than the license fee required for fishing within the EEZ. The Legislature should enact taxes such as the 2 cents per gallon fuel tax on commercial fishing vessels which could generate around \$1 million a year in tax revenue. Even if Guam does not directly control the EEZ, by virtue of being the only first class port in the region, it can exercise significant control over what goes on in the EEZ.

ISSUE:

- ***The Coastal States Extension Act of 1991***

The purpose of the bill is to extend State's jurisdiction over submerged lands and to allow States to grant mineral leases in the extended area. The Submerged Lands Act will be amended in conformance with the passage of the Territorial Sea and Contiguous Zone Act of 1991.

BRIEFING PAPERS:

Guam Coastal Management Program (Bureau of Planning)

Because the bill only amends the Submerged Lands Act and because the U.S. territories are not, by definition, included in the Act, the bill would not have any effect on Guam's claims. The bill is designed only for entities which have "entered the Union" before a certain date.

Department of Agriculture

The department questions the effect of the bill on non-states which are the territories, U.S. possessions and commonwealths. The language of the bill should clarify its effect on these mentioned entities.

ISSUE:

- ***Geologic Mapping***

The proposed policy notes the importance of a geologic map information data base for public and private sector land use planning decisions and expresses the need to expand and update coverage. It recommends that this be accomplished through a partnership between state geological surveys and the U.S. Geologic Survey. The program must be sufficiently funded at both federal and state levels to complete map coverage.

BRIEFING PAPER:

Bureau of Planning

The Government of Guam, through the Bureau of Planning is presently developing its Geographic Information System (GIS), wherein, hand-drawn maps are converted to computerized system with information data converted to format, shared by different agencies for their own applications. The computerized maps will be able to provide vital information necessary for land use planning, determination of locations for schools, waste disposal sites, emergency facilities, highway routing, utility lines, updating of zoning and tax maps as well as locating private and public properties and analyzing socio-economic and census data.

The Bureau recognizes the positive effect the policy will have on Guam's newly developed GIS Program and fully recommends support of the policy.

D-17. HAZARDOUS WASTE MANAGEMENT SUPERFUND POLICY

17.1 Superfund PREFACE **[17.2]**

The Governors believe that the protection of public health and the environment requires a major and very long-term commitment from businesses, the federal government, and the states to clean up abandoned and leaking hazardous waste sites, spills, and other releases of hazardous and toxic substances. As the next step in this commitment, the Governors urge Congress to expeditiously reauthorize and extend for five years the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund). In reauthorizing this important law, Congress should address the following issues.

- 17.1.1 Response Trust Fund.** The Governors urge Congress to reauthorize and expand the Hazardous Substance Response Trust Fund. The fund should be increased ~~to at least \$9 billion~~ so that it will be adequate to address the sites on the national priority list and new sites, including hazardous waste facilities that may close before final RCRA permits are issued. At least one-fifth of the total trust fund amount should be made available each year. To develop additional revenues for the Superfund, the Governors recommend that the petroleum and chemical feedstock taxes, which are the mainstays of the existing fund, be increased. In developing any other revenue sources, the Governors favor taxes that create economic incentives for minimization and proper disposal of hazardous wastes as a preferred alternative to increasing the general fund share of the Superfund program beyond the current level.
- 17.1.2 State Response Funds.** It is imperative that the states have adequate resources to carry out their responsibilities under Superfund and to respond to situations in the absence of EPA action. CERCLA should be amended to repeal any preemption of the development or use of state trust funds, including those based on chemical feedstock and waste-end taxes, for purposes related to environmental protection and restoration.
- 17.1.3 State Role.** The Governors believe that centralized decisionmaking has unnecessarily slowed the Superfund program, and that public health protection demands quicker response actions. The remedial action program is particularly cumbersome and should be streamlined. The Superfund program can be made more efficient if the states and regional offices are given larger decisionmaking authorities than they currently have. In particular, states should have the option to take the lead role in planning and implementing Superfund response actions, with a right of first refusal to assume the lead at particular sites. State concurrence should be required before EPA or responsible parties undertake any removal or remedial action under CERCLA. The law should allow states to develop a statewide generic response program for sites on the national priorities list, and the administrator of EPA should be required to approve such programs within a reasonable period of time or show cause why he has not done so. Once this program has been approved, the state should be able to assume full and complete responsibility for management of the cleanup effort at national priorities list sites where it chooses to take the lead. Such responsibility should include establishing priorities, undertaking remedial investigations or feasibility studies, selecting contractors, conducting removals or remedial cleanups, and similar actions.
- 17.1.4 Cost Recovery.** The Governors urge Congress to provide clear guidance to EPA to clean up hazardous sites as the first priority and negotiate with responsible parties second. If negotiations have not succeeded after a reasonable period, litigation is appropriate. The current practice of the state and the federal government litigating separately to recover their respective share of cleanup costs is duplicative and wasteful. It should be made clear that states already have a cause of action to recover costs at sites where they have contributed matching funds, and the states and EPA should be directed to agree that one or the other will have the lead in litigation for full recovery of both the state and federal shares.

[Numbers in brackets reflect former policy numbers]

- 17.1.5** **Cleanup Standards.** EPA, the states, and responsible parties have been hampered in site cleanup decisions by the lack of a clear definition of "how clean is clean." EPA should be directed to work in close cooperation with the states to develop criteria or guidelines to be included in the national contingency plan on the level of remedial action that is acceptable to protect public health and the environment. These criteria should reflect considerations such as relevant and appropriate federal and state standards, the hazardous or toxic materials involved, the environmental pathways that could lead to human exposure or environmental damage, the population at risk at a particular site, and the cost-effectiveness of optional cleanup strategies.
- 17.1.6** **State Program Grants.** The Governors believe that Superfund cleanup will be faster and more effective if the states have adequate capacity to plan and implement the program. To develop such capacity, the fund should be used to support grants to states for program development, site identification and assessment, enforcement, oversight, and administrative expenses at all sites.
- 17.1.7** **State Match.** The Governors believe there is no justification for requiring a larger state match for Superfund cleanup at sites that have been publicly owned or operated than at privately owned sites. CERCLA should be amended to provide that the match required against cleanup actions is 10 percent at all sites, whether or not owned or operated by the state or a political subdivision. The 10 percent state share for sites owned or operated by states or political subdivisions should be considered a final settlement of all liability under CERCLA for the state or political subdivision. In addition, the Governors believe that Congress should liberalize conditions under which states may generate credits that can be used to offset the state match requirement for remedial actions. In particular, the period for which state cleanup expenditures can be credited should extend from January 1, 1978, to the date a cooperative agreement was signed or cleanup commenced at a particular site. Such credits should be usable against further cleanup at that site or at other sites in the same state.
- 17.1.8** **Operation and Maintenance Expenses.** CERCLA should be amended to provide that the response trust fund should be used to support operation and maintenance activities for a specified period at sites after cleanup actions have been taken commensurate with the expected operation and maintenance life. It should be clear that these expenditures are subject to the same state match requirements as cleanup actions.
- 17.1.9** **Postclosure Liability.** The Governors believe that the postclosure liability fund, established to provide monitoring and maintenance at hazardous waste sites beginning five years after closure, is not adequately funded and should be at least doubled in size. In addition, the law should be amended to extend the liability period for owners or operators from five to at least thirty years after closure. EPA also should be directed to review insurance requirements for owners and operators of hazardous waste facilities to ensure there are adequate resources available to perform monitoring and take any corrective actions necessary during the thirty years after closure. For purposes of cost recovery, the Superfund and states that have contributed matching funds should be considered priority claimants in bankruptcy proceedings against the owner or operator of any site or any other responsible party who declares bankruptcy before all closure requirements have been satisfied.
- 17.1.10** **Natural Resource Damage Claims.** The three-year window provided by CERCLA for states to file claims for damages for natural resources damage expired before the Department of the Interior published guidelines necessary to file such claims. The Department of the Interior should be directed to expeditiously develop such guidelines, and funds should be appropriated for that purpose. In addition, the window of opportunity for states to file such claims should be extended to at least five years after the date of enactment of the CERCLA reauthorization.
- 17.1.11** **Federal Sites.** Cleanup of federal sites should be expedited. EPA should have responsibility for ensuring that remedial actions at federal sites are consistent with the national contingency plan. Federal site cleanups should not be financed by the trust fund.
- 17.1.12** **Petroleum Exemption.** Congress should affirm that, notwithstanding the "petroleum exemption," sites containing listed hazardous substances are within the scope of CERCLA coverage. This amendment is directed to the leaking underground storage tank problem. It is not the intent of the Governors that CERCLA apply to oil production and refining activities.

17.1.13 **Voluntary Cleanups.** The Governors believe that voluntary cleanup activities by responsible parties
[17.2.13] can make a significant contribution toward the nation's hazardous waste cleanup goals. To foster such voluntary cleanups, CERCLA should provide a mechanism through which responsible parties may negotiate and sign cleanup agreements with the federal government without having to admit to causing an "imminent and substantial endangerment." These agreements must be fully enforceable and should have clauses allowing cleanup negotiations to be reopened in the event additional environmental risks are discovered that were unknown at the time the original cleanup agreement was developed, or in the event a remedial action selected proves to be inadequate to protect human health and the environment. If negotiations with responsible parties do not result in acceptable cleanup agreements within a reasonable period, EPA should undertake regular cleanup, enforcement, and cost recovery actions. This recommendation is not intended to have any effect on other parties' suits against potentially responsible parties.

17.1.14 **Land Disposal.** The Governors recognize that CERCLA can play an essential role in the development,
[17.2.14] application, and siting of alternative hazardous waste disposal technologies. To that end, the Governors believe that EPA should consider alternative hazardous waste disposal technologies -- for both on-site and off-site application -- as the preferred means of disposal with regard to CERCLA remedial actions. Additionally, the Governors believe that CERCLA should be amended to prohibit deep-well injection and land burial of hazardous wastes removed from Superfund remedial action sites unless, consistent with P.L. 98-616, EPA determines that such disposal is acceptable under specified circumstances that protect human health and the environment.

17.1.15 **Capacity Assurance.** The Governors recognize the importance of ensuring that adequate capacity
[17.2.15] exists to safely treat or dispose of the nation's hazardous waste. The implementation of the capacity assurance requirements under the Superfund Amendments and Reauthorization Act is an important tool in achieving this goal. However, since states are limited in their legal ability to control the interstate transportation and handling of hazardous wastes, and since the act provided very ambitious timetables for states to develop the necessary plans and agreements, the Governors recommend that states acting reasonably and in good faith to develop necessary disposal capacity and entering into negotiations by the October 1989 deadline toward a mutual agreement with states to which they may export waste, should not be penalized by loss of remedial action funding.

17.2 **Superfund and RCRA** [17.3]

The Governors applaud Congress for approving the 1986 Superfund Amendments and Reauthorization Act (SARA) and look forward to continuing to work with Congress and EPA to ensure the timely and environmentally sound cleanup of the nation's hazardous waste sites.

The Governors strongly believe that Superfund and RCRA need to be administered in a coordinated manner to achieve the necessary protections for the public health and the environment while at the same time ensuring a workable and cost-effective waste disposal program. Although the 1986 amendments made a number of improvements to the Superfund program, they also pose new problems that must be addressed in order to achieve the expeditious cleanup of hazardous waste sites.

The 1986 amendments include requirements for off-site disposal facilities receiving materials from Superfund sites. EPA has recently developed draft regulations for the National Contingency Plan (NCP) to implement the new provisions. EPA has clarified some issues that may have presented serious problems to implementing cleanups at Superfund sites. EPA has recognized that CERCLA waste includes "nonhazardous wastes," as defined by RCRA, and that these nonhazardous wastes can go to non-RCRA facilities that are in compliance with other applicable environmental laws.

The Governors support EPA on this decision and urge the agency to aggressively pursue implementing these rules. In the interim, the Governors call upon EPA to issue revised policy reflecting the proposed language of the NCP. This will allow projects that are currently stalled by this issue to continue.

The decision will preserve the valuable and shrinking capacity at the existing disposal facilities. It should also help to reduce the highly inflationary costs of cleanups and also employs sound environmental judgement.

The Governors also urge EPA to expedite the establishment of a national tracking and reporting system to provide the states with timely and current information pertaining to acceptable disposal facilities. Because RCRA facilities may move in and out of compliance from month to month, states often do not know whether suitable disposal facilities are available. The lack of a workable national

system for identifying acceptable disposal facilities has led to unnecessary delays in cleanup activities as well as increased costs.

A national tracking and reporting system would help to address these problems by providing states with current listings of acceptable disposal facilities. At the same time, an off-site disposal policy allowing the disposal of nonhazardous wastes at nonhazardous facilities would help reduce overall cleanup costs, retain limited RCRA capacity, and still provide the appropriate level of environmental and health protection.

In order to help states meet the federally mandated requirements of the community right-to-know and emergency response provisions of the act in the manner consistent with their existing programs and laws, the Governors support the following:

- Federal funding for states to assist local and regional governmental bodies (counties, municipalities, regional planning groups) charged with preparing local emergency response plans and collecting and disseminating hazardous substances data.
- The U.S. Environmental Protection Agency should allow states to use their existing chemical reporting forms, providing that the forms meet minimum requirements, to implement provisions of Section 312 Emergency and Hazardous Chemical Inventory reporting.
- EPA also should consider the development of a national, uniform material safety data sheet that can be used by all states and local government. This would relieve reporting burdens and facilitate computerization of data.
- The Federal Emergency Management Agency (FEMA) should allow states to use federal emergency management assistance funds in the implementation of Title III. Currently FEMA provides 50 percent matching funds to state and local jurisdictions to support essential personnel and administrative expenses; however, it does not allow states to use FEMA-funded personnel to work on Title III implementation.
- Increased flexibility in the manner in which states may manage Section 305(a) emergency training grants. Section 305(a) of the act authorizes FEMA to provide \$5 million annually to states for fiscal 1987, 1988, 1989, and 1990 to support hazardous materials emergency response training programs. In awarding the 1987 grants, FEMA placed restrictions on the use of the funds regarding staffing and course development. The Governors support the following provisions: states should be allowed to use grants to support staff involved in grant administration and the operation and development of training programs; states should be allowed to use up to 50 percent of the training grant for region or state-unique courses or permanent equipment; and states should be able to certify their own course instructors.

D-23. WATER RESOURCE MANAGEMENT

- 23.1 Principles**
- 23.2 Grant Funding**
- 23.3 Clean Water Infrastructure**
- 23.4 Point Sources**
- 23.5 Nonpoint Sources**
- 23.6 Groundwater**
- 23.7 Stormwater**
- 23.8 Drinking Water**
- 23.9 Wetlands**

23.9.1 PREFACE. WETLANDS IN THEIR NATURAL STATE SERVE IMPORTANT ECOLOGICAL AND SOCIOECONOMIC FUNCTIONS THAT ARE EITHER COSTLY OR IMPOSSIBLE TO REPLACE. THEY PROVIDE HABITAT FOR WILDLIFE, MITIGATE FLOODING, AND MAINTAIN WATER QUALITY BY FILTERING OUT SEDIMENTS AND OTHER POLLUTANTS.

THE GOVERNORS RECOGNIZE THE NEED FOR IMPROVED PROTECTION OF THE NATION'S WETLANDS AND SUPPORT DEVELOPMENT OF A COMPREHENSIVE NATIONAL WETLANDS PROTECTION STRATEGY TO PROMOTE PRESERVATION, CONSERVATION, AND WISE MANAGEMENT OF THIS VITAL RESOURCE. THE GOVERNORS BELIEVE A COMPREHENSIVE STRATEGY SHOULD INVOLVE A BROAD RANGE OF BOTH REGULATORY AND NONREGULATORY PROGRAMS, AND A WETLANDS RESEARCH PROGRAM WITH KEY EMPHASIS ON DEVELOPING EFFECTIVE METHODS OF WETLANDS RESTORATION AND CREATION AND OF ASSESSING THE FUNCTIONS AND VALUES OF WETLANDS.

THE GOVERNORS BELIEVE THIS COMPREHENSIVE STRATEGY SHOULD REFLECT FIVE GENERAL PRINCIPLES.

- FIRST, PROTECTION EFFORTS SHOULD BE COHERENT AND COORDINATED TO MAKE THE MOST EFFICIENT USE OF SCARCE RESOURCES AND MINIMIZE INCONSISTENCY AMONG FEDERAL, STATE, AND LOCAL PROGRAMS.**
- SECOND, WETLANDS MANAGEMENT SHOULD BE INTEGRATED WITH OTHER RESOURCE MANAGEMENT PROGRAMS SUCH AS FLOOD CONTROL, ALLOCATION OF WATER SUPPLY, PROTECTION OF FISH AND WILDLIFE, AND STORMWATER AND NONPOINT SOURCE POLLUTION CONTROL.**

- **THIRD, WETLANDS DELINEATION CRITERIA AND MANAGEMENT POLICIES SHOULD RECOGNIZE THE SIGNIFICANT REGIONAL VARIANCE IN THE RESOURCE. MANY WETLANDS FUNCTIONS AND VALUES DERIVE FROM THE LOCATION OF WETLANDS IN THE WATERSHED AND THE RELATIONSHIP OF WETLANDS TO OTHER LAND AND WATERS. MANAGEMENT POLICIES MUST BE TAILORED TO LOCAL HYDROLOGIC AND ECOLOGICAL CONDITIONS.**
- **FOURTH, THE GOVERNORS NOTE THAT LAND USE REGULATION IS TRADITIONALLY A STATE AND LOCAL FUNCTION AND BELIEVE THAT INCREASED STATE INVOLVEMENT IN WETLANDS PROTECTION PROGRAMS WILL FURTHER ALL OF THE ABOVE THREE PRINCIPLES, AND THAT THE REGULATORY PROGRAM SHOULD BE DESIGNED TO FACILITATE STATE ASSUMPTION.**
- **FINALLY, THE GOVERNORS BELIEVE THE NATIONAL STRATEGY SHOULD RECOGNIZE THE UNIQUE SITUATION ENCOUNTERED BY THE STATE OF ALASKA. ALASKA HAS A TREMENDOUS AMOUNT OF WETLANDS -- MORE THAN THE REST OF THE UNITED STATES COMBINED -- AND WETLANDS CONSTITUTE AS MUCH AS 75 PERCENT OF THE LANDSCAPE. MANY ARE ALREADY IN PUBLIC OWNERSHIP, AND THERE HAS BEEN A LOW HISTORIC LOSS RATE -- LESS THAN ONE-TENTH OF 1 PERCENT. BECAUSE OF CERTAIN GEOGRAPHIC CHARACTERISTICS UNIQUE TO THE STATE (IT IS ARCTIC AND SUBARCTIC, WITH DEVELOPMENT CONSTRAINED TO LIMITED GEOGRAPHIC AREAS), POLICIES AND PROCEDURES THAT ARE REASONABLE IN THE COTERMINOUS STATES ARE NOT ALWAYS APPLICABLE IN ALASKA. YET NEEDS DO ARISE THAT MAY IMPACT ON ALASKA'S WETLANDS RESOURCE.**

IN LIEU OF DIRECT APPLICATION OF ALL THESE FOLLOWING RECOMMENDATIONS IN ALASKA, THE GOVERNORS RECOMMEND THAT THE APPROPRIATE GOVERNMENT AGENCIES AND STAKEHOLDER GROUPS IN ALASKA WORK COOPERATIVELY TO DEVELOP REGIONAL WETLANDS STRATEGIES THAT ACCOMMODATE SUSTAINABLE WETLANDS PROTECTION AND SUSTAINABLE ECONOMIC GROWTH FOR THE STATE.

23.9.2 GOALS. THE GOVERNORS BELIEVE THE GOAL OF THE NATIONAL WETLANDS PROTECTION STRATEGY SHOULD BE NO NET LOSS OF WETLAND RESOURCES. THE GOVERNORS RECOMMEND THAT CONGRESS INCLUDE IN THE CLEAN WATER ACT A NATIONAL WETLANDS PROTECTION GOAL TO ACHIEVE NO NET LOSS OF THE NATION'S REMAINING WETLANDS BASE, AS DEFINED BY ACREAGE AND FUNCTION, AND TO RESTORE AND CREATE WETLANDS

WHERE FEASIBLE TO INCREASE THE QUANTITY AND QUALITY OF THE NATION'S WETLANDS RESOURCE BASE.

THIS GOAL DOES NOT IMPLY THAT INDIVIDUAL WETLANDS WILL IN EVERY INSTANCE BE UNTOUCHABLE OR THAT THE NO NET LOSS STANDARD SHOULD BE APPLIED ON AN INDIVIDUAL PERMIT-BY-PERMIT OR ACRE-BY-ACRE BASIS -- ONLY THAT THE NATION'S OVERALL WETLANDS BASE SHOULD REACH EQUILIBRIUM BETWEEN LOSSES AND GAINS IN THE SHORT RUN AND INCREASE IN THE LONG TERM. THE PUBLIC MUST SHARE WITH THE PRIVATE SECTOR THE COSTS OF RESTORING AND CREATING WETLANDS TO ACHIEVE THIS GOAL.

THE GOVERNORS RECOGNIZE THAT THE GOAL MAY HAVE TO BE IMPLEMENTED AT DIFFERENT RATES IN VARIOUS REGIONS OF THE COUNTRY TO REFLECT REGIONAL WETLANDS NEEDS, CONDITIONS, AND TYPES.

HOWEVER, THE GOAL DOES NOT IMPLY THAT WETLANDS LOSSES IN ONE STATE OR REGION OF THE COUNTRY CAN BE BALANCED WITH GAINS IN OTHER, DISTANT REGIONS. MOREOVER, THE GOVERNORS RECOGNIZE THAT THIS GOAL CAN BE MOST EFFECTIVELY MET WITH POLICIES THAT ASSERT A PREFERENCE FOR AVOIDANCE OF WETLANDS ALTERATION.

23.9.3 DEFINITION OF WETLANDS. THE GOVERNORS STRESS THAT THE DEFINITION OF WETLANDS AND DELINEATION CRITERIA MUST BE WORKABLE AND SCIENTIFICALLY VALID, AND SHOULD RECOGNIZE REGIONAL VARIANCE IN THE RESOURCE. THE GOVERNORS MAKE THE FOLLOWING RECOMMENDATIONS.

- CONGRESS SHOULD WRITE INTO THE LAW THE DEFINITION OF WETLANDS CURRENTLY INCLUDED IN EPA'S CLEAN WATER ACT SECTION 404(B)(1) GUIDELINES -- "THOSE AREAS THAT ARE INUNDATED OR SATURATED BY SURFACE OR GROUNDWATER AT A FREQUENCY AND DURATION SUFFICIENT TO SUPPORT, AND THAT UNDER NORMAL CIRCUMSTANCES DO SUPPORT, A PREVALENCE OF VEGETATION TYPICALLY ADAPTED TO LIFE IN SATURATED SOIL CONDITIONS."
- CONGRESS SHOULD NOT LEGISLATE SPECIFIC WETLANDS DELINEATION CRITERIA, BUT SHOULD ESTABLISH A PROCEDURE FOR ADMINISTERING AGENCIES TO DEVELOP REGIONAL DELINEATION GUIDELINES IN CONSULTATION WITH THE STATES AND AN INDEPENDENT SCIENTIFIC ADVISORY COMMITTEE. THE FEDERAL MANUAL FOR DELINEATING AND IDENTIFYING WETLANDS SHOULD BE REGIONALIZED TO SCIENTIFICALLY DEFINE WETLANDS BASED ON REGIONAL VARIATIONS.

- EFFORTS SHOULD CONTINUE TO ENSURE THAT AGENCIES AT ALL LEVELS OF GOVERNMENT USE EQUIVALENT DEFINITIONS FOR REGULATORY PURPOSES AND TO ENSURE THAT ALL STAFF ARE PROVIDED WITH APPROPRIATE TRAINING FOR IMPLEMENTING FIELD DELINEATION TECHNIQUES.

23.9.4 THE REGULATORY PROGRAM. THE GOVERNORS URGE THE ADMINISTRATION TO CONSIDER CHANGES TO CLEAN WATER ACT SECTION 404 TO MAKE THE PROGRAM MORE WORKABLE. THE GOVERNORS ALSO MAKE THE FOLLOWING SPECIFIC RECOMMENDATIONS.

23.9.4.1 THE SCOPE OF REGULATION. THE GOVERNORS HOLD THAT THE SCOPE OF REGULATION IN FEDERAL AND STATE PROGRAMS SHOULD BE EXPANDED TO EXPLICITLY ADDRESS THE FOLLOWING ACTIVITIES IN WETLANDS: DREDGING, FILLING, REMOVAL OR EXCAVATION OF SOILS, DRAINAGE OR FLOODING, AND DESTRUCTION OF PLANT LIFE OR HABITAT.

THE GOVERNORS ALSO BELIEVE THAT THE SCOPE OF REGULATION SHOULD BE RESTRICTED, UNDER CERTAIN CIRCUMSTANCES, IN APPLICATION TO ARTIFICIAL WETLANDS. SPECIFICALLY, THE GOVERNORS BELIEVE THAT:

- ARTIFICIALLY INDUCED WETLANDS SUCH AS THOSE RESULTING FROM AND INCIDENTAL TO ONGOING AGRICULTURAL PRACTICES, NOT USED FOR MITIGATION OF WETLANDS LOSS, SHOULD NOT BE COUNTED IN THE NATION'S WETLANDS BASE.
- WITH THE EXCEPTION OF WETLANDS CREATED FOR WATERFOWL PRODUCTION, WETLANDS CREATED AND MAINTAINED SOLELY FOR USE IN RESOURCE MANAGEMENT, SUCH AS FOR STORMWATER ABATEMENT, SHOULD BE EXEMPT FROM REGULATION AS LONG AS THEY ARE USED AND MANAGED FOR THEIR INTENDED PURPOSE. THE OWNER OR MANAGER OF SUCH A MANAGED WETLAND SHOULD BE UNDER NO OBLIGATION TO ENSURE THE LONG-TERM PERSISTENCE OF WETLANDS FUNCTIONS AND VALUES. WETLANDS CREATED AND MANAGED FOR WATERFOWL PRODUCTION SHOULD REMAIN SUBJECT TO REGULATION BECAUSE WATERFOWL DEPEND ON CONSISTENT AVAILABILITY OF HABITAT.

23.9.4.2 MITIGATION POLICY. MITIGATION SHOULD BE AN ESSENTIAL COMPONENT OF WETLANDS MANAGEMENT, AND CONGRESS SHOULD INCLUDE A STATEMENT OF MITIGATION POLICY IN THE CLEAN WATER ACT.

THE GOVERNORS BELIEVE THAT REGULATORY POLICIES SHOULD INCLUDE A CLEAR PREFERRED SEQUENCE OF MITIGATION OPTIONS THAT BEGINS WITH AVOIDANCE OF ADVERSE IMPACTS ON WETLANDS AND THE REDUCTION OF UNAVOIDABLE ADVERSE IMPACTS AND ALLOWS THE USE OF ENVIRONMENTAL COMPENSATION ONLY AS A LAST RESORT, WHILE

ALLOWING REGULATORS SUFFICIENT FLEXIBILITY TO APPROVE PRACTICAL OPTIONS THAT PROVIDE THE MOST PROTECTION TO THE RESOURCE AND THAT BALANCE THE EFFECTS OF SUCH ACTIONS ON THE TOTAL HUMAN ENVIRONMENT, RECOGNIZING SOCIOECONOMIC FACTORS. THE GOVERNORS RECOGNIZE THAT DEFINITIONS OF AVOIDANCE OF ADVERSE IMPACTS AND REDUCTION OF UNAVOIDABLE ADVERSE IMPACTS MUST BE TAILORED TO REGIONAL CIRCUMSTANCES.

THE GOVERNORS EMPHASIZE THAT MITIGATION WILL WORK ONLY WITH PROVISIONS FOR STRICT ENFORCEMENT, LONG-TERM FINANCING, AND CAREFUL MONITORING OF MITIGATION PROJECTS TO ENSURE THEIR SUCCESS.

THE GOVERNORS SUPPORT THE USE OF MITIGATION BANKING PROVIDED THAT: 1) MITIGATION BANKS ARE USED IN A MANNER CONSISTENT WITH THE SEQUENCING REQUIREMENT, STRICTLY TO MITIGATE UNAVOIDABLE WETLANDS IMPACTS; 2) IMPACTS ARE MITIGATED ON-SITE WHEN POSSIBLE; 3) BANKS ARE LOCATED IN THE SAME WATERSHED OR ECOLOGICAL REGION AS THE WETLANDS IMPACTS THEY MITIGATE; AND 4) BANKS PROVIDE IN-KIND REPLACEMENT OF WETLANDS FUNCTIONS AND VALUES LOST.

23.9.4.3 WETLANDS CLASSIFICATION SYSTEMS. THE GOVERNORS OPPOSE IMPOSITION OF A NATIONAL CLASSIFICATION SYSTEM, BUT BELIEVE THAT CLASSIFICATION SYSTEMS TAILORED TO INDIVIDUAL WATERSHEDS MAY BE A USEFUL TOOL IN DEVELOPING REGIONAL AND LOCAL RESOURCE MANAGEMENT PLANS.

23.9.4.4 COMPENSATION OF PROPERTY OWNERS. THE GOVERNORS BELIEVE THAT INTERPRETATION OF THE FIFTH AMENDMENT OF THE CONSTITUTION CONCERNING THE TAKING OF PROPERTY BY GOVERNMENT IS THE APPROPRIATE PROVINCE OF THE COURTS, AND THAT LEGISLATIVE REQUIREMENTS ARE NOT WARRANTED. THE GOVERNORS BELIEVE THAT CONGRESS SHOULD NOT LEGISLATE A DEFINITION OF COMPENSABLE TAKING OF PRIVATE PROPERTY THROUGH THE CLEAN WATER ACT OR OTHERWISE. A STATUTORY DEFINITION OF A COMPENSABLE TAKING WOULD HAVE FAR-REACHING IMPLICATIONS FOR STATE AND LOCAL ZONING, LAND MANAGEMENT, AND PUBLIC HEALTH LAWS OF ALL KINDS.

23.9.4.5 DELEGATION OF AUTHORITY AMONG FEDERAL AGENCIES. THE GOVERNORS SUPPORT STREAMLINING THE PERMITTING PROCESS. HOWEVER, THE GOVERNORS STRESS THAT EACH FEDERAL AGENCY RESPONSIBLE FOR THE IMPLEMENTATION OF WETLANDS PROGRAMS CURRENTLY HAS A SPECIFIC INTEREST IN THE PROTECTION OF THE RESOURCE, AND MAKES A UNIQUE CONTRIBUTION TO THE PROGRAM. CONCENTRATION OF AUTHORITIES IN ONE FEDERAL AGENCY WOULD NECESSITATE RESTRUCTURING OF THAT AGENCY AND REALLOCATION OF RESOURCES.

THE GOVERNORS MAY SUPPORT DELEGATION OF CLEAN WATER ACT SECTION 404 AUTHORITIES TO ONE FEDERAL AGENCY AFTER A COMPREHENSIVE STUDY OF THE IMPACTS OF CONCENTRATION, AND DEVELOPMENT OF A PLAN FOR THE NECESSARY REORGANIZATION. IN ANY CASE, THE ROLE OF EACH FEDERAL AGENCY SHOULD BE MORE CLEARLY DEFINED, AND REPLICATION OF RESPONSIBILITIES SHOULD BE REDUCED.

23.9.5 NONREGULATORY APPROACHES TO PROTECTION. THE GOVERNORS STRESS THAT A NATIONAL WETLANDS PROTECTION STRATEGY MUST INVOLVE NONREGULATORY PROGRAMS, AN ESSENTIAL COMPLEMENT TO THE REGULATORY PROGRAM. THE GOVERNORS SUPPORT CONTINUED AND ADDITIONAL EMPHASIS ON RESOURCE MANAGEMENT PLANNING; PROGRAMS TO PROMOTE WETLANDS RESTORATION AND CREATION; DEVELOPMENT OF TAX INCENTIVES TO ENCOURAGE WETLANDS PROTECTION; PUBLIC ACQUISITION OF WETLANDS; PUBLIC EDUCATION AND MANAGEMENT OUTREACH PROGRAMS; WETLANDS MAPPING AND TRACKING SYSTEMS; AND EFFORTS TO REDUCE INCENTIVES TO WETLANDS CONVERSION.

23.9.5.1 RESOURCE MANAGEMENT PLANNING. THE GOVERNORS BELIEVE THAT REGIONAL RESOURCE MANAGEMENT PLANNING IS A VALUABLE MECHANISM TO RECOGNIZE REGIONAL VARIANCE IN WETLANDS RESOURCES, AND TO INTEGRATE WETLANDS PROTECTION WITH OTHER RESOURCE MANAGEMENT EFFORTS.

THE GOVERNORS BELIEVE THAT SPECIAL AREA MANAGEMENT PLANNING, AS CURRENTLY AUTHORIZED UNDER THE COASTAL ZONE MANAGEMENT ACT, SHOULD BE AUTHORIZED UNDER THE CLEAN WATER ACT, AND THAT STATES SHOULD HAVE FLEXIBILITY TO USE FUNDS AUTHORIZED UNDER CLEAN WATER ACT SECTIONS 319, 106, 205(J), AND 604(B) TO SUPPORT WETLANDS MANAGEMENT PLANNING.

23.9.5.2 WETLANDS RESTORATION AND CREATION. CONGRESS SHOULD ESTABLISH A NATIONAL STRATEGY TO COORDINATE AND PROMOTE RESTORATION OF DEGRADED WETLANDS SYSTEMS INVOLVING PARTICIPATION OF FEDERAL AGENCIES, STATE AND LOCAL GOVERNMENT, AND THE PRIVATE SECTOR. THE NORTH AMERICAN WATERFOWL MANAGEMENT PLAN, ADMINISTERED BY THE FISH AND WILDLIFE SERVICE, AND WETLANDS CONSERVATION PROVISIONS OF THE 1990 FOOD SECURITIES ACT SERVE AS POTENTIAL MODELS FOR SUCH A STRATEGY.

THE GOVERNORS SUPPORT PROVISIONS OF THE 1990 FOOD SECURITIES ACT THAT ENCOURAGE WETLANDS PROTECTION. IN PARTICULAR, THE GOVERNORS ENCOURAGE CONGRESS TO FUND THE WETLAND RESERVE PROGRAM TO ITS FULL AUTHORIZED LEVEL.

23.9.5.3 TAX INCENTIVES. CONGRESS SHOULD REVIEW THE FEDERAL TAX CODE TO IDENTIFY OPPORTUNITIES TO ESTABLISH INCENTIVES TO ENCOURAGE WETLANDS PROTECTION.

23.9.5.4 PUBLIC ACQUISITION. ACQUISITION PROGRAMS AT ALL LEVELS OF GOVERNMENT, BOTH ALONE AND IN PARTNERSHIP WITH THE PRIVATE SECTOR, SHOULD ACCELERATE ACQUISITION OF VALUABLE WETLANDS.

23.9.5.5 PUBLIC EDUCATION. PUBLIC EDUCATION FOCUSED ON THE VALUE OF WETLANDS AND THE STRUCTURE OF REGULATORY PROGRAMS WILL INCREASE PUBLIC SUPPORT FOR THE PROGRAM AND ABILITY TO PREDICT THE OUTCOME OF REGULATORY DECISIONS. THE GOVERNORS SUPPORT EXPANSION OF FEDERAL, STATE, AND PRIVATE EDUCATION AND OUTREACH PROGRAMS.

23.9.5.6 MAPPING. THE GOVERNORS SUPPORT CONTINUATION AND IMPROVEMENT OF CURRENT NATIONAL WETLANDS INVENTORY MAPPING EFFORTS AS WELL AS EFFORTS TO DISSEMINATE SUCH MAPS TO LANDOWNERS AND TO THOSE RESPONSIBLE FOR WETLANDS AND LAND USE PLANNING.

23.9.5.7 REDUCTION OF INCENTIVES TO CONVERSION. THE FEDERAL GOVERNMENT SHOULD CONDUCT A THOROUGH ASSESSMENT TO IDENTIFY KEY FEDERAL PROGRAMS CAUSING WETLANDS DEGRADATION.

LOCAL GOVERNMENTS SHOULD EXAMINE THEIR FULL RANGE OF DEVELOPMENT CONTROLS TO IDENTIFY AND MODIFY THOSE THAT INTENTIONALLY PROMOTE WETLANDS CONVERSION.

STATES SHOULD IDENTIFY OPPORTUNITIES TO REDUCE UNINTENTIONAL INCENTIVES FOR WETLANDS CONVERSION.

23.9.6 STATE PROGRAMS. THE GOVERNORS BELIEVE THAT INCREASED STATE INVOLVEMENT IN WETLANDS POLICYMAKING AND PROGRAM ADMINISTRATION WILL INCREASE PROGRAM EFFICIENCY AND EFFICACY. STATES CAN EFFECTIVELY INTEGRATE WETLANDS PROTECTION WITH OTHER STATE-ADMINISTERED WATER PROGRAMS AND CAN TAILOR WETLANDS PROGRAMS TO UNIQUE REGIONAL CIRCUMSTANCES.

23.9.6.1 STATE ASSUMPTION. THE GOVERNORS ASSERT THAT THE CLEAN WATER ACT SHOULD ENCOURAGE STATE ASSUMPTION OF THE SECTION 404 WETLANDS REGULATORY PROGRAM, AN EXCELLENT OPPORTUNITY TO SIMPLIFY AND CONSOLIDATE PERMITTING PROCEDURES.

WHILE IT IS POSSIBLE FOR STATES TO ASSUME MANAGEMENT OF THE SECTION 404 PROGRAM, FEW STATES HAVE APPLIED AND ONLY ONE STATE HAS RECEIVED FULL PROGRAM AUTHORIZATION. THE LACK OF FEDERAL FUNDING FOR ASSUMED STATE PROGRAMS AND OTHER CONDITIONS OF ASSUMPTION THAT ARE PERCEIVED AS RIGID ARE THE PRIMARY

REASONS FOR THE LACK OF STATE INTEREST. THEREFORE, THE GOVERNORS MAKE THE FOLLOWING RECOMMENDATIONS.

- **THE FEDERAL GOVERNMENT SHOULD ESTABLISH CLEAR GOALS FOR WETLANDS PROTECTION. IN THE CONTEXT OF A RESOURCE MANAGEMENT PLAN APPROVED BY EPA, STATES SHOULD HAVE FLEXIBILITY IN DESIGNING PROGRAMS TO ACHIEVE THESE GOALS, TAILORING MANAGEMENT POLICIES TO LOCAL HYDROLOGIC AND ECOLOGICAL CONDITIONS.**
- **STATES SHOULD BE ALLOWED TO ASSUME DISCRETE AND CLEARLY IDENTIFIABLE PORTIONS OF THE SECTION 404 REGULATORY PROGRAM AS THEY DEVELOP THE CAPABILITY TO DO SO, RATHER THAN REQUIRING THE ENTIRE PROGRAM TO BE DELEGATED AT ONE TIME.**
- **QUALIFIED STATES THAT HAVE EFFECTIVE PROCESSES FOR COORDINATING THEIR REVIEW WITH THE CORPS OF ENGINEERS FOR PERMITS THAT MAY AFFECT NAVIGABLE WATERS SHOULD BE ALLOWED TO ASSUME ALL SECTION 404 RESPONSIBILITIES, INCLUDING THOSE IN NAVIGABLE WATERS AND ADJACENT WETLANDS. THE CORPS WOULD RESERVE ITS RIGHTS TO PROTECT NAVIGATIONAL SERVITUDE AND NATIONAL DEFENSE, BUT WOULD WORK WITH THE STATES TO CONFINE ITS ROLE TO INTERSTATE AND NATIONAL ISSUES.**
- **EACH STATE RECEIVING DELEGATION OF THE SECTION 404 PROGRAM SHOULD NEGOTIATE A METHOD OF FEDERAL OVERSIGHT APPROPRIATE TO ITS CIRCUMSTANCES. OVERSIGHT IN THE FORM OF AN ANNUAL PROGRAM AUDIT SHOULD BE A NEGOTIABLE OPTION. OVERSIGHT ON A SLIDING SCALE SHOULD BE PERMITTED.**
- **FEDERAL AGENCIES SHOULD TEMPORARILY LOAN EMPLOYEES TO STATES ASSUMING THE SECTION 404 PROGRAM TO HELP TRAIN STATE STAFF.**
- **THE CORPS SHOULD BE ENCOURAGED TO ISSUE STATE PROGRAM GENERAL PERMITS, AND TO ISSUE GENERAL PERMITS FOR GEOGRAPHICAL AREAS AS WELL AS FOR CLASSES OF ACTIVITIES. STATE PROGRAM GENERAL PERMITS ARE AN ALTERNATIVE METHOD FOR STATES TO ASSUME PARTIAL RESPONSIBILITY FOR WETLANDS REGULATION, AND SHOULD BE EXPLICITLY SANCTIONED.**

23.9.6.2 INTERGOVERNMENTAL COORDINATION. TO FACILITATE EFFECTIVE INTER-GOVERNMENTAL COORDINATION, THE GOVERNORS RECOMMEND THAT FEDERAL AGENCIES

RESPONSIBLE FOR WETLANDS REGULATION JOINTLY ESTABLISH A STATE-FEDERAL COORDINATING COMMITTEE TO DEVELOP AND EVALUATE NEW WETLANDS MANAGEMENT TECHNIQUES AND COOPERATIVE STATE, FEDERAL, AND LOCAL WETLANDS PROGRAMS.

23.9.6.3 STATE WETLANDS CONSERVATION PLANS. STATE AND LOCAL GOVERNMENTS AND REGIONAL AGENCIES, WITH THE FINANCIAL AND TECHNICAL SUPPORT AND COOPERATION OF THE RELEVANT FEDERAL AGENCIES, SHOULD DEVELOP AND IMPLEMENT STATE WETLANDS CONSERVATION PLANS AND OUTLINE APPROPRIATE STATE AND REGIONAL STRATEGIES. THE GOVERNORS RECOMMEND THAT CONGRESS ENCOURAGE EPA TO CONTINUE SUPPORT FOR STATE PLANS AND PROVIDE FUNDS FOR THEIR DEVELOPMENT AND IMPLEMENTATION.

23.9.7 GOVERNMENT COMPLIANCE. ALL LEVELS OF GOVERNMENT MUST SEEK TO AVOID WETLANDS ALTERATIONS IN PROJECTS THAT THEY CONSTRUCT, MAINTAIN, SPONSOR, OR SUPPORT. WHILE SIGNIFICANT IMPROVEMENTS HAVE BEEN MADE IN METHODS AND PROCEDURES FOR EVALUATING THE EFFECTS OF PROGRAMS ON WETLANDS, ADDITIONAL ACTIONS ARE APPROPRIATE. THEREFORE, THE GOVERNORS MAKE THE FOLLOWING RECOMMENDATIONS.

- CONGRESS SHOULD REQUIRE FEDERAL CONSISTENCY WITH STATE WETLANDS CONSERVATION PLANS AND PROGRAMS.
- FEDERAL AND STATE GOVERNMENTS SHOULD REQUIRE OR INITIATE MITIGATION FOR THE DIRECT AND INDIRECT WETLANDS ALTERATIONS CAUSED BY PROJECTS THAT THEY CONSTRUCT, MAINTAIN, SPONSOR, OR SUPPORT.
- EPA SHOULD ESTABLISH PROCEDURES FOR VERIFYING COMPLIANCE WITH WETLANDS MITIGATION PROVISIONS IDENTIFIED IN FEDERAL ENVIRONMENTAL IMPACT STATEMENTS.
- FEDERAL AGENCIES SHOULD RECOGNIZE THE COSTS OF SATISFYING STATE WETLANDS MITIGATION REQUIREMENTS ESTABLISHED BY STATE STATUTE AS LEGITIMATE PROJECT COSTS IN ANY PROJECT SUBJECT TO FEDERAL COST SHARING.
- CONGRESS SHOULD ESTABLISH WETLANDS RESTORATION AND CREATION AS PART OF THE MISSION OF THE CORPS OF ENGINEERS, THE BUREAU OF RECLAMATION, THE SOIL CONSERVATION SERVICE, THE FEDERAL HIGHWAY ADMINISTRATION, AND OTHER FEDERAL AGENCIES AS APPROPRIATE.

23.9.1 Federal Policy. Preservation, conservation, and wise management of the nation's wetlands resources are issues of vital concern to the Governors. Wetlands in their natural state play vital ecological roles and serve functions that are either costly or impossible to replace.

While the Governors acknowledge that there are federal, state, and local programs to control wetlands alterations, their definitions, policies, and procedures often conflict.

The Governors recognize the need for significantly improved protection for the nation's wetlands. There is a need for greater coherence and coordination of protection efforts so that governmental resources may be used most efficiently and so that permittees may be better able to understand and predict the outcome of regulatory decisions.

23.9.2 Recommendations. Federal wetlands policy should:

- Allow states to assume discrete and clearly identifiable portions of the Section 404 regulatory program as they develop the capability to do so, rather than requiring the entire program to be delegated at one time.
- Allow the delegation of all Section 404 responsibilities (including those in navigable waters and adjacent wetlands) to qualified states that have effective processes for coordinating their review with the Corps of Engineers for permits that may affect navigable waters. The Corps would reserve its rights to protect navigational servitude and national defense, but would work with the states to confine its role to interstate and national issues.
- For states choosing to develop wetlands plans, require federal consistency with state plans and programs that have been approved by EPA.
- For states receiving delegation of the Section 404 program, provide for EPA oversight primarily in the form of annual guidance and annual review of program implementation.
- Provide support for state wetlands planning and program implementation.

Because the administration is refining its technical approach to identifying wetlands in the field:

- The Governors urge the administration to carefully consider public comments to the *Federal Manual for Identifying and Delineating Jurisdictional Wetlands* and other Section 404 program changes to facilitate state assumption and make the program more workable.
- The manual should be carefully reviewed and field tested during the public comment period. After such review and field testing, the Governors may recommend legislative changes to the program in February 1992.

23.9.3 Goals. In the meantime, there are many changes that can occur in wetlands protection efforts that would significantly improve our ability to manage this resource.

The Governors recommend that the nation establish a national wetlands protection goal to achieve no net loss of the nation's remaining wetlands base, as defined by acreage and function, and to restore and create wetlands where feasible to increase the quantity and quality of the nation's wetlands resource base. Artificially induced wetlands such as those resulting from and incidental to agricultural practices, not used for mitigation of wetlands loss, should be counted separately from the nation's wetlands base in a no net loss policy. Such artificially induced wetlands impacts should not be counted as a loss when the modifications are a result of changing practices to better manage water resources with regard to water quality.

Although calling for a stable and eventually increasing inventory of wetlands, the goal does not imply that individual wetlands will in every instance be untouchable or that the no net loss standard should be applied on an individual permit or acre by acre basis—only that the nation's overall wetlands base should reach equilibrium between losses and gains in the short run and increase in the long term. The public must share with the private sector the costs of restoring and creating wetlands to achieve this goal.

The Governors recognize that the goal may have to be implemented at different rates in various regions of the country to reflect regional wetlands needs, conditions, and types.

The Governors further recognize the difficulty of meeting this goal and realize the need for a broad range of strategies to achieve the overall policy of wetlands preservation, conservation, and management.

However, the goal does not imply that wetlands losses in one state or region of the country can be balanced with gains in other, distant regions. Moreover, the Governors recognize that this goal can be most effectively met with policies that assert a preference for avoidance of wetlands alteration.

The Governors recognize that regional advanced planning for wetlands is an important management tool. State and local governments and regional agencies with the financial and technical support and cooperation of the relevant federal agencies, should develop and implement state wetlands conservation plans to ensure coordination and maximize opportunities to achieve the goal of no net loss and to outline appropriate state and regional strategies.

23.9.4 Improved Information. The Governors recognize that reliable information is critical to an effective management system. Therefore, the Governors support:

- Continuation and improvement of current National Wetlands Inventory mapping efforts as well as efforts to disseminate such maps to landowners and to those responsible for wetlands and land-use planning.
- Collection (and maintenance on a computerized system) of information on wetlands values, hydrology, fish and wildlife resources, permits, and compliance monitoring as an aid to decisionmaking.
- Initiation of a National Wetlands Research Program, with key emphasis upon the functions and values of wetlands, the assessment of cumulative impacts, the effectiveness of protection programs, and restoration and creation techniques.
- Expansion of federal, state, private, and nonprofit education and outreach programs to improve the level of understanding of the value of wetlands and the regulatory programs designed to protect them.

23.9.5 Efficiency Improvements. While it is possible for states to assume management of the Section 404 program, few states have applied and only one state has received full program authorization. The lack of federal funding for assumed state programs and other conditions of assumption that are perceived as rigid are the primary reasons for the lack of state interest. Therefore, the Governors make the following recommendations.

- Efforts should continue to ensure that agencies at all levels of government use equivalent definitions for regulatory purposes or develop field methods that provide consistent results, and to ensure that all staff are provided with appropriate training for implementing field delineation techniques.
- Regulatory policies should include a clear preferred sequence of mitigation options that begins with avoidance of adverse effects on wetlands and the reduction of unavoidable adverse effects and allows the use of environmental compensation only as a last resort, while allowing regulators sufficient flexibility to select practical options that provide the most protection to the resource and that balance the effects of such actions on the total human environment.
- Federal and state programs should explicitly address, if they do not do so now, the following activities in wetlands: dredging, filling, removal or excavation of soils, drainage or flooding, destruction of plant life, and placement of pilings or other obstructions. No type of wetlands conversion should escape unreviewed because of peculiarities in wetlands law or regulation.

23.9.6 Government Compliance. All levels of government must seek to avoid wetlands alterations in projects that they construct, maintain, sponsor, or support. While significant improvements have been made in methods and procedures for evaluating the effects of programs on wetlands, additional actions are appropriate. Therefore, the Governors make the following recommendations.

- Federal and state governments should require or initiate mitigation for the direct and indirect wetlands alterations caused by projects that they construct, maintain, sponsor, or support.
- EPA should establish procedures for verifying compliance with wetlands mitigation provisions identified in federal environmental impact statements.
- Federal agencies should recognize the costs of satisfying state wetlands mitigation requirements established by state statute as legitimate project costs in any project subject to federal cost sharing.

- ~~Congress should establish wetlands restoration and creation as part of the mission of the Corps of Engineers, the Bureau of Reclamation, the Soil Conservation Service, the Federal Highway Administration, and other federal agencies as appropriate.~~
- ~~The federal government should conduct a thorough assessment to identify key federal programs causing wetlands degradation.~~
- ~~Local governments should examine their full range of development controls to identify and modify those that intentionally promote wetlands conversion.~~
- ~~States should identify opportunities to reduce unintentional incentives for wetlands conversion.~~

~~In recognition of the important role acquisition can play in a comprehensive wetlands program, the Governors recommend that acquisition programs at all levels of government, both alone and in partnership with the private sector, accelerate their acquisition of valuable wetlands.~~

~~Many of the previously mentioned recommendations will be accommodated in state wetlands conservation plans. Thus, the Governors recommend that Congress encourage EPA to continue support for state plans and provide funds for their development.~~

23.10 Water Conservation

23 11 Floodplain Management

D-36. SOLID WASTE MANAGEMENT POLICY

36.1
[17.13]

A Comprehensive Waste Management Strategy

Over the past twenty years, the nation and many states have enacted numerous laws, and adopted regulations and policies to implement these laws, regarding the management, handling, and disposal of both hazardous and nonhazardous wastes. Taken together, these actions have resulted in a vastly improved system for management of wastes, by strengthening the standards applicable to many activities and establishing outright prohibitions against others. Significant actions have also been taken by states and the federal government to provide the financial and programmatic resources necessary to address the results of past mismanagement of hazardous wastes.

Many of these actions have been taken in response to particular perceived needs; for example, the Resource Conservation and Recovery Act (RCRA) and its amendments were enacted to ensure appropriate regulation of waste disposal, and Superfund and its amendments have been enacted to provide funds for the cleanup of abandoned facilities. Also, many legislative and regulatory actions have been designed to affect the choices made by waste generators and disposers, to encourage more environmentally sound disposal options, and to discourage others.

However, since many laws and policies have been enacted in a piecemeal fashion, there are many instances in which programmatic integration is difficult, and in which regulation of one aspect of waste management has been accomplished to the detriment of other environmental media. Further, since policies have not been developed in consideration of an explicit system of preferences regarding the relative desirability of various waste management practices, policies that favor more environmentally sound waste management approaches over others have not been implemented to as great a degree as is desirable.

The Governors believe that a comprehensive approach to waste management should be developed that integrates actions being taken to remediate the damage of past mismanagement, to control present disposal through regulatory action, and to reduce the possibility for future problems by encouraging a reduction in the amounts of waste generated.

This comprehensive approach should provide for the harmonious administration of all of the major statutory programs intended to address hazardous waste management, including but not limited to, the Resource Conservation and Recovery Act, the Hazardous and Solid Waste Amendments of 1984 (HSWA), the Comprehensive Environmental Response, Cleanup, and Liability Act (CERCLA or Superfund), the Superfund Amendments and Reauthorization Act (SARA), the Clean Air Act, the Clean Water Act, the Safe Drinking Water Act, the Toxic Substances Control Act, and the Ocean Dumping Act. The approach should guide all regulatory conception and development, and provide sufficient guidance to allow the evaluation of new technologies based on an explicit scheme of preferences.

The Governors believe that both EPA and Congress can play vital roles in the development of such a strategy. The Governors urge EPA to immediately initiate a policy review with both state and federal representation, to review the various programs, regulations, and policies, and to recommend the steps, both legislative and administrative, that are necessary to provide maximum integration of goals, standards, criteria, and methods.

The Governors urge Congress to give maximum consideration to the recommendations of such a review, and to consider legislative approaches to accomplishing the goal of program integration.

The Governors also urge Congress and EPA to recognize a hierarchy of alternatives as an explicit statement of the relative desirability of various disposal options, and to rely upon this hierarchy of relative preferences to guide waste management decisionmaking.

In general, the hierarchy is as follows, from most desirable to least desirable:

- Source reduction;
- Recycling;
- Recovery;
- Treatment and Incineration; and
- Secure Land Disposal.

[Numbers in brackets reflect former policy numbers]

This hierarchy provides a recognition of the major benefits attendant to reducing the amounts of waste produced (and thus requiring disposal), recognizes that those wastes that are produced should be managed so as to reduce the long-term environmental consequences of their management, and thus, can serve as an explicit basis for regulatory and legislative efforts to affect waste management choices.

36.1.1 [36.6] TECHNICAL STANDARDS. The Governors believe that the federal government should be responsible for setting enforceable standards to define the safe operation of waste disposal facilities - including limits on air emissions from incinerators and waste-to-energy facilities and groundwater protection requirements for landfills, as well as management practices for different Subtitle D waste streams.

However, the Governors believe the federal government should set technical performance standards, not design standards. The development of specific technical requirements and siting decisions appropriate to these standards should remain with the states.

EPA should oversee and participate in state solid waste enforcement activities when waste disposal practices within a state violate federal technical performance standards and the state fails to enforce these standards within a reasonable period of time after notice by EPA. In this instance, EPA should pursue enforcement of minimum federal technical performance standards, but not any additional state standards.

36.2 HAZARDOUS WASTE

36.2.1 [17.1] Preface. The solution to the nation's hazardous waste problems will require the cooperation of federal, state, and local governments and industry. The states should continue to have the lead in the management of hazardous wastes. Clear federal policy is essential to the proper management of hazardous wastes. However, such policy must provide states with sufficient flexibility to respond to their respective priorities. Tax incentives should be made available to generators to dispose of properly or recover hazardous waste. The owners and operators of facilities permitted under Resource Conservation and Recovery Act or authorized state programs should be subject to strict, joint, and several liability.

36.2.2 [17.10] The Resource Conservation and Recovery Act. The Governors support the reauthorization of the Resource Conservation and Recovery Act to ensure the continued development of a strong national program to control the transportation, treatment, and disposal of hazardous wastes. The Governors also reaffirm their belief that the states must have the lead responsibility for actual development and implementation of waste control programs. In order for states to exercise this responsibility, the Resource Conservation and Recovery Act should provide for these important principles:

- The maximum delegation of responsibility to the states. The act should provide that delegation will be approved for state programs that are equivalent in overall effect to the federal program, without the necessity to show point-by-point equivalence.
- An adequate amount of time between interim and final authorizations, so that states may fully develop their programs. The Governors believe that at least four years should be allowed between interim and final authorization, due to the increasing complexity of the hazardous waste regulatory program.

~~The Governors support amending the statute to provide explicit federal authority for states to regulate at their discretion "small" sources of waste (between 100 and 1,000 kilograms per month). In addition, the statute should provide a reasonable degree of regulation for the blending of hazardous wastes into supplemental fuels and for waste oil recycling.~~

~~The Governors also believe that EPA should be required to develop regulations phasing out the burial of hazardous waste where alternative treatment technologies are reasonably available. The land disposal of wastes that are highly toxic or persistent should be immediately prohibited.~~

36.2.3 [17.5] Hazardous Waste Facility Siting. Tens of millions of tons of hazardous waste are generated by American industry annually. Because of the methods used, much of the waste disposed of in the past now poses a threat to public health.

Over the past decade, individual states and the federal government have adopted measures designed to control hazardous wastes. The passage of AMENDMENTS TO the Resource Conservation and Recovery Act in 1976 and Superfund in 1980 were milestones in this effort. Both of these acts give the states a primary role in implementing the enforcement and regulatory provisions.

An issue not addressed in either law is how to ensure that facilities for the storage, treatment, and disposal of hazardous waste are available. Without adequate additional capacity, industry could continue to threaten the environment and public health. Thus, the creation of additional waste disposal capacity is vital to the nation's continued economic growth and the protection of its citizens.

The cooperation of federal, state, and local governments as well as industry is necessary to establish new facilities. Substitution of nonhazardous chemicals, incineration, and new treatment technologies all can contribute to decreasing the need for disposal capacity. Yet some disposal facilities still will be needed.

Public opposition, based on fears generated by improper disposal practices of the past, remains the greatest barrier to the siting of new facilities.

No hazardous waste management siting process can counter every objection raised by citizens residing near the proposed facility. A properly devised plan that is fair, understandable, and definite can, however, maximize citizen acceptance and cooperation. Along with the siting process, states must develop regulations and provide enforcement that assures people that new facilities will be as safe as possible.

Therefore, the National Governors' Association endorses the following recommendations aimed at resolving the siting problem, and suggests reference to the more comprehensive NGA report on this subject.

36.2.4 **State Role.** States have the lead governmental role and the primary responsibility to ensure that adequate hazardous waste facilities are available. Where a state determines a need for new facilities through its waste management planning process, the Governor should forge a broad consensus on a siting process that is understandable and fair, and leads to a timely legitimate decision on a facility proposal.
[17.5.1]

A range of options is available to the states to ensure that new facilities are developed and to reassure citizens and local officials that the site selection process is fair and that their health, safety, and welfare will be protected.

- Where experience indicates the existence of successful siting decisions, the traditional permitting approach, where state regulatory agencies approve facility siting proposals, may suffice.
- Where substantial public opposition and need for additional capacity exists, states may consider establishing siting criteria, forming a state siting board (or using an existing board), and promoting waste management technologies other than land disposal.
- Where the previous approaches have failed to provide adequate capacity, a stronger state role is needed. Here a state might buy sites, operate facilities, store waste on state-owned land on an emergency basis, or require state ownership of the site after facility closure.

The National Governors' Association favors a balancing of state and local authority, recognizing that the state is ultimately responsible for environmental protection and economic vitality. Arbitrary or inconsistent local decisionmaking might result in delay or cancellation of new facilities, thus placing an unfair burden on states with existing sites. Complete state preemption of all local permitting, however, is likely to intensify the political and emotional conflicts involved in the siting problem. A state appeals board should be used to resolve disputes between community and developer and to review local vetoes.

36.2.5 **Public Protection.** Early and thorough public participation and education should be encouraged. The rationale for participation is to achieve timely decisions on facility proposals that will result in the construction and successful operation of acceptable facilities. Public education on why new facilities are needed is essential.
[17.5.2]

States should legitimize and encourage good-faith negotiations on policy matters and site-specific facility proposals. Although negotiations are cumbersome and time-consuming, they can help balance and resolve competing interests, mitigate unacceptable features of a proposal, and increase its local benefits.

The provision of funds by the developer to the potential host community to enable it to gather its own information and hire its own experts will ensure fairer and more useful negotiations.

36.2.6 [17.5.3] Compensation. As a critical element of siting laws and practice, states should legitimize and encourage compensation and mitigation. These could include payment by the facility developer for tangible and intangible costs associated with the facility, and changes in facility design suggested by the community to reduce these impacts. The cost of compensation is a real cost of disposing hazardous materials and should be internalized into the fee structure of the hazardous waste facility.

36.2.7 [17.5.4] Interstate Cooperation. The National Governors' Association supports and encourages interstate cooperation. States should promote interstate cooperative efforts to share information on waste generation rates and flows, proposed facilities and their impacts, enforcement actions, operating problems, emergency response techniques, waste exchange possibilities, and other aspects of waste management, including the sharing of laboratory resources and establishment of uniform manifests and computer programs. Interstate and national education efforts to emphasize the need for new facilities are also essential.

The National Governors' Association strongly discourages state action that would block the disposal of out-of-state waste within its boundaries unless such action is taken in accordance with an interstate compact that pursues a course of regional cooperation in the disposal of hazardous waste.

Where a facility is sited near a state border, state environmental assessment regulations should require evaluation of the proposed facility's interstate effects.

36.2.8 [17.5.5] Federal Role. The federal role in hazardous waste facility siting should be to provide technical and financial assistance to the states to help them comply with the Resource Conservation and Recovery Act mandates.

We urge the federal government and the states to study new waste management technologies and to recommend how federal and state incentives could be used to encourage the use of safer materials, waste reduction, reuse, treatment, and incineration.

Facility developers should be able to consider federal land for a site using state and federal siting criteria. A national policy regarding use of federal land for waste management facilities and compliance with state regulations and policies should be determined by a federal-state interagency task force in cooperation with the National Governors' Association.

36.2.9 [17.6] Hazard Assessment. The National Governors' Association recommends that the hazardous waste regulations promulgated by the Environmental Protection Agency include a mechanism for the definition, identification, and gradation of hazardous wastes based on their risk to human health and the environment. The regulations should address the degree of risk of management for various wastes from alternative technologies to safely and permanently dispose of hazardous waste. Standards applicable to storage, treatment, and disposal of hazardous wastes should reflect the gradation based on the degree of risk for the specific hazardous waste.

36.2.10 [17.7] Federal Research and Development. The federal government should increase its research and development program in hazardous waste management. A modest investment in hazardous waste research could significantly decrease the cost of remedial action for abandoned sites and reduce the cost of future waste disposal. Increased federal technical assistance to states and industry for the proper management of hazardous waste is needed.

Long-term funding should be provided by Congress and supplemented as necessary by the states to support comprehensive state and local solid waste management and resource conservation and recovery programs, including RCRA Subtitle D.

36.2.11 [17.8] Interstate Shipments of Hazardous Waste. Many hazardous waste streams must be targeted to highly specialized waste management facilities, and not all states can be expected to be self-sufficient in the management of hazardous waste. Nonetheless, the interstate shipment of hazardous waste is a serious and growing concern in many parts of the nation. The Governors urge Congress to

address this problem **BY PROVIDING CERTAIN STATE AUTHORITIES OVER WASTE FLOWS AT COMMERCIAL AND FEDERAL HAZARDOUS WASTE FACILITIES.** The nation should create incentives that discourage the generation of hazardous wastes, encourage the development of in-state or regional management capacity, and compensate importing states for the significant costs, risks, and other burdens they bear as hosts to hazardous waste management facilities used by other states. Specifically, Congress should:

- Authorize states to collect a "waste reduction fee" from hazardous waste generators and use these revenues to support pollution prevention programs and technical assistance, primarily to smaller firms, as well as research on new and innovative technologies for permanent solutions at site cleanups AND OTHER PURPOSES TO FURTHER STATE GOALS. If a state chooses not to collect this fee, EPA should collect the fee in that state.
- Require the implementation of strong and enforceable hazardous waste reduction and pollution prevention programs in all states.
- Waive the Commerce Clause of the U.S. Constitution to authorize states to collect fees on hazardous wastes imported into states for management or disposal at COMMERCIAL OR FEDERAL hazardous waste facilities and to use such fees for environment-related purposes at the state or local level. The Governors believe these hazardous waste import fees should reflect particular management techniques, generally with the highest allowable fees on land disposal and incineration, INCLUDING ANY HAZARDOUS WASTE PROCESSED BY FACILITIES REGULATED AS BOILERS OR INDUSTRIAL FURNACES UNDER RCRA, lower fees on treatment and other management, and no import fees on legitimate recycling. WASTE DESIGNATED AS HAZARDOUS IN THE STATE OF ORIGIN, BUT NOT BY FEDERAL DEFINITION, SHOULD BE MANAGED AS HAZARDOUS BY ALL IMPORTING STATES.
- Cap hazardous waste import fees as a multiple of the higher of the base surcharge prevailing in the state of origin or the base surcharge for wastes generated and managed in the importing state, in order to prevent fees from acting as de facto import bans. In order to give waste-exporting firms and states time to adjust, a substantial portion of the fee should be authorized immediately and the remainder phased in in equal amounts over several years. After a period of time, States should also be authorized to levy fees on the importation of waste not considered hazardous under RCRA Subtitle C but managed at hazardous waste facilities. Fees on waste imported for management at noncommercial facilities may be levied at the state's discretion up to the capped levels.
- Authorize states to reduce or waive the hazardous waste import fee by agreement with other states. Small states that produce amounts of hazardous waste that would not economically justify in-state treatment and disposal could be exempt from the multiplier fee requirements.

There are many examples of safe, effective, and efficient cross-border waste management arrangements and at this time the Governors do not support authority for outright bans of waste imports. However, there is a growing concern that some waste shipments are not warranted and may justify limited bans, when capacity to manage waste in the most environmentally preferred manner exists within an exporting state. In these circumstances The Governors support a waiver of the Commerce Clause to ban WASTE IMPORTS TO COMMERCIAL AND FEDERAL FACILITIES IN LIMITED CIRCUMSTANCES. ~~these wastes from export. At the same time, the Governors recognize that in most cases the decision to export is made by private companies, not government at any level. The criteria to be used for the imposition of selective bans must be carefully developed. The criteria must provide states clear direction to ensure fairness and equity.~~

~~There needs to be a uniform hazardous waste manifest system that will allow the tracking of interstate transportation and disposal of wastes.~~

~~The United Nations system for the identification of hazardous material should be adopted as part of Title 49, Code of Federal Regulations, and become part of the current placarding system.~~

SPECIFICALLY:

- **STATES SHOULD BE GRANTED AUTHORITY TO REQUIRE THAT HAZARDOUS WASTE DISPOSAL AND TREATMENT FACILITIES WITHIN THE STATE RESERVE A REASONABLE PERCENTAGE OF THEIR TOTAL CAPACITY FOR WASTE GENERATED WITHIN THE STATE AND TO LIMIT IMPORTS THAT WOULD CONSUME MORE THAN THE REMAINING CAPACITY.**
- **IN ORDER TO PROTECT STATES THAT HAVE EXISTING CAPACITY BEYOND CURRENT AND FUTURE STATE NEEDS FROM RECEIVING EXCESSIVE AMOUNTS OF UNWANTED WASTE IMPORTS, SUCH STATES SHOULD BE GIVEN CLEAR AUTHORITY TO DENY PERMITS FOR THE DEVELOPMENT OF ADDITIONAL CAPACITY.**
- **STATES SHOULD HAVE AUTHORITY TO BAN WASTE IMPORTS FROM STATES WITH CAPACITY TO PROPERLY MANAGE THAT WASTE.**
- **STATES SHOULD HAVE AUTHORITY TO BAN WASTE IMPORTS FROM STATES THAT HAVE CREATED IMPAIRMENTS TO SITING OF HAZARDOUS WASTE MANAGEMENT FACILITIES. THIS BAN, AS IS THE CASE WITH ANY OTHER WASTE IMPORT BANS, WOULD NOT BE MANDATORY, BUT, IF USED, COULD BE APPLIED UNDER CERTAIN CONDITIONS:**
 1. **A STATE THAT IS A NET IMPORTER OF OR GENERATES LESS THAN 25,000 TONS PER YEAR OF HAZARDOUS WASTE (INCLUDING BOTH RCRA AND STATE-DEFINED HAZARDOUS WASTE BUT EXCLUDING CLEANUP WASTE) IS CONSIDERED TO BE A DE MINIMUS WASTE GENERATION STATE. HAZARDOUS WASTE EXPORTS FROM DE MINIMUS STATES WOULD NOT BE SUBJECT TO A WASTE IMPORT BAN, EXCEPT FOR CLEANUP WASTES.**
 2. **HAZARDOUS WASTE EXPORTS COULD BE BANNED FROM A STATE THAT HAS CREATED A DIFFERENTIAL DISPOSAL FEE STRUCTURE WHEREBY IT COSTS LESS, ON A PER UNIT BASIS, TO MANAGE HAZARDOUS WASTE IN OUT-OF-STATE FACILITIES THAN IT DOES AT IN-STATE FACILITIES. THE COST OF TRANSPORTATION WOULD BE EXCLUDED IN MAKING THIS COMPARATIVE COST ANALYSIS.**
 3. **HAZARDOUS WASTE EXPORTS COULD BE BANNED FROM A STATE THAT GENERATES SUFFICIENT WASTE VOLUMES TO SUSTAIN THE ECONOMIC VIABILITY OF AN IN-STATE HAZARDOUS WASTE MANAGEMENT FACILITY WITHOUT RELYING ON OUTSIDE WASTE SOURCES AND FAILS TO TAKE AFFIRMATIVE RESPONSIBILITY FOR ITS WASTE MANAGEMENT DEMAND.**

THIS DETERMINATION COULD BE MADE BY EPA BASED ON STANDARD MARKET DEVELOPMENT FACTORS PREPARED FROM INFORMATION AVAILABLE THROUGH PERMIT APPLICATIONS IN STATES THAT REQUIRE AN ECONOMIC "NEEDS" ANALYSIS. A STATE IN THIS WASTE GENERATION CATEGORY FAILS TO TAKE AN AFFIRMATIVE RESPONSIBILITY FOR MANAGING THE HAZARDOUS WASTE GENERATION WITHIN THE STATE IF IT DOES NOT:

A. ALLOW DEVELOPMENT OF SUFFICIENT CAPACITY TO MANAGE ITS WASTE GENERATION DEMAND; OR

B. ENTER INTO AN INTERSTATE AGREEMENT WITH AN IMPORTING STATE TO ALLOW HAZARDOUS WASTE TO BE SHIPPED TO THE IMPORTING STATE.

4. IN THE CASE OF HAZARDOUS WASTE EXPORTED FROM A STATE THAT GENERATES GREATER THAN 25,000 TONS PER YEAR OF HAZARDOUS WASTE, BUT LESS THAN THE AMOUNT DETERMINED TO BE SUFFICIENT TO SUSTAIN OPERATION OF A HAZARDOUS WASTE MANAGEMENT FACILITY, IT BECOMES THE RESPONSIBILITY OF THAT STATE TO:

A. ENTER INTO AN INTERSTATE AGREEMENT WITH AN IMPORTING STATE; OR

B. SITE A FACILITY THAT WILL ACCEPT SUFFICIENT OUT-OF-STATE WASTE TO MAINTAIN ITS ECONOMIC VIABILITY.

5. ALL WASTES GENERATED FROM NON-EMERGENCY CLEANUP ACTIONS AND EXPORTED TO OUT-OF-STATE WASTE MANAGEMENT FACILITIES COULD BE SUBJECT TO AN IMPORT BAN. THIS WILL REAFFIRM A PREFERRED MANAGEMENT HIERARCHY OF ON-SITE OR IN-STATE FOR CLEANUP WASTES.

- THE GOVERNORS RECOMMEND THAT TRADEABLE RIGHTS FOR WASTE EXPORTATION BE EXPLORED. SUCH A SYSTEM WOULD SERVE TO ENSURE EQUITY AMONG STATES AND TO INFORM THE PUBLIC ABOUT WASTE FLOWS AND VOLUME.

36.2.12 [17.9] Recycling Incentives. The Interstate Commerce Commission's regulations and tariffs relating to the transportation of recyclable materials should be revised so that such materials have a tariff advantage over virgin materials.

36.2.13 [17.12] Source Reduction of Hazardous Waste. The Governors find that hazardous wastes, which are in many cases necessary by-products of industrial activity, pose many risks to the public health and the environment and raise difficult management issues for the states and the federal government. The Governors further find that these concerns argue strongly for efforts by the states to minimize the production of such wastes.

Source reduction of hazardous waste should be a major environmental priority. State and federal programs concentrate heavily on the cleanup and management of wastes; insufficient attention and resources are devoted to preventing or reducing the production of wastes. Source reduction is a means of reducing the need for costly pollution control or cleanup efforts and should be supported at levels commensurate with its major potential benefits. At present, spending on cleanup and regulatory programs far exceeds spending on efforts to reduce waste generation.

Federal and state policies should recognize the benefits of source reduction and reflect a more balanced management approach.

The states' role in source reduction efforts should be primary, since states are most familiar with the industrial practices, waste production, and related institutional, regulatory, and financial climates in their states. Furthermore, states have responsibility for regulating many waste and industrial practice activities, through their own laws or through delegated programs under federal law.

However, there is a need for national action in promoting source reduction. National efforts can greatly assist states in promoting and enabling waste reduction, and a national framework for source reduction programs can reduce the possibility that differences in state programs will result in economic dislocation. However, a prescriptive federal regulatory program is not appropriate; states have and must maintain maximum flexibility in setting priorities and choosing methods. States are the most effective implementers of the interactive, cooperative programs needed to promote source reduction.

EPA should undertake aggressive efforts to increase the visibility of source reduction efforts and the resources devoted to those efforts. EPA should provide greatly increased technical assistance and funding to the states for program development and should ensure that research priorities reflect the major benefits of source reduction. These efforts, and other source reduction activities undertaken in coordination with the states and industries, should CONTINUE TO be managed by a high-level office AT EPA that is independent of the constraints imposed by specific legislative frameworks but that can utilize all programmatic and legal tools available for this purpose.

As stewards of the health and natural resources of the states, the Governors emphasize the need to minimize the risks to which their populations and resources are exposed. Minimization of the production and release of waste materials and outputs is an essential element in efforts to achieve this goal. Through state actions supported by an appropriate and responsive federal framework, source reduction can enhance the quality of life for all Americans.

36.2.14
[17.11]

Ocean Incineration of Toxic Waste Introduction. The National Governors' Association realizes the need for effective means of disposal of hazardous and toxic wastes; it also realizes the need to protect the population and the environment from possible adverse effects of such waste disposal.

Given the ongoing concerns of states about ocean waste incineration and the prospect of the U.S. Environmental Protection Agency establishing precedents regarding permitting of at-sea toxic waste incineration at the earlier designated Gulf of Mexico burn site, and taking some action in the near future regarding designation of disposal zones off the Atlantic and Pacific coasts, the National Governors' Association strongly endorses the following:

- Before any EPA permits or permit proposals for ocean incineration are advanced, comprehensive standards and criteria must be developed, made available for thorough public review, and promulgated as agency rules. EPA's proposal to permit ocean incineration of toxic and hazardous wastes under the exception clause in the Marine Protection and Sanctuaries Act (Ocean Dumping Act) is inappropriate, lacks acceptable technical substantiation, and is unacceptable to states.
- Liability and limitations on liability of owners/operators of incinerator ships must be adequately spelled out to include specific events under which compensation would be granted, means for the public and damaged parties to file claims for damages, extent of compensation, and mandatory insurance provisions. It is imperative that EPA require owners/operators to assume liability as a condition of a permit being granted, regardless of limitations on liability that might exist under other statutes or common law, including those related to international waters. The option to use such limitations should categorically be denied.
- Additional studies of the entire ocean incineration process must be conducted to create baseline data and to provide conclusive evidence of risks concerning environmental health and human safety.
- Contingency plans for accidental or catastrophic events must be developed that will be comprehensive and realistic, that reflect guarantees of safe and timely action, and that

outline clearly the roles of the permittee -- federal, state, and local governments, and private authorities -- in any such contingency.

- Environmental assessments and impact statements must be prepared for proposed at-sea incineration permits in strict accordance with the National Environmental Policy Act.
- Thorough assessment should be made of the on-shore support facilities necessary for the safe and efficient receipt, interim storage, and ultimate transfer of the toxic and hazardous material to the incineration vessel.
- Proposed at-sea incineration permits must be in compliance with consistency provisions under Section 307 of the Federal Coastal Zone Management Act, as amended.
- It is not the intention of this policy to limit or prohibit research (or test) permits for ocean incineration issued pursuant to proper public notification and review.

36.2.15 [17.4] Hazardous Waste Enforcement Activities. Both EPA and the states have enforcement responsibilities for Superfund and RCRA sites. Because responsible party enforcement actions form the backbone of an effective hazardous waste site cleanup program, NGA encourages EPA to give higher priority to these activities. At the same time, the agency should fully utilize the capacity of the states in developing an aggressive hazardous waste enforcement program.

In order to best achieve the goals of the Superfund program to provide cost-effective and timely cleanup of hazardous waste sites, state and federal officials must work together in developing and implementing appropriate enforcement strategies. In order to ensure that responsible party cleanup actions are undertaken in a timely manner, the Governors recommend the following:

- EPA and the states should enter into appropriate enforcement agreements that clarify the roles of state and federal agencies with regard to RCRA and Superfund cleanup actions. Such agreements should ensure that RCRA and Superfund enforcement activities are effectively integrated and that state and federal enforcement efforts to secure responsible party commitment will be taken in a manner that best meets the specifics of the site and the nature of the state-EPA relationship. The agreements should also recognize that states may seek additional enforcement and cleanup actions under separate authority. EPA should not undermine state actions.
- EPA and the Department of Justice (DOJ) should work to improve and expedite settlement procedures under the 1986 Superfund Amendments and Reauthorization Act (SARA) to ensure timely cleanup actions. At the same time, EPA, DOJ, and the states need to clarify state and federal roles in settlement activities with responsible parties, especially where states are taking the lead role in site cleanup actions.
- Congress should ensure adequate funding for EPA oversight and coordination with state enforcement efforts. To ensure timely and effective cleanup of hazardous waste sites, EPA must work closely with the states to provide the appropriate enforcement guidance, tools, strategies, and funding to encourage states to pursue responsible parties to enter into settlement agreements.

[from 17.10] The Governors also support a change in the definition of the terms "remove or removal" provided in the Comprehensive Environmental Response, Compensation and Liability Act (Superfund) to provide for the acquisition of property and permanent evacuation and housing of threatened individuals when necessary to protect the public health and safety.

36.2.16 [17.2.16] State-Cleanups CORRECTIVE ACTION. Hazardous waste cleanups conducted under state authority should be eligible for the same exemption from the procedural burden of RCRA permits as cleanups conducted by EPA under CERCLA, provided that the substantive requirements of applicable state and federal laws are satisfied.

36.3 MUNICIPAL SOLID WASTE

36.3.1 [36.1] Preface. One of the major environmental policy issues confronting our nation in the next ten years will be devising and implementing a workable strategy for safe and efficient management of solid waste. Solid waste management remains primarily a state and local issue and presents a unique challenge to policymakers at all levels of government and within the private sector.

In order to ensure that the actions of the federal and state governments in solid waste management are coordinated and address important emerging issues of concern to the public and

to states, the Governors recommend that Congress amend the legislative framework in which solid waste management planning is conducted and implemented.

The overarching goals in managing solid waste should be to reduce by almost half the amount of solid waste requiring incineration or disposal by the year 2000, and to ensure that all wastes are handled in an environmentally sound manner. Specific goals include the following.

36.3.2
[36.2]

Source Reduction

The growth in per capita waste generation should be reversed and the toxicity of consumer products should be reduced. The nation should commit to an immediate reduction in the amount of waste each individual generates to 1986 levels, and maintain or lower this level further throughout the decade. This effort could cut future waste stream volumes by almost 10 percent. This goal also calls for the reduction or elimination of many toxic components now found in household waste. Achieving reductions in waste volumes and toxicities will require significant changes in the design and manufacture of numerous products, consumer purchasing habits, home disposal practices, and waste management in the workplace.

The U.S. Environmental Protection Agency should facilitate and coordinate industry efforts in source reduction by helping identify specific, measurable goals and guidelines that can be adopted by industry. Industry should be encouraged to voluntarily reduce excess packaging or eliminate toxic compounds found in household waste. Voluntary bans that prohibit the sale or disposal of specified items could be used if necessary. This effort should also include the development of a uniform labeling system to identify packages and products that reflect the source reduction principles established through this voluntary program. Methods should be developed to measure industry progress in reducing waste. If the EPA-led process fails to identify voluntary goals and strategies, Congress should require EPA to develop a mandatory program to reach the goals.

Both government and industry should initiate educational programs to encourage practices in the home and workplace that promote source reduction. Both also should adopt procurement programs and management practices that reduce waste generation and the reliance on disposable goods in the workplace, such as encouraging two-sided copying.

36.3.3
[36.3]

Recycling

Over the long term, the nation should aspire to reach a recycling goal of 50 percent. To reach this goal, the nation should recycle 30 percent of all municipal solid waste by 1995 and 40 percent by 2000, after source reduction. Because different regions and localities have different markets and consumer habits, recycling targets may not be met uniformly across the nation. Thus, this goal is intended as a national guideline, and not a requirement to be met by each state or locality. For waste that is produced, recycling should be the first option. Other waste disposal options, including incineration and landfilling, must be consistent with achievement of the recycling goals.

In order for recovered materials to be fully used again, a strong market for recycled products must be fostered through economic incentives, research and development, and education. The federal government should assist state recycling programs by providing technical assistance; supporting research and development of product design, recycling technology, and manufacturing processes; and developing safety and quality standards for recycled products. States and the federal government also should individually or cooperatively stimulate markets for recycled materials through market exchanges and transportation policies and by serving as models for collecting recyclable materials and purchasing recycled products.

A national cooperative effort should be established among industry, government, and citizen groups to develop voluntary durability, recycled content, and recyclability standards for adoption by industry. If this EPA-led effort fails to reach agreement on the voluntary standards, Congress should require EPA to establish mandatory standards to reach the goal by 2000.

Both industry and government have a responsibility to educate the public on the value of using recycled materials and the choices available. The federal government can help by instituting labeling systems to identify recycled and recyclable material, such as a nationally uniform plastic container coding system.

Barriers to the purchase of recycled products should be removed and government procurers should consider giving price advantages to products containing recycled materials. In addition, Congress should ensure that the federal tax code and other regulations do not unfairly grant advantages to virgin products over recycled ones and consider whether economic incentives are possible to promote recycling.

36.3.4 State Planning **[36.4]**

Each state, alone or in cooperation with other states, should manage the waste produced within its borders in an environmentally sound manner. This goal requires states to take responsibility for the treatment and disposal of solid waste created within their borders to eventually eliminate the transportation of unwanted waste sent over state lines for treatment or disposal.

It should be the national policy for each state to promote self-sufficiency in the management of solid waste. Self-sufficiency is a reliable, cost-effective, long-term path and generally reflects the principle that the citizens are ultimately responsible for the wastes they create.

As states phase in programs to assure self-sufficiency, Congress should require the federal government to pursue aggressively packaging and product composition initiatives, and to identify and foster creation of markets for recyclable or recycled goods. Federal assistance in these waste reduction endeavors is critical to developing national waste reduction and recycling programs to achieve self-sufficiency.

Similarly, the federal government must mandate national minimum performance standards for municipal solid waste disposal facilities. Otherwise, some states may resolve capacity crises brought about by export limitations by keeping open landfills that otherwise should be closed. Also, the lack of minimum standards may encourage exports, because it might be cheaper, even taking into consideration transportation costs, for a community in a state with stringent regulations to ship to nearby states that do not have the same requirements.

The development of solid waste management plans should be the primary responsibility of the states and local governments, and the Governors urge EPA to assist states in the development of comprehensive and integrated planning and regulatory programs through financial and technical assistance. Such plans should include a ten-year planning horizon and should be updated at least every five years. These plans should include a description of the following:

- the waste management hierarchy that maximizes cost-effective source reduction, reuse, and recycling of materials;
- the planning period;
- the waste inventory;
- the relationship between state and local governments;
- municipal solid waste reduction and recycling programs;
- a waste capacity analysis for municipal solid waste (which in no way should resemble a capacity assurance requirement similar to Section 104 of CERCLA);
- the state's regulatory program;
- the process for citizen participation; and
- self-certification that the state has necessary authority to implement these program elements.

EPA review of plans should be limited to a check for completeness based on elements specified in this policy and raised by EPA during the public comment period of the draft plan. EPA does not have the ability or the resources to take on the solid waste planning and management responsibilities that fall under the historical and rightful domain of state and local governments. Moreover, EPA's intrusion into the planning process (in a manner similar to RCRA Subtitle C) would frustrate and impede the planning process already underway in many states.

States should retain authority to implement and enforce Subtitle D programs upon passage of legislation reauthorizing the Resource Conservation and Recovery Act and new program elements in this legislation should be automatically delegated to states. Should a state fail to submit a complete plan, EPA should assume responsibility for the permitting and enforcement portion of a state solid waste management program after the state is given the opportunity to appeal and correct any deficiencies.

36.3.5 Interstate Transportation of MUNICIPAL Solid Waste **[36.5]**

It should be recognized that while states are developing self-sufficiency, a certain level of waste exportation will occur. Exportation must be available to states, at least temporarily, to relieve short-term capacity crises that will occur under the best of state programs as enforcement becomes more aggressive and the effects of reuse, recycling, and reduction programs begin to be felt. States should have discretion to exempt from imported waste surcharges waste from contiguous counties

or waste management districts. Mutually agreeable arrangements among states for the disposal of waste should be authorized but not made subject to specific congressional approval.

At the same time, importing states have the right to expect that unwanted imports will be reduced as quickly as possible. The authority to levy surcharges on imported waste can ease host state burdens and can act as an incentive to exporting states to develop sufficient in-state capacity. Both exporting and importing states have the obligation to enforce against non-complying facilities and aggressively pursue reuse, recycling, and reduction programs to the extent practicable.

~~(NOTE: Some reorganization of sentences made in the following paragraphs.)~~

Although states should be encouraged to take steps to ensure the responsible management of their own waste, a capacity assurance process similar to that for hazardous waste in the Superfund law is not an appropriate solution. INSTEAD, Congress should provide for limited waiver of the

Commerce Clause to enable states to impose differential fees to compensate them for the costs of managing imported wastes and to reduce the economic incentives of other states to export wastes.

The authority to impose differential fees and selective bans should not be linked to EPA's completeness review of a state plan. Such a requirement inappropriately places burdens on importing states that most need this relief and is impractical given EPA's resources. ~~The National Governors' Association will work with the states to develop the criteria to be used for the imposition of selective bans.~~

During a transition period of five years, differential fees charged for accepting out-of-state waste for disposal should be capped. A formula for a maximum allowable fee should be AUTHORIZED AT A LEVEL THAT REFLECTS THE DIFFERENCE IN TOTAL DISPOSAL COSTS BETWEEN THE IMPORTING AND EXPORTING STATES. ~~established by federal law at a multiple of the receiving~~

~~state's base surcharge on disposal of in-state solid waste, or a multiple of the highest base surcharge in the exporting state, whichever is greater.~~ This will prevent states from imposing de facto import bans by setting prohibitively high fees on imported wastes. The fee should be set at up to one-half the cap in the first year and increase in equal amounts annually thereafter for the full five-year period. The distance waste travels has no environmental or economic significance to receiving states and should not be a factor in setting differential fee caps. Otherwise, setting differential fees within the allowable fee cap should be at the discretion of the receiving state with no federal involvement.

After the transition period, when states should be well on their way to self-sufficiency, there should be no limitation on the fee charged by one state for accepting another state's waste for disposal.

States that are unable to develop waste management capacity within their borders for environmental reasons, or that have temporary capacity shortages, should be encouraged to create voluntary cooperative efforts with other states to meet disposal needs within their region. Interstate shipments should be made pursuant to mutually acceptable arrangements between states, subject to the fee caps imposed by the federal government during the transition period.

Total bans on interstate transportation of solid waste will not lead to the best environmental solution and may hamper movement of material for recycling. It is essential that any restrictions on interstate waste shipments include a broad statutory exemption for recyclable materials and recycled products transported between states or nations unless for disposal. However, the Governors do

~~support selective bans to protect in-state MUNICIPAL solid waste capacity, and to ensure proper use of available existing solid waste management capacity. The criteria to be used for the imposition of selective bans must be carefully developed, and must provide the states clear direction to ensure fairness and equity.~~ STATES SHOULD BE PERMITTED TO RESERVE ANNUALLY A REASONABLE PORTION OF THEIR CAPACITY FOR DISPOSAL OF WASTE GENERATED WITHIN THE STATE.

UPON SELF-CERTIFICATION OF ITS SOLID WASTE MANAGEMENT PLAN, A STATE SHOULD HAVE AUTHORITY DURING THE FIVE-YEAR FEE TRANSITION PERIOD TO BAN MUNICIPAL SOLID WASTE IMPORTS IN THE FOLLOWING SITUATIONS:

- WHEN THE EXPORTING STATE DOES NOT HAVE A SELF-CERTIFIED PLAN; OR
- WHEN, DURING THE FIVE-YEAR TRANSITION PERIOD, IMPORTS ARE RECEIVED FROM A STATE THAT HAS FAILED TO ACHIEVE A 20 PERCENT ANNUAL REDUCTION IN WASTE EXPORTS TO THE RECEIVING STATE.

36.3.6 **Municipal Incinerator and Waste-to-Energy Plant Emissions Standards.** The Governors recommend that Congress direct EPA to adopt minimum national standards for the emissions from new facilities and to provide a schedule for the upgrading of existing facilities.
[36.6.1]

36.3.7 **Municipal Incinerator and Waste-to-Energy Plant Ash.** In order to facilitate planning for both incineration and ash management facilities, the Governors recommend that Congress establish a specific management classification and regulatory scheme for municipal waste combustion residues under Subtitle D; require the establishment of minimum performance standards for land disposal facilities for such wastes; and specify the testing regimes that are applicable to the wastes and facilities. Any policies addressing municipal incinerator residues should recognize the possibility of and encourage beneficial reuse of such material, consistent with protection of the environment.
[36.6.2]

36.4 **Industrial Wastes**
[36.7]

Industrial solid waste volumes far outweigh municipal waste volumes, yet relatively little is known about the composition of these waste streams. The Governors support uniform national industrial solid waste management practices that enhance reduction and recovery of industrial wastes following sufficient study of public health and environmental risks. This planning could be required through the permitting process.

36.5 **Special Wastes**
[36.8]

The Governors recognize that a number of wastes are sufficiently unique to necessitate special management practices.

36.5.1 **Mining Waste.** The Governors believe that EPA should undertake an expedited effort to propose and promulgate a regulatory program for any mining wastes found by the agency to warrant regulation under Subtitle D. This program should establish a state-based approach for protection of public health and the environment, taking into account site-specific, waste-specific, and waste management-specific practices that are in use. To the maximum extent feasible consistent with this objective, the Subtitle D program should permit reliance on existing state regulatory programs for mining waste.
[36.8.1]

36.5.2 **Oil and Gas Waste.** Currently, on-shore oil and gas exploration and production wastes are exempt from classification as hazardous under the Resource Conservation and Recovery Act. Congress will consider whether this exemption should continue now that EPA has submitted its study on the disposal of these wastes.
[36.8.2]

EPA's study confirms that exploration and production wastes, when properly managed, do not endanger human health or the environment. In addition, the study confirms that existing state and federal regulations require proper management of the exploration and production wastes. Additional regulations are not necessary.

Therefore, the Governors recommend that the regulation of on-shore oil and gas exploration and production wastes remain primarily the individual state's right and responsibility under current federal laws, and that state regulation of oil and gas exploration and production wastes continue to be exempt from hazardous waste regulation.

36.5.3 **Blomedical Wastes.** The Governors recommend that Congress establish a specific management classification, as a subset of RCRA Subtitle D, for biomedical wastes with infectious potential. This management scheme should include the establishment of a state-based system for tracking biomedical wastes, distinct from the current Subtitle C hazardous waste manifest system, but similar in that it ensures that wastes are disposed of in appropriate facilities and ensures that states receive sufficient and consistent information to ensure proper management. In addition, those who produce and handle such waste should be held strictly liable for its proper management.

36.6 **Role of State and Local Governments**
[36.9]

While recognizing the need for a strong federal commitment to the sound management of solid waste, consistent with this policy, the Governors believe that the primary responsibility for the planning, implementation, enforcement, siting, and day-to-day operation of solid waste management facilities should remain with state and local government, as it is today. Nothing in this policy shall be construed as an endorsement by the Governors of an expanded federal role in areas of state responsibility.



JERRY M. RIVERA
Director

GUAM ENERGY OFFICE
OFFICE OF THE GOVERNOR
Government of Guam

ENNIFER P. SGAMBELLURI
Deputy Director

July 22, 1992

MEMORANDUM

TO: Director, Bureau of Planning
FROM: Director, Guam Energy Office
SUBJECT: Comments re Comprehensive National Energy Policy for
National Governors' Association 84th Annual Meeting

This is to reply to your June 17, 1992 request for comments to your office regarding the "Comprehensive National Energy Policy" for the National Governors' Association (NGA) 84th Annual Meeting which Governor Ada will be attending.

I apologize for the late reply. Unfortunately, your request for comments was received during my absence off-island for military duty and was held in abeyance until my return. Nevertheless, perhaps GEO's comments can be given to a member of the Governor's staff who will be leaving sometime next week for New Jersey or it can be sent by facsimile to his hotel prior to the start of the meeting. Our comments on the resolution which you sent us are as shown below:

GEO agrees that the Nation needs to adopt a comprehensive national energy policy as soon as possible since it is true that Guam's and the Nation's economic growth depend to a large degree on the reliability and stability of our energy supplies. Hopefully, more focus will be made on renewable alternative sources of energy such as solar, wind, hydro, geothermal, biomass, nuclear, Ocean Thermal Energy Conversion (OTEC), fusion energy and the like to replace our dependence as a Nation on imported fossil fuels. Admittedly, many of these energy sources are not currently cost-effective to replace fossil fuels at today's prices. However, in terms of national security interests, our Nation should follow the example of Japan in investing heavily now for the future. The United States was making tremendous headway during the oil crisis of the 1970's in alternate energy research until the oil supply again became abundant




MEMO TO DIR. BUREAU OF PLANNING
CMTS FOR GOVS' ASSOC. 84TH ANNUAL MTG
PAGE 2

and prices dropped below pre-oil-embargo prices. Although the National Energy Strategy includes further research and an expanded budget on alternative energy sources, it is still largely weighted in favor of cheaper fossil fuels and coal which pollute our environment and add to global warming, not to mention the expansion of the ozone hole. Therefore, the overall energy strategy should be more weighted towards more research in alternative renewable energy sources with an accompanying budget to accomplish this goal.

GEO also agrees that any energy sources used should be environmentally acceptable. The United States has a tremendous amount of air, land and water pollution related to fossil fuels. The Exxon Valdez' oil spill in Alaska is one example of an environmental disaster related to petroleum. Acid rain and air pollution caused by the combustion exhausts of America's millions of vehicles and machinery make our air unhealthy for millions of Americans as well as threaten faraway places like Pacific atolls (the Marshall Islands for example) with rising water levels caused by global warming. The enlarging hole in the ozone layer will also threaten millions of of people around the world with several forms of skin cancer.

Thus, in general the Governor should support and vote for the attached proposed resolution at the 84th Annual Governors' Meeting in August in New Jersey.

Should you desire more input regarding this matter, please contact me at once.



JERRY M. RIVERA

Attachments

1992 DISKETTE (A:\MEM92-26)

RESOLUTION*

A COMPREHENSIVE NATIONAL ENERGY POLICY

IN 1989, THE NATION'S GOVERNORS ASSERTED THAT THE DEVELOPMENT OF A COMPREHENSIVE, COHERENT, AND PRODUCTIVE NATIONAL ENERGY POLICY WAS IMPERATIVE AS THE NATION ENTERED THE 1990S. TODAY, THOUGH THE NEED REMAINS IMPERATIVE, THE NATION HAS YET TO *adopt* ~~DEVELOP~~ A COMPREHENSIVE NATIONAL ENERGY POLICY.

CONTINUED ECONOMIC GROWTH FOR THE NATION DEPENDS IN LARGE PART ON THE RELIABILITY AND STABILITY OF ITS ENERGY SUPPLIES. AT THE SAME TIME, ENVIRONMENTAL CONCERNS DICTATE THAT ENERGY SOURCES MUST BE CLEAN AND SAFE. OVER THE PAST FIFTY YEARS, THE UNITED STATES HAS GONE FROM THE WORLD'S LARGEST EXPORTER OF OIL TO THE WORLD'S LARGEST IMPORTER. AS DOMESTIC ENERGY DEMAND SOARS, DOMESTIC OIL SUPPLIES DWINDLE. THAT PERIL WILL CONTINUE AND WORSEN UNTIL THE NATION DEVELOPS AND UTILIZES RENEWABLE AND ALTERNATIVE SOURCES OF ENERGY.

THE GOVERNORS REAFFIRM THEIR SUPPORT FOR ~~THE DEVELOPMENT OF~~ A COMPREHENSIVE NATIONAL ENERGY POLICY AND RECOMMEND THAT THE FEDERAL GOVERNMENT IMMEDIATELY ADOPT A STRATEGY THAT SUPPORTS ENVIRONMENTALLY ACCEPTABLE DEVELOPMENT AND USE OF DOMESTIC ENERGY SOURCES, INCLUDING NATURAL GAS, *methanol*, FUELS SUCH AS ETHANOL DERIVED FROM RENEWABLE BIOMASS, CLEAN COAL, NUCLEAR, OIL FROM STRIPPER WELLS, AND RENEWABLE ENERGY SOURCES. IN ADDITION, THE NATIONAL STRATEGY MUST INCLUDE AN EMPHASIS ON CONSERVATION, EFFICIENCY, *including multi-modal transportation*, AND ELIMINATION OF WASTE. TAKEN TOGETHER, THE ELEMENTS OF THE STRATEGY SHOULD SIGNIFICANTLY REDUCE THE NATION'S DEPENDENCE ON FOREIGN OIL.

* based upon Policy D-44



JERRY M. RIVERA
Director

JENNIFER P. SGAMBELLURI
Deputy Director

GUAM ENERGY OFFICE
OFFICE OF THE GOVERNOR
Government of Guam

January 22, 1992

MEMORANDUM

TO: Director, Bureau of Planning

FROM: Director, Guam Energy Office

SUBJECT: Governor's Briefing Paper for National Governors' Association Winter Meeting

Submitted herewith as requested is Guam Energy Office's (GEO) input to be made as a part of the Governor's briefing paper on energy for the 1992 National Governors' Association Winter Meeting in Washington, D.C. scheduled for February 2-4, 1992.

GEO will discuss each area as specified in Bureau of Planning's (BOP) December 16, 1991 routing and transmittal slip. They are as follows:

.D-1 Comprehensive Energy and Natural Resources Policy Statement:

Governor should support this policy statement. GEO agrees that the U.S.A.'s reliance on imported oil at current and future levels is unacceptable and has serious risks related to national security. There should be less importation of foreign fossil fuels by concentrating on tapping domestic resources such as coal, natural gas and the like, although there may be related environmental concerns. The U.S. deficit trade will be greatly reduced to America's advantage. More jobs will be created to tap these energy resources which will spur the national's economy and perhaps eliminate the recession. GEO naturally supports NGA's policy position on a concurrent aggressive energy conservation program and a balance between energy and environmental concerns. GEO supports and the Governor should support the NGA's recommended actions on coal conversion and production, synthetic fuels, transportation, energy impact assistance, Strategic Petroleum Reserve, gas pricing, etc., and especially those that will place strong emphasis on renewable energy sources in terms of continuing research and development of solar, biomass, wind, ocean thermal, hydroelectric, tidal, etc. Guam's salvation from imported fossil fuels is dependent on the use of alternative but cost-effective and affordable use of renewable alternate energy such as solar which is abundant on Guam. Great strides are being achieved in the development of photovoltaics. The current cost of \$5/watt is expected to go down in price to \$1/watt within the next 5-10 years with a corresponding increase in efficiency. At \$1/watt, it is more economic than using Guam Power Authority's produced power.



A COMPREHENSIVE NATIONAL ENERGY POLICY

IN 1989, THE NATION'S GOVERNORS ASSERTED THAT THE DEVELOPMENT OF A COMPREHENSIVE, COHERENT, AND PRODUCTIVE NATIONAL ENERGY POLICY WAS IMPERATIVE AS THE NATION ENTERED THE 1990S. TODAY, THOUGH THE NEED REMAINS IMPERATIVE, THE NATION HAS YET TO DEVELOP A COMPREHENSIVE NATIONAL ENERGY POLICY.

CONTINUED ECONOMIC GROWTH FOR THE NATION DEPENDS IN LARGE PART ON THE RELIABILITY AND STABILITY OF ITS ENERGY SUPPLIES. AT THE SAME TIME, ENVIRONMENTAL CONCERNS DICTATE THAT ENERGY SOURCES MUST BE CLEAN AND SAFE. OVER THE PAST FIFTY YEARS, THE UNITED STATES HAS GONE FROM THE WORLD'S LARGEST EXPORTER OF OIL TO THE WORLD'S LARGEST IMPORTER. AS DOMESTIC ENERGY DEMAND SOARS, DOMESTIC OIL SUPPLIES DWINDLE. THAT PERIL WILL CONTINUE AND WORSEN UNTIL THE NATION DEVELOPS AND UTILIZES RENEWABLE AND ALTERNATIVE SOURCES OF ENERGY.

THE GOVERNORS REAFFIRM THEIR SUPPORT FOR THE DEVELOPMENT OF A COMPREHENSIVE NATIONAL ENERGY POLICY AND RECOMMEND THAT THE FEDERAL GOVERNMENT IMMEDIATELY ADOPT A STRATEGY THAT SUPPORTS ENVIRONMENTALLY ACCEPTABLE DEVELOPMENT AND USE OF DOMESTIC ENERGY SOURCES, INCLUDING NATURAL GAS, FUELS SUCH AS ETHANOL DERIVED FROM RENEWABLE BIOMASS, CLEAN COAL, NUCLEAR, OIL FROM STRIPPER WELLS, AND RENEWABLE ENERGY SOURCES. IN ADDITION, THE NATIONAL STRATEGY MUST INCLUDE AN EMPHASIS ON CONSERVATION, EFFICIENCY, AND ELIMINATION OF WASTE. TAKEN TOGETHER, THE ELEMENTS OF THE STRATEGY SHOULD SIGNIFICANTLY REDUCE THE NATION'S DEPENDENCE ON FOREIGN OIL.

* based upon Policy D-44

BRIEFING PAPER
"TERRITORIAL SEA & CONTIGUOUS ZONE EXTENSION ACT OF 1991"
NGA MEETING
FEBRUARY 2-4, 1992
WASHINGTON, D.C.

1. This bill, introduced by Walter Jones, has the purpose and effect of claiming all rights, responsibilities and resources within the extended territorial sea (that area between 3 and 12 miles from the base line) for the Federal Government of the United States, at the expense of the rights of the various states and territories of the United States.

2. This bill extends the Contiguous Zone to that area between 12 and 24 miles of the base line, for the advantage of the Federal Government of the United States.

Note: This bill, if passed, would do damage to Guam's claims under Section 10 of the Commonwealth Act, in that it specifically would give rights to the Federal Government in an area, while within the 200 mile EEZ, is legally seperable from that larger area.

Note: Chairman Jones is retiring from Congress at the end of this term. While a vocal and effective proponent of State authority for many years, Chairman Jones has reversed that position and has vociferously supported Federal views over State views in the past two years.

December 31, 1991

Memorandum

To: Director, Bureau of Planning

From: Director of Agriculture

Subject: Territorial Sea and Contiguous Zone Extension Act of 1991 and Coastal States Extension Act of 1991

The Department reviewed the two aforesaid bill and offer the following comments.

- A. On the Territorial Sea and Contiguous Zone Extension Act of 1991
 §§3 and 5, we view this as arbitrary and incongruous on the part of the United State as it is not a signatory to the U.N. Convention on the Law of the Sea.
- B. On the Coastal States Extension Act of 1991
 §3. (3)(B), what about non-states, i. e. territories, possessions and commonwealths?
- C. As Guam is asserting it's claim over the living and non-living resources through its self-determination negotiations with the federal government, it would be to our benefit if the language in both acts make it clear that the acts do not apply to Guam.

ANTONIO S. QUITUGUA
ANTONIO S. QUITUGUA

RJLUJAN/ncm

cc: File
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 Originator's Copy

R. Lujan
Chig
J. Mendez
Dep. Dir.

12/31/91

1.13

MARINE LABORATORY
UNIVERSITY OF GUAM

December 30, 1991

MEMORANDUM

TO: President, University of Guam

FROM: Acting Director, Marine Laboratory

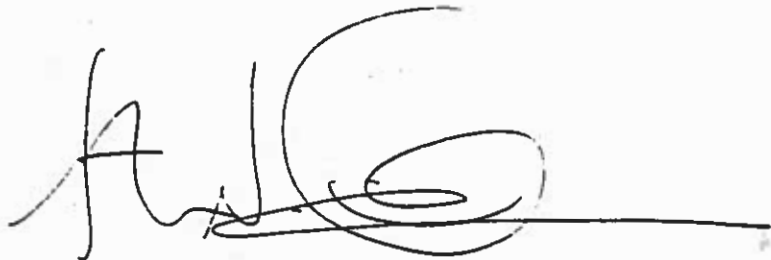
SUBJECT: Draft "Territorial Sea and Contiguous Zone Extension Act of 1991"

I have received a set of documents concerning the proposed Federal legislation entitled "Territorial Sea and Contiguous Zone Extension Act." These documents were sent to your office by the Director, Bureau of Planning, and forwarded to the Director of the Marine Laboratory with a request for the preparation of a briefing paper for the Governor of Guam for the 1992 National Governor's Association Winter Meeting.

As far as I can ascertain, the principal effect of the proposed bill would be to replace Presidential Proclamation 5928 of December 27, 1988, with Congressional legislation.

The impact on Guam of this bill, if passed, would center on the issue of whether Guam or the U. S. controls activities in the Exclusive Economic Zone (EEZ) around Guam. While the proposed legislation sidesteps this issue, it might, in fact, make it more difficult for Guam to gain Federal recognition of the Island's jurisdiction over EEZ waters.

I am not qualified to evaluate the ramifications of this legislation relative to issues of EEZ control raised in the Guam Commonwealth negotiations. There are undoubtedly individuals at UOG who could provide you with more knowledgeable input on this bill, perhaps Dr. Robert Underwood, Dr. Paul Callaghan, or Dr. George Boughton.

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a series of loops and a long horizontal stroke extending to the right.

UNIVERSITY OF GUAM
College of Business and Public Administration
Finance and Economics Department
UOG Station (CBPA), Mangilao, GU 96923

Tel: (671) 734-9448

FAX: (671) 734-5362

January 7, 1992

MEMORANDUM

TO: President, University of Guam

FROM: Chair, Finance and Economics Department, CBPA

SUBJECT: Response to the Request of your Assistant, Ms. Dee A. Johnson, for Comment on the Draft Territorial Sea and Contiguous Zone Extension Act of 1991

These comments refer to the unnumbered Jones Draft Bill dated February 26, 1991. Since I have no great expertise in the economics of ocean bed mineral resources I will not comment on these. My comments are here restricted to the economic impacts on fisheries resources (an area where I do have some 25 years experience).

First point, under U.S. law Guam, like any other state, has always controlled the management, conservation and allocation of resources which exist within 3 miles of shore. This (3 mile) area is referred to as the Territorial Sea.

Second point, under the Magnuson Fishery Conservation and Management Act the Federal Government, through the Department of Commerce and the various Regional Fisheries Councils, regulates the management, conservation and allocation of resources which exist between 3 miles and 200 miles of shore. This (200 mile) area is referred to as the U.S. Exclusive Economic Zone (EEZ).

As I read it the Jones Draft Bill would increase the size of the Territorial Sea to 12 miles and in addition create a new Contiguous Zone reaching out to 24 miles. The Contiguous Zone appears simply to give the Federal authorities an additional 12 miles to apprehend a vessel which has violated some regulation of the Territorial Sea.

The Draft Bill does nothing to change either the first or second points made above. Guam would still regulate things out to 3 miles and the Feds would regulate resources from 3 to 200 miles. Keep in mind that (in my opinion) 70-80% of the fisheries resource value is located within the first 3 miles from shore (the Territorial Sea under Guam's control). Less than 30% of the fisheries resource value is located between 3 and 24 miles. So whether or not Guam gets another 9 miles is of relatively little importance economically. [Note: In my opinion as a fisherman (ask your fishing friends if I am not right) Guam's past record of managing its 3 mile Territorial Sea is so bad that we would certainly not be worse off with Federal control of the additional 9 miles].

As I understand the Draft Bill it is economically neutral. I see no significant economic benefit or loss to Guam resulting from the Draft. Things will go on pretty much as they are right now. There may be political or cultural or nationalistic reasons to support or oppose the Draft Bill, but I can find no significant economic justification for either stance.

A point which is often brought up is that Guam is not receiving any value from the fishery resources which are being caught in the EEZ around our Island. It is inferred that if Guam controlled the resources within the entire 200 mile EEZ then some kind of rent or tax or license fee could be charged so that our island would receive some payment for "our resources". I estimate that such a license fee for fishing in Guam's 200 mile EEZ would not generate more than \$60,000 annually. Control by Guam of the whole 200 mile EEZ may be politically or nationalistically important, but there is little economic justification.

Finally it should be noted that the fishing fleets which call at the commercial port of Guam do generate a significant volume of economic activity which does in part pay for the value of "our resources" being caught in "our EEZ". However, it should be noted that there are several methods of indirect taxation which, if enacted, could extract even greater fees from the commercial fishing vessels in payment for the use of Guam's resources. The Guam legislature has steadfastly refused to enact these taxes. A simple fuel tax of 2 cents a gallon on commercial fishing vessels would, I estimate, generate around \$1 million a year in tax revenue for the Government. Even though Guam does not directly control the EEZ, by virtue of being the only first class port in the region it can exercise significant control over what goes on in the EEZ if our politicians have the will to do so.


Paul Callaghan

[February 26, 1991]

102D CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. JONES of North Carolina introduced the following bill; which was referred to the Committee on _____

A BILL

To extend the territorial sea of the United States to 12 miles for domestic purposes, to extend the contiguous zone of the United States to 24 miles, and for other purposes.

- 1 Be it enacted by the Senate and House of Representatives
- 2 of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Territorial Sea and
3 Contiguous Zone Extension Act of 1991".

4 SEC. 2. FINDINGS.

5 The Congress finds that--

6 (1) by Presidential Proclamation 5928 of December 27,
7 1988, the President extended the territorial sea of the
8 United States to 12 nautical miles for purposes of
9 protecting national security;

10 (2) that proclamation disclaims any intent to extend
11 or otherwise alter Federal or State law, thereby causing
12 confusion over the application and interpretation of
13 those laws in the extended territorial sea;

14 (3) under Article IV, Section 3 of the Constitution,
15 the Congress is responsible for making all needful rules
16 and regulations respecting the territory of the United
17 States, which includes land and water of the territorial
18 sea; and

19 (4) it is in the interest of the United States to
20 extend its territorial sea to 12 nautical miles and its
21 contiguous zone to 24 nautical miles for purposes of
22 protecting offshore resources, informing foreign citizens
23 and vessels of their obligations under United States law,
24 and resolving the uncertain legal status of the maritime

*not
willfully
to
legislate
I think*

1 zone between 3 and 12 miles.

2 SEC. 3. PURPOSES.

3 The purposes of this Act are--

4 (1) to extend the territorial sea of the United
5 States to 12 nautical miles for the purposes of domestic
6 and international law;

7 (2) to extend the contiguous zone of the United
8 States to 24 nautical miles for the purposes of domestic
9 and international law; and

10 (3) to conform existing law to these extensions.

11 SEC. 4. EXTENSION OF TERRITORIAL SEA.

12 (a) EXTENSION.--The territorial sea of the United States
13 consists of--

14 (1) the ocean waters adjacent to the baseline of the
15 United States (as such baseline is established in
16 accordance with international law) to a seaward extent
17 that is a line every point of which is located on the
18 seaward side of such baseline at a distance of 12
19 nautical miles from the nearest point of the baseline;

20 * (2) the seabed and subsoil located below such waters;
21 and

22 (3) the airspace above such waters.

23 (b) EFFECT.--

24 (1) INTERNATIONAL LAW.--The sovereignty of the United
25 * States exists in accordance with international law over

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10 nautical miles
20 nautical miles
24 nautical miles
25 nautical miles

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* only Int'l
Law principle
no-terp.

1 all areas that are part of the territorial sea of the
2 United States.

3 (2) UNITED STATES LAW.--The area between 3 nautical
4 miles and 12 nautical miles, representing the extension
5 of the territorial sea pursuant to this Act, shall
6 henceforth be considered United States territory ~~to be~~
7 * managed in accordance with the provisions of section 6
8 and 7 of this Act.

9 SEC. 5. EXTENSION OF CONTIGUOUS ZONE.

10 (a) EXTENSION.--There is hereby established a contiguous
11 zone of the United States consisting of ocean waters
12 contiguous to the territorial sea of the United States (as
13 extended by this Act) and extending 24 nautical miles seaward
14 from the baseline from which the seaward extent of the
15 territorial sea is measured.

16 (b) EFFECT.--

17 (1) INTERNATIONAL LAW.--The United States has the
18 authority to conduct activities in the contiguous zone to
19 the extent necessary--

20 (A) to prevent infringement of the customs,
21 fiscal, immigration, and sanitary laws and
22 regulations of the United States in the territory of
23 the United States, including such infringement in the
24 territorial sea of the United States; and

25 (B) to punish infringement of such laws and

1 regulations committed in the territory of the United
2 States, including such an infringement committed in
3 the territorial sea of the United States.

4 (2) UNITED STATES LAW.--As provided in section 6 of
5 this Act, the United States will apply its laws to the
6 contiguous zone as extended by this Act.

7 SEC. 6. EFFECT ON OTHER LAWS.

8 (a) TERRITORIAL SEA.--

9 (1) IN GENERAL.--As used in referring to a maritime
10 zone of the United States in--

11 (A) titles 18, 46, and 49, United States Code;

12 and

13 (B) any law codified in title 16, 19, 30, 33, 42,
14 43, 47, or 50, United States Code, or in the Appendix
15 to title 46, United States Code;

16 each of the terms "territorial sea", "territorial
17 seas", "territorial waters", and "territorial
18 limits" shall be considered to mean the territorial sea
19 established by section 4 of this Act.

20 (2) NAVIGABLE WATERS OF THE UNITED STATES.--As used
21 in--

22 (A) titles 18, 46, and 49, United States Code;

23 and

24 (B) any law codified in title 16, 19, 30, 33, 42,
25 43, 47, or 50, United States Code, or in the Appendix

1 to title 46, United States Code;
2 the term "navigable waters of the United States" shall
3 be considered to include the territorial sea established
4 by section 4 of this Act.

5 (c) CONTIGUOUS ZONE.--As used in referring to a maritime
6 zone of the United States in any law codified in title 33,
7 42, or 43, United States Code, the term "contiguous zone"
8 shall be considered to mean the contiguous zone established
9 by section 5 of this Act.

10 SEC. 7. SAVINGS PROVISION.

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mean?*

11 * (a) IN GENERAL.--The extension of the territorial sea to
12 12 nautical miles and the extension of the contiguous zone to
13 24 nautical miles by this Act shall not affect the title,
14 legal rights, interests, jurisdiction, and authority of
15 States, of the Commonwealth of Puerto Rico, of the
16 Commonwealth of the Northern Mariana Islands, and of the
17 territories and possessions of the United States.

18 (b) AUTHORITY OF STATES TO MANAGE FISHERY RESOURCES--The
19 extension of the territorial sea to 12 nautical miles by this
20 Act shall not affect the authority of States and the Federal
21 Government to manage fishery resources, as such authority
22 existed prior to the extension.

23 (c) INTERNATIONAL LAW.--Nothing in this Act shall
24 impair--

25 (1) the right of innocent passage through the

1 territorial sea of the United States or the right of
2 transit passage through international straits; or

3 (2) the determination, in accordance with
4 international law and equitable principles, of any
5 maritime boundary with a foreign nation or a foreign
6 jurisdiction.

7 **SEC. 8. EFFECTIVE DATE.**

8 This Act shall become effective on the date of the
9 enactment of this Act.

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BRIEFING PAPER
"COASTAL STATES EXTENSION ACT OF 1991"
NGA MEETING
FEBRUARY 2-4, 1992
WASHINGTON, D.C.

1. This bill, introduced by Mr. Bennett, would extend State authority from the 3 mile to the 12 mile limit.
2. This bill has the opposite effect of the bill introduced by Mr. Jones.
3. Because this bill only amends the Submerged Land Act, and because the territories are not, by definition, included in that Act, this bill would not have any effect on Guam's claims, either to the positive or negative. (This bill, like the Submerged Lands Act and the Outer Continental Shelf Lands Act, are designed for those entities which have "entered the Union" before a certain date.
- 4.

December 31, 1991

Memorandum

To: Director, Bureau of Planning

From: Director of Agriculture

Subject: Territorial Sea and Contiguous Zone Extension Act of 1991 and Coastal States Extension Act of 1991

The Department reviewed the two aforesaid bill and offer the following comments.

- A. On the Territorial Sea and Contiguous Zone Extension Act of 1991.
 §§3 and 5, we view this as arbitrary and incongruous on the part of the United State as it is not a signatory to the U.N. Convention on the Law of the Sea.
- B. On the Coastal States Extension Act of 1991.
 §3. (3)(B), what about non-states, i.e. territories, possessions and commonwealths?
- C. As Guam is asserting it's claim over the living and non-living resources through its self-determination negotiations with the federal government, it would be to our benefit if the language in both acts make it clear that the acts do not apply to Guam.

ANTONIO S. QUITUGUA
ANTONIO S. QUITUGUA

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cc: File
 Division's Chrono
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 Originator's Copy

R. Lujan
Chin
J. Mendez
Dep. Dir.

12/31/91

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102D CONGRESS
1ST SESSION

H. R. 536

To extend State jurisdiction over submerged lands and to allow States to grant mineral leases in the extended area.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 1991

Mr. BENNETT introduced the following bill: which was referred jointly to the Committees on Interior and Insular Affairs, the Judiciary, and Merchant Marine and Fisheries

A BILL

To extend State jurisdiction over submerged lands and to allow States to grant mineral leases in the extended area.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the "Coastal States Extension
5 Act of 1991".

6 **SEC. 2. FINDINGS.**

7 The Congress finds as follows:

8 (1) In Executive Proclamation 5928, issued on
9 December 27, 1988, the President extended the bound-
10 aries of the territorial sea of the United States from 3

1 nautical miles to 12 nautical miles in accordance with
2 international law. However, the Proclamation did not
3 address the effect of the extension on the territorial ju-
4 risdiction of the States.

5 (2) The coastal States have, with few exceptions,
6 jurisdiction over the land, air, water, and resources
7 within their boundaries, which in most cases extend
8 out into the oceans 3 nautical miles.

9 (3) The Great Lake States have jurisdiction over
10 the land, air, water, and resources of their offshore
11 areas up to the border with Canada, which can range
12 from 11 to 80 nautical miles from the coast line.

13 (4) Some Gulf of Mexico States have jurisdiction
14 over the land, air, water, and resources of their off-
15 shore areas out to 10.4 nautical miles from their coast
16 line.

17 (5) The coastal States—

18 (A) have consistently demonstrated an ability
19 to manage ocean resources within their jurisdic-
20 tion in a manner consistent with the interests of
21 both the Nation and the coastal States;

22 (B) have demonstrated both experience and
23 skill at balancing protection, conservation, and
24 utilization of the living and nonliving resources of
25 the ocean; and

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+ has jurisdiction
over it
w/ R-25

1 (A) by striking out "original coastal State"
2 in the first sentence and inserting in lieu thereof
3 "coastal State admitted to the Union before the
4 date of enactment of the Coastal States Extension
5 Act of 1991";

6 (B) by striking out "three geographical" in
7 the first sentence and inserting in lieu thereof "12
8 nautical"; and

9 (C) by striking out "formation" in the second
10 sentence and all that follows through the end of
11 the section and inserting in lieu thereof "date of
12 enactment of the Coastal States Extension Act of
13 1991 may assert its seaward boundaries to a line
14 12 nautical miles distant from its coast line."

15 **SEC. 4. DISPOSITION OF CERTAIN MINERAL LEASES IN STATE**
16 **SUBMERGED LANDS.**

17 (a) **IN GENERAL.**—Any lease executed by the Secretary
18 of the Interior under the Outer Continental Shelf Lands Act
19 (43 U.S.C. 1331 and following) that is in effect on the date of
20 the enactment of this Act covering an area within lands
21 transferred to States under section 3 shall remain in full force
22 and effect until it expires pursuant to its terms or is cancelled
23 pursuant to the Outer Continental Shelf Lands Act. Subject
24 to subsection (b), upon the expiration or cancellation of such

1 a lease, the State in whose territory the leased area is situat-
2 ed shall have the authority to grant leases in such area.

3 (b) PROHIBITION ON USE OF LEASE PROCEEDS FOR
4 COASTAL ZONE DEVELOPMENT.—A State affected by sec-
5 tion 3 may not grant a lease in the area transferred to the
6 State under that section until the Secretary of Commerce
7 determines that the State has an approved program or is
8 making satisfactory progress in developing a program under
9 section 306 of the Coastal Zone Management Act of 1972
10 (16 U.S.C. 1455).

11 (c) DEFINITIONS.—As used in this section—

12 (1) the term "lease" has the meaning given that
13 term in section 2(c) of the Outer Continental Shelf
14 Lands Act (43 U.S.C. 1331(c)); and

15 (2) the term "coastal zone" has the meaning
16 given that term in section 304(1) of the Coastal Zone
17 Management Act of 1972 (16 U.S.C. 1453(1)).

○

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GEOGRAPHIC INFORMATION SYSTEMS SECTION

GEOLOGIC MAPPING

The Bureau of Planning is presently involved in the development of a Geographic Information System. With the advent of micro-computers, the cost to convert geologic mapping from a hand drawn paper system to a computerized system has decreased significantly and the need to have information instantaneously has become critical to a more efficient decision making process. Thus the thrust to developing a Geographic Information System has emerged. This system is composed of computerized maps and an associated attribute data base. A lot line map displaying all the parcels for the island is presently being developed. This will serve as the base map from which additional layers of information can be overlaid. Agencies including the Bureau of Planning are involved in converting their hand-drawn maps to computerized maps. The utility agencies, Guam Environmental Protection Agency, Department of Land Management, and the Bureau of Planning are all involved in converting their maps. The Bureau of Planning is involved with converting the Natural Constrain maps such as : Orthographic maps, Sea Shore Reserve, Flood Zones, Wetlands, Aquifer Recharge Areas, AICUZ, Topography, Slide and Erosion Zones to name a few. These maps, along with the other maps, that can be obtained from the various agencies, will provide the vital information necessary for land use planning, determination of locations for schools, locations of waste disposal sites, locating and protecting the groundwater resources, siting critical emergency facilities, routing of highways, location of utility lines. development of updated Zoning and Tax Maps, locations of Public and Private property and analyzing socio-economic and census data.

Associated with each computerized maps is a data base from which attribute information can be stored and queried. This information is data that would not normally be displayed on a map. Information such as name of owner, recorded area, municipality, size of pipe, year of instillation, type and PH of soil, flood zone type, population density, assess value of the property, Census data as well as socio-economic data can all be stored. With this Geographic Information System information can be seen graphically, in a map, and also descriptively, in a report. Maps and data together in a singular system.

The Government of Guam is at the crital stage in developing their Geographic Information System. Data will be converted to format agencies can share, so that agencies can develop their own applications, thus meeting their individual needs for geological earth-related information.

D-55. GEOLOGIC MAPPING

GEOLOGIC MAPS ARE A PRINCIPAL SOURCE OF CRITICAL EARTH-RELATED INFORMATION REQUIRED BY FEDERAL, STATE, AND LOCAL GOVERNMENT AGENCIES AND THE PRIVATE SECTOR. THEY ARE ESSENTIAL FOR NUMEROUS ASSESSMENTS, EVALUATIONS, AND DECISIONS RELATED TO THE ECONOMIC DEVELOPMENT AND MAINTENANCE OF THE ENVIRONMENT OF THE NATION. THESE MAPS PROVIDE VITAL INFORMATION NEEDED FOR LAND-USE PLANNING. IN PARTICULAR, THEY ARE INDISPENSABLE FOR LOCATING DISPOSAL SITES FOR MUNICIPAL, HAZARDOUS, AND RADIOACTIVE WASTES; LOCATING AND PROTECTING SURFACE WATER AND GROUNDWATER RESOURCES; LOCATING AND DEVELOPING ~~ON SHORE AND OFF SHORE~~ MINERAL AND ENERGY RESOURCES, REDUCING THE RISKS FROM EARTHQUAKES, LANDSLIDES, AND GROUND FAILURE HAZARDS; PREDICTING HAZARDS FROM VOLCANOES AND FROM STREAM AND SHORELINE EROSION; SITING CRITICAL EMERGENCY FACILITIES; ROUTING HIGHWAYS AND PUBLIC UTILITY LINES; AND INVESTIGATING BASIC EARTH SCIENCE MATTERS.

GEOLOGIC MAP COVERAGE OF THE NATION, HOWEVER, IS CRITICALLY INSUFFICIENT AND OUT OF DATE TO MEET THE DEMANDS OF PRIVATE, INDUSTRIAL, AND GOVERNMENT AGENCY USERS. THE NATION'S GOVERNORS EXPRESS THEIR STRONG SUPPORT FOR NATIONAL LEGISLATION TO BUILD THE NATION'S GEOLOGIC MAP DATABASE THROUGH A PROGRAM TO BE IMPLEMENTED IN EQUITY PARTNERSHIP BETWEEN THE STATES (THROUGH THEIR GEOLOGICAL SURVEYS *or other designated agencies*) AND THE FEDERAL GOVERNMENT (THROUGH THE U.S. GEOLOGIC SURVEY). THE PROGRAM MUST BE SUFFICIENTLY FUNDED AT BOTH THE FEDERAL AND STATE LEVELS TO PERMIT ACHIEVING COMPLETE GEOLOGIC MAP COVERAGE FOR THE NATION AT AN APPROPRIATE LEVEL OF DETAIL WITHIN A REASONABLY SHORT PERIOD OF TIME.

D-18. FORESTRY

Expected shortages of wood products combined with increasing public demands for the recreational, environmental, and wildlife benefits of the nation's forests have led to inevitable conflicts in the management and use of forest lands. The balanced utilization of public forest lands as required by the Multiple Use and Sustained Yield Act of 1960 is strongly endorsed.

In response to criticism of the Forest Service for overemphasis on timber harvesting to the detriment or exclusion of other forest uses, Congress enacted the Forest and Rangeland Renewable Resources Planning Act of 1974. This act required the Forest Service to ensure the wise use of national forests and initiated a procedure to develop both short- and long-term policies and programs. This process should be encouraged and the necessary programs initiated and funded. All timber harvested should be based on long-range plans that consider the multiple-use concept of sound forest management.

The Governors also support the National Forest Management Act of 1976, which amends the Forest and Rangeland Renewable Resource Planning Act. The National Forest Management Act provides for a procedure to give the states and other interested parties adequate notice and an opportunity to comment upon the formulation of standards, criteria, and guidelines applicable to Forest Service programs, encourages the research, development, and utilization of efficient recycling and utilization systems for fiber products, and promotes reforestation.

In carrying out these and other legislative mandates relating to national forests, all plans and management programs should be linked directly to the funding and allocation of adequate personnel to ensure implementation.

Adopted August 1980.

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

COMMITTEE ON HUMAN RESOURCES

TAB 9

- **Summary of Issues and Briefing Papers** **G**
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Meeting the Needs of the Changing
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- **C-13 Child Support Enforcement** **I**
- **Resolution: U.S. Ratification of the
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- **C-3 Employment and Training** **K**
- **C-8 Social Services** **L**
- **C-14 Immigration and Refugee Policy** **M**
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- **C-17 AIDS** **O**
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Abuse and Neglect** **Q**

COMMITTEE ON HUMAN RESOURCES

Summary of Issues and Briefing Papers

ISSUE:

- ***C-1: "From Classrooms to Workrooms: Meeting the Needs of the Changing American Family"***

The National Child Welfare System serves America's most vulnerable children (the abused, neglected, and foster children) and their families. The various social problems experienced by more families and children in America resulted in more families and children flooding Social Service and Child Welfare Agencies. New efforts should be undertaken to address these problems, otherwise the system will not be able to adequately serve the growing number of families and children that need help, placing them at even greater risk. The Child Welfare System needs to be changed so that assistance is given to children and families the first time they reach out for help. Assistance in the form of services should range from counseling to out-of-home care. Family support must begin with preventive and early intervention services to strengthen family functioning, then continue through protective services and intensive crisis intervention to preserve the family unit. The system should look for the best possible solution for each individual child and family.

The policy acknowledges the difficult circumstances families and children currently face; lays out the qualities of an effective family-supportive strategy; discusses ways in which schools and employers can be family-friendly and outlines the role the Governors and the federal government in ensuring that policies and programs in both schools and workplaces support families.

BRIEFING PAPER:

Department of Public Health and Social Services

The department believes in the statement that "the measure of how well we serve our abused, neglected and foster children and their families is a reflection of the degree to which we can measure ourselves as a caring and compassionate society".

There are certain significant elements affecting family life in Guam. One is the effect of the rapidly changing island community into an economically developing island with an influx and integration of many ethnic people. The high costs of living contributes to the increasing number of families needing public assistance. Women and children are among those who are more vulnerable and become victims of violence, hunger, ill health squalor and hopelessness. It is urgent that the needs of families be the indicator by which service designs are created in the welfare system for we are not only addressing one of the nation's most pressing problems but also laying the foundation for future generations of Americans.

ISSUE:

- ***C-13 Child Support Enforcement***

Because of the increase in divorce and out-of-wedlock births, children are frequently in a position where their living standard is changed and their financial stability is continually threatened due to the absence of a parent. The Child Support Enforcement Program is a joint federal, state and local efforts designed to improve collection efforts among aid to families with dependent children (AFDC) recipients. The proposed amendments to the policy provide a more detailed policy statement in the area of interstate child support and expand the scope of services to include non-AFDC cases. The policy also emphasizes the Governors' continuing commitment to improving the child support enforcement program and addresses the interstate areas of collection and enforcement, case processing, locating non-custodial parents, direct income withholding and accountability. Additional amendment addresses the need to adequately train every person who plays a role in child support enforcement at every level. The program is believed to be an integral factor in increasing the stability of families and are committed to the success of establishing paternity and awards and collecting child support obligations.

BRIEFING PAPER:

Office of the Attorney General

Guam's Child Support Enforcement Program (CSE) needs an increase in future funding level to maintain the current high level of child support enforcement activities. Currently, the program's case load increases by at least 100 new cases each month and is foreseen to expand continuously in the future.

The effort not to differentiate between AFDC and Non-AFDC cases for incentive funds purposes is laudable and should be continued because distinguishing between AFDC and non-AFDC recipients would only slow down the process of support

receipt and serve to duplicate efforts. The local Child Support Enforcement programs are given more incentive funds for AFDC cases than the non-AFDC cases, thus more effort is made by the local programs to seek AFDC collection/reimbursements. However, in actuality, Guam's CSE program makes no differentiation between AFDC and non-AFDC cases in pursuing collections.

ISSUE:

- ***Resolution: U.S. Ratification of the Convention on the Rights of the Child***

The resolution calls on the President to quickly complete a review of the U.N. Treaty on the Rights of the Child and forward the treaty to the Senate for debate and potential ratification.

ISSUE:

- ***C-3 Employment and Training***

The changing demography of the labor force and the rapidly changing nature of work in America demand 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 our national economic policy. Particular attention is targeted to populations at risk in the labor market which include population subgroups that may present barriers to their employment (minorities, older workers, youth, women and the handicapped); those failed by the conventional system (expected to work individuals, the limited English proficient, school dropouts) and those dislocated workers affected by federal policies in international trade and immigration, population shifts and industry obsolescence.

ISSUE:

- ***C-8 Social Services***

Title XX of the Social Security Act is the primary federal/state program providing funding for services designed to minimize and reduce dependency and to enable individuals and families to remain self-sufficient, avoid institutionalization and maintain dignity and self-respect.

The Governors strongly support reauthorization of the Older American Act which was created to provide assistance for elderly persons for the Act has played an important role in responding to the needs of America's elderly. The Governors

oppose any federal budget cuts or statutory changes that would reduce resources and affect the ability of the act's aging network to maintain services to the elderly for whom the act was designed.

BRIEFING PAPER:

Department of Public Health And Social Services

The department expresses its views in regards to program implementation. The increasing program costs without additional federal funding costs has resulted in the appropriation of local funds by Government of Guam to approximately equal the original Title XX funding for Guam. The territory supports the continuation of the authority to be flexible on services provided but in austere situations, services may have to be curtailed to what the territory can afford. The department supports recommendations for DPHSS to provide technical assistance to improve state management and information systems as well as to consult with the Governor prior to development of major proposals to change the statute or the Title XX administration.

The department support the reauthorization of the Older Americans Act and agrees with the language.

ISSUE:

- ***C-14 Immigration and Refugee Policy***

While the federal government has the primary role in directing national policy in the area of immigration and refugee issues, the implication of immigration decisions on our society and local communities present challenges that cannot be ignored by the states. These challenges include demands on education, job training, social and health services. The nation's Governors recognize the important contribution immigrants have made and continue to make to our nation but also support control of legal immigration at a level consistent with our national interest and resources, under a ceiling adjusted periodically by Congress.

To help control illegal immigration, the employment of illegal immigrants should be prohibited. The federal government should develop enforcement mechanisms that will minimize the administrative burdens on employers and do not discriminate against the employment of workers and potential workers.

ISSUE:

- ***C-16 Worker Adjustment***

The national economy and the American worker now operate in an environment where change is normal. Any system developed to deal with the effects of change must be designed to facilitate transition rather than inhibit it. The states have significant responsibilities in the federal system for educating its citizens, training and retraining its workforce, promoting job creation and providing basic human services. The Governors are in key positions to orchestrate the diverse systems involved in anticipating change, managing change and minimizing the adverse effects of change.

ISSUE:

- ***C-17: AIDS***

AIDS or Acquired Immune Deficiency Syndrome is today the nation's number one public health problem. All the states have been touched by the devastating human and economic costs of the fatal disease. The Governors strongly believe that the magnitude of the present and future AIDS epidemic calls for concerted and immediate action by all levels of government in response to this public health crisis.

The Governors recognize that the federal government has made a significant contribution toward funding AIDS research and prevention activities. The federal government, in cooperation with state and local governments, the educational community, professional and service organizations, and the private sector must take the lead on a national AIDS education campaign designed to prevent the further spread of the disease.

BRIEFING PAPER:

Department of Public Health and Social Services

The department recommends that all policies concerning AIDS adopted in July, 1987, should be supported by the Governors without additional change. The seriousness of the AIDS problem calls for an increase in federal investment. Assistance should be provided to state and local governments as well as to community based education and prevention efforts. AIDS educational efforts should not be limited to those areas presently experiencing a high incidence of AIDS. Educational efforts in low-incidence areas can play an important role in halting the spread of the disease.

DEPARTMENT OF PUBLIC HEALTH & SOCIAL SERVICES

State of the Nation's Child Welfare System

We are in support of the statement of Mr. Peter Walsh, Director, Bureau of Child and Family Services, Maine Department of Human Services. Mr. Walsh asserts "The measure of how well we serve our abused, neglected, and foster children and their families is a reflection of the degree to which we can measure ourselves as a caring and compassionate society".

There are significant elements affecting family life in Guam. People are faced with challenges presented by problems and issues that affect a rapidly changing island community to a developing search to retain cultural values; and in the face of an influx and integration of many ethnic people, Guam finds herself struggling in a developmental crisis. Of all the changes experienced by the community, perhaps the most consequential is the progressive disintegration of the traditional family members with structure. Previously the extended family system provided its members with spiritual, emotional, social and economical support. Family members all shared responsibility in childrearing, a duty that was also extended outside of the nuclear family and into the immediate neighborhood.

Economics is also a great contributing factor in the increasing numbers of families needing assistance. In particular, for Guam where the cost of living surpasses that of Alaska and Hawaii, the complexities of problems and issues our families present us with, suggest the need for an increase in Title XX monies.

There is no dignity nor edifying qualities that can be attributed to poverty. Because of inherent vulnerability, it is women and children who are victimized mostly by violence, hunger, ill health, squalor, and hopelessness. They represent 98% of the nations poor. For Guam where the population is approximately 120,000, referrals of people who have fallen victim of the aforementioned conditions, continue to increase yearly. For FY'91, 1,440 homeless individuals sought services from Public Health, 765 new child abuse cases were reported, and 244 victims of domestic violence were recorded. These figures represent only those accounted for incidents. It is estimated that the exact figures quadruple those reported.

It is urgent that the needs of families be the indicator by which service designs are created in the welfare system, not today's arbitrary funding streams and administrative categories; for we are not only addressing one of the nation's most pressing problems, but also laying the foundation for future generations of Americans.

C- 1. FROM CLASSROOMS TO WORKROOMS: MEETING THE NEEDS OF THE CHANGING AMERICAN FAMILY

1.1 INTRODUCTION

THE SUCCESS OF OUR COUNTRY, OUR STATES, OUR COMMUNITIES, AND OUR PEOPLE IS TIED DIRECTLY TO THE STRENGTH OF OUR FAMILIES. FAMILIES ARE RELIED UPON TO PROVIDE BASIC HEALTH, FOOD, SHELTER, AND SAFETY; NURTURE CHILDREN; PASS ON THE RULES AND VALUES OF THE COMMUNITY; AND BEGIN THE PROCESS OF EDUCATING AND PROMOTING LEARNING AS A LIFELONG ENDEAVOR. EMBODYING SOCIETY'S VALUES AND NORMS, THE FAMILY IS THE CORE BODY THROUGH WHICH SOCIETY'S PRIORITIES ARE MAINTAINED.

MODERN DAY PRESSURES MAKE IT DIFFICULT FOR FAMILIES TO MEET SOCIETAL AND INDIVIDUAL DEMANDS. THE STRUCTURE OF THE FAMILY AND THE DEMANDS IT FACES HAVE CHANGED DRAMATICALLY OVER THE PAST SEVERAL DECADES. THERE ARE INCREASING NUMBERS OF SINGLE-PARENT, DUAL-INCOME, AND MULTI-GENERATION HOUSEHOLDS. MANY HOUSEHOLDS ARE COMPOSED OF NON-RELATED MEMBERS FUNCTIONING AS A FAMILY. CONCURRENTLY, THE WORKFORCE IS BEING RESHAPED. THE AVERAGE WORKER'S AGE IS RISING, THE PERCENTAGE OF YOUNG WHITE MALES IN THE WORKFORCE IS DECLINING, AND WOMEN AND MINORITIES REPRESENT AN INCREASINGLY LARGE SHARE OF NEW ENTRANTS INTO THE LABOR FORCE.

WELL-FUNCTIONING FAMILIES ARE MORE LIKELY TO MAKE PRODUCTIVE CONTRIBUTIONS TO SOCIETY, JUST AS SELF-SUFFICIENT INDIVIDUALS ARE MORE LIKELY TO PROMOTE STRONG FAMILIES. THUS, GOVERNORS BELIEVE THAT ALL SYSTEMS, INSTITUTIONS, AND ORGANIZATIONS AFFECTING FAMILIES SHOULD DEVELOP POLICIES AND PRACTICES THAT SUPPORT FAMILIES' EVOLVING NEEDS WITHIN A CHANGING SOCIAL ENVIRONMENT.

1.2 GOALS OF HUMAN RESOURCE POLICY

GOVERNORS BELIEVE THAT DEVELOPING FAMILY-SUPPORTIVE POLICIES SHOULD BE A TOP NATIONAL PRIORITY. ECONOMIC, EDUCATION, HEALTH, AND HUMAN SERVICE POLICIES MUST WORK IN CONCERT TO NURTURE AND SUPPORT FAMILIES SO THAT THEY FUNCTION MORE EFFECTIVELY AS OUR SOCIETY'S BASIC FOUNDATION. POLICIES MUST REFLECT THE CHANGING AND VARYING STRUCTURE AND COMPOSITION OF FAMILIES AS WELL AS THE INCREASINGLY COMPLEX PRESSURES THEY ENDURE. ALTHOUGH SOCIETAL EXPECTATIONS OF THE IMPORTANCE OF THE FAMILY HAVE NOT WANED, POLICIES IN BOTH THE PUBLIC AND

PRIVATE SECTORS HAVE NOT ALWAYS KEPT PACE WITH THE CHANGES THE AMERICAN FAMILY HAS UNDERGONE.

GOVERNORS ALSO BELIEVE THAT THE PRIMARY ROLE OF HUMAN RESOURCE POLICIES IS TO INCREASE THE LIKELIHOOD THAT ALL FAMILIES AND CHILDREN WILL FLOURISH. POLICIES SHOULD STRENGTHEN FAMILIES, SHOULD BE SUFFICIENTLY FLEXIBLE TO RESPOND TO THE DIVERSITY OF FAMILIAL STRUCTURES, AND SHOULD ENSURE THAT FAMILIES HAVE THE NECESSARY SUPPORTS TO CARE FOR THEIR CHILDREN. SPECIFICALLY, THE GOALS OF HUMAN RESOURCE POLICIES SHOULD BE TO ENSURE THAT FAMILIES AND CHILDREN:

- **HAVE THE SOCIAL, EMOTIONAL, INTELLECTUAL, MENTAL, AND PHYSICAL WELL-BEING TO BE PRODUCTIVE CITIZENS;**
- **LIVE IN NURTURING, STABLE, AND SAFE ENVIRONMENTS;**
- **HAVE THE EDUCATIONAL ACHIEVEMENT, KNOWLEDGE, AND SKILLS TO LEAD PRODUCTIVE AND SATISFYING LIVES; AND**
- **HAVE SUFFICIENT EMPLOYMENT OPTIONS AND INCOME TO MEET BASIC FAMILY NEEDS, INCLUDING FOOD, SHELTER, HEALTH CARE, AND EDUCATION, AND THE OPPORTUNITY TO ATTAIN A FULFILLING QUALITY OF LIFE.**

1.3 A PORTRAIT OF AMERICAN FAMILIES AND CHILDREN

IN ORDER TO ENSURE THAT HUMAN RESOURCE POLICIES MEET THE CHANGING NEEDS OF AMERICAN FAMILIES, IT IS NECESSARY TO UNDERSTAND THE DIFFICULT CIRCUMSTANCES THEY FACE:

- **EVERY DAY THOUSANDS OF CHILDREN ARE ADDED TO THE WELFARE ROLLS.**
- **ONE IN FIVE CHILDREN IS POOR; ONE IN SEVEN RECEIVES AFDC.**
- **ONE OF EVERY FOUR CHILDREN IS RAISED BY A SINGLE PARENT. THE NUMBER OF SINGLE-PARENT FAMILIES INCREASED FROM 3.8 MILLION IN 1970 TO 9.7 MILLION IN 1990.**
- **THE UNITED STATES HAS THE HIGHEST DIVORCE RATE IN THE WORLD; MORE THAN HALF OF ALL MARRIAGES ARE EXPECTED TO END IN DIVORCE.**

- EVERY YEAR APPROXIMATELY 1 MILLION TEENAGE GIRLS BECOME PREGNANT. MANY OF THESE MOTHERS DO NOT FINISH HIGH SCHOOL, DO NOT FARE WELL IN THE JOB MARKET, AND ARE AT SIGNIFICANT RISK OF BECOMING DEPENDENT ON PUBLIC ASSISTANCE.
- FAMILIES WITH CHILDREN ARE NOW THE FASTEST GROWING SEGMENT OF THE HOMELESS POPULATION.

INCREASINGLY, IN TWO-PARENT FAMILIES, BOTH THE MOTHER AND FATHER ARE WORKING OUTSIDE THE HOME.

- IT NOW TAKES TWO ADULTS WORKING FULL TIME TO APPROXIMATE THE STANDARD OF LIVING OF OUR PARENTS WITH ONE WORKING ADULT; IN 1988, 4.5 MILLION AMERICANS WORKED FULL TIME, BUT STILL QUALIFIED FOR VARIOUS FORMS OF PUBLIC HEALTH AND WELFARE ASSISTANCE.
- INCREASINGLY, PARENTS ARE RELYING ON ADULTS OUTSIDE THE HOME TO PROVIDE CHILD CARE. ABOUT 20 MILLION CHILDREN -- INCLUDING 70 PERCENT OF THOSE WITH EMPLOYED MOTHERS -- ARE CARED FOR BY AN ADULT WHO IS NOT A FAMILY MEMBER.
- AN ESTIMATED 1.3 MILLION CHILDREN AGE FIVE TO FOURTEEN CARE FOR THEMSELVES DURING THE HOURS WHEN THEY ARE NOT IN SCHOOL.

SIMULTANEOUSLY THERE ARE INCREASING NUMBERS OF WORKING MOTHERS AND WOMEN IN THE WORKFORCE.

- IN 1970, 29 PERCENT OF WOMEN WITH CHILDREN UNDER THE AGE OF FIVE WERE IN THE PAID LABOR FORCE; BY 1988 THAT NUMBER HAD RISEN TO 51 PERCENT -- A 77 PERCENT INCREASE.
- SIXTY-FOUR PERCENT OF NEW ENTRANTS INTO THE LABOR FORCE BETWEEN 1985 AND 2000 WILL BE WOMEN; 70 TO 80 PERCENT OF THOSE WOMEN WILL HAVE CHILDREN DURING THEIR WORK LIFE AND REMAIN EMPLOYED.

AT THE SAME TIME, THE FASTEST GROWING SHARE OF THE U.S. POPULATION IS THE ELDERLY. AS A RESULT, AN INCREASING NUMBER OF INDIVIDUALS HAVE CONCURRENT CARE-GIVING RESPONSIBILITIES FOR THEIR CHILDREN, PARENTS, OR OTHER RELATIVES.

- FROM 1950 TO 1986, THE NUMBER OF OLDER AMERICANS AGE SEVENTY-FIVE TO EIGHTY-FOUR GREW FROM ABOUT 3.3 MILLION TO MORE THAN 9 MILLION, AND THE NUMBER AGE EIGHTY-FIVE OR OLDER GREW FROM 600,000 TO MORE THAN 2.7 MILLION.
- IN 1989, 9.9 MILLION OLDER MEN AND 9.7 MILLION OLDER WOMEN LIVED WITH FAMILIES, INCLUDING NEARLY 4 MILLION WHO LIVED WITH THEIR CHILDREN, SIBLINGS, OR OTHER RELATIVES.

MANY FAMILIES LACK ACCESS TO HEALTH CARE.

- APPROXIMATELY 32 MILLION AMERICANS -- INCLUDING 8.3 MILLION CHILDREN UNDER AGE EIGHTEEN -- HAVE NO FORM OF HEALTH INSURANCE COVERAGE.
- ONE OF EVERY FOUR PREGNANT WOMEN RECEIVES NO PRENATAL CARE, INCREASING DRAMATICALLY THE NUMBER OF PREMATURE, LOW-BIRTHWEIGHT BABIES WHO ARE AT GREATER RISK OF BIRTH DEFECTS, LEARNING DISORDERS, AND THE NEED FOR LONG-TERM CARE.

A SIGNIFICANT NUMBER OF INDIVIDUALS DROP OUT OF SCHOOL

- ALMOST 30 PERCENT OF NINTH-GRADERS DO NOT FINISH HIGH SCHOOL FOUR YEARS LATER. AMONG YOUTH AGES SIXTEEN TO TWENTY-FOUR, 12.6 PERCENT -- ALMOST 4 MILLION -- HAVE NOT COMPLETED HIGH SCHOOL AND ARE NOT ENROLLED IN SCHOOL.

1.4 IMPLICATIONS FOR HUMAN RESOURCE POLICIES

THE CHANGING COMPOSITION OF THE FAMILY AND THE WORKFORCE, COMBINED WITH INADEQUATE FAMILY-SUPPORTIVE POLICIES AND PRACTICES, HAS SIGNIFICANTLY INCREASED THE STRESS EXPERIENCED BY MANY FAMILIES. A GROWING NUMBER OF FAMILIES ARE ENCOUNTERING PROBLEMS SO SEVERE THAT THEIR ABILITY TO SUSTAIN OR IMPROVE THEIR ECONOMIC, HEALTH, AND SOCIAL STATUS IS THREATENED. FOR SINGLE-PARENT FAMILIES, THE PRESSURES ARE PARTICULARLY GREAT. PARENTS FIND THEMSELVES SQUEEZED BETWEEN THEIR FAMILIAL RESPONSIBILITIES AND THE DEMANDS OF THEIR JOBS. CHILDREN AND ELDERLY PEOPLE OFTEN FIND THEMSELVES ALONE, TRYING TO SURVIVE WITHIN A SOCIAL ORGANIZATION THAT DOES NOT CONSISTENTLY SUPPORT A FAMILY'S CAPACITY TO NURTURE AND PROVIDE FOR ITS OWN NEEDS.

DURING THE PAST DECADE, ALL LEVELS OF GOVERNMENT AND THE PRIVATE SECTOR HAVE EXPERIMENTED WITH VARIOUS STRATEGIES TO IMPROVE THE WELL-BEING OF CHILDREN AND FAMILIES. HOWEVER, POLICIES AND PRACTICES IN BOTH THE PUBLIC AND PRIVATE SECTORS ARE TOO FEW IN NUMBER, ARE OFTEN NOT WELL INTEGRATED, AND DO NOT ADEQUATELY REFLECT NEW REALITIES. THE GOVERNORS BELIEVE THAT MANY POLICIES AND PROGRAMS REFLECT THE NATION'S FAILURE TO RECOGNIZE THAT NEW FAMILY STRUCTURES REQUIRE DIFFERENT POLICIES.

1.5 QUALITIES OF AN EFFECTIVE FAMILY-SUPPORTIVE STRATEGY

THE GOVERNORS BELIEVE THAT FAMILIES ARE SUPPORTED BEST THROUGH POLICIES AND PRACTICES THAT ADDRESS FAMILY NEEDS WHILE BUILDING ON THEIR INHERENT STRENGTHS AND COMPETENCIES. GOVERNORS CONSIDER THE FOLLOWING TO BE THE COMPONENTS OF AN EFFECTIVE STRATEGY TO STRENGTHEN AND SUPPORT FAMILIES:

- POLICIES SHOULD ACKNOWLEDGE THE NUMEROUS FACTORS THAT EITHER INHIBIT OR FOSTER A FAMILY'S ABILITY TO BE A PRODUCTIVE, CONTRIBUTING UNIT OF SOCIETY, HELP PARENTS HANDLE THE DIFFICULT JOB OF BALANCING WORK AND FAMILY, AND SUPPORT FAMILIES IN THEIR EFFORTS TO RAISE AND EDUCATE CHILDREN.
- POLICIES SHOULD BE COMPREHENSIVE AND SHOULD RESULT IN LONG-TERM BENEFITS FOR FAMILIES AND CHILDREN. THEY SHOULD PROMOTE A CONTINUUM OF SUPPORTS AND SERVICES THAT ARE READILY AVAILABLE TO MEET THE BROAD RANGE OF FAMILY NEEDS.
- POLICIES SHOULD FOCUS ON OUTCOMES THAT GAUGE A FAMILY'S OVERALL WELL-BEING, RATHER THAN ON PROCESS MEASURES SUCH AS THE NUMBER OF HOURS AN INDIVIDUAL PARTICIPATES IN A PARTICULAR PROGRAM.
- OUR HUMAN SERVICE SYSTEM MUST BE WELL COORDINATED AND INTEGRATED AND POLICIES MUST BE GUIDED BY THE NEEDS OF CHILDREN AND FAMILIES, NOT BY THE NEEDS OF THE INSTITUTIONS THAT ESTABLISH THE POLICIES.
- POLICIES SHOULD EMPHASIZE PREVENTION AND EARLY INTERVENTION. FOR SOME FAMILIES, HELP AT A CRITICAL JUNCTURE MAY MEAN THE DIFFERENCE BETWEEN AN ABUSIVE RELATIONSHIP AND A HEALTHY ALTERNATIVE. FOR OTHERS, IT MAY MEAN PREVENTING A CHILD FROM DROPPING OUT OF SCHOOL.

- POLICIES SHOULD BE COMMUNITY-BASED, BUT SHOULD RECOGNIZE THE UNIQUE NEEDS OF DISTRESSED AREAS THAT LACK ACCESS TO NECESSARY RESOURCES, AS WELL AS THE CAPACITY TO BUILD FAMILY SUPPORT MECHANISMS AT THE LOCAL LEVEL. EACH COMMUNITY -- WORKING WITH ITS FAMILIES -- MUST DETERMINE THE MOST APPROPRIATE ARENAS THROUGH WHICH TO PROVIDE ASSISTANCE.

1.6 EDUCATION AND EMPLOYMENT POLICIES

IN NEARLY ALL COMMUNITIES, SCHOOLS AND THE WORKPLACE ARE TWO MAJOR FORCES IN THE LIFE OF A FAMILY, AND THEREFORE HAVE ENORMOUS POTENTIAL EITHER TO STRENGTHEN AND REINFORCE OR TO UNDERMINE A FAMILY'S ABILITY TO FUNCTION WELL. IT HAS BECOME INCREASINGLY IMPORTANT FOR EDUCATION AND EMPLOYMENT POLICIES TO HELP PARENTS BALANCE THEIR RESPONSIBILITIES TO BOTH THEIR FAMILIES AND THEIR JOBS.

- 1.6.1 CLASSROOMS. FAMILIES, COMMUNITIES, AND EDUCATORS HAVE THE OPPORTUNITY IN SCHOOLS TO COME TOGETHER TO EDUCATE AND NURTURE CHILDREN. THE GOALS OF SCHOOLS MUST BE TO PROVIDE THE BEST EDUCATION POSSIBLE TO STUDENTS AND TO PARTICIPATE ACTIVELY IN THE COMMUNITY TO SUPPORT FAMILIES. SCHOOLS HAVE GREAT ACCESS TO AND INFLUENCE UPON CHILDREN AND THEIR FAMILIES. HOWEVER, MANY COMPONENTS OF OUR EDUCATION SYSTEM -- INCLUDING SCHOOL FACILITIES, EQUIPMENT, AND TRANSPORTATION SERVICES -- HAVE NOT BEEN FULLY UTILIZED TO SUPPORT FAMILIES. BY APPROACHING STUDENTS HOLISTICALLY, THE EDUCATIONAL SYSTEM CAN BE A TREMENDOUS RESOURCE TO FAMILIES AND TO COMMUNITIES OVERALL.

IF WE ARE TO ACHIEVE OUR NATIONAL EDUCATION GOALS, STUDENTS MUST BE PHYSICALLY AND EMOTIONALLY READY TO LEARN AND EDUCATORS MUST TEACH TO A HIGHER ACADEMIC STANDARD. BECAUSE SO MANY PARENTS WORK OUTSIDE THE HOME, IT IS INCREASINGLY IMPORTANT FOR THE SCHOOL TO BE AN ACCESS POINT TO HELP FAMILIES FILL NEEDS THAT USED TO BE MET AT HOME. THE GOVERNORS BELIEVE IT IS NECESSARY TO REEVALUATE EXISTING POLICIES AND PRACTICES TO ENSURE THAT SCHOOLS ARE TO THE GREATEST EXTENT POSSIBLE ACCOMMODATING THE NEEDS OF CHILDREN AND FAMILIES IN TODAY'S WORLD.

SCHOOLS CAN SUPPORT FAMILIES IN TWO CRITICAL WAYS:

- BY FACILITATING ACCESS -- IN CONJUNCTION WITH HUMAN SERVICE AGENCIES -- TO SERVICES THAT ENHANCE THE FAMILY'S ABILITY TO FUNCTION WELL; AND

- BY BEING RESPONSIVE TO WORKING PARENTS.

FOR EXAMPLE, "FULL-SERVICE SCHOOLS" THAT DIRECTLY PROVIDE OR HELP PARENTS OBTAIN PRENATAL AND EARLY CHILDHOOD CARE, HEALTH CARE SERVICES, AND NUTRITIOUS MEALS MAY SIGNIFICANTLY STRENGTHEN FAMILIES IN THEIR COMMUNITIES. SIMILARLY, SCHOOLS CAN BE RESPONSIVE TO THE NEEDS OF WORKING FAMILIES BY MAKING AVAILABLE LITERACY TRAINING FOR FAMILIES, BEFORE- AND AFTER-SCHOOL PROGRAMS FOR STUDENTS, AND FLEXIBLE HOURS FOR PARENT-TEACHER CONFERENCES.

THE GOVERNORS BELIEVE THAT SCHOOLS AND FAMILIES SHOULD WORK TOGETHER WITHIN THE COMMUNITY TO SUPPORT THE WHOLE CHILD. FULL-SERVICE, FAMILY-RESPONSIVE SCHOOLS CAN BE AN INVALUABLE RESOURCE FOR THE ENTIRE COMMUNITY. THEY CAN BRIDGE THE GAP BETWEEN THE SOCIETY IN WHICH AMERICAN SCHOOLS WERE ORIGINALLY DESIGNED AND THE ONE THAT EXISTS TODAY.

1.6.2 **WORKROOMS.** SIMILARLY, GOVERNORS RECOGNIZE THAT REFORMS MUST OCCUR IN THE WORKPLACE TO ACCOMMODATE CHANGING SOCIAL AND DEMOGRAPHIC REALITIES. INCREASINGLY, EMPLOYERS ARE RECOGNIZING THAT THEY PLAY A CRITICAL ROLE, THROUGH THE STRUCTURE AND FLEXIBILITY OF THE WORK ENVIRONMENT AND THE PROVISION OF BENEFITS, IN ENABLING WORKERS TO PARTICIPATE FULLY IN THE LABOR MARKET. THE EXTENT TO WHICH AN EMPLOYER SUPPORTS WORKERS IN BALANCING THE COMPETING PRESSURES OF WORK AND FAMILY IS A MAJOR FACTOR IN THE SUCCESS OF BOTH THAT INDIVIDUAL EMPLOYER AND HIS OR HER EMPLOYEES, AS WELL AS IN THE NATION'S COMPETITIVENESS.

INCREASINGLY, EMPLOYERS ARE HELPING EMPLOYEES BALANCE THE DAILY CONFLICTS CREATED BY COMBINING FAMILY AND WORK RESPONSIBILITIES. FURTHER, THE FEDERAL GOVERNMENT HAS PASSED LEGISLATION TO SUPPORT FAMILIES, INCLUDING THE RECENTLY ENACTED CHILD CARE DEVELOPMENT BLOCK GRANT AND THE JOB OPPORTUNITIES AND BASIC SKILLS (JOBS) TRAINING PROGRAM. HOWEVER, IN MANY CASES, BARRIERS STILL EXIST TO THE ADOPTION OF FAMILY-SUPPORTIVE PRACTICES IN THE WORKPLACE.

WITH ATTENTION TO THE NEEDS OF SMALL BUSINESSES, INCENTIVES SHOULD BE PROVIDED TO EMPLOYERS TO FACILITATE -- AND BARRIERS SHOULD BE ELIMINATED THAT CONSTRAIN -- THE PROVISION OF FAMILY-SUPPORTIVE PRACTICES, INCLUDING SHORT- AND LONG-TERM FAMILY AND MEDICAL LEAVE ARRANGEMENTS; FLEX-TIME AND PART-TIME SCHEDULES; JOB SHARING ARRANGEMENTS; THE PROVISION OR SUBSIDIZATION OF DEPENDENT CARE; LEAVE TIME TO ADDRESS PRESSING FAMILY NEEDS; DEPENDENT CARE

ACCOUNTS; EMPLOYEE ASSISTANCE PROGRAMS; TRANSPORTATION ASSISTANCE; AND WORKPLACE LITERACY AND OTHER TRAINING PROGRAMS.

1.7 THE GOVERNOR'S ROLE

THE GOVERNORS RECOGNIZE THAT THEY PLAY AN IMPORTANT ROLE IN PROVIDING LEADERSHIP TO ENSURE THAT POLICIES AND PROGRAMS IN BOTH SCHOOLS AND WORKPLACES, AS WELL AS IN THE COMMUNITY OVERALL, SUPPORT AND PROTECT FAMILIES. A GOVERNOR CAN:

1.7.1 AS A VISIONARY LEADER

- PROVIDE LEADERSHIP TO CATALYZE A CULTURAL CHANGE IN SCHOOLS AND WORKPLACES, AS WELL AS IN OTHER COMMUNITY ORGANIZATIONS.
- WORK WITH BUSINESS, LABOR, EDUCATION, AND COMMUNITY LEADERS TO POOL RESOURCES TO SUPPORT FAMILIES AND TO HELP DIRECT PUBLIC OPINION TO VIEW SCHOOLS AND WORKPLACES AS HIGHLY VALUED INSTITUTIONS CAPABLE OF IMPLEMENTING APPROPRIATE AND SUCCESSFUL PROGRAMS.
- RECOGNIZE -- THROUGH HIGHLY VISIBLE AWARDS -- SCHOOLS, FIRMS, AND OTHER ORGANIZATIONS THAT INCORPORATE FAMILY-SUPPORTIVE POLICIES.
- WORK WITH SMALL BUSINESSES TO HELP SURMOUNT BARRIERS TO ACHIEVING FAMILY-SUPPORTIVE WORK ENVIRONMENTS.
- ENCOURAGE THE DEVELOPMENT OF FAMILY-RESPONSIVE WORKPLACES AND SCHOOLS THROUGH THE ESTABLISHMENT OF INCENTIVES -- FINANCIAL AND OTHER -- TO ENCOURAGE MEANINGFUL COLLABORATION BETWEEN THE VARIETY OF ORGANIZATIONS AND AGENCIES THAT WORK, OFTEN CONCURRENTLY, WITH CHILDREN AND THEIR FAMILIES.

1.7.2 AS HEAD OF GOVERNMENT

- ESTABLISH A CLEAR VISION FOR STATE AGENCIES THAT MAKES STRENGTHENING FAMILIES AND COMMUNITIES THE PRIMARY GOAL.
- INITIATE INNOVATIVE PROGRAMS UTILIZING STATE RESOURCES AND LEADERSHIP.
- ENSURE THAT SERVICES PROVIDED THROUGH STATE GOVERNMENT RECOGNIZE THE CHANGING COMPOSITION AND PRESSURES UPON FAMILIES; ARE COMPREHENSIVE;

ARE EASILY ACCESSED BY FAMILIES, EDUCATORS, BUSINESS, LABOR, AND COMMUNITY LEADERS; AND, WHENEVER POSSIBLE, WORK WITH FAMILIES WITHIN THE CONTEXT OF THEIR OWN HOMES AND COMMUNITIES.

- REVIEW STATE LAWS AND REGULATIONS TO ELIMINATE UNNECESSARY OR ANTIQUATED BARRIERS TO CHANGE IN THE WORKPLACE, IN SCHOOLS, AND IN STATE HUMAN RESOURCE PROGRAMS.
- ENCOURAGE PARTNERSHIPS AND INNOVATIVE AGREEMENTS WITH FOUNDATIONS AND THE PRIVATE SECTOR

1.7.3 AS CHIEF EXECUTIVE OFFICER

- SERVE AS A MODEL EMPLOYER IN SUPPORTING FAMILIES BY, FOR EXAMPLE, ENSURING THAT LEAVE POLICIES ARE RESPONSIVE TO FAMILIES AND EXPERIMENTING WITH FLEXIBLE JOB ARRANGEMENTS.

1.8 THE FEDERAL ROLE

THE GOVERNORS WANT TO BE HELD ACCOUNTABLE FOR OUTCOMES THAT MEASURE THE WELL-BEING OF FAMILIES AND CHILDREN. FEDERAL REGULATIONS AND LEGISLATION SHOULD ENCOURAGE AND ENABLE THE PROVISION OF SERVICES THAT ARE COMPREHENSIVE, PREVENTIVE, AND RESPONSIVE TO THE MULTIPLE NEEDS OF TODAY'S FAMILIES.

TO ENABLE THE STATES TO DEVELOP POLICIES THAT SUPPORT FAMILIES AND CHILDREN, THE FEDERAL GOVERNMENT SHOULD:

- ACKNOWLEDGE THE UNIQUENESS OF STATES AND ENABLE STATES TO CONTINUE TO SERVE AS LABORATORIES FOR DEVISING AND TESTING INNOVATIVE PROGRAMS BY PROVIDING STATES WITH MAXIMUM FLEXIBILITY TO ADAPT PROGRAMS TO THE DIFFERING SOCIAL, ECONOMIC, HISTORICAL, AND POLITICAL CIRCUMSTANCES THAT EXIST AMONG AND WITHIN THE STATES.
- PROVIDE INCENTIVES TO STATES -- INCLUDING WAIVERS FROM FEDERAL REQUIREMENTS -- TO FACILITATE EFFECTIVE AND EFFICIENT INTEGRATION OF SERVICES TO FAMILIES AND CHILDREN.
- WORK WITH STATES TO REMOVE LEGISLATIVE, REGULATORY, AND ADMINISTRATIVE BARRIERS TO EFFECTIVE SERVICE DELIVERY.

- IN ALL ITS DEALINGS WITH STATE GOVERNMENTS, REFLECT THE PARTNERSHIP THAT EXISTS BETWEEN IT AND THE STATES AS A RESULT OF SHARED ADMINISTRATIVE AND FINANCIAL RESPONSIBILITY FOR HUMAN RESOURCE PROGRAMS.
- ENCOURAGE A FOCUS ON OUTCOMES BY ASSISTING EACH STATE IN DEVELOPING A PERFORMANCE MEASUREMENT FRAMEWORK THAT IS BASED ON THE NEEDS OF THE STATE AND IS CONSISTENT WITH NATIONAL POLICY GOALS.
- ASSIST STATES IN ACHIEVING GOALS THROUGH THE PROVISION OF TECHNICAL ASSISTANCE AND SUPPORT.
- PROVIDE BROAD POLICY GUIDANCE TO THE STATES IN RESPONSE TO NATIONALLY ESTABLISHED PRIORITIES IN WHICH SUPPORTING FAMILIES IS A GOAL.

1.9 CONCLUSION

FOR FAMILIES TO BE THE PRIMARY SUPPORT FOR AMERICAN CHILDREN, GOVERNMENT AND PRIVATE SECTOR POLICIES MUST RECOGNIZE THE CHANGING NATURE OF FAMILIES AND THE INCREASED PRESSURES UPON THEM. SCHOOLS AND WORKPLACES ARE AMONG THE MOST CRITICAL ARENAS IN THE LIVES OF FAMILIES WITH GREAT POTENTIAL TO IMPROVE -- OR UNDERMINE -- THEIR QUALITY OF LIFE. THE GOVERNORS WILL WORK WITH EMPLOYERS AND EDUCATORS WITHIN THEIR COMMUNITIES AND WITH THE FEDERAL GOVERNMENT TO ENSURE THE INCORPORATION OF POLICIES AND PRACTICES THAT SUPPORT FAMILIES IN THEIR EFFORTS TO BE PRODUCTIVE, SELF-SUFFICIENT, AND NURTURING OF THEIR CHILDREN.

~~G-1. GENERAL PRINCIPLES~~

~~We recognize the necessity of governmental assistance to the impoverished, elderly, disabled, and otherwise disadvantaged segments of our nation's population, and strongly support the creation and operation of carefully planned and administered government programs to provide such assistance. Human services and assistance programs, where possible and appropriate, should be designed and operated so that they contribute toward realization of the following goals:~~

- ~~● Maintenance or achievement of the greatest possible degree of economic self support by preventing, reducing, or eliminating economic dependency;~~
- ~~● Maintenance or achievement of the greatest possible degree of personal self sufficiency by preventing, reducing, or eliminating personal dependency;~~
- ~~● Promoting and contributing to achievement of the greatest possible degree of personal health, both physical and mental;~~
- ~~● Maximizing human development and dignity;~~
- ~~● Preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests;~~



GOVERNMENT OF GUAM
AGANA, GUAM 96910

January 17, 1992

Memorandum

To: Governor

From: Deputy Attorney General, Family Division
Director, Title IV-D Program
(Local Child Support Enforcement Program)

Subject: Briefing Paper, National Governor's Association
Winter Meeting, Washington, D.C.
February 2 - 4, 1992

Enclosures: Letter from Sharon Fujii to Elizabeth
Barrett-Anderson, December 27, 1991 and letter
from Karen E. Keeler to Congressman Blaz,
January 5, 1992

The "C-13 Child Support Enforcement" position paper significantly reflects the major issues to date confronting child support enforcement nationwide. This briefing paper will highlight the areas we feel are the most important, and will clarify other issues to reflect our local perspective. Those sections not specifically annotated are largely self explanatory.

13.2 Program Funding. Our current case load increases by at least 100 new cases each month. The expanding case load we are experiencing will continue in the foreseeable future. For this reason supporting the current funding level for the next fiscal year will be insufficient to insure the current high level of child support enforcement activity.

The effort not to differentiate between AFDC and Non-AFDC cases for incentive funds purposes is laudable and should be continued. Once a custodial parent is receiving support from the absent parent consistently, she is not AFDC qualified. However, should the absent parent leave his job, the support check flow will be interrupted and the custodial parent often returns to the AFDC roles. For this reason, distinguishing between AFDC and Non-AFDC recipients would only slow the process of support receipt and serve to duplicate efforts.



Local CSE Programs are given more incentive funds for AFDC cases than for Non-AFDC cases by law. Thus, in theory, more effort is made by local programs to seek AFDC collection/reimbursements. In actual fact, Guam's CSE program makes no differentiation between AFDC and Non-AFDC cases in pursuing collections.

13.4 Audit Process. Of all the issues set forth in the NGA position paper, this one is the most important. Despite the dramatic increases in collections, Guam's Title IV-D Program has been penalized 1% of its annual budget based on the audit of the 1983-1984 fiscal year. Much time has been lost fighting the penalty imposition. Our position in this matter is clear (See letter to Congressman Blaz, enclosed): as we have received no on-site technical assistance in recent years we feel that penalties should not be imposed. A decision was made within the last few years by the Federal and Region IX OCSE offices that no on-site assistance be given to Guam. We regard this as a trade-off: the Federal OCSE budget is conserved while Guam's CSE Program is assessed penalties. The audit/penalty regulations (45 C.F.R. Part 305) need to be revamped.

The position taken by NGA for alternatives to imposing straight audit penalties is sound. Encouragement to improve should always be the intent behind remedies for findings of non-compliance. Judicial review by many states is continuing: at least five cases are currently awaiting decisions. It will be cost effective to enable Title IV-D penalties to be resolved administratively: the court need not be involved.

13.6 Automated Systems (ADPS). We are awaiting an updated automated data processing systems. Our need for technical assistance is great in this area, although with installation of the system will come the minimum necessary training for use.

To be especially highlighted is the need for Human Health Services to serve as a clearinghouse for ADPS. All participating states and territories have similar data retrieval and processing needs. And, Guam's Title IV-D Program will be glad to participate in any such effort.

Although our new ADPS has been requested and will be phased in within the next few years, each year new performance criteria are added to annual audit requirements. There is a crucial need for ADPS to be on line before these new performance criteria are evaluated each year. Not only should there be a waiver for ADPS phase-in dates, but new performance criteria such as collection of Social Security numbers and court order modifications should not be required until this new data retrieval system is in place.

Memo to Governor Joseph F. Ada
January 17, 1992
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In addition to installation costs for sophisticated computer systems are maintenance costs which are usually much above mainland costs. Implementation costs should be extended to include continuing maintenance costs as well.

13.7 Income Withholding. With federal regulations come hidden costs which state and local programs must absorb. While the federal mandate to serve both AFDC and Non-AFDC clients is being implemented, our programs must expand to meet the demand. It is a national duty to provide funding for these expanding services. This is especially true in the case of income withholding which provides a consistent avenue for custodial parents to receive child support.

13.10 Notice of Support Payments. Quarterly notices of support amounts received by custodial parents will more than adequately and economically fulfill the intent of this new federal CSE requirement.

13.13 Application Fee. Opposed to any application fee.

13.15 Federal Parent Locator Service.

The federal government should not impose standard fees for the state IV-D programs to collect as an application fee or for the purpose of locating the absent parents. To collect fees from already financially disadvantaged parents puts one more road block in front of needy children. The Federal Parent Locator Service (FPLS) should remain a free optional service for use by the local CSE Programs. It is cost effective not to charge a fee, when making FPLS readily available will encourage tracking down the absent parent, and ultimately, reducing welfare dependence. A policy of collecting application or processing fees should not be encouraged. Besides creating a financial disincentive for needy persons to participate in a particular program, it can also create additional administrative machinations that are not cost effective. Accounting functions come into play along with security measures in safe guarding and depositing the funds. All costs for processing and applying should be regularly provided for in budgetary requests. The NGA position is sound.

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It is necessary to draw attention to CSE evaluation processes that often do not correct the difficulties addressed. From our local perspective, emphasis must be placed on "13.4 Audit Process", and the following ancillary issue on page 28.

THE GOVERNOR UNDERSTANDS THE NEED FOR STATE
ACCOUNTABILITY IN THE SUCCESS OF THE CHILD SUPPORT
ENFORCEMENT PROGRAM AND ENCOURAGE THE FEDERAL GOVERNMENT
TO DEVELOP A SYSTEM OF REPORTING PERFORMANCE THAT GRADES
STATES ACCURATELY ON CHILD SUPPORT PROGRAMS. THE STATES
WELCOME THE OPPORTUNITY TO WORK WITH THE ADMINISTRATION
AND CONGRESS TO DEVELOP AN ACCURATE REPORTING SYSTEM.

(EMPHASIS ADDED)

The NGA position paper shows a serious committment by the
nation's governors in support of child support enforcement.

OFFICE OF THE ATTORNEY GENERAL


KAREN E. KEELER

Enclosures



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January 8, 1992

CONGRESSMAN BEN G. BLAZ
 176 Sereno Avenue
 Suite 456, GMI Bldg.
 Tamuning, Guam 96931

Attn: Karl Espaldon
 Guam District Director

Re: Request for On-site Technical Assistance and
 National Council of State Child Support
 Enforcement Administrators Resolutions

Enc: Letter from Sharon M. Fujii to Karen Keeler, 08/2/91
 NCSCSEA Resolutions to Congress
 Letter from Harry W. Wiggins to the
 Honorable Jack Brooks, 08/21/91
 Letter from Harry Wiggins to the
 Honorable Louis W. Sullivan (no date)
 "A Chronicle of Title IV-D Regulatory Changes Since
 1984"
 Office of the Texas Attorney General, Austin, TX,
 05/22/91 and Attachment

Dear Congressman Blaz:

As you are aware, our office is hard at work handling juvenile and child support enforcement¹ cases, and coping with the regulations affecting the administration of these programs. Many of the statutes and regulations are needed to guide the states toward more efficient administration of these frequently routine procedures.

Most state and even county and local child support enforcement programs have received on-site technical assistance in advance of the sporadic auditing ordered by the federal office of Child Support Enforcement. Even so, as you will see in "A Chronicle of Title IV-D Regulatory Changes since 1984, Finding a Solution to the IV-D Regulatory Problem", page 4 (enclosed) virtually all

¹Title IV-D (42 U.S.C. §§603 et seq and 45 C.F.R. Part 300).

Letter to Congressman Ben G. Blaz
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states and territories have been deemed not to be in compliance at one time or other with the Child Support Amendments of 1984.

At this time we are calling to your attention the needless difficulties we in Guam are having in complying with some of the new federal regulations. Our program was first audited under the Child Support Enforcement Amendments of 1984 guidelines, in 1986 for fiscal year 1983-84. The audit and subsequent letter of non-compliance from the Office of Child Support Enforcement (OSCE) under the Department of Health and Human Services stated that our program was not in compliance in four areas.¹ Our office submitted a corrective action plan, and penalties that would have been assessed almost immediately were delayed for one year.

Despite a Territorial hiring freeze the follow-up review showed that only two performance criteria² remained unresolved. The follow-up audit was imposed in 1988, again without any on-site assistance to Guam's Title IV-D Agency. Nonetheless, the disallowance penalty of 1% of the total federal grant for AFDC (Title IV-A) was imposed on our program beginning January, 1988. We appealed the penalty unsuccessfully to the HHS Departmental Appeals Board. During this time the penalty was not imposed except for interest, until all administrative remedies were exhausted (May 11, 1989). The penalty was then declared due, a local appropriation was passed (PL 20-41) and the penalty was paid the following fiscal quarter and continues to the present.

Pursuit of judicial remedies will not ultimately solve the problem of sporadic audits of our Title IV-D program where no on-site technical assistance has been supplied. It is hard to second-guess where auditors will find non-compliance when our program staff has not been walked through the correct procedures. At the same time we are dealing with lack of personnel and insufficient automation.

We desperately need the Federal OSCE and Region IX offices to send us personnel on a regular basis and in advance of audits to prevent any further penalties. Yet OCSE and Region IX have advised us that they cannot afford to send personnel to Guam to help out our program. (See letter of Sharon Fujii to Karen Keeler, August 2, 1991). They say it is not cost effective. This translates into our losing the needed Title IV-A grant monies in direct services to the clientele so that the Federal and Regional OSCE can cut their costs. We feel this to be grossly unfair.

We are asking that your office investigate this policy and formally request that OSCE suspend any penalty assessments in the future until we receive appropriate on-site technical assistance. We are also requesting that you note especially the

¹ 1. Reports and Maintenance of Records, 2. Enforcement of Support Obligations, 3. Support Payments to IV-D Agency, 4. State Parent Locator Service.

² 1. Enforcement of Support Obligations, and 2. State Parent Locator Service

Letter to Congressman Ben G. Blaz
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Resolutions directed to Congress by NCSCSEA and urge your support of them.

Our staff has currently increased, but so has the demand for our services. The following table illustrates at a glance the increased demand for our services and how we are continuing to meet that demand:

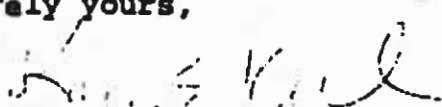
<u>SUBJECT</u>	<u>FY '89</u>	<u>FY '90</u>	<u>Increase Over Previous Year</u>	<u>FY '91</u>	<u>Increase Over Previous Year</u>
Absent parents located	547	931	70%	1,624	74%
Paternity established	109	563	416%	884	112%
Child support obligations established	122	563	361%	1,016	733%
Collections	\$762,515.	\$1,319,867.	73%	\$3,916,371.	197%

Despite the increase in demand, we will undergo an automation changeover which should enhance even more our efficiency.

Please advise us if you need any more information concerning our program.

Thanking you in advance for your cooperation, I am,

Sincerely yours,


 KAREN E. KEELER
 Deputy Attorney General

Enclosures

KK/CB1/jg :30

DEC 27 1991

RECEIVED

JAN 13 1992

ATTORNEY GENERAL'S
CHILD SUPPORT ENFORCEMENT
OFFICE

Elizabeth Barrett-Anderson
Attorney General
Department of Law
Office of the Attorney General
238 Archbishop F.C. Flores Street
Suite 701
Agana, Guam 96910

Dear Ms. Barrett-Anderson:

We are pleased to share with you information on the significant increase in child support collections realized by the Territory's Child Support Enforcement Office in Federal fiscal year (FY) 1991. Total child support collections for FY 1991 increased by 178.51 percent over FY 1990, with AFDC collections increasing by 269.01 percent over the same period, and non-AFDC collections increasing by 119.27 percent. This increase is attributable primarily to the increase in the use of the income withholding technique mandated by the Family Support Act of 1988 and the increased number of case submittals for the Territorial Tax Refund Intercept program.

Through the increased use of the income withholding technique for both newly established and modified child support obligations and 30-day delinquency triggered withholding orders, Guam realized an increase of 117.32 percent in AFDC collections and an increase of 117.68 percent in non-AFDC collections, for an overall increase of 117.51 percent in FY 1991 over FY 1990.

The increase in the number of cases submitted and matched with the Territory's Revenue and Taxation Department for intercept of tax refunds for delinquent child support yielded an increase of 205.34 percent in AFDC collections and 202.59 percent in non-AFDC collections, for a total increase of 204.69 percent in FY 1991 over FY 1990.

We also believe that the improvements in the administration and management of the child support office and the hiring of the additional attorney and caseworker staff last year enhanced the agency's ability to review and process more cases and thereby, contributing to the significant increase in collections.

Elizabeth Barrett-Anderson - Page 2

Please convey our appreciation to Ms. Karen Keeler and her staff for their diligent efforts in helping to improve the operation and delivery of child support services to those in need the most - the children of Guam.

Sincerely,

Sharon M. Fujii
Regional Administrator

cc: Allie Page Matthews, OCSE

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JUN 1 1997
COMMUNITY DEVELOPMENT

C- 13. CHILD SUPPORT ENFORCEMENT

13.1 Preface

The nation's Governors recognize the importance for children to live in a stable family that provides them with the basic elements for a healthy and productive life.

However, because of the increase in divorce and out-of-wedlock births, children are frequently in a position where their living standard dramatically changes and their financial stability is continually threatened due to the absence of a parent. The Governors are deeply concerned about children who are owed but do not receive child support payments from a noncustodial parent. Nearly \$5 billion in child support payments are in arrears on an annual basis, creating a serious problem not only for those owed payments, but also for state and federal welfare programs.

The Child Support Enforcement (CSE) Program began in 1975 as a joint federal, state, and local effort designed to improve collection efforts among Aid to Families with Dependent Children (AFDC) recipients. Eighty-seven percent of all AFDC recipients are eligible due to a parental absence in the home. The Child Support Enforcement Amendments of 1984 expanded the scope of services for state CSE programs to include non-AFDC cases. As a result, states are spending an increasing amount of time on non-AFDC cases.

The Governors believe that the child support enforcement program is an integral factor in increasing the stability of families and are committed to the success of establishing paternity and awards and collecting child support obligations.

Communication among federal, state, and local governments, among the state CSE agencies themselves, and between the agencies and the U.S. Office of Child Support Enforcement is essential to the success of the program. The Governors encourage all entities involved with the CSE program to openly communicate, in order to better meet the needs of our nation's children.

In addition, in order to develop the most comprehensive and thoughtful legislation and federal regulations that can be effectively implemented by states, the Governors call on the federal government to take into consideration the results of evaluations, demonstration projects, and state legislative calendars when developing child support policies. States should not be required to implement changes without final regulatory authority and should not be penalized when they implement changes in advance of the regulations.

FURTHERMORE, THE GOVERNORS BELIEVE THAT A MAJOR FACTOR IN OPERATING SUCCESSFUL CSE PROGRAMS IS ADEQUATELY TRAINED STAFF. THIS INCLUDES EVERY PERSON WHO PLAYS A ROLE, AT ANY LEVEL, IN CHILD SUPPORT ENFORCEMENT. THEREFORE, THE GOVERNORS ENCOURAGE STATES TO PROVIDE ADEQUATE TRAINING FOR ALL CSE PERSONNEL AND KEEP THEM INFORMED OF ALL LAWS AND PROCEDURES THAT AFFECT CSE PROGRAMS.

13.2 Program Funding

13.3 Demonstration Projects

13.4 Audit Process

13.5 Assurance Concept

13.6 Automated Systems

13.7 Income Withholding

13.8 Interstate CHILD SUPPORT ~~Collection Efforts~~

- 13.8.1 COMMISSION RECOMMENDATIONS.** THE U.S. COMMISSION ON INTERSTATE CHILD SUPPORT HAS RELEASED A PACKAGE OF COMPREHENSIVE RECOMMENDATIONS ON INTERSTATE CHILD SUPPORT. THE GOVERNORS COMMEND THE COMMISSION ON ITS WORK; HOWEVER, THERE ARE A NUMBER OF UNANSWERED QUESTIONS REGARDING THE RECOMMENDATIONS. THEREFORE, THE GOVERNORS ENCOURAGE STUDIES AND FEDERALLY FUNDED DEMONSTRATION PROJECTS ON THE MAJOR RECOMMENDATIONS TO BE COMPLETED BEFORE LEGISLATIVE CHANGES OR NEW FEDERAL REGULATIONS ARE ISSUED.
- 13.8.2 COLLECTION AND ENFORCEMENT EFFORTS.** A MAJOR ISSUE FACING STATES IS THE COLLECTION AND ENFORCEMENT OF INTERSTATE CHILD SUPPORT ORDERS. THE GOVERNORS ARE COMMITTED TO DEVELOPING THE MOST EFFECTIVE AND EFFICIENT METHODS FOR OBTAINING AND ENFORCING INTERSTATE COLLECTIONS. THE GOVERNORS RECOGNIZE THE IMPORTANCE OF DEVELOPING SOLUTIONS TO THE PROBLEMS CURRENTLY ENCOUNTERED IN DEALING WITH INTERSTATE CASES. ONE OF THE MOST COMPLEX PROBLEMS IS THE INCONSISTENCY OF STATE LAWS AND PROCEDURES. THE GOVERNORS SUPPORT STUDIES ON THE JURISDICTION OF INTERSTATE CASES AND THE EFFECTS OF ANY CHANGES ON THE RIGHTS OF DUE PROCESS.
- 13.8.3 INTERSTATE CASE PROCESSING.** THE GOVERNORS SUPPORT METHODS FOR EXPEDITING THE PROCESSING OF INTERSTATE CASES WHILE WAITING FOR THE RESULTS OF DEMONSTRATION PROJECTS ON MAJOR INTERSTATE REFORMS. METHODS ESTABLISHED FOR EXPEDITED CASE PROCESSING SHOULD HELP EASE THE BURDENS CURRENTLY ENCOUNTERED IN ESTABLISHING PATERNITY, ESTABLISHING AWARDS, AND COLLECTING ORDERS IN INTERSTATE CASES. HOWEVER, IN DEVELOPING METHODS TO EXPEDITE INTERSTATE CASES, STATES NEED TO MAINTAIN THEIR FLEXIBILITY IN ESTABLISHING THE METHODS THAT BEST MEET THEIR INDIVIDUAL STATE NEEDS.
- 13.8.4 LOCATING NONCUSTODIAL PARENTS.** THE GOVERNORS ALSO ENCOURAGE THE DEVELOPMENT OF THE BEST POSSIBLE SYSTEMS FOR LOCATING NONCUSTODIAL PARENTS. THE NONCUSTODIAL PARENT MUST BE LOCATED BEFORE ANY CHILD SUPPORT COLLECTIONS CAN PROCEED. THEREFORE, THE GOVERNORS SUPPORT INNOVATIVE METHODS FOR LOCATING ABSENT PARENTS AND FOR COLLECTING CHILD SUPPORT ORDERS. ONE POSSIBLE METHOD, INTRODUCED BY THE U.S. COMMISSION ON INTERSTATE CHILD SUPPORT, IS THE USE OF A REVISED W-4 FORM, WHICH WOULD INCLUDE INFORMATION ON CHILD SUPPORT OBLIGATIONS. ALTHOUGH THIS COULD POSSIBLY BE A USEFUL TOOL FOR THE STATES, THE GOVERNORS ENCOURAGE DEMONSTRATION PROJECTS WITH THE REVISED W-4 FORM AND A

STUDY OF THE EFFECTIVENESS AND THE IMPLEMENTATION OF THIS PROGRAM, AS WELL AS THE COST-EFFECTIVENESS OF SUCH A SYSTEM.

WHEN DEVELOPING THE MOST EFFICIENT AND EFFECTIVE CSE PROGRAMS, IT IS IMPERATIVE THAT THE STATE AGENCIES HAVE THE NECESSARY TOOLS AND INFORMATION TO LOCATE THE NONCUSTODIAL PARENTS. THEREFORE, STATE AGENCIES MUST BE PROVIDED ACCESS TO EVERY PIECE OF INFORMATION AVAILABLE IN LOCATING NONCUSTODIAL PARENTS, INCLUDING ALL PRIVATE AND GOVERNMENTAL INFORMATION.

13.8.5 DIRECT INCOME WITHHOLDING. ONE METHOD BEING DISCUSSED TO EASE THE BURDEN OF COLLECTING INTERSTATE CHILD SUPPORT IS TO ALLOW DIRECT INCOME WITHHOLDING. THIS WOULD ALLOW A STATE AGENCY TO INSTRUCT AN EMPLOYER IN ANOTHER STATE TO WITHHOLD INCOME FROM AN EMPLOYEE WHO OWES CHILD SUPPORT. CURRENTLY, STATE AGENCIES MUST DEAL WITH AGENCIES IN OTHER STATES TO WITHHOLD INCOME, RATHER THAN DEALING DIRECTLY WITH EMPLOYERS. ALTHOUGH THE GOVERNORS SUPPORT INCOME WITHHOLDING AS THE PRIMARY METHOD FOR OBTAINING COLLECTIONS, DIRECT INTERSTATE INCOME WITHHOLDING IS A MORE COMPLEX ISSUE. THEREFORE, THE GOVERNORS SUPPORT DEMONSTRATION PROJECTS ON DIRECT INCOME WITHHOLDING AS WELL AS AN ANALYSIS OF THE EFFECT DIRECT INCOME WITHHOLDING WOULD HAVE ON THE STATES, CUSTODIAL AND NONCUSTODIAL PARENTS, EMPLOYERS, AND CHILDREN. IN ADDITION, IN ORDER TO HAVE THE MOST SUCCESSFUL METHOD FOR IMPLEMENTING AND OPERATING DIRECT INCOME WITHHOLDING, THE NATIONAL CAPABILITY FOR THE ELECTRONIC TRANSFER OF FUNDS SHOULD BE AVAILABLE.

13.8.6 ACCOUNTABILITY. ENFORCEMENT OF CHILD SUPPORT ORDERS IS ULTIMATELY THE MOST IMPORTANT COMPONENT OF THE CSE PROGRAM. TOO OFTEN, CHILDREN'S FINANCIAL STABILITY IS DEPENDENT UPON THE ENFORCEMENT OF CHILD SUPPORT ORDERS. THEREFORE, THE GOVERNORS SUPPORT METHODS FOR HOLDING NONCUSTODIAL PARENTS ACCOUNTABLE FOR THEIR OBLIGATIONS AND ENCOURAGE FEDERALLY FUNDED DEMONSTRATIONS ON MAJOR METHODS OF ACCOUNTABILITY. THESE METHODS SHOULD INCLUDE WAYS TO HOLD SELF-EMPLOYED INDIVIDUALS AND NONREGULAR WAGE EARNERS ACCOUNTABLE FOR THEIR OBLIGATIONS.

13.8.7 INDIAN TRIBES. CURRENT FEDERAL POLICY AND RECENT CONGRESSIONAL ACTIONS REAFFIRM THE CONSTITUTIONALLY RECOGNIZED GOVERNMENT-TO-GOVERNMENT RELATIONSHIP WITH INDIAN TRIBES AND RECOGNIZE THE TRIBES' INHERENT SOVEREIGNTY. THE GOVERNORS STRONGLY SUPPORT THE ADHERENCE TO THIS GOVERNMENT-TO-GOVERNMENT APPROACH IN DEALING WITH INDIAN TRIBES. IN

ADDITION, THE GOVERNORS SUPPORT EXPLORATION THROUGH FEDERALLY FUNDED DEMONSTRATION PROJECTS, METHODS, OR PROCESSES FOR STATES TO WORK THE INTERSTATE PROCESS WITH AND THROUGH THE TRIBAL COURTS FOR ENFORCEMENT OF TRIBAL AND STATE CHILD SUPPORT ORDERS.

- 13.8.8 CONCLUSION. THE GOVERNORS STRONGLY SUPPORT ENHANCING THE CHILD SUPPORT ENFORCEMENT SYSTEM, BOTH IN-STATE AND INTERSTATE. WHEN CHANGES ARE MADE TO THE CURRENT SYSTEM, CARE MUST BE TAKEN NOT TO ADD ADDITIONAL MANDATES OR IMPLEMENT NEW PROCEDURES THAT INADVERTENTLY TAKE AWAY FROM THE ULTIMATE GOAL OF HELPING OUR NATION'S CHILDREN.

~~A major issue facing states is the collection of interstate child support orders. The Governors are committed to developing the most effective and efficient methods for obtaining interstate collections. The Governors look forward to the recommendations of the U.S. Commission on Interstate Child Support Enforcement and will address the area of interstate collections upon reviewing these recommendations.~~

- 13.9 Modifications
- 13.10 Notice of Support Payments
- 13.11 Paternity Establishment
- 13.12 Medical Support
- 13.13 Application Fee
- 13.14 Food Stamp Recipients
- 13.15 Federal Parent Locator Service
- 13.16 Other Issues
- 13.17 Conclusion

RESOLUTION

U.S. RATIFICATION OF THE CONVENTION ON THE RIGHTS OF THE CHILD

THE NATION'S GOVERNORS HAVE LONG RECOGNIZED THE VULNERABILITY OF CHILDREN. THE GOVERNORS HAVE ENACTED NUMEROUS STATE LAWS THAT AFFORD CHILDREN SPECIAL PROTECTIONS AND BELIEVE THE ISSUE OF CHILDREN'S RIGHTS AND THEIR WELL-BEING IS IMPORTANT BOTH TO THE UNITED STATES AND TO THE WORLD AT LARGE. THE GOVERNORS URGE THE PRESIDENT TO PROMPTLY COMPLETE THE ADMINISTRATION'S REVIEW OF THE CONVENTION ON THE RIGHTS OF THE CHILD AND FORWARD IT TO THE SENATE WITH THE APPROPRIATE RESERVATIONS, DECLARATIONS, AND UNDERSTANDINGS FOR ITS ADVICE AND CONSENT TO RATIFICATION.

IN NOVEMBER 1989, THE GENERAL ASSEMBLY OF THE UNITED NATIONS ADOPTED THE CONVENTION ON THE RIGHTS OF THE CHILD. THE CONVENTION, A HISTORIC LEGAL CODIFICATION OF SOCIETY'S RESPONSIBILITIES TO CHILDREN, SETS MINIMUM STANDARDS FOR SURVIVAL, HEALTH, AND EDUCATION AS WELL AS EXPLICIT PROTECTION AGAINST VIOLENCE AND EXPLOITATION. TO DATE, 141 COUNTRIES HAVE SIGNED THE CONVENTION, INDICATING THEIR GENERAL ACCEPTANCE AND INTENT TO CONSIDER LEGAL RATIFICATION, AND 105 OF THESE COUNTRIES HAVE GONE ON TO RATIFY OR ACCEDE TO THE TREATY.

C-3. EMPLOYMENT AND TRAINING

The changing demography of the labor force and the rapidly changing nature of work in America demand 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 our national economic policy.

3.1 Populations at Risk

National policy on and efforts in the preparation of the workforce must encompass the work preparation needs of the whole population, but with particular attention targeted to populations at risk in the labor market as defined in the following categories:

- Population subgroups identified by demographic or physical characteristics that may present barriers to their employment (for example, minorities, older workers, youth, women, and the handicapped);
- Those failed by the conventional system that serves the majority of the population (for example, "expected to work" individuals reliant upon income maintenance programs, the limited English proficient, school dropouts, offenders, and ex-offenders);
- Dislocated workers affected by federal policies in international trade and immigration, population shifts, automation, and industry obsolescence.

3.2 Government Responsibilities

The nation's current unsystematic and uncoordinated effort to prepare people for work needs to be organized into a coherent structure by the adoption of a national policy that rationalizes the respective responsibilities and roles of the private and public sectors. Within the public sector it also must define the respective responsibilities and roles of federal, state, and local levels of government. These responsibilities and roles are defined within the parameters of the following set of realities:

- Employers -- not government -- are the prime movers in the labor market function;
- The work place is where most occupation-specific training occurs;
- The educational systems are responsible for preparing our citizens for work with regard to basic communication and computational skills.

3.3 General Government Functions

Within these parameters, the primary role of general governance (as distinct from education) must be that of a broker, facilitating the natural interaction between the principal actors in the labor market, employers, and current and potential employees.

The functions of general government include:

- Providing information and assisting, if necessary, in the matching of people to jobs;
- Ensuring equity of access for all citizens to training and job opportunities;
- Protecting the health and safety of workers;
- Providing funds for the training of individuals to meet the specific needs of the work place;
- Fostering an economic climate that encourages the maintenance and expansion of job opportunities.

These functions should define the parameters of the public employment and training system.

* To be amended at a later date

3.4 Responsibilities for Employment and Training

In the employment and training system, the federal government must assume responsibility for the following activities, either by performing these activities itself or by providing the funding for their performance through delegation to another level of government, whichever method is more appropriate:

- Conducting employment impact analysis of all federally proposed legislative or regulatory actions;
- Setting standards to protect the health and safety of workers, setting wage standards, establishing alien certification standards, and ensuring equity of access to training and jobs;
- Providing stimulus for job creation when the natural labor market is inadequate;
- Providing income support, when necessary, either as part of a welfare system or as an opportunity to contribute to society in either supported work situations or as a means of offsetting welfare benefits;
- Providing program support for migrants, refugees, and native Americans;
- Conducting research, development, evaluation, and dissemination activities. In the next decade, this traditional set of federal responsibilities should be focused on creation of policy options for maintaining and expanding job opportunities; better utilization of computer technology for purposes of labor exchange, career information, remedial education, and employability development services; and improvement of management information systems;
- Utilizing the federal tax system to encourage maintenance and expansion of job opportunities, as is already the case with the earned income tax credit and targeted jobs tax incentives.

3.5 Shared Responsibilities for Employment and Training

The federal government and state governments have mutual interests and thus should share responsibility for the following activities in the employment and training system:

- Job generation activities, such as increasing access to public and private venture capital, particularly for small and minority businesses; encouraging physical infrastructure development through public financing mechanisms; and providing labor and capital subsidies, such as nonretroactive targeted job tax credits;
- Provision of improved state and substate labor market and occupational supply and demand information;
- The mandating of participation in and the sharing of costs (possibly with the private sector as well) for training programs for recipients of income support who are judged able to work and capable of benefiting from training and/or education programs;
- The administration of work search or work registration requirements linked to income transfers to workers who are not temporarily displaced or not impaired from entering or reentering the labor force, and the organization of an upper-tier benefit structure for workers who agree to undertake retraining courses;
- Provision of resources targeted to high demand, new and emerging occupations to be used for training stipends (for example, modified educational vouchers) available to all individuals.

3.6 State Responsibilities for Employment and Training

The responsibilities of state government in the employment and training system must include certain systems functions that are best carried out at the state level and that enable the provision of services at the level of the client. These are:

- Generation of labor market information and management of the LMI system to produce the data needed for a "bottom up" planning process that identifies what services will be provided by whom and to whom;

- State-level planning that should consist of an assessment of populations in need of service and occupations in demand statewide and on a substate basis and resource allocation based on this assessment;
- Coordination of employment and training with other human service agencies, most of the administration of which is located at the state level. Especially important in this regard is coordination with income maintenance programs on the matter of work registration requirements.

States also must have responsibility for the establishment and oversight of projects of state significance -- for example, projects to respond in the case of plant closings or to meet the demands of occupational growth. Finally, the states must ensure the direct provision of services for those persons who are under state supervision.

The assurance that all of these responsibilities are properly carried out at the state level should be lodged with the Office of the Governor.

3.7 Local Responsibility for Employment and Training

Responsibility for the provision of client-centered services in the employment and training system should be locally based. These services should be organized around the two clients of the system as follows:

- Services to employers, including job/skills analysis; identification of training needs; career ladder/skill transferral analysis; job restructuring/job engineering analysis; organization, management, and personnel technical assistance and support; and cost-benefit analysis of supply/demand match;
- Services to current and potential employees -- including individual assessment, career planning and guidance, career development through training and/or retraining, elimination of barriers to employment, and job placement;
- Services to both employers and current and potential employees -- including labor market information, career information, and the matching of people to jobs.

3.8 Federal Role in Reorganization

To realize this optimal reorganization of responsibilities at the various levels of the governance structure, the federal government should act to facilitate the organization of the respective roles of the private and public sectors, state and substate, by:

Recognizing that:

- The state is the most logical unit of government to organize the administration of the employment and training system through the definition of substate areas, where needed;
- Decisions about the exact mix of services along the service continuum organized to respond to clients' needs are most appropriately made at the community level where services are actually delivered.

Enabling a system design in employment and training that incorporates the following features in service delivery:

- Planning and implementation for employment and training services locally should be accommodated through a public/private intermediary mechanism;
- Appointment to this mechanism should be made through a state-determined process involving representation of the affected local political jurisdictions. Compliance with public fiduciary responsibilities also should be certified by the state;
- Competitive, performance-based contracting for services should be the operational methodology.

In addition, the federal government should not:

- Dictate administrative structures to the states by prescribing in federal legislation the role that local units of government should play in the administration and/or operation of employment and training programs;

The latest available statistics project the number of elderly 60 years and older on Guam for 1990 to be close to 9,000. There is no current plan for development of an additional nursing home to care for the impending needs of these aging seniors.

As these 9,000 elderly age, and become more frail, and more citizens join the ranks of the elderly, Guam will rely heavily on In-Home Services to help seniors remain independent for as long as possible to postpone the need for institutionalization.

Higher education of the younger generations has to some degree distanced the seniors from the present and future caregiver; it has paved the way for many females to participate in the formal labor force and made possible the migration to the U.S. mainland for a wider range of job opportunities. It has reduced, and continues to reduce, the number of available caregivers for the island's older population and increases the need for community service programs such as In-Home Services.

With the In-Home Service program on Guam, the elderly and their caregivers prefer the peaceful serenity of being cared for in their respective homes and villages. This type of atmosphere is conducive to our young paying respective visits, and in turn having the opportunity to share cultural experiences with those who have experienced them first hand.

We strongly support the proposed suggestion that the total authorized federal funding level should be determined by taking into account factors such as the number of elderly over age seventy-five and the number over age eighty-five, the estimated number suffering from Alzheimer's and related diseases, the number of elderly who are impaired in three or more of the activities of daily living, and the number of elderly who are minorities. We agree that states should use these same factors to determine who is eligible to receive assistance.

Guam believes in providing all possible support to families willing to keep and care for an older relative in their household. This In-Home Services policy reflects that vision; therefore, I wholly support it on behalf of Guam and her people.

8.2.3. Preventive Health Care

There is a growing number of elderly coming to Guam who do not have families to care for them. By providing preventive care, medical screening and health education, especially at the senior centers where these new elderly to our island congregate, it will curtail medical costs and ultimately lessen the burden on our medical social services.

Preventive health care can minimize the need for long-term care services. Health education and promotion activities can modify, if not change, health risks such as smoking, obesity, drinking and excess salt intake, which lead to, and aggravate, high blood pressure, heart disease, diabetes and prevention of paralysis due to stroke; amputation and blindness caused by diabetes, and inhibited mobility as a consequence of arthritis.

Guam senior centers are emphasizing preventive health care by providing exercise equipment in all centers and ensuring that an exercise instructor visits the centers on a regular schedule.

In view of the efforts by the people of Guam, we strongly applaud the recommendation that Title VII of the act be structured to provide states federal matching funds for preventive health services.

8.2.4 Long Term Care

Guam agrees with the policy stating support for an effective long-term care ombudsman program, giving governors the responsibility to structure the ombudsman's program in a manner that assures its independence and integrity.

Currently, there is no policy for organized long-term care on Guam. Without policy, many abuses and/or problems arise.

8.2.5 Program Operation

Guam strongly supports the policy statement requiring that preference for services be given to individuals with the greatest economic or social needs, with particular attention to low-income minority individuals. However, we disagree with the portion of the policy that permits states to charge fees or establish other cost-sharing arrangements for supportive services.

More than 50% of the clients registered in our programs fall into the low-income bracket. The only two programs which fall below more than 50% coming from the low-income minority bracket are Legal Services and Center Operations. Both are essential for all seniors to have free access to, in order to prevent abuse and to provide social stimulation and activity for our seniors.

If we were to make arrangements as specified in the policy, to collect fees on a sliding scale, based on the ability to pay, most of our clients would pay nothing. The time and effort involved in implementing this arrangement would not be cost-effective. Plus, in the couple of programs which have a high rate of clients who could afford to pay, it could discourage their use of the programs if a fee were charged.

In regard to the section supporting the community Services Employment program in Title V of the act, Guam agrees that contractors and appropriate state agencies to develop a statewide operational plan to assure fair distribution of jobs throughout the state, but due to the size of Guam, we believe this section could provide a waiver for Guam.

Other than these two sections of the policy, we totally agree with and support the remaining ideas contained therein.



*Linda - 441
Library*

January 17, 1992

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

Dear Joe:

Because of the large and growing number of children currently living outside of their own homes in state custody, I am focusing a part of my NGA chairmanship on how to reform social service systems so that they better support and strengthen children and families. At our Winter meeting this year, a portion of the Governors-only session will be devoted to this crucial issue.

If current trends continue, by 1995, more than 840,000 children will be placed outside their homes in foster care, group homes, juvenile justice facilities and psychiatric institutions-- that is nearly a 75% increase over the number of children in state care today.

For many of these children, the state does not make a good parent. While safety of the child must be the primary concern, removing a child from his or her home is emotionally disruptive, often does nothing to improve the family's functioning, and contributes greatly to the child's reentering the system at a later age. Unfortunately, in most states, removing a child from the home is the only response that is intensive and comprehensive enough to keep children safe.

One ray of hope in this troubling crisis is family preservation services, a program that focuses on outcomes and helping families solve their problems. Many states have successfully tested this program. Each has found it to be a safe, cost-effective alternative to out-of-home care. A few states have taken the next step of implementing the program statewide. Not only have they seen positive results for the families served, but the program has acted as a catalyst for reforming their children's services systems.

I look forward to further discussion with you on this exciting issue. Enclosed is additional background material on family preservation and a list of questions that will guide our discussion. I invite you to bring

Page Two
January 17, 1992

one of your policy advisors to this session. Your chiefs of staff will have the opportunity to discuss this topic at their session on Monday. Your valuable input and active participation will be vital to our session.

If you have any questions, please contact me or Anne Heller at the National Governors' Association, (202) 624-7873.

Sincerely,


Governor John Ashcroft
Chairman

Enclosures

QUESTIONS FOR DISCUSSION

- 1) In the last four years, out-of-home placements and placement costs across the country have steadily increased. To what extent have out-of-home placements been recognized as a problem in your state? What individuals and/or organizations have played the major role in raising the issue?
 - a. What trend are you seeing in your foster care homes, residential facilities, psychiatric hospitals, and juvenile institutions?
 - b. If the problem has yet to surface in your state, what steps are needed to focus administrative or legislative attention on the issue?

- 2) What steps has your state discussed or adopted in addressing the increase of out-of-home care?
 - a. In this time of fiscal constraint, what strategies did you/will you use to secure public and legislative support for redirecting spending from out-of-home care to more preventive, family support systems?

- 3) Has your state explored family preservation services?
 - a. If your state has invested in family preservation services, how effective have they been?
 - b. What do you see as the possibility for family preservation leading to broader system reform or new ideas about the system?

- 4) What has worked in your state to encourage cooperation among agencies on children's issues?

- 5) What has been the reaction among your constituents to services that intervene with families earlier?

ADDITIONAL BACKGROUND INFORMATION

CHILDREN AND FAMILIES IN CRISIS

- IN THE NEXT FOUR YEARS, IF CURRENT TRENDS CONTINUE, OUT-OF-HOME PLACEMENTS ARE PROJECTED TO GROW BY NEARLY 75 PERCENT- FROM 500,000 CHILDREN TO 840,000- NATIONWIDE.
- YOUTH IN JUVENILE JUSTICE FACILITIES HAVE INCREASED BY 27 PERCENT OVER AN EIGHT YEAR PERIOD. NEARLY HALF OF THAT GROWTH- 10% OCCURRED DURING THE LAST TWO YEARS OF STUDY ('85-'87).
- IN ONLY THREE YEARS, THE NUMBER OF CHILDREN UNDER THE AGE OF EIGHTEEN SENT TO MENTAL HEALTH FACILITIES FOR INPATIENT CARE INCREASED BY 60 PERCENT.
- FORTY PERCENT OF FOSTER CHILDREN REMAIN IN THE FOSTER CARE SYSTEM FOR MORE THAN TWO YEARS.
- THE NUMBER OF CHILDREN RETURNING TO THE FOSTER CARE SYSTEM HAS MORE THAN DOUBLED- WHILE THE NUMBER OF AVAILABLE FOSTER CARE HOMES HAS REMAINED STAGNANT.
- MANY OF THE NATION'S 370,000 DRUG-EXPOSED INFANTS BECOME "BOARDER BABIES" OR ARE PLACED IN FOSTER HOMES.

Source: No Place To Call Home, a report of the Select Committee on Children, Youth and Families, U.S. House of Representatives, November 1989.

PRINCIPLES FOR A REFORMED SOCIAL SERVICE SYSTEM

THE PRIMARY PURPOSE OF THE SERVICE DELIVERY SYSTEM IS TO SUPPORT, STRENGTHEN AND PRESERVE FAMILIES.

THE NEEDS OF THE CHILD AND FAMILY MUST DEFINE AND DRIVE THE SERVICE DELIVERY SYSTEM.

THE SYSTEM MUST RECOGNIZE THAT MOST FAMILIES ARE DOING THE BEST THEY CAN AND THE SYSTEM'S ROLE IS TO SUPPORT AND EMPOWER THEM.

WHENEVER POSSIBLE, ALL DECISIONS REGARDING SERVICES NEEDED AND PROVIDED MUST BE MADE BY THE FAMILY AND CHILD.

ALL SERVICES PROVIDED SHOULD BE OUTCOME-ORIENTED RATHER THAN ACTIVITY-ORIENTED.

THE SYSTEM MUST ASSURE THAT SERVICES ARE PROVIDED TO CHILDREN AND FAMILIES IN THEIR NATURAL ENVIRONMENT WHENEVER POSSIBLE.

SHIFT IN FOCUS FOR SOCIAL SERVICE SYSTEMS

CURRENT FOCUS

CRISIS

CLIENT

INDIVIDUAL

CATEGORICAL STATE PROGRAM

FRAGMENTED SERVICE

SINGLE ENTRY POINTS--
SINGLE SERVICES

INTERAGENCY PARTICIPATION

NEW FOCUS

PREVENTION

PARTICIPANT/CONSUMER

CHILD/FAMILY

HOLISTIC COMMUNITY NEEDS

UNIFIED SERVICES

MULTIPLE ACCESS POINTS--
INDIVIDUALIZED SERVICES

INTERAGENCY COLLABORATION

Source: Missouri Cabinet Council's report to the Governor on restructuring children's services.

C- 8. SOCIAL SERVICES

8.1 Title XX of the Social Security Act

Working in a spirit of cooperation with Congress and the administration, the National Governors' Association was instrumental in the development of Title XX of the Social Security Act in 1974. This law took a comprehensive approach to providing federally funded social services, previously funded under several titles of the Social Security Act. In a fundamental departure from previous law and practice, the responsibility for the planning, development, and delivery of social services was placed with state governments. A major strength of Title XX is that it provides states with needed flexibility to cut across traditional program lines, identify the service needs of citizens, and develop the service mix that best meets those needs.

The major impediment to a continued increase in the effectiveness and success of Title XX is the federal spending ceiling. Even with the increases in the ceiling provided since 1974, the purchasing power of the program has been reduced by more than one-third. Virtually every state now is expending all of its allocation, and consequently there are no additional federal funds available even on a matching basis to cover the inflation-induced cost increases of Title XX-funded programs, making maintenance of established service levels, scope, and quality extremely difficult if not impossible. To exacerbate this dilemma, there is a constantly growing pressure to expand the number and coverage of services and increase their quality.

Title XX is the primary federal/state program providing funding for services designed to minimize and reduce dependency and to enable individuals and families to remain self-sufficient, avoid institutionalization, and maintain dignity and self-respect. The integrity of Title XX, as originally envisioned, must be maintained and its capacity increased. To accomplish this, Congress should:

- Raise the federal expenditure ceiling for Title XX on an annual basis to at least match its original purchasing power of \$2.5 billion in 1974 dollars;
- Maintain the flexibility in Title XX that allows states to provide social services in accordance with their individual needs and priorities.

The Department of Health and Human Services should:

- Provide leadership through the provision of technical assistance to improve state management and information systems that will support state efforts to develop comprehensive social services systems;
- Continue the commitment of the federal government to the federal/state partnership in providing social services through Title XX by consulting with the Governors prior to the development of any major proposals to change the statute or its administration.

8.2 The Older Americans Act

8.2.1 Preface. The Governors strongly support reauthorization of the Older Americans Act. Over the past decades the act has helped to create a network of people and organizations that provide invaluable assistance to America's elderly.

The number of older Americans is projected to increase from 28.6 million in 1985 to 39 million in the year 2010 and to 65 million in the year 2030. By 2030, the elderly will represent 21 percent of all Americans, the highest percentage in our nation's history.

While most of the elderly can live independently, many require a degree of assistance in order to remain self-sufficient. Some in this latter group need only certain services, such as housekeeping, transportation or meals, to remain independent. Others need more comprehensive help. Still others,

* To be amended at a later date

because of severe medical needs, may not ever be able to maintain independence and must be cared for in an institution.

The Older Americans Act was created to provide assistance for elderly persons. The Governors believe that the OAA has played an important role in responding to the needs of America's elderly. Consequently, we oppose any federal budget cuts or statutory changes that would reduce resources and affect the ability of the OAA aging network to maintain services to the elderly for whom the act was designed.

In addition to continuing the major authorities of the act, we propose two changes which would help meet essential and growing needs of the elderly population: in-home services for the severely functionally impaired and preventive health care.

- 8.2.2 **In-Home Services.** As the number of people living beyond age seventy-five increases, so does the number who face the loss of their ability to remain independent and are at risk of entering an institution. We believe that resources should be targeted at these vulnerable individuals so they can live independently as long as possible. Assistance in the routine activities of daily living, such as dressing, eating, and bathing, can make a critical difference to people who are functionally impaired but who do not necessarily have extensive health care needs.

We believe the OAA should be used to focus and strengthen efforts to provide and coordinate services for functionally impaired older people, in cooperation with relatives, friends, and private sector agencies. We therefore propose a new authorization in Title III of the act for state aging agencies to assist in providing in-home services for individuals who need help with activities of daily living. We suggest that the total authorized federal funding level should be determined by taking into account factors such as the number of elderly over age seventy-five and the number over age eighty-five, the estimated number suffering from Alzheimer's and related diseases, the number of elderly who are impaired in three or more of the activities of daily living, and the number of elderly who are minorities. States should use these same and related factors to determine who is eligible to receive assistance under this new authorization. These new services should be matched at the same rate as other Title III services.

- 8.2.3 **Preventive Health Care.** The Governors also believe that it would be a sound investment to assure preventive health care through the OAA network, particularly in the senior centers. Assuring "wellness" through prevention and medical screening will improve health among the elderly and reduce public and private expenditures for costly medical treatment. Medicare does not cover preventive health services, and we believe that providing such services to groups of elderly individuals who convene at senior centers would be highly efficient and cost-effective. Toward this end, we recommend that Title VII of the act be structured to provide states federal matching funds for preventive health services. We envision a specific package of preventive services, including physical examination, influenza vaccinations, and other appropriate testing, screening, and health education.

- 8.2.4 **Long-Term Care.** The Governors strongly support an effective long-term care ombudsman program. Governors should have the responsibility to structure the ombudsman's program in a manner that assures its independence and integrity. States that have funded ombudsmen with state funds should be granted a waiver of the set-aside requirement in current law as long as state funding at least equals the set-aside amount.

- 8.2.5 **Program Operation.** The Governors are concerned that the elderly with the greatest social and economic needs receive OAA services. Toward this end, we support the current language in the act requiring that preference for services be given to individuals with the greatest economic or social needs, with particular attention to low-income minority individuals. We oppose any federal attempts to further specify target groups in the act through set-asides, interstate, or intrastate funding formulas.

We want to emphasize our continued position that OAA services should be available to persons of all income levels. However, in order to expand resources available to OAA programs, states should be permitted to charge fees or establish other cost-sharing arrangements for supportive services, including the new in-home and preventive health services we propose. The arrangements should be on a sliding scale, based on ability to pay. States should continue to seek voluntary contributions for meal programs and social services.

To assure continued, effective implementation of the OAA at the state and local level, we believe :

- States should have primary responsibility for the planning, policy development, priority setting, and evaluation that governs the OAA activities within their borders;

- States should have primary responsibility for efforts to facilitate the coordination and integration of community-based, long-term care;
- Governors need flexibility to match OAA services to local needs, and we believe that the current transfer authority of up to 30 percent of Title III funds provides that flexibility.

The Governors also strongly support the Community Services Employment program in Title V of the act. The major problem with implementing the program in most states has been in assuring a fair distribution of job opportunities to match the demand for jobs within the jurisdictions in each state. We therefore urge that the act require the national contractors and appropriate state agencies to develop a statewide operational plan, to be approved by the Governor, in order to assure coordination with other jobs programs and a fair distribution of jobs throughout each state. Funds would be released by the federal Department of Labor to the national contractors and state agencies after approval by the secretary.

Finally, the Governors believe that federally financed research and demonstration projects need to be developed with input from states, with the goal of increasing the effectiveness of OAA programs. Toward this end, we recommend that states be consulted at least annually regarding the federal research and demonstration agenda, and that the federal government assure that the academic centers involved in research and demonstration projects consult with state and local managers operating OAA programs. We also believe that research and demonstration projects should support innovative approaches to services and encourage new approaches to intergenerational activities that better integrate the elderly into society.

Adopted August 1980; revised February 1987.

C- 14. IMMIGRATION AND REFUGEE POLICY

14.1 Immigration

14.1.1 Preface. The nation's Governors recognize the important contribution immigrants have made and continue to make to our nation. While the federal government has the primary role in directing national policy in the area of immigration and refugee issues, the implication of immigration decisions on our society and local communities presents challenges that cannot be ignored by the states. These challenges include demands on education, job training, social and health services, and other assistance to promote the integration of immigrants into our communities.

14.1.2 Principles. Because immigration decisions have a broad influence upon our society and involve the states, the Governors urge the Congress to consider the following principles in the deliberation and formulation of immigration policies:

- The decision to admit immigrants is a federal one that carries with it a firm federal commitment to shape immigration policy within the parameters of available resources we as a nation are determined to provide.
- The fiscal impact of immigration decisions must be addressed by the federal government. The states, charged with implementing federal policy, have shared and are sharing in the costs; however, there should be no further shift of costs to the states.
- Immigration policy shall be developed within the context of our national interest, which takes into consideration preservation of the family, demographic trends, economic development, labor market needs, and humanitarian concerns.
- Immigration decisions shall not discriminate against nor give preference to potential immigrants because of their nationality, race, sex, or religion.
- A basic responsibility of the federal government is to collect and disseminate timely and reliable statistical information on immigration and its consequences for the United States.
- The increase of the social and economic strength of our hemispheric neighbors is an efficient method to reduce migration.
- Immigration policies and administrative systems should be modernized and reviewed periodically to ensure they are fair and workable.

14.1.3 Immigration Ceiling and Preference System. The National Governors' Association supports control of legal immigration at a level consistent with our national interest and resources, under a ceiling adjusted periodically by Congress as conditions warrant. The ceiling should continue to exclude immediate relatives of United States citizens, refugees, asylees, and aliens whose adjustment of status is not subject to immigration quotas under current or future laws.

The ceiling should provide for the separation of the two major types of immigrants – families and independent immigrants – into distinct admission categories. In designing the preference system, the principle of family unity should be preserved and the independent immigration system should reflect economic and labor market needs.

14.1.4 Prohibiting the Hiring of Illegal Immigrants. To help control illegal immigration, the employment of illegal immigrants should be prohibited. The federal government should develop enforcement mechanisms that will minimize the administrative burdens on employers and do not discriminate against the employment of workers and potential workers. The appropriate federal agencies selected to enforce this prohibition should have the resources necessary to carry out their task.

14.1.5 Legalization

- The federal government must provide full and timely reimbursement to state and local governments for costs incurred as a consequence of the legalization program. Federal agencies must also provide timely guidelines on implementation requirements and assure stability of program funding for states to effectively deliver services to newly legalized aliens.
- States require maximum flexibility in determining and allocating resources to meet the needs of newly legalized aliens.

- The current legalization program provides the opportunity for illegal immigrants to become lawful residents. Due to insufficient national and community outreach efforts resulting from a compressed timetable as required by law, application deadlines should be extended.

- 14.1.6 **Supplemental Worker Program.** In implementing any supplemental worker programs, the federal government must conduct timely labor certifications to ensure labor availability in the event of labor shortages. This program should not cause displacement of American workers.
- 14.1.7 **Cooperation with Western Hemisphere Countries.** A workable immigration program must recognize and involve the major sending countries. The federal government must work cooperatively with Mexico and other western hemisphere countries in the development of mutually beneficial policies. The Governors believe that trade and investment policies are critical elements to reduce illegal immigration.
- 14.1.8 **Research and Data Collection.** Congress should direct the federal government to develop a reliable data system and strengthen the research capacity on migration and its consequences to the United States, especially concerning the immigration flow, estimate of illegal migration, and the impact of immigration on states and local communities. To do so, better coordination of federal agencies is needed.

Congress should implement the findings of the panel on immigration statistics convened by the National Research Council in 1985.

In order to provide the necessary information on immigration flows and secondary migration, alien registration by the federal government must be reinstated. In addition, data collected should be analyzed and disseminated to the states in a timely manner for the purpose of planning, implementation, and evaluation of immigration policy.

- 14.1.9 **Immigration Law Enforcement.** The federal government should provide sufficient funding to the Immigration and Naturalization Service and other appropriate agencies to enforce the immigration laws, modernize management, and provide for an adequate and reliable data collection system.
- 14.1.10 **Exclusion/Asylum Proceedings.** Individual claims for asylum should be handled in a fair and expeditious manner. Prompt efforts should be made to address the current backlog problems.
- 14.1.11 **Emergency Authority and Contingency Plan.** As the President has contingency planning authority, the federal government must develop a contingency plan to deal with unanticipated flows of refugees or asylum applicants. The states expect an immediate federal government response to such a situation. Governors must be consulted in determining the role of the states. The states anticipate full federal reimbursement of any state and local costs.
- 14.1.12 **Coordination with States.** Governors are concerned about the lack of information and adequate consultation on issues concerning immigration that affect the states. Federal agencies must develop ongoing communication mechanisms to inform and consult with states on both legal and illegal immigration matters.

14.2 **Refugee Policy**

- 14.2.1 **Federal Responsibility.** The National Governors' Association has supported and will continue to support the domestic resettlement of refugees as defined by the Refugee Act of 1980, as amended. We believe that refugee issues are an international responsibility and resettlement must be shared as equitably as possible. Further, there must be a genuine effort to protect refugees worldwide. For those who are resettled in this country, states are committed to working toward the rapid integration of refugees into our communities. However, the federal government has the total responsibility to meet the basic needs of refugees and entrants (that is, cash, medical, social services, and special educational costs) for the initial three years. The federal government also has the total responsibility for determining and accounting for secondary migration to areas of saturation.

If the federal government is unwilling to sufficiently fund the necessary services, then it is incumbent upon the federal government to decrease the flow of refugee admissions. Under no circumstances should there be any further shift of costs to state and local governments.

In recent years, there has been significant funding reductions in refugee programs. These budget reductions represent a major federal policy change that shifts fiscal responsibility for meeting the basic needs of refugees and entrants from the federal government to states and localities. This fiscal policy change occurs at a time when state and local resources have experienced significant cuts in human service programs due to federal budget balancing. Since the states do not have the

authority to set immigration quotas or limit secondary migration, they are unable to effectively control the additional costs incurred due to this change in policy. The National Governors' Association strongly believes that the federal government must continue its commitment to refugees entering by providing financial support for the state-administered refugee programs.

14.2.2 Principles. In addition, we emphasize that the following principles are important components of a federal domestic assistance program:

- The goal of resettlement assistance efforts is to help refugees achieve self-sufficiency as quickly as possible. The key to economic self-sufficiency is entry into unsubsidized employment at a living wage at the earliest possible time with concurrent removal from dependency on public aid.
- Social services are vital to reaching the goal of self-sufficiency, and federal funding should not be decreased as a means of reducing the federal refugee or entrant budget.
- Stability of federal funding is crucial if states are to implement an effective resettlement program. In addition, the timely provision of funding is essential to enable states to discharge their administrative responsibilities in an expeditious manner, relative to funding decisions and program planning.
- States must be consulted in a timely manner when changes in the current program are being considered. A process for ongoing state participation in program review should be incorporated into the federal administrative structure.
- The federal government should synchronize the funding cycles and streamline its administrative and reporting requirements for the states to allow for more cost-effective management of the program, while maintaining state flexibility.
- Since the refugee program is state-administered, it is essential that all funding should flow to the states to allow for centralized program planning, administration, accountability, and coordination of local planning efforts.
- While the states are willing to consider changes in the current program that would improve the efficiency or effectiveness of the program, we would oppose any attempt to convert funding for the program to a block grant.

14.2.3 Coordination and Consultation. Governors continue to be concerned about the lack of adequate consultation on the part of the voluntary agencies (VOLAGs) and their local affiliates in the initial placement of refugees and on the part of the federal government in the equitable distribution of refugees and entrants.

States have continually urged the federal government to establish a mechanism to ensure appropriate coordination and consultation. However, significant progress has not been made and the following mechanisms need to be considered to address this problem:

- A requirement in the State Department/VOLAG contract to limit placement to areas conducive to resettlement. In addition, VOLAGs and their local affiliates should be required to have a letter of agreement that specifies that there has been consultation and planning for the initial placement of refugees, and sets forth the continuing process of consultation. The requirement in the State Department/VOLAG contract to limit placement to areas conducive to resettlement should include concurrence by the state.
- The State Department should enter into agreements with the states for the purpose of planning and consultation on refugee placement strategies within available federal resources. This should include state participation in identifying appropriate areas for resettlement.
- There should be a continued requirement that sponsors not be on welfare. The sponsorship program should be modified and existing sponsorship obligations should be more strictly enforced.

It is essential that the U.S. Coordinator for Refugee Affairs actively coordinate the resettlement of refugees and provide Governors with relevant information on activities within their states. In addition, there needs to be a clear delineation of the roles of the U.S. coordinator, the State Department's Bureau of Refugee Affairs, and the Department of Health and Human Services' Office of Refugee Resettlement.

An advisory committee should be established representing state and local government officials, VOLAGs, and the refugee community to examine and advise Congress and the federal agencies on a full range of refugee resettlement issues.

The Governors should be closely involved in the congressional consultation process through which new refugee admissions levels are determined to ensure that program funding is provided to support the level of refugee admissions.

14.2.4 Impact Aid. Special impact aid to state and local governments should be provided to meet unusual burdens on communities. Impact aid should be provided in the event that any of the following occur :

- A refugee flow is unexpectedly large or sudden;
- The resettlement area is highly concentrated by initial placement of refugees, including secondary migrants;
- The resettlement area has unfavorable economic conditions;
- The refugee population has special needs.

Adopted February 1988.

C- 16. WORKER ADJUSTMENT

16.1 Preface

The national economy and the American worker now operate in an environment where change is the norm. Any system developed to deal with the effects of change must be designed to facilitate transition rather than inhibit it. Much of the dislocation occurring in the economy is the result of the decline in the viability of the productive sector of the economy. Although dislocated worker policies alone will not revitalize the productive sector, they are necessary to address the human effects of the change that is occurring.

States have significant responsibilities, in the federal system, for educating its citizens, training and retraining its workforce, promoting job creation and providing basic human services. Governors are in key positions to orchestrate the diverse systems involved in anticipating change, managing change and minimizing the adverse effects of change.

16.2 Principles

The following principles should guide the development of a national worker adjustment strategy:

- 16.2.1 **Needs.** The Governors should have discretionary authority to develop worker adjustment programs that address the unique needs of the workers, the businesses, and the communities in their states.
- 16.2.2 **Recipients.** The program should be broad enough to allow states to assist workers, regardless of the cause of their dislocation (technological change, international competition, market forces, etc.). This may include dislocated farmers, unemployment insurance recipients and exhaustees, potentially dislocated workers, and other structurally unemployed individuals.
- 16.2.3 **Reemployment Assistance.** The need to provide workers with reemployment assistance as early as possible is of paramount importance in helping them find new jobs. Early intervention strategies operate most effectively in a cooperative environment where information is shared among labor, management and government.
- 16.2.4 **Service Alternatives.** Displaced workers may need a variety of services and assistance in order to successfully adjust to change. Governors should be allowed to choose from a variety of service alternatives including: educational services, training alternatives, job search assistance, support services and income support.
- 16.2.5 **Coordination of Services.** Funds allocated by the federal government should be made available to assist states in implementing worker adjustment programs that are designed to both prevent job loss and facilitate reemployment of dislocated workers. States should be allowed to develop interdisciplinary approaches to worker adjustment by coordinating the employment and training, education, economic development, human services, and unemployment systems. States recognize the importance of reserving a small percentage of the funds at the national level to address unanticipated dislocations; and multistate dislocations, however, the majority of the funds should be allocated to the states.
- 16.2.6 **Labor Data.** The federal government can assist states and business by collecting and disseminating information on local labor trends that will facilitate anticipatory responses by states. Current data is not sufficient or pertinent enough to effectively anticipate occupational and industrial growth and decline.

Adopted February 1987.

* To be amended at a later date

C-17. AIDS

The Department of Public Health and Social Services recommends that all policies concerning AIDS (17.6) adopted in July of 1987 should be supported by the Governor without additional change. Policies we feel are of exceptional importance include the following:

1. 17.2 Education and Prevention

Although this is an era of high federal budgetary constraints, the seriousness of the problem calls for an increased federal investment.

Assistance should be provided to state and local governments, as well as to community based organizations, to assist them in this national education and prevention effort.

If we are to be successful in changing attitudes and behaviors, this education campaign must use a variety of channels to reinforce the basic message of how to prevent the spread of AIDS.

AIDS educational efforts should not be limited to those areas presently experiencing a high incidence of AIDS. AIDS is a national public health problem which knows no geographical boundaries. Educational efforts in low - incidence areas can play an important role in halting the spread of the disease.

Educational efforts should be designed in such a way that they reach both the general public as well as those people whose behaviors place them and their sexual partners at particular risk of becoming infected with the virus.

Special education efforts must be made to ensure that all members of the medical and health care community are knowledgeable about AIDS.

17.3 Counseling and Testing

Maintaining the confidentiality of HIV results is a major concern - where necessary - update statutes to safeguard the rights of individuals tested. Clarification or modifications in law should be made where necessary to protect HIV positive individuals from inappropriately being denied opportunities in areas such as employment and housing.

CURRENT AIDS SITUATION ON GUAM

Currently on the island of Guam, 12 cases of AIDS and 26 cases of HIV infection have been reported to the Department of Health and Social Services since 1985. Although these numbers may seem small in comparison with numbers found in the States, the AIDS epidemic has reached Guam and does pose a serious health threat to our island.

According to the World Health Organization, the Territory of Guam is entering a critical period in relation to AIDS. Many of the early cases of HIV infection and clinical AIDS reported on island were contracted outside of Guam. Recent data, however, shows an increase in cases and emergence of persons infected on island.???

In a recent report, WHO indicated that experience from other countries suggests that unless action is taken, the situation on Guam could rapidly change from that of a low prevalence to a high prevalence area, with serious consequences for the health and well being of the island's population.

Over the past five years the AIDS Program at the Department of Public Health and Social Services has offered ongoing anonymous HIV counseling and testing. The Department has also provided an active community AIDS Education program.

The Governor's AIDS Advisory Committee was formed in 1989 with the purpose of developing policy recommendations for the Governor.

The Territorial Government of Guam has recently developed and implemented a three year plan for AIDS Prevention and Control. The plan is comprehensive in nature and seeks to involve various government and nongovernment agencies as well as members of the community.

The Guam AIDS Program at the DPHSS and the DOE have received the following federal funds for operation over the last five years:

	DPHSS	DOE
1987	- \$ 58,381.00	\$ 0
1988	- \$ 106,871.00	\$ 215,000.00
1989	- \$ 172,374.00	\$ 188,941.00
1990	- \$ 182,800.00	\$ 188,941.00
1991	- \$ 182,800.00	\$ 184,093.00

The Department of Public Health and Social Services utilizes these funds to support counseling and testing program as well as the community education program.

The Department of Education has utilized these funds to integrate AIDS education into the existing curriculum. This objective has been largely achieved at this point.

The following is a breakdown of new cases over the last seven years:

	HIV+	AIDS
1985 -	0	1
1986 -	2	2
1987 -	0	1
1988 -	6*	1
1989 -	1	1
1990 -	11	2
1991 -	8	4

* Two of these cases later progressed to a diagnosis of AIDS and are no longer counted in our cumulative total.

These numbers indicate that 65 percent (17), of the total reported HIV cases and 50 percent (6) of the total reported AIDS cases for Guam have been reported in past two years. These numbers would indicate an a serious HIV infection problem may be emerging in Guam.

C- 17. AIDS

17.1 Preface

Acquired Immune Deficiency Syndrome (AIDS) is today the nation's number one public health problem. No state has been left untouched by the devastating human and economic costs of this fatal disease. U.S. Public Health Service and worldwide projections of the future incidence of the disease are startling. By the year 1991, it is expected that there will have been over 270,000 AIDS cases in this country alone--and 179,000 deaths. The Governors strongly believe that the magnitude of the present and future AIDS epidemic calls for concerted and immediate action by all levels of government in response to this public health crisis.

17.2 Education and Prevention

The Governors recognize that the federal government has made a significant contribution toward funding AIDS research and prevention activities. Although scientific progress has been made, availability of an effective vaccine and cure for the disease are apparently years away. In the absence of a vaccine and a cure, prevention efforts such as education, public information, and counseling are the most effective means available to prevent the disease from spreading further. The federal government, in cooperation with state and local governments, the educational community, professional and services organizations, and the private sector, must take the lead on a national AIDS education campaign designed to prevent the further spread of the disease.

This education and prevention campaign will necessarily require an increased commitment of federal resources. Although this is an era of tight federal budgetary constraints, the seriousness of the problem calls for an increased federal investment. Further, funds appropriated by Congress in a given year should be expeditiously spent as part of an aggressive campaign to slow the spread of the disease. These resources should be devoted to a coordinated effort at the federal level to educate the general populace as well as segments of the population at particular risk.

Moreover, assistance should be provided to state and local governments, as well as community-based organizations, to assist them in this national education and prevention effort. If we are to be successful in changing attitudes and behaviors, this education campaign must use a variety of channels to reinforce the basic message of how to prevent the spread of AIDS. It will also be important to provide for evaluation of alternative approaches and their efficacy.

Similarly, AIDS educational efforts should not be limited to those areas presently experiencing a high incidence of AIDS. AIDS is a national public health problem which knows no geographical boundaries. Educational efforts in low-incidence areas can play an important role in halting the spread of the disease.

Just as the federal government must provide additional funding and leadership in promoting a national AIDS awareness effort, so do state governments have a central role to play in educating citizens about AIDS. In addition to funding, states should identify education needs within the state and coordinate the expenditure of state and federal dollars so that education efforts address specific community needs.

The Governors recommend that these educational efforts be designed in such a way that they reach both the general public as well as particular groups within the population identified as being at high risk. A priority for AIDS education efforts should be those people whose behaviors place them and their sexual partners at particular risk of becoming infected with the virus.

Preventive efforts directed at our young people--before they reach the age when they may engage in behaviors that place them at risk of infection--are also important. It is essential that AIDS education be provided in the schools, by incorporating this information into the health education curriculum wherever possible. Likewise, our nation's youth should be aware of the risk of possible

* To be amended at a later date

spread of AIDS through I.V. drug use. Information about AIDS should be an integral part of substance abuse prevention efforts.

Finally, special education efforts must be made to ensure that all members of the medical and health care community are knowledgeable about AIDS. Such information is important to help health care workers provide effective care, to help them protect themselves against infection, and to guarantee that they can provide accurate information and counseling to their patients concerning the disease and how to prevent it. Similarly, education initiatives should be targeted to public safety personnel.

17.3 Counseling and Testing

As part of this national education and prevention effort, increased resources must also be devoted to counseling and testing for the HIV antibody. Access to counseling services should be an integral part of the AIDS testing effort, both before and after testing and regardless of the test result. Counseling and testing represents a major opportunity to encourage, on a one-to-one basis, the behavior changes required to stop further spread of the HIV virus.

A key factor in containing the spread of AIDS is reducing intravenous drug abuse. Programs should be expanded to eliminate the significant waiting time frequently facing both those wishing to receive treatment for drug abuse and those desiring HIV testing and counseling. Yet the vast majority of drug users are not seeking treatment. Consequently, outreach should be extended to drug users not now in treatment to: get them into treatment; encourage them to be counseled and tested; and educate them about the dangers of high risk behaviors. Additionally, appropriate models to attract drug users to treatment should be developed.

Maintaining the confidentiality of HIV test results is a major concern of the Governors. Within the context of sound public health policy, states are encouraged to review their medical information and privacy laws and, where necessary, update these statutes to safeguard the rights of individuals tested.

The Governors are also concerned that individuals who test positive for the AIDS virus may face discrimination, despite the fact that all medical evidence to date shows that AIDS cannot be transmitted through casual contact. Clarification or modifications in law should be made where necessary to protect HIV positive individuals from inappropriately being denied opportunities in areas such as employment and housing.

17.4 Research

A comprehensive national education and prevention program, with significant federal leadership, must be a central component of our nation's war against AIDS. At the same time, increased resources must be devoted to research--both to find a vaccine for AIDS as well as develop a treatment and cure for present and future AIDS patients. The federal government has the primary role to play in funding AIDS-related research activities. The Governors urge that money appropriated for AIDS research be used expeditiously and that funding provided for AIDS research not be made at the expense of other public health priorities.

In addition to the substantial commitment made by the federal government, some states have provided leadership by funding AIDS research with state dollars. The Governors urge increased coordination between federal and state initiatives in this area to ensure the most efficient use of research dollars.

17.5 Treatment

Over the next few years, the growing number of AIDS and AIDS-related cases will place an increasing strain on our nation's health care delivery system. Estimates place the cost of caring for AIDS patients in the year 1991 at as much as \$16 billion. Now is the time to begin the fiscal and capacity planning required to address these future health care delivery needs. This should include an assessment of the appropriate burden of AIDS health care costs which should be borne by the public and private sectors.

At the same time, we need to provide appropriate services for those individuals presently suffering from AIDS. Adequately addressing the health care needs of AIDS patients requires establishment of a "continuum of care," including inpatient and outpatient hospital services, nursing home and alternative residential settings, home care, hospice care, psycho-social support services,

and case management. Many state and local governments have led the way in providing health services for persons with AIDS; however, more research is required to determine the most humane and cost-effective way of providing AIDS-related care. The federal government has funded several demonstration projects to determine models for providing services to AIDS patients. The Governors urge increased federal support for state and local projects designed to develop the most efficient means of delivering AIDS care.

Moreover, the Governors recommend changes in the Medicaid program so that this program can better serve the needs of AIDS patients. Specifically, the Governors support liberalization of the current home and community-based waiver program so that states can more readily use this option to provide services to AIDS patients. State authority to provide appropriate support services for any Medicaid eligible persons with AIDS should be contingent only upon filing information and assurances regarding state policies for service coverage and case management. States are encouraged to take advantage of such Medicaid options and to provide a range of community-based care, including hospice services.

17.6 Coordinated Strategy

AIDS is a disease which poses a wide range of ever-changing issues which cut across typical state agency jurisdictional lines. To address the many challenges posed by AIDS, states are encouraged to develop interagency task forces to develop a coordinated strategy to respond to AIDS. To assist states in these efforts, the Governors urge funding of a federal clearinghouse for state and federal AIDS education, research, health care, and services initiatives. Such a clearinghouse would be invaluable as states grapple with the ever-changing problems raised by this disease.

Finally, the Governors support efforts towards the establishment of a federal AIDS commission to guide the national response to the AIDS crisis. The commission should include representatives from the many interested parties touched by the AIDS crisis, including state representatives and community-based organizations. Such broad representation is necessary if the commission is to provide the leadership required to wage a coordinated fight against this deadly disease.

Adopted July 1987.

C-9. POPULATIONS WITH SPECIAL NEEDS

9.1 Rights of the Handicapped

The National Governors' Association strongly supports equal opportunity for all citizens and supports the spirit and purpose of Section 504 of the Rehabilitation Act of 1973, as amended by Section 111(a) of the Rehabilitation Amendments of 1974. However, compliance with these regulations is likely to prove costly. The cost ultimately must be borne, for the most part, by government. The Governors urge that the federal government provide technical assistance and financial aid to make full compliance possible. The Governors recognize that implementation will require the careful testing of alternatives and mandates. We believe that the resulting issues can best be resolved through cooperative efforts based on a frank and open discussion between the states and the federal government. The National Governors' Association offers its assistance to help resolve these problems.

Adopted August 1980; revised February 1982.

* To be amended at a later date

C- 15. PREVENTION AND TREATMENT OF CHILD ABUSE AND NEGLECT

The Governors are deeply concerned about the dramatic increases in reports of child abuse and neglect occurring in families, day care facilities, treatment facilities, schools, and institutions serving juveniles throughout the nation. Evidence is unclear whether physical, emotional, psychological, and sexual abuse of children itself is increasing or whether society is becoming more diligent in reporting abuse and neglect when it is observed. Over the past ten years several national studies have been done that estimate at least 1 million children are abused annually.

The costs of child abuse and neglect extend beyond the human tragedies created for its victims. Children who are abused are often psychologically crippled for life. The problems created by human distress may eventually create significant costs to governments in the form of social services, prisons, foster care, and lost productivity. In fact, research suggests that abused or neglected children are more likely to become juvenile delinquents or abusive parents.

The potential for children to become victims of physical, emotional, and sexual abuse exists wherever there are children. One unfortunate fact is that abusers are often those closest to a child -- parents, relatives, siblings, friends at home, or those entrusted with their well-being in day care facilities, schools, or institutions. In the effort to prevent abuse, the preventive efforts must be directed to families as well as to persons who care for children in day care centers, treatment facilities, schools, and institutions serving juveniles.

The nation's Governors believe that states and the federal government should provide adequate resources to fund existing prevention and treatment programs, that existing laws should be enforced, that gaps in existing laws should be eliminated, and that complaints of abuse and neglect should be appropriately investigated in a timely manner with follow-up services provided as necessary. Training for appropriate personnel should be a priority to ensure competent and sensitive handling of abuse and neglect cases.

State strategies regarding child abuse and neglect must go beyond investigation and treatment, where today's resources are concentrated. Research and evaluation are essential in developing better prevention techniques -- techniques that will differ for intrafamily child abuse and for abuse in day care facilities, schools, treatment facilities, and institutions serving juveniles.

The National Governors' Association strongly supports the principle that states continue to have the primary responsibility for protecting the safety of all children within their borders. Thus, NGA believes the federal government should not mandate any policies regarding licensing of day care or other juvenile facilities, e.g., requirements such as staff/child ratios, or federal policies requiring that states conduct national criminal records checks on employees in child care or juvenile settings.

However, we do believe the federal government should support state child abuse prevention efforts by providing guidelines for action and technical assistance. The federal government should continue current Title XX funding for training and provide the authorized funding for state and discretionary grants provided for in the Child Abuse Amendments of 1984, including incentive funding for states that establish special child abuse prevention funds or directly appropriate such funds and funding for state family violence demonstration programs. The federal government also should facilitate the establishment of a national child abuse registry and facilitate state criminal justice authorities use of FBI records to assist state investigations.

NOTE: Illustrative state policies and programs are contained in separate material developed by the Committee on Human Resources.

Adopted August 1985.

* To be amended at a later date

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

**COMMITTEE ON INTERNATIONAL TRADE
AND
FOREIGN RELATIONS**

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**COMMITTEE ON INTERNATIONAL TRADE
AND
FOREIGN RELATIONS**

Summary of Issues and Briefing Papers

ISSUE:

- ***H-2: Promotion and Expansion of International Trade (Trade Disputes)***

The proposed amendment states that the federal government should work with states to clarify the state role in trade dispute settlements in matters that affect state government. The amendment calls for the establishment of an intergovernmental function on trade policy matters within the federal government to work with states on a permanent and on-going basis and through a more formal process. The federal government should also provide funding consistent with establishing this function.

International trade agreement such as the U.S.-Canada Free trade Agreement, the General Agreement on Tariffs and Trade (GATT) and the proposed NAFTA increasingly concern themselves with more than tariffs, venturing into a range of federal government domestic policies that are deemed to have a trade effect. These international negotiations now addresses matters of state policy and state law. Recently, state laws have been cited in trade disputes. (Canada's case before GATT cites more than 200 laws regarding beer and wine in 48 states as being discriminatory). Such citations are likely to continue as traditionally domestic policy areas, such as services regulations, government procurement and subsidies, come under international rules. Because of the increased potential for state practices to be cited in trade disputes, states need to have a greater and clearer role in the trade dispute settlement process.

ISSUE:

- ***H-5: Specific Opportunities in Trade (European Community 1992)***

The European Community (EC) has set a target date of December 31, 1992 for the establishment of a single, unified market in Europe. Much of this integration is already being accomplished. EC are already among our major trading partners,

and as EC proceeds toward integration, many new opportunities will emerge. EC 1992 will also tend to make European companies more efficient and more competitive. So EC 1992 presents both an opportunity and a challenge for U.S. business.

The proposed amendment recognizes the significance of the establishment of a single European market and its concomitant challenges. The amendment recommends that both states and the federal government increase their efforts to help U.S. businesses respond effectively to changes in the European economy.

ISSUE:

- ***H-6: Bilateral and Regional Trade Agreements (Border Infrastructure)***

The proposed amendment acknowledges the inadequacy of the current infrastructure on the U.S.-Mexican border and the U.S.-Canada border. Problems are caused by this inadequacy in terms of inhibited commerce and pollution. The amendment recommends that the federal government work to improve infrastructure and Customs Services on both borders.

The Committee recommends adoption of amendments to the existing policy which reflect the latest development in the newly launched negotiations on North American Free Trade. The policy stakes out the Governors' position in such areas as the needs of U.S. territories, transition or phase-in provisions, environmental issues and worker adjustment.

Negotiations on NAFTA officially started in June, 1990 and the ministerial meeting among the three involved countries occurred in Seattle during the NGA's 1991 Summer Meeting. The potential impact of an agreement on state economies is still unclear and most likely will vary.

President Bush and President Carlos Salinas de Gotari met at Camp David on December 14-15, 1991 to discuss further the NAFTA negotiations and to come out with a "bracketed NAFTA text" that will outline areas of agreement and specify areas of disagreement. It is not clear though whether a final agreement would be submitted to Congress by 1992.

The United States, Canada and Mexico are still examining the first tariff reduction offers that were exchanged late in September. Mexican tariffs have been cut substantially, however, the average trade-weighted tariff is still twice as high as U.S. tariffs. Negotiators are working on how each country wants to phase out tariffs on various segments of trade and what each country believes to be non-tariff barriers in the other countries. Subjects that were not resolved include intellectual property

rights, foreign investment in Mexico's energy sector, liberalization of Mexico's service market, and rules-of-origin which seeks to define how much North American content a product must have to qualify for the trade benefits of the NAFTA.

The nation's Governors want to ensure that the agreement is negotiated in consultation with states and private interests, that the agreement is as comprehensive as possible, addressing the broadest of trade and investment issues, that the phase-in periods are adequate to allow sensitive industries to adjust, that agreement is sensitive to environmental impact of increased trade levels, and agreement is sensitive to dislocations that will result from NAFTA.

ISSUE:

- ***H-7: Bilateral and Regional Trade Agreements (Proposed Resolution to Amendment on H-7.2.1)***

Major amendments reflect the latest developments in the newly launched negotiations on North American Free Trade. The policy stakes out the Governors' position in such area as the needs of U.S. territories. During the negotiations, the U.S. territories and commonwealths should be allowed to determine their unique needs, with consideration being given by the federal government to how these needs would be treated for the purposes of NAFTA.

BRIEFING PAPER:

Department of Commerce

The department recommends that Guam should always be recognized as an individual trading entity and should not be compromised in any trade negotiations. Guam should hold the position that any policy or program that is negotiated on behalf of any country or island nation should reflect the interests of Guam's trade position. Trade development within the region should focus on environment, health, labor and safety for these are critical issues and Guam is directly affected if problems in such issues arise in the Guam/Micronesian market.

Government trade position should incorporate a policy of sustained economic growth in its trade strategies as this will allow for greater returns on trade and investment activities. It is important that the strategies should recognize Guam's sensitive economy as compared to that of the Asian Pacific Rim countries. Any direct development in these areas or problems that may affect the Pacific region should be monitored closely as this is a dynamic trade region.

H-2. PROMOTION AND EXPANSION OF INTERNATIONAL TRADE

2.1 Preface

2.2 The Federal Role

Many of the decisions most crucial to trade and foreign affairs fall within the jurisdiction of the federal government. The Governors affirm the primary role of the federal government in directing national policy in the areas of international monetary affairs, national defense, international development assistance, and foreign relations. Regulatory and oversight functions covered elsewhere in the committee's policy are also in the purview of the federal government.

2.2.1 Trade Negotiations. The federal government must take responsibility for ensuring that trade agreements and practices promote the free flow of goods in the international marketplace. Patterns of unfair or one-sided trade behavior should be countered with every legitimate means available to the federal government, and generally accepted rules governing this area should be developed through international negotiations.

2.2.2 TRADE DISPUTES. AS INTERNATIONAL TRADE AGREEMENTS INCREASINGLY ADDRESS MATTERS OF STATE POLICY AND PRACTICE, STATE LAWS MORE LIKELY WILL BE CITED IN TRADE DISPUTES. STATES SHOULD HAVE A CLEAR UNDERSTANDING OF THEIR ROLES AND RESPONSIBILITIES IN BILATERAL AND MULTILATERAL DISPUTE SETTLEMENT PROCESSES. THE GOVERNORS CALL UPON CONGRESS AND THE ADMINISTRATION TO WORK WITH STATES TO ESTABLISH CLEAR PRINCIPLES FOR STATE PARTICIPATION WITHIN CONSTITUTIONAL CONFINES IN THE ADJUDICATION OF INTERNATIONAL TRADE DISPUTES THAT CALL INTO QUESTION STATE LAWS AND PRACTICES. FURTHER, THEY SHOULD WORK TOWARD ESTABLISHING AND FUNDING A FORMAL MECHANISM FOR INCLUDING STATES ON A ROUTINE AND ONGOING BASIS IN TRADE POLICY MATTERS.

2.2.3 Monetary Policy. Another vital role of the federal government is to provide leadership in the world's financial system. Federal officials should work with their counterparts in other countries to stabilize world exchange rates, coordinate monetary and fiscal policy, and address the debt problems of developing nations.

2.2.4 Trade Data. An indispensable trade promotion service that the federal government must provide is the collection of data on state-by-state international trade activity. Specifically, federal agencies should provide annual reports on U.S. exports of goods and services, by state of origin, port of departure, and country of ultimate destination; and U.S. imports of goods and services, by country of origin, U.S. port of first acceptance, and state of ultimate destination.

It is essential that these data be provided on an accurate and timely basis. In addition, effective means should be found for disseminating information on trade opportunities identified by overseas federal personnel. State trade promotion programs are heavily dependent upon this information, and the federal government alone is in a position to provide it.

2.2.5 Coordination with States. Federal trade policy must recognize the role state government plays in promoting and facilitating international trade. Therefore, as a matter of policy, federal agencies with responsibility for developing trade initiatives should include state trade representatives on their advisory boards and should seek other opportunities for consultation and cooperation. Federal expertise and resources should be provided to the states as they develop programs in the areas of export finance, trade and investment promotion, and market analysis and development.

2.2.6 Interagency Coordination. The federal role encompasses responsibilities that provide the foundation for the trade initiatives of the private sector and state governments. Accordingly, it is vital that specific authority be vested in the federal government for coordinating federal trade policy. With the establishment of the Office of the U.S. Trade Representative in 1962, major strides were

made in improving the coordination of federal trade negotiations. The federal government must continually seek opportunities for better coordination of its trade activities.

2.3 The State Role

2.4 State/Federal Partnership

INTERNATIONAL

GATT Talks Near Collapse At the Deadline

By BOB DAVIS

Staff Reporter of THE WALL STREET JOURNAL
WASHINGTON—This is the way the world's trade talks end: not with a bang but a whine.

With the 108 participating nations under orders to present their final offers today, the talks are in serious trouble and could well collapse. Some say a collapse would be merciful. And even industries that were supposed to win big from liberalized trade rules—financial services, telecommunications and export-minded manufacturers—are bad-mouthing the nearly six-year-old negotiating round, which is to revise the General Agreement on Tariffs and Trade.

"Not a single barrier [blocking U.S. banks from expanding abroad] has been reduced," complains Margaret Wigglesworth, executive director for the Coalition for Service Industries, a U.S. industry group. "It's insane." Adds Harry Freeman, a spokesman for the usually pro-GATT Multilateral Trade Negotiations Coalition, another U.S. industry group, "We're disappointed and we're frustrated."

Director Has Plan

GATT Director-General Arthur Dunkel, the quiet Swiss bureaucrat who runs the Geneva-based GATT trade organization, has a plan for saving the negotiations. On Friday, he says, he will issue his own draft agreement covering issues that have vexed nations for years. He will give negotiators

until Jan. 13 to accept or reject it. "He's setting up a confrontation," says Joseph Connor, president of the International Chamber of Commerce. Mr. Connor said negotiators will be loath to reject his plan for fear of being blamed for scuttling the negotiations.

President Bush has been doing his best to make sure the U.S. isn't blamed. He has been working the phones frantically in recent days to keep the talks moving. Last Friday and again Monday, he spoke with Ruud Lubbers, who is prime minister of the Netherlands and council president of the European Community. On Saturday, he talked with German Chancellor Helmut Kohl; on Sunday, with French President Francois Mitterrand; and on Monday, with British Prime Minister John Major.

According to a White House statement, "all the leaders agreed on the need to achieve a successful conclusion" to the negotiations. But an administration official said there is considerable "nervousness" about the prospects for success.

Brawl Between U.S., EC

When the talks began, at a 1986 GATT meeting in Uruguay, they seemed visionary. The U.S. hoped for a kind of brains-for-grains swap, in which high-tech and financial services firms in the U.S. and other industrialized powers would get access to markets in countries with closed economies in exchange for helping those countries increase exports to huge European and U.S. agricultural markets. Liberal trading rules, which currently apply to only 40% of world trade, would be extended for the first time to agriculture, textiles, telecommunications, financial services and intellectual property.

But the negotiations quickly degenerated into a brawl between the U.S. and EC over liberalizing the EC's huge, byzantine agricultural subsidies. The two sides have agreed to cut export subsidies about 35% over six years, but continue to fight over what the cuts should apply to, as well

as a host of other issues.

With the deadline approaching, the outlook for an agriculture accord in some ways has worsened. Japan, for instance, this week joined a group of a half-dozen nations who want exceptions to a proposed rule to convert all trade barriers to tariffs. That plan, which has been accepted by nearly all the other negotiating countries, has underpinned agricultural negotiations. The reason for Japan's opposition is that it wants to protect its domestic rice suppliers from competition.

Meanwhile, negotiations over services have languished. American Telephone & Telegraph Co. had hoped GATT liberalization would enable it to offer telephone service in countries now dominated by telephone monopolies similar to the one AT&T used to have in the U.S. market. Instead, all U.S. negotiators have come up with is a highly conditional deal: The U.S. will offer to let foreign telecommunications companies offer phone service in the U.S. if foreign governments agree to break up their phone monopolies.

For financial services, the situation is even worse, said Ms. Wigglesworth. Foreign nations have offered only to change rules concerning future banking arrangements, not to reduce any existing barriers. "Can you imagine an [agreement] where we're shut out?" she asked.

Mr. Dunkel's plan is expected to put pressure on the EC to compromise on agriculture, but may well contain provisions uncomfortable to the U.S. For instance, he may propose that the U.S. agree to open its shipping market. Currently, all shipping between U.S. ports must be carried on U.S.-owned ships.

The International Chamber of Commerce's Mr. Connor says he can see the outlines of a compromise in which the EC gives in on agricultural export subsidies, Japan relents on rice and the U.S. eases up on retaliatory actions taken under the U.S. trade act. Indeed, U.S. Trade Representa-

tive Carla Hillis hinted Monday that the U.S. might ease unilateral trade sanctions if the GATT talks are a success.

But that could stir problems with Congress, the other major U.S. player in the GATT negotiations. Already, dozens of lawmakers have written Ms. Hillis urging that the U.S. not concede on various issues. Central to such lobbying is a belief that the U.S. should avoid disarming itself in trade battles.

H-5. SPECIFIC OPPORTUNITIES IN TRADE

- 5.1 Services**
- 5.2 Tourism**
- 5.3 Agriculture**
- 5.4 International Investment**
- 5.5 Export Financing**
- 5.6 Territories**
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- 5.8 Trade in Technology**
- 5.9 European Community 1992**

WHILE EUROPEAN NATIONS ARE AMONG OUR OLDEST TRADING PARTNERS, CHANGES UNDERWAY IN THE EUROPEAN COMMUNITY COULD REPRESENT SIGNIFICANT NEW TRADE OPPORTUNITIES FOR U.S. BUSINESSES. THE EC 1992 PROGRAM CREATING A SINGLE INTERNAL MARKET COULD STIMULATE INCREASED DEMANDS FOR IMPORTS. A UNIFIED MARKET WILL MAKE EUROPEAN COMPANIES MORE EFFICIENT BOTH WITHIN EUROPE AND AROUND THE WORLD, MEANING THAT U.S. BUSINESSES MUST BE PERSISTENT AND RESPONSIVE IN ORDER TO OBTAIN A COMPETITIVE EDGE. THE GOVERNORS RECOGNIZE THE CHALLENGES AND OPPORTUNITIES FOR U.S. EXPORTERS PRESENTED BY THE EC 1992 INITIATIVE AND SUPPORT INCREASED EFFORTS BY STATES AND THE FEDERAL GOVERNMENT TO HELP U.S. BUSINESS RESPOND EFFECTIVELY.

FOREIGN RELATIONS

Governors Propose Links with Poland, Hungary

Governors on an NGA trip to Europe last week laid up new lines of communication that could lead to technical assistance for and trade with central and eastern European countries.

The four governors—Hawaii Gov. John Waihee, Kansas Gov. Joan Finney, North Dakota Gov. George Sinner, and Wisconsin Gov. Tommy G. Thompson—traveled to Poland and Hungary Oct. 2-10 as part of a new NGA effort to establish linkages between states and Central and Eastern Europe. The initiative's objective is to match areas of expertise within a state with specific development needs in Poland and Hungary. During the visit, the governors and other state officials met with Polish President Lech Walesa; Hungarian President Arpad Goncz; other government leaders; mayors and local officials; and private organizations. They also met with Austrian governors and United Nations officials in Vienna.

The governors discussed the challenges of transforming Poland and Hungary to market-oriented economies and encouraged U.S. participation in the economic development of those countries.

Hawaii Gov. Waihee, chairman of NGA's Committee on International Trade and Foreign Relations, led the delegation. Focusing on tourism development, Gov. Waihee reached general agreement with Polish and Hungarian tourism leaders to support hotel management training and enhance marketing skills through programs at the University of Hawaii.

"One immediate way for Hawaii to help is by offering education and training to Central European travel industry leaders and building a network which will serve us for the next 30 years," he said. "So much is possible in the future, if we work at it. Three years ago, when I called for our Europe initiative on tourism, some people said it wouldn't work. Today, Western Europe is one of our most rapidly growing markets."

Kansas Gov. Finney focused on Kansas agricultural education, training, and technical assistance programs that could be adapted and implemented in Poland and Hungary. She also discussed providing assistance with transportation system development—both air and ground—for goods and farm products.

"It is critical we develop solid contacts and remain in communication with these governments," she said. "They will be joining the European Economic Community, which is unifying as one system, with similar tax systems and pricing."

North Dakota Gov. Sinner focused on the feasibility of helping to establish cardiac care centers in Poland and Hungary. Through the "Dakota Heart Initiative," developed with the support of South Dakota Gov. George Mickelson, the governors are working with doctors and hospitals in the two states to provide training to cardiologists and cardiac surgeons.

Gov. Sinner said the states must focus "on a two-track proposal" to help Poland and Hungary fund a cardiac care facility and make "a parallel effort" to train professionals. "It isn't a question of whether we can help," he said. "We must put this proposal together."

Wisconsin Gov. Thompson focused on ways in which the Wisconsin transportation department can address transportation technology issues in the area of computers, engineering, planning, and design. He offered state expertise on training management and technical personnel; toll road and bond financing; acquisition of road-building equipment; and transportation scheduling and routing.

"Eastern Europeans are just beginning to recognize the importance of an integrated transportation system to a free-market economy," he said. "Wisconsin has developed a transportation system that both supports and is responsive to our economy. We can help Eastern European nations make the transition to a free-market economy by sharing our transportation knowledge and expertise."

NGA Project Goals. This project is designed to provide concrete opportunities for problem-solving and technical assistance from individual American states to Poland and Hungary. In keeping with the goals set forth in the President's Support for East European Democracies initiatives, the project is aimed at helping these countries achieve lasting political and economic reform and strengthening U.S. ties with the countries in the region.

In their own states, the governors have taken the lead in addressing some of the tough problems now facing the countries of Eastern Europe; thus, they are in a unique position to offer technical know-how. Areas in which states have demonstrated expertise include transportation planning and infrastructure development; tourism development; education programs; agriculture initiatives; and health care services.

The trip allowed the governors to meet with national and subnational leaders in Poland and Hungary and to match states' tentative offers with the countries' needs. Now that they have returned, the governors will call for implementation of the revised state action plans (or linkage agreements). Once the project is completed, NGA will prepare a final report on its outcomes to share with other states. The trip was made possible by funding from the U.S. Information Agency. ■

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(h)

The deal is done

FROM OUR BRUSSELS CORRESPONDENT

MAASTRICHT

THE treaty of Maastricht marks a step forward for the European Community on a par with the Treaty of Rome which created it 34 years ago. The treaty—one part covering economic and monetary union (EMU) and the other, political union—creates a so-called European Union and sets its course for years ahead. Determined not to let their deadline slip, and aware of the urgency of sorting themselves out to face the upheavals in the East, the EC's leaders bulldozed their way to a super-deal that may eventually make the European Union a superpower.

Believers in a federal Europe insist that the treaty lays down the main elements, if only in embryo, of a future European government: a single currency, common foreign and defence policy, a common citizenship and a parliament with teeth. It is just a matter of waiting, they believe, for history to take its course. Those of a more pragmatic bent say that it marks a sensible step forward, helping the Community to meet the challenges of Eastern Europe (through tighter foreign policies) and creating a more efficient market (through a single currency).

These views do not clash, and so after the summit in the Dutch town of Maastricht on December 9th and 10th, all 12 leaders liked the results. France's President Mitterrand had got the Germans to commit themselves to a single currency and to a foreign and defence policy. Germany's Helmut Kohl won agreement that EMU should follow a German design and that the European Parliament should have more power. Felipe Gonzalez, the Spanish prime minister, won promises of "cohesion" (more money) for the poorer members.

The problem for John Major, Britain's prime minister, was that the main thing he wanted from the Maastricht meeting was that it should not do too much. But his success in blocking more EC powers over employment law allowed him, too, to claim a triumph.

The Dutch presidency's draft treaty had proposed letting the EC make laws by ma-

majority vote in new areas such as working conditions and worker consultation. Eleven countries were happy with this "social chapter", but Mr Major argued that it would make the EC uncompetitive. So on the summit's second day, its chairman, Ruud Lubbers, the Dutch prime minister, presented a greatly watered-down social chapter. Little would be settled by majority vote except for "information" for workers and the health-and-safety aspects of working conditions. This was acceptable neither to France, Italy or Belgium (which wanted more) nor to

to make social laws without Britain.

So at the 11th hour Mr Major's friendship with Mr Kohl proved useful. Mr Kohl said he would support this ploy and, when the summit reconvened, proposed it. Italy's foreign minister, Gianni De Michelis (who has tried mightily to limit Britain's isolation), argued strenuously for the 11-country opt-in. There was little resistance to such an unprecedented institutional fix. It was late, everyone wanted to go home—and so much that had already been agreed upon might be sacrificed if the talks broke down. The result was a concoction that may have far bigger consequences—if the idea catches on in other areas or with future EC members—than the bleary-eyed summiters realised.

A protocol attached to the treaty says that 11 EC members will make social laws on the basis of the initial Dutch draft. The European Commission, Parliament and Court will play the roles they would in EC legislation, their British members working as normal. But Britain will be absent from the Council of Ministers, so that a qualified majority will require 44 votes out of 66, rather than 54 out of 76 (the big countries have ten votes each in the Council of Ministers, smaller ones have fewer votes). The Treaty of Rome's existing social chapter remains unchanged. If the commission planned a social law, it would ask the British if they wanted to be involved. If they said yes, the commission would propose a normal EC law. If no, it would propose a law to the 11.

This strange beast may never be uncaged. A Labour Party victory in next year's election would allow Britain to opt in. Even if Labour loses, the arrangement may not be permanent. As Mr Lubbers said, at his 2am press conference: "History teaches us that if one or two members lag behind, they always follow."

Conveyor belt to the ecu

Mr Major, in any case, was delighted. He also won a protocol giving Britain alone the right not to join the single currency. But on the summit's first day he had to accept the setting of a date for EMU. Mr Mitterrand and Italy's Giulio Andreotti wanted a date to make the passage to EMU "irreversible". Mr Kohl agreed, so 1999 it was.

The procedure for moving to the single currency will begin in 1996. Finance ministers will decide, by qualified majority,



Britain (which wanted still less).

By early Tuesday evening most of the treaty was agreed upon, but there was deadlock on the social chapter. At 7pm the meeting was stopped so that Mr Lubbers could talk to Mr Major. They called in Mr Kohl. Mr Major showed them a new and even more watery draft, but they told him it would not do. When asked if he could accept Mr Mitterrand's suggestion that Britain should opt out of employment law, Mr Major said no—perhaps reckoning that a social opt-out, on top of the one he had already negotiated on EMU, would be embarrassing at home. But, he said, he would buy the other 11 "opting in" for an arrangement

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which members meet certain "convergence" criteria (see box). A summit will then decide, again by majority, whether at least seven countries are ready for EMU, and if so, whether and when it should start. If no date is set, another summit will meet before July 1998 to decide, again by qualified majority, which members are ready. Those countries will automatically adopt the ecu as their single currency in January 1999.

Mr Major defeated the federalists on the overall shape of the treaty. The European Union's "federal goal" was deleted, in favour of "an ever closer union among the

peoples of Europe, where decisions are taken as closely as possible to the citizens." He also struck out a clause declaring that in the long run the European Union's two inter-governmental "pillars"—for foreign policy and internal security—would merge with the Community, where the European Parliament and Commission play a larger role. The article calling for a treaty revision in 1996 to "strengthen the federal character of the union" has lost its federal trappings.

Mr Major also liked the wording on subsidiarity. The EC should act "only if... the objectives of the proposed action

cannot be sufficiently achieved by the member-states and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community."

Yet despite Mr Major's successes, much of the treaty reflects French and German interests. Hence the idea of common foreign policies: the Council of Ministers, having agreed unanimously on a common policy, may also decide, again unanimously, that certain measures needed to implement the policy should be taken by qualified majority vote. On Britain's insistence, even once they have agreed on a common policy, countries will be allowed to act on their own "in cases of imperative need".

The force of France

The deal on defence, said Britain, involved France accepting the thrust of October's British-Italian paper. France said Britain had bowed to the Franco-German paper of the same month. The French are a little closer to the truth. The treaty talks of "the eventual framing of a common defence policy, which might in time lead to a common defence." The nine-member Western European Union is an "integral part of the development of the European Union", which may "request... the WEU to elaborate and implement decisions and actions of the Union which have defence implications."

The French said that means the WEU (which, the summit decided, all EC members could join) is subordinate to the European Union; the British said the wording means it is not. France got its review of defence arrangements in 1996, but Britain got the treaty to say that these arrangements should be compatible with NATO.

Spain's Felipe Gonzalez was happy with his deal on cohesion. The principle that poorer countries should pay less into the EC's budget appears in a legally binding protocol. The treaty says that before 1994 a "cohesion fund" will be set up to help pay for environmental and transport projects.

Federalists were pleased to see several new chapters. These will allow EC action on consumer protection, health, education, and "trans-European networks" (telecoms, transport and energy projects). Ministers will vote in these areas by qualified majority, as they will on some environmental rules. But environmental rules on planning, tax and choices between energy sources will require unanimity, as will chapters on industrial policy and culture.

Mr Kohl used his weight to give more power to the European Parliament. It gains the right to veto laws on consumer protection, health, education, trans-European networks, culture, environment strategy, research and the single market. But Mitterrand overturned the agreement reached last month to add another 18 German Euro-MPs (and to cut the number of commissioners to one per country). From

How to get good marks, or ecus

FROM OUR BRUSSELS CORRESPONDENT

MAASTRICHT

HELMUT KOHL sought to convince worried Germans that economic and monetary union (EMU) would not signal the end of 40 years of stability associated with the D-mark. EC leaders set a series of tough criteria for countries to meet before they could move to a single currency. With EMU in the bag, Mr Kohl said the conditions "matched anything we have in Germany".

In fact, on the basis of the criteria alone, Germany's current performance would exclude even it from the single currency. Only France and Luxembourg would be allowed to use it (see table), though Denmark comes close.

The five criteria are:

- Price stability. A successful candidate should have an inflation rate no more than 1.5% above the average of the three EC countries with the lowest price rises.
- Interest rates. Long-term interest rates should be within two percentage points of the average of the three members with

the lowest rates.

- Deficits. National budget deficits must be less than 3% of GDP.
- Debts. The public debt ratio must not exceed 60% of GDP.
- Currency stability. A national currency must not have been devalued in the previous two years and must have remained within the normal 2.25% fluctuation margins of the exchange-rate mechanism (ERM). This would exclude Britain and Spain because at present they have extra wide ERM margins of 6%.

So far so good. The trouble with the test is that even if the criteria are tough, EC governments will, when the time comes, have some discretion in deciding whose currency is to join the ecu. Thus, a country failing on one or possibly even two counts, but reported to be making good progress, could be allowed in. Mr Kohl would do well not to over-emphasise this when selling the Maastricht deal back home.

The class of 1991

	Convergence indicators				Criteria satisfied?					Score
	Inflation rate	Long-term gov. bonds interest, %	Budget deficit 1991 est., % of GDP	Public debt	Inflation rate	Long-term gov. bonds	Budget deficit	Public debt	Currency	
France	2.5	8.2	-1.5	47	yes	yes	yes	yes	yes	5
Luxembourg	2.4	8.1	+2.0	7	yes	yes	yes	yes	yes	5
Denmark	1.8	8.8	-1.7	67	yes	yes	yes	no	yes	4
Britain	3.7	9.7	-1.9	44	yes	yes	yes	yes	no	4
Germany	4.1	8.1	-3.5	45	no	yes	no	yes	yes	3
Belgium	2.8	8.9	-6.4	129	yes	yes	no	no	yes	3
Ireland	3.5	9.3	-4.1	103	yes	yes	no	no	yes	3
Holland	4.8	8.6	-4.4	78	no	yes	no	no	yes	2
Italy	6.2	12.6	-9.9	101	no	no	no	no	yes	1
Spain	5.5	11.7	-3.9	45	no	no	no	yes	no	1
Greece	17.6	20.8	-17.9	96	no	no	no	no	no	0
Portugal	9.8	14.1	-5.4	65	no	no	no	no	no	0

Sources: National statistics, P. Morgan, European Commission

What's in a deal

FROM OUR BRUSSELS CORRESPONDENT

How Maastricht will change Europeans' lives

FROM 1997, or 1999 at the latest, ecus will jingle in European pockets. Travellers will have more money to spend: one who visits all the 12 EC countries, changing his money at each border, will no longer lose half of it to middlemen. A single currency will also deprive bankers of the profits they make selling swaps, futures and options to businessmen who want insurance against EC currency movements.

Central bankers will win independence from their governments (German and Dutch central bankers already largely have it) before the arrival of a single currency. But as soon as it comes, national central banks will turn into sub-bureaus of the Eurofed.

Finance ministers will lose the freedom to set their own budget deficits at the level they want, but they will gain the power to tell other countries how big their deficits should be. If the ministers together consider a government's deficit excessive they may impose fines.

New rules will encourage foreign ministers to agree on common policies for some subjects. A special foreign-policy secretariat in Brussels will become an embryo EC foreign ministry—to the ire of the European Commission, which will play second fiddle. Governments will find it harder to pursue policies at odds with the rest of the EC—as Britain did last year when it unilaterally scrapped some sanctions against South Africa, or Germany has done recently by threatening to recognise Croatia.

Soldiers could find themselves fighting under the banner of the Western European Union, which will become the EC's defence wing. If EC governments decide on a joint military action—for instance, in the Middle East, or in Eastern Europe—they may ask the WEU to run it. NATO will continue to handle defence against any attack on its members. But the more troops America pulls out of Europe, the more the WEU's role will grow.



Citizens of EC countries will have the right to live anywhere in the Community. When outside their own country they will be able to stand and vote in local and European elections. Outside the Community they may get consular help from any EC government. Citizens may petition the European Parliament and, if they feel badly treated by EC institutions, may complain to the EC ombudsman.

When people see the European Parlia-



ment using its considerable powers of veto, more of them will bother to vote in European elections. Members of national parliaments will think twice before treating Euro-MPs as poor relations.

Commission officials will delight in the power to make proposals on health, education and culture (though only their cross-border aspects) and on consumer protection. The commission will propose guidelines for better telecoms, transport and energy links between EC members—and may suggest that the EC should help pay for them. It gains the right to table plans that would encourage the development of small enterprises, industrial innovation and new technology.

Proposals in most of these areas will be decided by qualified majority vote—a weighted system of voting that takes rough account of each country's size—as will some environmental laws. So the ability of ministers to veto laws will shrink. If a minister believes the Community has breached the principle of subsidiarity—by getting involved in a matter that would be better left to national or subnational governments—he

may make a complaint to the European Court.

Workers in 11 EC countries can expect more laws intended to improve their lot. Those on working conditions, information and consultation for workers and on equal rights for men and women will be decided by majority vote. Laws on third-country nationals working in the Community, on rights for those who are sacked and on social security will require unanimity. Federations of employers and unions will feel more important: they will be able to forestall a commission proposal by coming up with their own agreements which may then be turned into law. British workers, however, may gaze enviously across the Channel; their government has decided, for the time being, to let the others go ahead without it.

Crooks will find it harder to escape the law by crossing the EC's internal frontiers. A new body, Europol, will act as an information exchange for the struggle against drug dealing, terrorism and other international crime.

Asylum-seekers and immigrants will face simpler—perhaps tougher—rules when they try to enter the Community. Its members will work towards common rules for people wanting to enter or live in the Community. They are committed, by 1993, to common policies on how to deal with asylum requests. Community rules will determine who needs a visa to get into the EC. None of this will make it easier to enter Britain illegally; it will keep its border controls with other EC countries.

Would-be members of the Community from EFTA (European Free Trade Association) countries can start entry talks towards the end of next year or in 1993; East Europeans will have to wait for the late 1990s. Those who are attached to their countries' neutrality should be ready to be flexible. They will have to subscribe to common foreign policies and, eventually, to a common defence policy. Finland in the EC, for instance, could find itself having to apply sanctions against Russia.

Fervent federalists have five years to plan their campaign for the next round of treaty revisions, in 1996.



Sprechen Sie Maastricht?

FROM OUR BRUSSELS CORRESPONDENT

MAASTRICHT

CONFUSED by the jargon of Euro-speak? A short glossary may help.

Cohesion. Ways of channelling money from the rich north of the Community to the poor south. Usually pronounced with a Spanish accent.

Convergence. This is what cohesion is supposed to bring about: a group of 12 closely knit, high-growth, low-inflation, rich economies with scarcely a budget deficit in sight.

Competence. Power for the European Commission to make policy in a given area (eg. health, education, culture). Said by anti-federalists to be synonymous with incompetence.

Opting out. A new way of saying the

continent is isolated. The exact usage of the term can cause problems for beginners. For example, when the 11 are isolated over EMU and a single currency, it is Britain which opts out. But when the continent is cut off over social policy, then the other 11 opt out.

Subsidiarity. A self-defence charter safeguarding from EC interference things better done at national or regional level.

In every nook and cranny. A quaint English phrase to describe where Brussels bureaucrats would be if there were no subsidiarity.

Unanimity. The official EC term for the British veto.

January 1995 commissioners will serve five-year, rather than four-year terms, so that their terms coincide with the parliament's.

Mr Kohl made little progress with his demand for an EC role in asylum and immigration policy. But Mr Major had to accept, with great reluctance, that the EC will decide on the list of countries from which visitors will need visas to enter the EC. Decisions will for now require unanimity, but in an "emergency" the council may vote by qualified majority, which after 1996 will be the rule. In 1993 a summit will consider moving asylum policy to the EC.

The Community's leaders can congratulate themselves on having pulled off

a job that at times over the past year seemed beyond them. But they cannot afford to rest on their laurels. They have to get the treaty through their parliaments (and, in Denmark and Ireland, through referendums). Then there are the small matters of sorting out the budget, accommodating new members and responding to the war in Yugoslavia and the collapse of the Soviet Union.



Ex-Soviet Union

Here's the RUB

FROM OUR MOSCOW CORRESPONDENT

THE declaration of a new Commonwealth of Independent States by leaders of the three Slav republics of Russia, Ukraine and Belorussia offers the best chance so far to end the fission and confusion that reign in the old Soviet Union. Mikhail Gorbachev started the week refusing to accept that his idea, of a new confederation-cum-union (itself a confusing notion) to be built on the ruins of the old Soviet Union, was wholly finished. Both he and Russia's president, Boris Yeltsin, presented their separate cases to the army's senior commanders. As commander-in-chief, Mr Gorbachev ought to command loyalty. But it is Mr Yeltsin who now pays the army's

salaries (see box on next page). As other republics expressed interest in the commonwealth idea, there were signs that Mr Gorbachev's opposition might be softening.

Dismissed as a "constitutional coup d'état" by some of Mr Gorbachev's supporters, the commonwealth is rather an attempt to bring some constitutional order out of chaos. Mr Gorbachev's formula for keeping the country together had failed to win acceptance last month at a meeting of the State Council, the country's highest executive body. When it became clear just how few republics were ready to sign up, Mr Yeltsin said he would suggest his own plan. This became the basis for the new agreement.



Soviet Union, adieu

But the whole idea was given a shoveller this month by the huge vote for independence in Ukraine. The declaration of a commonwealth of Slav republics (which between them account for the bulk of the former Soviet Union) is an attempt (a) to preserve a minimum of economic co-operation so as to stave off a collapse in trade; and (b) to prevent the separation of Ukraine from the rest of the former Soviet Union, avoiding dangerous rivalry between Ukraine and Russia. Pointedly, the three republics declare they recognise each other's borders automatically, they have chosen the Belarusian capital Minsk, as the centre of the commonwealth, rather than Moscow, and its connotations of Russian domination.

The agreement declares that the Soviet Union has ceased to exist as a subject of international law and a geopolitical reality. It covers co-ordination in foreign and defence policy, fiscal and monetary policy and such things as transport, communications and migration. Yet there may be more to it than meets the eye.

Belorussia fears Mr Yeltsin's radical economic reforms in Russia because they will bring a sharp increase in the price of Russian oil. Ukraine and Russia may yet themselves squabble over the Russian minority in Ukraine, and about defence. Though the three republics agreed to control over nuclear weapons and other aspects of defence policy, Ukraine's present has already attached amendments insisting that plans for an independent Ukrainian army will go ahead. Ukraine also said that it will withdraw from the clear arrangement, once the weapon Ukrainian soil has been dismantled.

The new commonwealth is officially open to all-comers. According to Russian officials, Estonia and Latvia, two of the former states that are no longer a part of the former Soviet Union, have expressed interest. So eight of the republics which stayed behind, one that matters most is Kazakhstan, and only other republic with strategic nu-

**The North American Free Trade Agreement
The Negotiations Thus Far — December 1991**

The Status of the Negotiations

President Bush and Mexican President Carlos Salinas de Gotari met at Camp David December 14-15 to discuss the status of the North American Free Trade Agreement (NAFTA) negotiations. During this meeting it was announced that a bracketed text of a NAFTA could be ready by the end of January. (A "bracketed text" would outline the areas of agreement and would specify areas of disagreement in brackets.) Although this announcement indicates that the negotiations are proceeding more quickly than many had thought, U.S. Trade Representative Carla Hills would not say whether a final agreement would be submitted to Congress during 1992.

The United States, Canada, and Mexico are still examining the first tariff reduction offers that were exchanged late in September. Although Mexican tariffs have been cut substantially since President Salinas took office in 1988, the average trade-weighted tariff is still about twice as high as U.S. tariffs. The working group negotiators exchanged information on 1) how quickly each country wants to phase out tariffs on the various segments of trade (i.e., long-term or intermediate length phase-out or immediate elimination), and 2) what each country believes to be non-tariff barriers in the other countries. According to U.S. Trade Representative (USTR) the tariff classification will not be finished until early January.

Difficult subjects that have not been resolved include intellectual property rights, a high priority item for the United States; foreign investment in Mexico's energy sector, a highly sensitive issue for Mexico; liberalization of Mexico's services market; and rules-of-origin, which seeks to define how much North American content a product must have to qualify for the trade benefits of the NAFTA. Proposals on these subjects have been drafted by the three countries who are reviewing the draft texts. The next step will be to narrow the language of the proposals into an agreement.

The Structure of the Negotiations

Since June 12, 1991, when the negotiations formally began, working groups of negotiators from each country have been meeting regularly. There are six major negotiation groups.

- **Market access.** This includes tariffs/non-tariff barriers, rules of origin, government procurement, agriculture, automobiles, and other industrial sectors;
- **Trade rules.** This includes safeguards, subsidies, trade remedies, and standards;
- **Services.** This includes general principles, as well as financial, insurance, land transportation, telecommunications, other services;

- Investment;
- Intellectual Property; and
- Dispute Settlement.

Parallel Negotiations

In its Action Plan issued May 1, the Administration committed to addressing environmental and labor issues with Mexico on a track parallel to the main trade negotiations. Much of this work will be done through the U.S.-Mexico Binational Commission — a group of U.S. and Mexican cabinet-level officials.

The U.S. Department of Labor and its Mexican counterpart signed a Memorandum of Understanding on May 3 that outlined action plans to address labor issues in the United States and Mexico. The initial phase of DOL's action plan -- exchange of information and improvement of Mexican labor data -- has started. Other activities such as technical assistance and detailed studies of labor issues will begin early next year.

Regarding environmental issues, the USTR has finalized its interagency review of U.S.-Mexican environmental issues, which details the possible environmental impact of a NAFTA. USTR has also placed environmental representatives on the USTR advisory committees. EPA has finished its series of hearings on the Administration's "border plan," a joint U.S.-Mexican attempt to address environmental problems along the U.S.-Mexican border. A draft of the plan "Integrated Environmental Plan for the Mexico-U.S. Border Area" has been released and EPA estimates that the plan will be finalized in February 1992.

Outlook

At the outset of the negotiations, the Administration expressed a desire to complete the negotiations by the end of 1992. The announcement that a draft agreement may be ready by the end of January suggests that the Administration will be able to meet its deadline. One complication, however, is the negotiations on the General Agreement on Tariffs and Trade (GATT). The accelerating events in the GATT are moving that set of negotiations to the forefront on the USTR agenda. The result may be a slowing of other trade negotiations, including NAFTA.

There are numerous factors that potentially could slow the NAFTA negotiations, but the Administration has a strong incentive to complete a NAFTA within its stated time frame. Fast track authority expires on May 31, 1993. Since the Administration would like to avoid another fast track authorization battle, there probably will be an effort to deliver the agreement to Congress before that date.

NGA Objectives

- State Involvement. Ensure the agreement is negotiated in consultation with states and private interests.
- Breadth of Agreement. Ensure an agreement that is as comprehensive as possible, addressing the broadest possible array of trade and investment issues. The agreement should also address the trade-distorting effects of currency and exchange rate fluctuations and the trade impact of differing regulatory schemes in the United States and Mexico.
- Transition Provisions. Ensure that phase-in periods are adequate to allow sensitive industries to adjust. The agreement must also provide for snap-back provisions for injured industries, and strong rules of origin.
- Environmental Issues. Ensure agreement is sensitive to the environmental impact of increased trade levels. The agreement should result in enhanced environmental standards and enforcement in Mexico with no lowering of U.S. standards.
- Worker Adjustment. Ensure agreement is sensitive to dislocations that will result from the NAFTA. The federal government should provide sufficient funds for retraining and adjustment assistance for dealing with these dislocations.

NGA - 12/16/91

H-6. BILATERAL AND REGIONAL TRADE AGREEMENTS

6.1 U.S. - Canadian Trade

6.2 North American Free Trade

6.2.1 Introduction. The Governors support efforts by the federal government to negotiate 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, regulatory and standard-setting practices, and particularly sensitive industries. If developed in consultation with states and private interests, the agreement should be considered under the congressional "fast-track" process.

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

During the negotiations, the U.S. territories and commonwealths should be allowed to determine their unique needs, with consideration being given by the federal government to how these needs would be treated for the purposes of NAFTA.

6.2.3 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 a 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 as part of NAFTA and/or through bilateral efforts with Mexico, as appropriate.

6.2.3.1 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 NAFTA. Strong rules of origin are essential to ensure that other countries do not unduly benefit from Mexico's participation in NAFTA.

6.2.3.2 Environmental Issues. The expected economic growth resulting from NAFTA must be accompanied by cooperative efforts to enhance environmental protection. The federal government should work to enhance Mexico's standards and enforcement efforts without lowering our own.

6.2.3.3 Worker Adjustment. Implementation of NAFTA should take into account the domestic human resource and employment impacts. Effective programs for retraining and readjustment should be adequately funded at the federal level and should be available for U.S. workers who may be dislocated as a result of NAFTA implementation. If new programs are needed to meet the specific readjustment needs of these workers, appropriate and effective coordination with existing dislocated worker programs should be ensured. The federal government should seek improvements in Mexico's labor conditions and in the enforcement of existing standards, in order to enhance the safety and health of workers.

6.2.4 BORDER INFRASTRUCTURE. THE PRESENT SYSTEM OF ROADS, BRIDGES, AND INSPECTION STATIONS ALONG THE U.S.-MEXICO BORDER ALREADY IS INADEQUATE TO SUPPORT THE GROWING TRADE BETWEEN THESE TWO NATIONS AND MAY BECOME AN EVEN LARGER

PROBLEM IF NAFTA IS IMPLEMENTED. SIMILAR PROBLEMS ALONG THE U S -CANADA BORDER ALSO EXIST. THE CONGESTION OF CARGO VEHICLES AT BORDER CROSSINGS INHIBITS COMMERCE AND CONTRIBUTES TO AIR POLLUTION .THE FEDERAL GOVERNMENT SHOULD WORK TO IMPROVE EACH BORDER REGION'S ROADS AND BRIDGES AND INCREASE THE NUMBER AND EFFICIENCY OF CUSTOMS AND IMMIGRATION INSPECTORS .

6.3 Western Hemisphere Trade

H-6. BILATERAL AND REGIONAL TRADE AGREEMENTS

6.1 U.S. - Canadian Trade

6.2 North American Free Trade

6.2.1 Introduction. The Governors support efforts by the federal government to negotiate 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, regulatory and standard-setting practices, and particularly sensitive industries. If developed in consultation with states and private interests, the agreement should be considered under the congressional "fast-track" process.

6.2.2 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.

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6.3 Western Hemisphere Trade

**Comments on Trade Agreements and International
and Foreign Relations**

by

**Guam Department of Commerce
Prepared by Ms. Martha Rubic**

1. **Trade Negotiation Position.** It is recommended that the position taken with respect to general trade provisions reflect an uncompromised approach in which Guam oftentimes is not included in country provisions. An example is seen in the recent passage of the Canada Free Trade Agreement whereby Guam was not referenced or included. The Commonwealth provision as provided for under the Trade Section reflects the type of Negotiation approach that allows for Flexibility and greater trade benefits to Guam as a trading partner.

With respect to Consultation matters, Guam should hold the position that any policy or program that is negotiated on behalf of any country, any island nation should reflect the interests of Guam's trade position. Guam should always be recognized as an individual trading entity and should not be compromised in any way.

2. **Trade Environment.** It is important that the developments within the region focus on environmental, health, labor and safety conditions in any growing economy. In the case of Guam, this issue is critical as Pacific Rim/Asian Countries are placing greater attention on these factors. Guam is directly affected if such is a problem as the economies of these areas are directly related to what happens in the Guam/Micronesia market.
3. **Sustained Economic Growth.** It is only appropriate that the Government's trade position should incorporate a policy of sustained economic growth in its trade strategies as this will allow for greater returns on trade and investment activity. It is equally as important that these strategies recognize the highly sensitive Guam economy to that of the Asian Pacific Rim countries. Any direct developments in these areas or problems that may affect the Pacific region should be monitored closely as this is such a dynamic trade region.

K

North American Free Trade Agreement (NAFTA)

Briefing Paper

- The expansion of the trade areas covered by the General Agreement on Tariffs and Trade being discussed in the Uruguay Round (i.e., agricultural commodities, intellectual property rights, trade in services) will have little impact in Guam, but what impact there is should be beneficial.
- The ongoing negotiations of the United States toward a North American Free Trade Agreement (NAFTA), a U.S.- Mexico Free Trade Agreement and an Andean Trade Preference Act are of considerable concern to Guam. Guam's trade preference with the U.S. under Headnote 3(a) is often tied to the trade preferences extended to foreign nations, subjecting our manufacturing sector to substantial instability in its governing regulations and overall business environment.
- The effects of NAFTA would most assuredly impact the infant manufacturing component of Guam's economy in the future. As Guam struggles to solidify its own trading relationship with the United States, such a free trade agreement would place our competing goods at a comparative disadvantage.
- Guam's experience in exporting has been limited to watch manufacturing and the garment industry. The former met its untimely demise with the imposition of U.S. quotas, while the latter industry is still being nurtured.
- Manufacturing incentives, such as our government's Qualifying Certificate Program, may neither be enough to offset such comparative advantages nor entice local entrepreneurs to develop manufacturing anticipating penetration of U.S. markets in the future.
- As a small percentage of domestic product, Guam's agriculture industry is primarily designed for local consumption. Effects anticipated from such comparative advantages in Mexico and Canada would be reduced tropical agricultural product prices and Guam losing its chance of developing any viable agricultural export industry.

- **The short run effects on Guam created by NAFTA would be minimal. Although Guam does not foresee itself ever being in a position to truly compete with these larger and resource rich countries, the long run effects of having such a comparative advantage, may well preclude Guam from ever establishing any viable export industry. Such actions would make us further dependent on Asian economic markets and limit our potential to diversify.**

- **Both the Department of Commerce and The Guam Economic Development Authority are in agreement that any national trade program, the territories and commonwealths should be considered and part of the negotiation process, unlike the exclusion from the U.S.-Canadian Free Trade Agreement. Guam should always be recognized as an individual trading entity and should not be compromised in any way. (See Attached Briefing Paper from Department of Commerce)**

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 businesses requires equal treatment of industries regardless of differing national policies on subsidies. The Governors look forward to additional consultations on these and other negotiations.

7.1.3 COMMITMENT TO BILATERAL TIES. THE U.S. - CANADA FREE TRADE AGREEMENT IS THE FOUNDATION OF OUR TRADING RELATIONSHIP WITH CANADA. ANY CHANGES MADE BY THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA) SHOULD NOT DIMINISH EXISTING BENEFITS BUT RATHER SHOULD SEEK TO UPDATE, EXPAND, AND ENHANCE BILATERAL TRADE TIES.

7.2 NORTH AMERICAN FREE TRADE AREA U.S.—Mexico Trade

7.2.1 Introduction. The Governors support efforts by the federal government to negotiate 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, regulatory and standard-setting practices, and particularly sensitive industries. If developed in consultation with states and private interests, the agreement should BE CONSIDERED UNDER ~~equally~~ for the congressional "fast-track" process.

~~**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 for the development of a North American Free Trade Agreement.~~

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

~~To the extent that a GATT agreement is achieved, it should serve as the starting point for 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.~~ *During the negotiations, the U.S. territories and commonwealths should be allowed to determine their unique needs, with consideration being given by the federal government to how these needs would be treated for the purposes of NAFTA.*

7.2.3 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 A 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 AS PART OF NAFTA AND/OR THROUGH BILATERAL EFFORTS WITH MEXICO, AS APPROPRIATE.

7.2.3.1 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 NAFTA. STRONG RULES OF ORIGIN ARE ESSENTIAL TO ENSURE THAT OTHER COUNTRIES DO NOT UNDULY BENEFIT FROM MEXICO'S PARTICIPATION IN NAFTA.

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

7.2.3.3 WORKER ADJUSTMENT. IMPLEMENTATION OF NAFTA SHOULD TAKE INTO ACCOUNT THE DOMESTIC HUMAN RESOURCE AND EMPLOYMENT IMPACTS. EFFECTIVE PROGRAMS FOR

RETRAINING AND READJUSTMENT SHOULD BE ADEQUATELY FUNDED AT THE FEDERAL LEVEL AND SHOULD BE AVAILABLE FOR U.S. WORKERS WHO MAY BE DISLOCATED AS A RESULT OF NAFTA IMPLEMENTATION. IF NEW PROGRAMS ARE NEEDED TO MEET THE SPECIFIC READJUSTMENT NEEDS OF THESE WORKERS, APPROPRIATE AND EFFECTIVE COORDINATION WITH EXISTING DISLOCATED WORKER PROGRAMS SHOULD BE ENSURED. THE FEDERAL GOVERNMENT SHOULD SEEK IMPROVEMENTS IN MEXICO'S LABOR CONDITIONS AND IN THE ENFORCEMENT OF EXISTING STANDARDS, IN ORDER TO ENHANCE THE SAFETY AND HEALTH OF 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.

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

COMMITTEE ON JUSTICE & PUBLIC SAFETY

TAB 11

- **Summary of Issues and Briefing Papers** **G**
- **B-2: Delinquency Prevention and Youth Offender Programs** **H**
- **Resolution: Continuing the Attack on Violent Crime and Drug Abuse** **I**

JUSTICE AND PUBLIC SAFETY

Summary of Issues and Briefing Papers

ISSUE:

- ***B-2: Delinquency Prevention and Youth Offenders Programs***

Signed into law on August 7, 1974, the purpose of the Juvenile Justice and Delinquency Prevention Act was to address the nation's high incidence of delinquency by providing State and local governments the necessary resources, leadership, and coordination to develop and conduct effective programs to prevent delinquency, divert juveniles from the traditional juvenile justice system and provide critically needed alternatives to institutionalization.

The proposed policy amendment is to integrate correctional and social services to facilitate the rehabilitation of youth. Additional amendment refers to any special programs designed by the federal government to deal with youth gangs and violent crime should be coordinated with the appropriate state agencies.

BRIEFING PAPER:

Department of Youth Affairs

Since its inception, the JJDP Act has served to address the issue of juvenile delinquency, which is regarded as a critical domestic social problem on Guam. The reauthorization of the Act and its policy mandates should be supported, as it serves the territory in the prevention and control of juvenile delinquency and improving the juvenile justice system.

ISSUE:

- ***Resolution: Continuing the Attack on Violent Crime and Drug Abuse (Based upon Policies B-1, B-4, and B-6)***

The Anti-Drug Abuse Act of 1988 was signed into law on November 18, 1988. In response to the nation's serious drug and violent crime problem, the Act placed

major emphasis on providing funds to assist States and local governments in carrying out specific programs that improve the criminal justice system and enhance state and local drug control efforts.

The proposed resolution re-states NGA policy that Congress should reauthorize the Anti-Drug Abuse Act, including the Drug Control and System Improvement Grant Program. As a part of any crime package, Congress should include a provision reforming the current system of habeas corpus proceedings in order to restore finality to the criminal justice process. Additionally, the crime package should empower states with flexibility to deal with the crime problem without mandates, preemptions, and earmarkings.

The meeting of the Law and Public Safety Committee will be held on February 3, 1992, and will coincide with the NGA Winter Meeting. The Bureau of Planning is recommending that the Governor attends the meeting if he has available time for it.

BRIEFING PAPER:

Guam Police Department

The Act and its provisions benefit Guam through grants from the Bureau of Justice Assistance and Department of the Interior. These grants provide much needed support for a wide range of law enforcement programs and operations directed against narcotics trafficking, violent crime and juvenile delinquency. Cooperation and support from BJA has been responsive to Guam's needs. However, support from DOI has been reflected with inconsistency and apparent disregard for Guam's needs.

Superior Court of Guam

The Superior Court of Guam fully supports the reauthorization of the Anti-Drug Abuse Act of 1988 and the Juvenile Justice and Delinquency Prevention Act of 1974. The reauthorization of these acts is important in addressing the changing laws and needs of the territory, especially in the areas of drug abuse and juvenile delinquency. The issue of drug abuse within the territory is not limited to illicit drugs. Alcohol has established itself as an element which threatens to destroy the familial and social fabric in the community. Alcohol related cases brought before the Court have increased over the past year at an alarming rate.

The issue of juvenile delinquency is also pronounced in the territory. Juvenile court proceedings have also increased at an alarming rate. Although a number of bills by the Twenty-First Guam Legislature have been introduced to address these issues facing the territory, every avenue of support must be used to the best advantage.

For these reasons, the Superior Court of Guam fully supports the reauthorization of the Anti-Drug Abuse Act of 1988 and the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Department of Law

The Prosecution Division fully supports the reauthorization of the Anti-Drug Abuse Act of 1988 and the Juvenile Justice and Delinquency Prevention Act of 1974, as amended.

Bureau of Planning

The Bureau of Planning fully supports the reauthorization of the Anti-Drug Abuse Act of 1988. The provisions of the Act provide for programs, financial and technical assistance which is critically needed by law enforcement entities to effectively deal with the problem of crime. The resources and support derived through the Act play a major role in addressing improving the criminal justice system and addressing the problems of violent crime and drug abuse.

BRIEFING PAPER

The Juvenile Justice and Delinquency Prevention Act of 1974, as amended, is the principal vehicle for the federal government's role in improving the quality of the juvenile justice system, and comes before Congress again in 1992 for re-authorization. This process is extremely important because it not only addresses the question of the continued force and viability of the Act, but also, because it focuses the attention of Congress on new issues and strategies for improving the effectiveness of the Juvenile Justice System.

As in the past, the Territory of Guam, has benefitted from the funds received which are geared towards the deinstitutionalization of status offenders, and mandates the removal of juveniles from adult jails and lock-ups among other vital issues.

On August 7, 1974, the President signed into law the Juvenile Justice and Delinquency Prevention Act of 1974 (Public Law 93415), and subsequently, the Anti-Drug Abuse Act of 1988, Title VII, Subtitle F - Juvenile Justice and Delinquency Prevention Amendments of 1988 (Public Law 100-690). The Act established federal assistance for state and local programs by authorizing the OJJDP Administrator to make formula grant funds available to assist in developing more effective juvenile delinquency programs, and to improve the juvenile justice system.

This, in itself, provides tremendous support to Guam's quest in turning the wheels of our island's youth to that of being law-abiding citizens and contributors of our society. The "Deinstitutionalization of Status Offenders" program provides an appropriate, viable and affective alternative service system to non-criminal youth. It responds to the needs of status offenders, persons-in-need of services/supervision, and similar youth. It will, in effect, provide a community based resource to which the judicial system can turn to in terms of non-secure detention. Since the early 70's, the Act was the only sole source of funding for this particular program. For fiscal year 1992, we are glad to announce that our local government is assuming the cost of providing such services, thus, releasing these funds for other immediate needs to improve our juvenile justice system.

The "Delinquency Prevention and Systems Improvement" program addresses the many aspects relating to juvenile delinquency which is regarded as a critical domestic social problem. It is not a new problem, and has been a heightened public concern about its prevention and control. The Territory of Guam has geared its effort towards reducing these unfortunate situations.

Professionals associated with juvenile delinquency and related areas agree that in no way can any one method or program of prevention or control, curb the problem of juvenile delinquency. The prevention and /or control of the total juvenile delinquency problem will require at the very best, several means and alternative methods in delinquency prevention.

The Anti-Drug Abuse Act of 1988 and the Juvenile Justice and Delinquency Prevention Act of 1974 are important tools in reducing juvenile delinquency and improving the juvenile justice system. Therefore, the Territory of Guam strongly supports the policy mandates of the Act, including the deinstitutionalization of status offenders, the separation of juveniles from adult offenders in secure facilities, the removal of juveniles from jails, lock-ups, and other adult facilities, and the continued focus on the over-representation of minority youth at the various stages of the juvenile justice process.

B-2. DELINQUENCY PREVENTION AND YOUTH OFFENDER PROGRAMS

2.1 Preface

Youth are among the nation's most valuable resources. Yet too many young people become involved in crime and delinquency, often permanently affecting their ability to become useful and productive adult citizens.

Governors must take an active role in seeing that delinquency prevention programs AND JUVENILE OFFENDER REHABILITATION PROGRAMS are developed. JUVENILE OFFENDER PROGRAMS SHOULD INTEGRATE CORRECTIONAL AND SOCIAL SERVICES AND TAKE INTO ACCOUNT THE PUBLIC SAFETY INTERESTS OF THE COMMUNITY, TO FACILITATE THE REHABILITATION OF YOUTH. The Governors encourage the development of youth programs that:

- WORK TO PROMOTE MENTAL HEALTH SERVICES, HEALTH CARE, FAMILY THERAPY, AND VOCATIONAL TRAINING;
- Work to improve respect for the law and law enforcement officials;
- Work to broaden the range of conventional ties available to youth, particularly in the areas of work and community service;
- Work to reduce youth perceptions of powerlessness; and
- Work to develop respect and confidence in the institutions and values of American society.

2.2 Federal Program Principles

Congress is to be commended for enacting the Juvenile Justice and Delinquency Prevention Act (P.L. 93-415) of 1974. The act provided resources AND ENCOURAGEMENT for developing programs in juvenile delinquency and treatment.

~~Because the problems caused by juvenile delinquency continue,~~ Congress AND THE ADMINISTRATION should continue the program, and the Office of Juvenile Justice and Delinquency Prevention PROGRAM, INCLUSIVE OF ~~should incorporate the~~ following principles ~~into its operation:~~

- The state agency designated by the Governor to develop a state's criminal and juvenile justice plan should coordinate all juvenile justice programs. No program should be funded directly under the act without the advice and comments of this agency.
- Discretionary grants should provide an equitable share of funds to rural and urban states for the development of juvenile justice programs.
- SPECIAL PROGRAMS DESIGNED BY THE FEDERAL GOVERNMENT TO DEAL WITH YOUTH INVOLVEMENT IN GANG AND ILLEGAL DRUG ACTIVITIES AND OTHER FORMS OF VIOLENT CRIME SHOULD BE COORDINATED WITH THE APPROPRIATE STATE AGENCIES RESPONSIBLE FOR YOUTH POLICY DEVELOPMENT.
- Rules, regulations, definitions, and responsibilities pursuant to the act must be reasonable and consider the impact on the states. Furthermore, they should be designed to encourage full participation in the program by all states.

POINT PAPER

Subj: Briefing Papers for the 1992 NGA Winter Meeting; Washington, D. C.; February 2-4, 1992

1. Federal programs and initiatives which affect GPD programs and operations against violent crime, narcotics trafficking and juvenile delinquency flow from two sources:
 - (1) Bureau of Justice Assistance (BJA)
 - (2) Department of the Interior (DOI)
2. BJA programs, dating from 1989 to 1992, are still in progress. GPD considers them well-conceived, relevant to Guam's needs and sufficiently funded under existing federal budget constraints. Cooperation and support from BJA, via GovGuam's Bureau of Planning, has been consistently responsive to GPD.
3. DOI programs, on the other hand, have been marked by inconsistency and apparent disregard for needs expressed by the Marianas Territories, Guam in particular.
 - a. DOI's regional decision-makers have tended to focus on program requirements peculiar to island states in Southern Micronesia, rather than those applicable to the entire region. Programs proposed by law-enforcement agencies in Guam, the largest and most sophisticated agencies in the region, have been disapproved and replaced by those that reflect DOI's perceived areas of concern.
 - b. Although the various island groups in the region are separated by great expanses of ocean, law-enforcement issues concerning narcotics trafficking in the region should be common. Narcotics matters that affect Palau or Chuk, for example, will inevitably affect Guam.
 - c. Fragmentation of effort or inordinate focus on narrow segments of the Pacific Basin Region tend to dilute any corporate programs to combat the manufacture, transport and distribution of illicit drugs in the region.

SUMMARY

BJA programs are doing well. DOI programs are not. DOI program development by island representatives at the regional level, rather than individually by the separate island entities, would be more effective.

The Superior Court of Guam continues to fully support every type of funding source to help combat our efforts towards lessening crimes on our island. It is evident from the consistently increasing criminal and juvenile caseload of the Superior Court of Guam that more aggressive efforts at the preventive level be sought to curtail this skyrocketing effect. The reauthorization of the Anti-Drug Abuse Prevention Act of 1988 and the Juvenile Justice and Delinquency Act would allow for these acts to address the changing laws and needs of the society in which we live, a society besieged with drug related problems and juvenile delinquency. In fact, of the three primary issues discussed in the 1991 State of the Judiciary, the first focused on alcohol and the second on juvenile crime. As the Honorable Judge Alberto C. Lamorena, III so eloquently stated:

(We are) now experiencing some very disturbing and troubling trends, that if left unresolved by the leaders of our territory will seriously destroy the familial and social fabric in our community.

The first issue we must address is not an illicit drug but a drug that is legal, accessible and cheap in our society--alcohol.

...In 1989, 447 DWI cases were filed in the Superior Court, in 1990, 658 DWI cases were filed--an increase of 38% in the first three months of 1991, 507 DWI cases have been brought before the courts, as opposed to 66 in 1990--an alarming increase of about 800%.

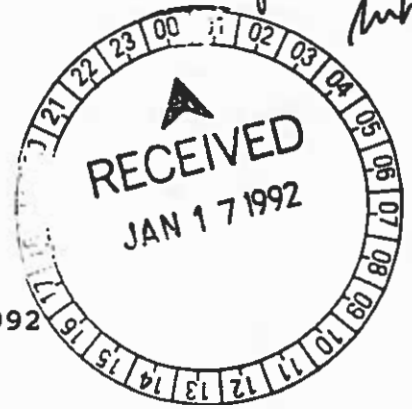
The second issue facing our community is juvenile crime. The alarming rate at which juvenile proceedings has escalated, is a signal that this community must reassess the situations confronting our families. There were 411 juvenile cases in 1990--a 79% increase over the previous year. There was also an 8% increase in juvenile special proceedings or 808 cases.

It is also obvious by the number of bills introduced by the Twenty-First Guam Legislature relative to drug addiction and juvenile delinquency that other efforts and programs must be implemented to offset and combat these problems to secure a better future for ourselves and our children.

The Guam Police Department reports a decline in violent crimes from 1990 to 1991. They attribute this to successful public education programs and other means of prevention. With this in mind it is imperative that these programs and preventive measures continue to reflect the changing needs and trends of the society they are designed to protect.



GOVERNMENT OF GUAM
AGANA, GUAM 96910



January 16, 1992

MEMORANDUM

TO: Director, Bureau of Planning
FROM: Attorney General *EPO*
SUBJECT: Comments Ref: Reauthorization of the Anti-Drug Abuse Act of 1988 and the Juvenile Justice and Delinquency Prevention Act

The Prosecution Division fully supports the entire policies set out in the Comprehensive Program for attacking violent crime and the Delinquency Prevention programs.

ELIZABETH BARRETT-ANDERSON
Attorney General

By: *Frances Tydingco-Gatewood*
FRANCES TYDINGCO-GATEWOOD
Chief Prosecutor

BUREAU OF PLANNING

BRIEFING PAPER

**Subject: Briefing Paper for the 1992 NGA Winter Meeting;
Washington, D.C.; February 2-4, 1992**

Since the passage the Anti-Drug Abuse Act of 1988 into law on November 18, 1988, the Territory of Guam has benefitted greatly in terms of financial and technical assistance for local law enforcement entities. The Act provides this support through the Edward Byrne Memorial State and Local Law Enforcement Assistance Program, administered by the U.S. Bureau of Justice Assistance. The support from this program has provided the territory with much needed financial and technical assistance to address the problems of crime and drug abuse and improve the criminal justice system. Funds have been used to improve the apprehension, prosecution, adjudication, detention and rehabilitation of drug and violent crime offenders; and, improve upon the scientific and technological methods employed by territorial law enforcement entities.

The Guam Police Department's Crime Laboratory and Narcotics Unit, the Department of Law's Prosecution Division and the Department of Commerce's Customs Enforcement Division are among a number of local law enforcement entities which have benefitted from the Act. The Bureau of Planning's role as the administrator of the grant program for the territory is to ensure the effective grants management of the program. Since 1989, the Territory of Guam has received over \$2,700,000 in direct financial support from the Edward Byrne Memorial State and Local Law Enforcement Assistance Program authorized by the Anti-Drug Abuse Act of 1988.

The Bureau of Planning fully supports the re-authorization of the Anti-Drug Abuse Act of 1988. The financial and technical assistance support derived from programs authorized through the Act provides immeasurable assistance to the territory's local law enforcement entities. The reauthorization of the Anti-Drug Abuse of Act of 1988 will help to ensure that the territory will be capable of addressing the ever-present problem of crime.

RESOLUTION*

CONTINUING THE ATTACK ON VIOLENT CRIME AND DRUG ABUSE

CONGRESS AND THE ADMINISTRATION MUST CONTINUE TO FIGHT DRUG ABUSE AND TRAFFICKING IN THE NATION. THE ANTI-DRUG ABUSE ACT OF 1988 PROVIDED RESOURCES AND OTHER INCENTIVES TO BATTLE THE SCOURGE OF DRUGS IN OUR NATION. THAT ACT SHOULD BE EXTENDED AND REAUTHORIZED, INCLUSIVE OF THE DRUG CONTROL AND SYSTEM IMPROVEMENT GRANT PROGRAM. THIS PROGRAM SHOULD CONTINUE IN ITS CURRENT STATE, WITH BLOCK GRANT FUNDS GOING TO STATE AGENCIES FOR THE DEVELOPMENT OF A STATEWIDE COORDINATED AND COMPREHENSIVE ATTACK ON THE DRUG TRAFFICKING AND VIOLENT CRIME PROBLEMS. THE GOVERNORS WILL CONTINUE TO WORK WITH OFFICIALS OF LOCAL GOVERNMENT AND THE PRIVATE SECTOR TO DEVELOP PROGRAMS AND POLICIES THAT DEAL WITH DRUG ABUSE AND THE PROBLEM OF URBAN VIOLENT CRIME.

CONGRESS AND THE ADMINISTRATION SHOULD DEVELOP A COMPREHENSIVE VIOLENT CRIME FIGHTING PACKAGE, INCLUSIVE OF A PROVISION REFORMING THE CURRENT SYSTEM OF HABEAS CORPUS PROCEEDINGS CONSISTENT WITH NGA POLICY B-6, WHICH REQUESTS THAT "FINALITY BE RESTORED TO THE CRIMINAL JUSTICE PROCESS AND A PROPER RESPECT FOR STATE COURT FACTUAL DETERMINATIONS."

FURTHERMORE, IN DEVELOPING A CRIME PACKAGE, CONGRESS SHOULD EMPOWER STATES WITH AS MUCH FLEXIBILITY AS POSSIBLE TO DEAL WITH THE CRIME PROBLEM. MANDATES, PREEMPTIONS, AND EARMARKINGS WILL ONLY FRUSTRATE THE IMPLEMENTATION OF THE BLOCK GRANT PROGRAMS.

* based upon Policies B-1, B-4, and B-6

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

**COMMITTEE ON TRANSPORTATION
COMMERCE AND COMMUNICATIONS**

TAB 12

- | | | |
|---|---|----------|
| • | Summary of Issues | G |
| • | Resolution: Surface Transportation
Financing | H |

COMMITTEE ON TRANSPORTATION, COMMERCE AND COMMUNICATIONS

Summary of Issues

ISSUE:

- ***Resolution: Surface Transportation Financing (Based on F-1)***

Under the new surface transportation legislation, the highway program was authorized at more than \$18 billion in apportionments and allocations to the states, including an obligation ceiling for fiscal year 1992 of \$16.8 billion for those programs subject to obligation controls.

The Office of Management and Budget's "scorekeeping" of the legislation required the Federal Highway Administration to administratively reduce the obligation limitation available to the states to \$15.7 billion. The legislation included a provision to reduce the highway obligation ceiling if projected outlays from any other authorizations in the bill exceeded the outlay targets for the transportation bill. A number of items, including an extraneous provision authorizing \$457 million to transfer and upgrade federal office building facilities in New York City, caused a reduction in the obligation ceiling. Enacting an amendment to eliminate this authorization in this new law would free up approximately \$900 million in additional obligation authority.

The resolution endorses early action to rectify the unintended consequences of the excess authorizations and supports full funding at authorized levels for surface transportation programs that are subject to the appropriations process. The Governors have long-standing policy supporting the principle that annual obligation ceilings should be set no lower than transportation trust fund receipts, including interest and that the trust fund balances should be spent down. The balance in the combined Highway Trust Fund at the start of fiscal year 1992 was \$19.5 billion, including 10.2 billion in the highway account and \$9.3 billion in the mass transit account. Projected income to the combined Highway Trust Fund during 1992 was initially anticipated to add receipts of \$19.4 billion including 16.8 billion to the highway account alone and \$1.6 billion in combined trust fund interest. These revenue and interest projections are being reestimated and adjusted downward in the President's 1993 federal budget.

RESOLUTION*

SURFACE TRANSPORTATION FINANCING

CONGRESS ADOPTED LANDMARK SURFACE TRANSPORTATION AUTHORIZATION LEGISLATION LAST YEAR. THE PRESIDENT SIGNED THE NEW LEGISLATION INTO LAW AND HAS URGED THE STATES TO EXPEDITIOUSLY SPEND THE FUNDS MADE AVAILABLE TO PROVIDE JOBS IN A PERIOD OF ECONOMIC STAGNATION.

THE NATIONAL GOVERNORS' ASSOCIATION CALLS UPON CONGRESS TO PROVIDE SUFFICIENT FUNDS SO THAT THE STATES CAN USE THE FULL AMOUNTS AUTHORIZED FOR SURFACE TRANSPORTATION UNDER THE NEW LEGISLATION IN FISCAL 1992 AND 1993.

* based upon Policy F-1

**NATIONAL GOVERNORS' ASSOCIATION
1992 WINTER MEETING**

PBDC BOARD POLICY POSITIONS

TAB 13

- **Summary of Issues** **G**
- **Saipan's Request for Federal Disaster Relief Assistance** **H**
- **Establishment of a U.S.-Pacific Island Nation Joint Commercial Commission (JCC)** **I**
- **Territorial & Commonwealth Involvement in the Treaty Negotiations and Full Membership in SPREP** **J**
- **American Flag Pacific Islands' Representative to the Insular Pacific Regional Marine Research Board** **K**
- **Impact of the Uruguay Round of the GATT Negotiations and the NAFTA on the American Flag Pacific Islands** **L**
- **Solicitation of Support in Resolving a Major Conflict Over Provision of Section 309 of the Coastal Zone Reauthorization Act of 1990** **M**
- **Resolution: Restriction of the Inspector General of the U.S. Department of Interior's Authority to Audit Non-Federally Generated Funds and Accounts in the Territory of Guam and the Commonwealth of the Northern Mariana Islands** **N**
- **Resolution: Support of Full State Funding for American Samoa and CNMI Under the Drug Control and System Improvement Program of the Federal Anti-Drug Abuse Act of 1986, as Amended** **O**

PBDC BOARD POLICY POSITIONS

SUMMARY:

- ***Saipan's Request for Federal Disaster Relief Assistance***

The governors of Guam, Hawaii and American Samoa, in a letter to President Bush, request the President's favorable consideration of the request for federal disaster relief assistance made by the Governor of Saipan for the damages caused by Typhoon Seth on November 2-3, 1991.

- ***Establishment of a U.S.-Pacific Island Nation Joint Commercial Commission (JCC)***

The governors of the American Flag Pacific Islands (AFPI), in a letter to President Bush, seek the President's support for the implementation of the Presidential initiative to establish a U.S.-Pacific Island Nation JCC. Governor Peter Tali Coleman of American Samoa is designated as liaison with the Commission. The letter also requests the inclusion of Assistant Secretary Stella Guerra, Office of Territorial and International Affairs (OTIA), as part of the delegation involved in the planning and development of JCC. The governors also expressed their interest in participating as full and equal members in the JCC.

The AFPI governors, in a letter to Assistant Secretary Stella Guerra, request that OTIA become actively involved in the development of JCC to promote a closer economic relations between the U.S. and the independent and freely associated states of the Pacific region.

- ***Territorial and Commonwealth Involvement in the Treaty Negotiations and Full Membership in SPREP***

The governors of AFPI, in a letter to the U.S. Secretary of State, expressed their desire to participate in the treaty negotiation process to establish SPREP as an independent, intergovernmental organization. The government of American Samoa, Guam and CNMI additionally expressed their views that

as they have been full members of SPREP since its inception, they assumed that they would continue to participate as full members of SPREP after it becomes an independent entity.

The governors feel that the involvement of the Pacific territories, commonwealth and the State of Hawaii with SPREP programs is important because similar environmental concerns which they share with their Pacific neighbors. Additionally, the State of Hawaii has technical capability in many areas of environmental management that could be beneficial to the Pacific Islands region.

- ***American Flag Pacific Islands' Representative to the Insular Pacific Regional Marine Research Board***

The governors of AFPI, in a letter to the Administrator of the National Oceanographic and Atmospheric Administration, in concert, appoint a representative from the University of Guam and the Executive Director of PBDC to be members of the Insular Pacific Regional Marine Research Board.

- ***Impact of the Uruguay Round of the GATT Negotiations and the NAFTA on the American Flag Pacific Islands***

The governors of AFPI, in a letter to the U.S. Trade Representative, Carla Hills, expressed their concern about what may result from the Uruguay Round and NAFTA. Since trade and investment have become a major focus of PBDC, the governors request that they be involved in current and future US trade negotiations.

- ***Solicitation of Support in Resolving a Major Conflict Over Provision of Section 309 of the Coastal Zone Reauthorization Act of 1990***

The governors of AFPI, in a letter to the Chairman of the U.S. Senate's Committee on Commerce, Science and Transportation, Chairman of the U.S. House of Representatives' Merchant Marine & Fisheries Committee and the U.S. Secretary of Commerce, expressed their strong objection to the Office of Ocean and Coastal Resource Management (OCRM) interpretation of certain provisions of the Act as authorized. The OCRM's conflicting issue is the funding of Section 309 at the expense of the core (Section 306) programs and the establishment of State-to-State competition for Section 309 grant funding. The governors of AFPI solicit assistance in convincing OCRM

that AFPI's current CZM programs cannot accommodate additional program change requirements and competition concept should be completely eliminated.

The membership of the Coastal States Organization (CSO) adopted a resolution which states that Section 306 funding should not be reduced in order to fund the Section 309 enhancement program and that competition among the states, territories and commonwealths would be very counter productive. Reducing the Section 306 funding will have a significant impact on AFPI's ability to fulfill Section 306 obligations. The OCRM's current policies on the Section 309 enhancement program will adversely affect all coastal states but AFPI's CZM programs will be more heavily impacted.

- *Resolution: Restriction of the Inspector General of the U.S. Department of Interior's Authority to Audit Non-Federally Generated Funds and Accounts in the Territory of Guam and the Commonwealth of Northern Mariana Islands*

The governors of AFPI in an adopted resolution request the U.S. Congress that through appropriate legislative committees, the authority of the Inspector General of the U.S. Department of Interior be restricted to the audit of federal funds in the Territory of Guam and the Commonwealth of Northern Mariana Islands.

The authority granted to the Inspector General to audit even the non-federally generated funds is not conducive to harmonious intergovernmental relations and contrary to the often-stated federal intention of promoting greater self-government and autonomy in Guam and CNMI. Besides, Guam and CNMI have achieved sufficient technical sophistication to conduct internal audits of their own funds and programs. Additionally, no federal Inspector General has authority to audit non-federal funds, accounts and programs in any state.

- *Resolution: Support of Full State Funding for American Samoa and CNMI Under the Drug Control and System Improvement Program of the Federal Anti-Drug Abuse Act of 1986, as Amended (1988)*

The governors of AFPI, in an adopted resolution, support the request by CNMI and American Samoa to regain their full state status under the federal Anti-Drug Abuse Act.

As Pacific Islands continue to experience an increase in the use and trafficking of dangerous and unlawful substances, American Samoa and CNMI desperately need the federal drug funds to enhance and retain their local drug control programs established to assist in the nation's battle to combat drug trafficking and drug use as outlined in the President's National Drug Control Strategy. The federal Anti-Drug Abuse Act of 1986 has considered American Samoa and CNMI as a "full state" for determining funding allocation, however, as amended in 1988, the act treated both island nations as one state in drug funding allocation.



Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3070
Telephone (808) 523-9325 Facsimile (808) 533-6336

Arenzo I DeLeon Guerrero
Governor
of the
Mariana Islands

November 6, 1991

Joseph F. Ada
Governor
of the
Northern
Mariana Islands

The Honorable George Bush
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, DC

Dear Mr. President :

Peter Tali Coleman
Governor
of Samoa

Re: Typhoon Seth, November 2-3, 1991

We understand that Governor Guerrero, of the Commonwealth of the Northern Mariana Islands (CNMI), has requested federal disaster assistance for Typhoon Seth. We fully support this request based on personal knowledge of the event. We received the force of Typhoon Seth along with Governor Guerrero and the people of the Northern Marianas.

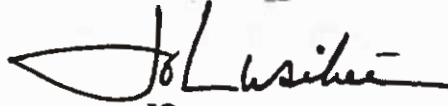
Typhoon Seth, with winds reaching 150 miles per hour, struck during the Board of Directors meeting of the Pacific Basin Development Council (PBDC). The undersigned, along with Governor Guerrero, make up the executive board of this regional governors association. This PBDC meeting convened on Saipan, beginning November 2, 1991. Governors Coleman and Ada were already at the conference on Saipan when Seth struck. Governor Waihee reached Guam and attempted to leave Guam to reach Saipan, only to be waved off during a harrowing landing attempt at the Saipan International Airport in high winds.

We viewed, first-hand, the damage done to Saipan by the force of the typhoon. We urge a favorable consideration of Governor Guerrero's request for federal disaster relief assistance. Thank you.

Respectfully,

JOSEPH F. ADA
Vice President and
Governor of Guam

The Honorable George Bush
November 6, 1991
Page 2



JOHN WAIHEE
Secretary and
Governor of Hawaii



PETER TALICOLEMAN
Treasurer and
Governor of American Samoa

CC: CNMI Resident Representative to the United States
CNMI Disaster Control Officer



Pacific Basin Development Council

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Jorenzo I. DeLeon Guerrero
Minister of the
Territorial Affairs

November 6, 1991

Joseph F. Ada
President
John Waihee

The Honorable George Bush
President of the United States
Executive Office of the President
1600 Pennsylvania Ave., NW
Washington, DC 20500

Peter Tali Coleman
Minister of the
Territorial Affairs

Dear Mr. President:

The purpose of this letter is to seek your support for the implementation of the Presidential initiative to establish a U.S.- Pacific Island Nation Joint Commercial Commission (JCC).

As we noted in our letter of November 16, 1990, we designated Governor Peter Tali Coleman of American Samoa as our liaison with the Commission and related activities. Since our communique with you, we have continued to discuss the JCC within our organization and with other leaders in the Pacific Islands.

We continue to support the JCC effort and respectfully request that funding and other required resources be identified and made available for the formal implementation of the JCC. We are genuinely concerned that the momentum for your JCC initiative generated by the October 1990 meeting at the East-West Center with Pacific Island leaders may be lost unless the establishment of the commission is expedited.


We would like to request that the Assistant Secretary of Interior for Territorial and International Affairs be included, along with representatives of the Department of State and the Department of Commerce, as part of the U.S. delegation involved in the planning and development of the JCC. We have found that the involvement of the Assistant Secretary of OTIA in aviation bi-lateral negotiations to be very constructive in terms of territorial and commonwealth interests and concerns.

We would also like to express our keen interest in participating as full and equal members in the JCC which has been proposed by the leaders of the independent and freely associated states of our region. We have common economic interests with our Pacific Island neighbors. Individuals and corporations in our jurisdictions are already involved in trade with, and investment in, the independent and freely associated states of our region. Therefore, we feel that our involvement, as full and equal members, could do much to further the interests of the United States and the countries and territories of the Pacific.

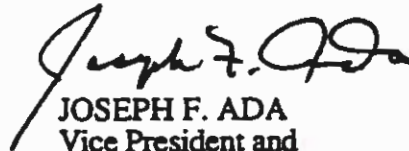
We continue to support the other initiatives suggested in your October 1990 meeting and pledge to assist in the implementation of those efforts in any way you deem appropriate. We look forward to hearing from you.

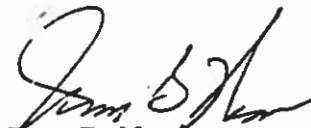
Respectfully,


11-6-91
Date of Approval

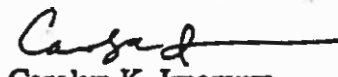

LORENZO I. DE LEON GUERRERO
President and Governor of
Commonwealth of the Northern
Mariana Islands


WITNESSED BY:


JOSEPH F. ADA
Vice President and
Governor of Guam


Jerry B. Norris
Executive Director


JOHN WAIHEE
Secretary and
Governor of Hawaii


Carolyn K. Imamura
Director of Planning
and Programs


PETER TALI COLEMAN
Treasurer and
Governor of American Samoa



Pacific Basin Development Council

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November 6, 1991

Enzo I. DeLeon Guerrero
of the
Northern Mariana Islands

The Honorable Stella Guerra
Assistant Secretary
Office of Territorial and International Affairs
U.S. Department of the Interior
Washington, D.C. 20420

Joseph F. Ada

John Waihee

Dear Assistant Secretary Guerra:

Senator Tali Coleman

We would like to take this opportunity to thank you for the breakfast discussion that we had relating to the issues of trade and the Joint Commercial Commission. As you noted, in both our public and private meetings, we strongly feel that OTIA should take advantage of its "international" mandate as it relates to President Bush's proposed Joint Commission (JCC).


As Governor Coleman noted, recent activities within the world have accelerated change in a number of spheres that have major impact on the island in the Pacific. Given the fact that OTIA is heavily involved in economic development in the region, we feel that insights you can provide on the implementation of the JCC would be extremely helpful in furthering the Presidential initiative.

We request that your office become actively involved in the development of the Joint Commercial Commission concept and its implementation within the U.S. Federal Government. We would encourage you to coordinate your efforts with our individual island governments and with the staff of PBDC. We have a number of specific initiatives that could further the interests of the U.S. Federal Government in the implementation of the President's initiative.

We would be pleased to assist you in any way we can in your efforts to further U.S. interests in the development of closer economic relations between the U.S. and the independent and freely associated states of the Pacific region. Please let us know how we can be of further assistance.

Sincerely,

11-6-91
Date of Approval

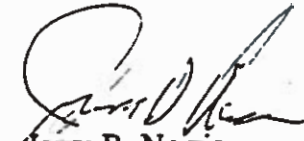

LORENZO I. DE LEON GUERRERO
President and Governor of
Commonwealth of the
Northern Mariana Islands

The Honorable Stella Guerra
November 6, 1991
Page 2



JOSEPH F ADA
Vice President and
Governor of Guam

WITNESSED BY:



Jerry B. Norris
Executive Director



JOHN WAIHEE
Secretary and
Governor of Hawaii



Carolyn K. Imamura
Director of Planning
and Programs



PETER TALI COLEMAN
Treasurer and
Governor of American Samoa



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Enzo I. DeLeon Guerrero
Minister
of the
Northern Mariana Islands

November 6, 1991

Joseph F. Ada

Secretary

John Waihee

The Honorable James A. Baker
Secretary of State
2201 C Street, NW
Washington, DC 20520

Peter Tali Coleman
Minister

Dear Mr. Secretary:

The purpose of this letter is to express our concern with potential consequences of treaty negotiations to establish the South Pacific Regional Environment Program (SPREP) as an independent, inter-governmental organization.

The governments of American Samoa, Commonwealth of the Northern Mariana Islands, and Guam have been full members of SPREP since its inception. When the decision was made to establish SPREP as an independent organization outside the South Pacific Commission, we assumed that the US territorial and commonwealth governments would be permitted to participate in the negotiations. Moreover, we also assumed that the governments of American Samoa, the Commonwealth, and Guam would continue to participate as full members of SPREP after it was established as an independent body. However, there appears to be some question about the possibility of territorial and commonwealth involvement in the negotiations and full membership in SPREP.

Environmental issues have become increasingly important in the American Flag Pacific Islands. While the Pacific Basin Development Council has become more involved in environmental matters in recent years, we feel very strongly that the participation of American Samoa, Commonwealth of the Northern Marianas, and Guam in the treaty negotiations process and as full members of SPREP is extremely important.

The Honorable James A. Baker

November 6, 1991

Page 2

Officials from the Department of State initiated some preliminary discussions with representatives of the Pacific territorial and commonwealth governments to seek our views on the treaty negotiations, for which we are grateful. We have also written to Assistant Secretary Curtis Bohlen requesting information on the existing status of SPREP, its current policy development and planning arrangements, and your department's view on possible roles for the Pacific territories and commonwealth. Unfortunately, we have not received an answer to that letter which was dated October 9th.

At our annual Pacific Basin Development Council meeting held on Saipan, November 3-6, we discussed the SPREP treaty issue. We felt that the inclusion of the Pacific territories and commonwealth in the treaty negotiations and as full members of SPREP was so important, we should make our views known to you directly.


We realize that the involvement of the Pacific territories and commonwealth could raise a host of policy questions about the involvement of members of the US family in an independent, inter-governmental organization. However, the territories and commonwealth have participated as full members of both SPREP and the South Pacific Commission for many years. Moreover, it is clear from developments in the Soviet Union that a host of new international diplomatic arrangements are emerging. We are confident, therefore, that the desires and aspirations of the Pacific territories and commonwealth to participate in SPREP can be accommodated.

Finally, we feel that it would be in the best interest of the United States, the American Flag Pacific Islands, and the independent and freely associated states of the Pacific Islands region to involve the State of Hawaii in the treaty negotiation process and SPREP programs. Hawaii shares many environmental concerns with its Pacific neighbors. The State also has technical capacity in many areas of environmental management that could be of benefit to the Pacific Islands region.

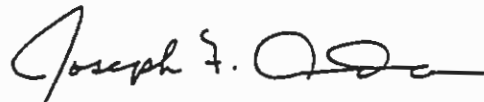
cc: The Honorable E. U. Curtis Bohlen

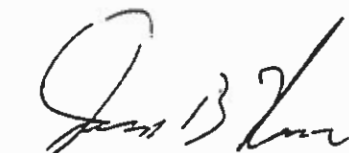
Sincerely,


11-6-91
Date of Approval



LORENZO I. DE LEON GUERRERO
President and Governor of
Commonwealth of the
Northern Mariana Islands


WITNESSED BY:


JOSEPH F. ADA
Vice President and
Governor of Guam


Jerry B. Norris
Executive Director


JOHN WAIHEE
Secretary and
Governor of Hawaii


Carolyn K. Imamura
Director of Planning
and Programs


PETER TALI COLEMAN
Treasurer and
Governor of American Samoa



Pacific Basin Development Council

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

r Lorenzo I. DeLeon Guerrero
wealth of the
n Mariana Islands
t

November 6, 1991

r Joseph F. Ada
sident

John A. Knauss, Ph.D.
Administrator, National Oceanographic
And Atmospheric Administration
United States Department of Commerce
Washington, DC 20230

r John Waihee

Dear Dr. Knauss:

r Peter Tali Coleman
Samoa
r

The Board of Directors of the Pacific Basin Development Council (PBDC), while at their Annual Meeting on Saipan, Commonwealth of the Northern Mariana Islands, have reviewed and discussed our responsibilities concerning appointments to the Insular Pacific Regional Marine Research Board under Public Law 101-593.

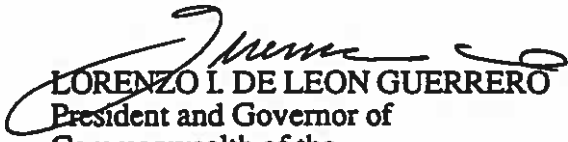
Please be advised of the following. The respective Governors of the Territories of American Samoa and Guam, the Commonwealth of the Northern Marianas Islands and the State of Hawaii shall each make one appointment.

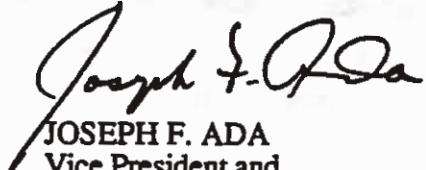
The Governors, in concert, appoint a representative from the University of Guam and the Executive Director of the Pacific Basin Development Council shall also serve as a member of the Research Board.

We are pleased that this important research program has been established by Congress and we look forward to working with your office to ensure the program's goals are realized.

Sincerely,


11-6-91
Date of Approval


LORENZO I. DE LEON GUERRERO
President and Governor of
Commonwealth of the
Northern Mariana Islands




JOSEPH F. ADA
Vice President and
Governor of Guam

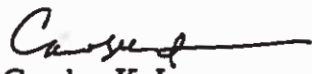
WITNESSED BY:



Jerry B. Norris
Executive Director



JOHN WAIHEE
Secretary and
Governor of Hawaii



Carolyn K. Imamura
Director of Planning
and Programs



PETER TALI COLEMAN
Treasurer and
Governor of American Samoa



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Lorenzo I. DeLeon Guerrero
governor of the
Northern Mariana Islands

November 6, 1991

Joseph F. Ada
Ambassador

The Honorable Carla A. Hills
United States Trade Representative
Winder Building
600 Seventeenth Street, NW
Washington, DC 20506

John Waihee

Peter Tali Coleman
Ambassador

Dear Ambassador Hills:

The purpose of this letter is to express our concern about the impact of the Uruguay Round of the GATT negotiations and the North American Free Trade Agreement on the American Flag Pacific Islands. We are also concerned about other trade and investment agreements in the Pacific Basin that would impact our respective areas.


Trade and investment have become a major focus of the Pacific Basin Development Council's deliberations. As you are aware from discussions with individual American Flag Pacific Island Governors, we have several specific concerns about what may result from the Uruguay Round and NAFTA. At our recent meeting in Saipan, we concluded that the trade and investment issues at stake are of such importance, a mechanism must be found to involve the American Flag Pacific Islands in current and future US trade negotiations.

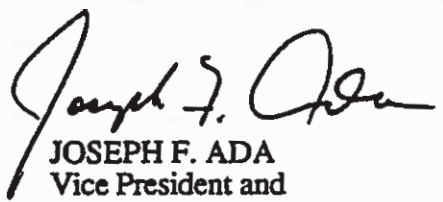
We will be holding our winter 1992 meeting in Washington in early February and would like to request a meeting with you at that time. If such a meeting would be agreeable, please contact our Executive Director, Mr. Jerry Norris, who will schedule the meeting.

We have all appreciated your attention to our trade concerns in the past and hope we can work more closely with you on matters of mutual interest in the future.

Sincerely,

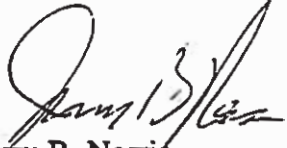
11-6-91
Date of Approval


LORENZO I. DE LEON GUERRERO
President and Governor of
Commonwealth of the
Northern Mariana Islands



JOSEPH F. ADA
Vice President and
Governor of Guam


WITNESS ^{ED} BY :




Jerry B. Norris
Executive Director



JOHN WAIHEE
Secretary and
Governor of Hawaii



Carolyn K. Imamura
Director of Planning
and Programs



PETER TALI COLEMAN
Treasurer and
Governor of American Samoa



Pacific Basin Development Council

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Lorenzo I. DeLeon Guerrero
Minister of the
Mariana Islands

November 6, 1991

Joseph F. Ada
Minister
John Waihee
Peter Tali Coleman
Minister

The Honorable Ernest F. Hollings, Chairman
Committee on Commerce, Science and Transportation
U S Senate
SD-508 Dirksen Senate Office Building
Washington, DC 20510-6125

Dear Chairman Hollings:

We are writing to solicit your support in resolving a major conflict that has arisen between the Office of Ocean and Coastal Resource Management (OCRM) and our governments over provision of Section 309 of the Coastal Zone Reauthorization Act of 1990. As you may be aware, the American Flag Pacific Island Governments, along with other coastal states, object strongly to OCRM's interpretation of certain provisions of the Act as reauthorized.

The coastal zone management programs in our jurisdictions, although very small in terms of number of personnel and levels of funding, are extremely important for the effective management our coastal resources. Because of this, our governments strongly endorse the enhancement of coastal zone management programs through the spirit of Section 309 and the provision of additional Federal funding. However, we fear that the course OCRM has taken in the development of guidance for the implementation of Section 309 may, in fact, undermine our existing programs rather than enhance their effectiveness. Our governments, along with the governments of the coastal states, have tried, with no success, to reason with OCRM on the issue of funding Section 309 at the expense of Section 306 programs and the establishment of State-to-State competition for Section 309 grant funding.

The membership of the Coastal States Organization (CSO) recently adopted a resolution which outlines the concerns of the coastal states with OCRM's interpretation of Section 309. This resolution is just the latest of many attempts by coastal states to convince OCRM that Section 306 funding should not, in any way, be reduced in order to fund the Section 309 enhancement program and that competition among the states, territories, and commonwealths would be very counter productive. The resolution also urges OCRM to broadly define "program change" [Section 309(b)] for the purposes of project eligibility.

We strongly endorse the provisions of the Coastal States Resolution on the CZMA Enhancement Grants adopted October 28, 1991. We also believe that while OCRM's current policies on the 309 enhancement program will adversely affect all coastal states, the American Flag Pacific Islands' (AFPI) coastal zone management programs will be more heavily impacted than other CZM programs.

The Honorable Ernest F. Hollings
November 6, 1991
Page 2

The Coastal Zone Management programs in the AFPI have jurisdiction over virtually all development activities in our islands. Our program staffs are very small and any cuts in Federal funding for the core (Section 306) programs will have a significant impact on the ability of our governments to fulfill our Section 306 obligations. The amount of funding that may be available to our programs under Section 309, as outlined in the latest Section 309 guidance, will be very limited. The addition of "significant program changes," as envisioned for Section 309 funding eligibility by OCRM, could seriously overburden our core programs. The development of a grant proposal that will be competitive with a proposal from a large mainland state will require a significant investment of very limited staff resources and, quite frankly, we find the notion of interstate competition antithetical to the spirit of the Federal--"state" partnership established through the Coastal Zone Management Act.


Over the last decade, the Governors of the AFPI and their Coastal Zone Managers have forged an important relationship in recognizing our unique island circumstances. In August of 1991, the National Governors' Association (NGA) meeting in general session, noted that our islands were unique in both their coastal and ocean management activities. While we realize that each of our islands are unique, they do have a number of similarities that are very different from the U.S. Mainland states. Not only do we not wish to compete with the large coastal program on the mainland, we do not wish to see competition among CZM programs within our region.

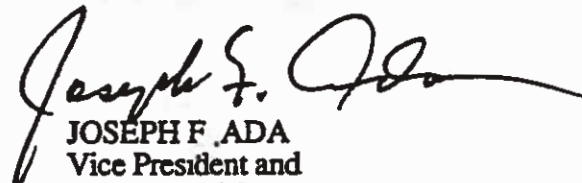
We would like to solicit your assistance in convincing the Office of Ocean and Coastal Resource Management that our current CZM programs cannot accommodate additional onerous program change requirements, and that the concept of "state versus state" competition be completely eliminated. We also respectfully request that the OCRM re-establish its goals of assisting states, commonwealths and territories manage their resources in a spirit of partnership cooperation, rather than continuing policies which are only designed to make us answerable to federal agencies.

cc: Senator Daniel Inouye
Senator Daniel Akaka

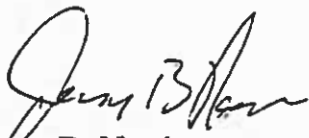
Sincerely,

11-6-91
Date of Approval

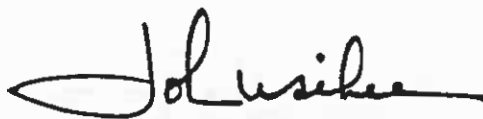

LORENZO I. DE LEON GUERRERO
President and Governor of
Commonwealth of the Northern
Mariana Islands


JOSEPH F. ADA
Vice President and
Governor of Guam

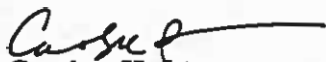
WITNESSED BY:



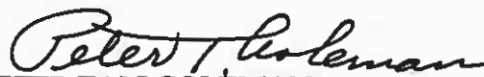
Jerry B. Norris
Executive Director



JOHN WAIHEE
Secretary and
Governor of Hawaii



Carolyn K. Imamura
Director of Planning
and Programs



PETER TALI COLEMAN
Treasurer and
Governor of American Samoa



Pacific Basin Development Council

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Lorenzo I. DeLeon Guerrero
Governor
of the
Mariana Islands

November 6, 1991

Joseph F. Ada
Representative
of the
Territory of Hawaii
John Waihee
Governor
of the
Territory of Hawaii

The Honorable Walter B. Jones, Chairman
US House of Representatives
House Merchant Marine & Fisheries Committee
1334 Longworth House Office Building
Washington, DC 20515-6230

Peter Tali Coleman
Governor
of the
Territory of Hawaii

Dear Chairman Jones:

We are writing to solicit your support in resolving a major conflict that has arisen between the Office of Ocean and Coastal Resource Management (OCRM) and our governments over provision of Section 309 of the Coastal Zone Reauthorization Act of 1990. As you may be aware, the American Flag Pacific Island Governments, along with other coastal states, object strongly to OCRM's interpretation of certain provisions of the Act as reauthorized.

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The Honorable Walter B. Jones

November 6, 1991

Page 2

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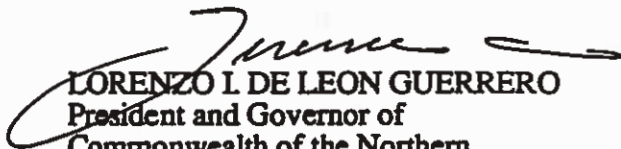
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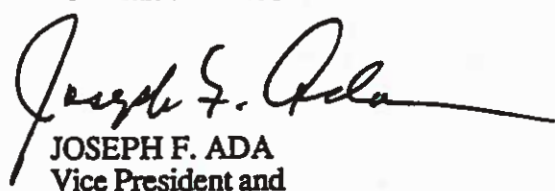
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cc: Cong. N. Abercrombe
Cong. P. Mink
Cong. B. Blaz
Cong. E. F. H. Faleomavaega

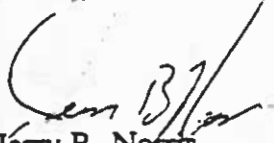
Sincerely,

11-6-91
Date of Approval

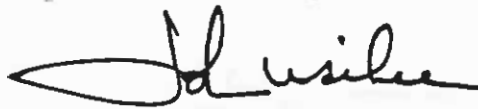

LORENZO I. DE LEON GUERRERO
President and Governor of
Commonwealth of the Northern
Mariana Islands


JOSEPH F. ADA
Vice President and
Governor of Guam

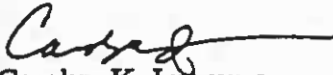
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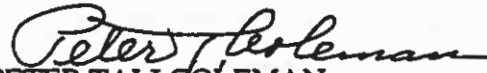
Jerry B. Norris
Executive Director



JOHN WAIHEE
Secretary and
Governor of Hawaii



Carolyn K. Imamura
Director of Planning
and Programs



PETER TALI COLEMAN
Treasurer and
Governor of American Samoa



Pacific Basin Development Council

Suite 325 • 567 South King Street • Honolulu, Hawaii 96813-3070
Telephone (808) 523-9325 Facsimile (808) 533-6336

Enzo I. DeLeon Guerrero
Minister
of the
Mariana Islands

November 6, 1991

Joseph F. Ada
Secretary
of the
Commonwealth
of the
Northern
Mariana
Islands
The Honorable Robert A. Mosbacher
Secretary of Commerce
14th Street and Constitution Avenues
Washington, DC 20230

Dear Secretary Mosbacher:

Peter Tali Coleman
Minister
of the
Northern
Mariana
Islands

We are writing to solicit your support in resolving a major conflict that has arisen between the Office of Ocean and Coastal Resource Management (OCRM) and our governments over provision of Section 309 of the Coastal Zone Reauthorization Act of 1990. As you may be aware, the American Flag Pacific Island Governments, along with other coastal states, object strongly to OCRM's interpretation of certain provisions of the Act as reauthorized.

The coastal zone management programs in our jurisdictions, although very small in terms of number of personnel and levels of funding, are extremely important for the effective management of our coastal resources. Because of this, our governments strongly endorse the enhancement of coastal zone management programs through the spirit of Section 309 and the provision of additional Federal funding. However, we fear that the course OCRM has taken in the development of guidance for the implementation of Section 309 may, in fact, undermine our existing programs rather than enhance their effectiveness. Our governments, along with the governments of the coastal states, have tried, with no success, to reason with OCRM on the issue of funding Section 309 at the expense of Section 306 programs and the establishment of State-to-State competition for Section 309 grant funding.

The membership of the Coastal States Organization (CSO) recently adopted a resolution which outlines the concerns of the coastal states with OCRM's interpretation of Section 309. This resolution is just the latest of many attempts by coastal states to convince OCRM that Section 306 funding should not, in any way, be reduced in order to fund the Section 309 enhancement program and that competition among the states, territories, and commonwealths would be very counterproductive. The resolution also urges OCRM to broadly define "program change" [Section 309(b)] for the purposes of project eligibility.

We strongly endorse the provisions of the Coastal States Resolution on the CZMA Enhancement Grants adopted October 28, 1991. We also believe that while OCRM's current policies on the 309 enhancement program will adversely affect all coastal states, the American Flag Pacific Islands' (AFPI) coastal zone management programs will be more heavily impacted than other CZM programs.

The Honorable Robert A. Mosbacher

November 6, 1991

Page 2

The Coastal Zone Management programs in the AFPI have jurisdiction over virtually all development activities in our islands. Our program staffs are very small and any cuts in Federal funding for the core (Section 306) programs will have a significant impact on the ability of our governments to fulfill our Section 306 obligations. The amount of funding that may be available to our programs under Section 309, as outlined in the latest Section 309 guidance, will be very limited. The addition of "significant program changes," as envisioned for Section 309 funding eligibility by OCRM, could seriously overburden our core programs. The development of a grant proposal that will be competitive with a proposal from a large mainland state will require a significant investment of very limited staff resources and, quite frankly, we find the notion of inter-state competition antithetical to the spirit of the Federal--"state" partnership established through the Coastal Zone Management Act.

Over the last decade, the Governors of the AFPI and their Coastal Zone Managers have forged an important relationship in recognizing our unique island circumstances. In August of 1991, the National Governors' Association (NGA) meeting in general session, noted that our islands were unique in both their coastal and ocean management activities. While we realize that each of our islands are unique, they do have a number of similarities that are very different from the U.S. Mainland states. Not only do we not wish to compete with the large coastal program on the mainland, we do not wish to see competition among CZM programs within our region.


We would like to solicit your assistance in convincing the Office of Ocean and Coastal Resource Management that our current CZM programs cannot accommodate additional onerous program change requirements, and that the concept of "state versus state" competition be completely eliminated. We also respectfully request that the OCRM re-establish its goals of assisting states, commonwealths and territories manage their resources in a spirit of partnership cooperation.

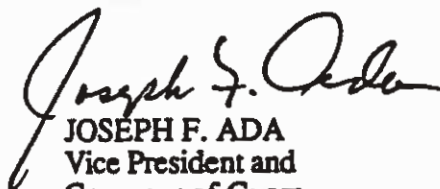
cc: John A. Knauss, Under Secretary/Administrator NOAA
Jennifer Joy Wilson, Assistant Secretary/Deputy Administrator NOAA

Sincerely,

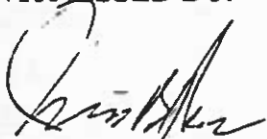
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Date of Approval


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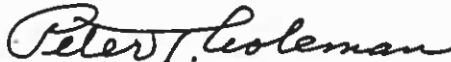
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and Programs



PETER TALI COLEMAN
Treasurer and
Governor of American Samoa

12-22-91



Miki ✓

STATE OF WYOMING
OFFICE OF THE GOVERNOR
CHEYENNE 82002

MIKE SULLIVAN
GOVERNOR

December 17, 1991

The Honorable Joseph F. Ada
Governor of Guam
Ufisinan 1 Maga'Lahi
Agana, Guam 96910 U.S.A.

Dear Governor Ada:

Thank you for your recent letter supporting the resolution before the Western Governors Association regarding the U.S. Department of Interior Inspector General's inappropriate audits of locally-generated and non-federal funds in U.S. commonwealths and territories.

As you may already know, the WGA unanimously approved the resolution offered by Governor Guerrero, and that expression of support for your position has been forwarded to the appropriate authorities. I think all governors, but especially those of us in the West, can appreciate the problem of unnecessary federal intrusion.

I hope this expression of support from your fellow Western governors will help you and your colleagues to forcefully pursue a satisfactory resolution of this issue, and if the WGA can be of further assistance, please let me or the WGA staff in Denver know. With warm regards and best wishes during the holiday season, I am

Very truly yours,

Mike Sullivan

MS:scf

P.S. You also have my best wishes in pursuing commonwealth status!



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Lorenzo I. DeLeon Guerrero
Governor of the
Northern Mariana Islands

Joseph F. Ada
Governor

John Waihee

Peter Tali Coleman
Governor of Samoa

RESTRICTION OF THE INSPECTOR GENERAL OF THE U.S. DEPARTMENT OF THE INTERIOR'S AUTHORITY TO AUDIT NON- FEDERALLY GENERATED FUNDS AND ACCOUNTS IN THE TERRITORY OF GUAM AND THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

WHEREAS, the Governors of the Territories of American Samoa and Guam, the Commonwealth of the Northern Mariana Islands, and the State of Hawaii, met in Annual Session of the Pacific Basin Development Council in Saipan; and

WHEREAS, the Governors recognize that the U.S. Department of Interior Inspector General's role is to review the expenditure of authorized, appropriated, or awarded Federal funds; and

WHEREAS, Federal legislation purports to grant the Inspector General of the U.S. Department of the Interior the authority to audit not only Federal funds but those funds, accounts, and programs of the Territory of Guam and Commonwealth; and

WHEREAS, no other Federal Inspector General has authority to audit revenues in the Territory of Guam and the Commonwealth, nor does any Federal Inspector General have authority to audit non-Federal funds, accounts, and programs in any State; and

WHEREAS, the issue of the Inspector General of the U.S. Department of the Interior's authority to audit non-Federally generated revenues is not conducive to harmonious inter-governmental relations; and

WHEREAS, the continuation of the Inspector General of the U.S. Department of Interior's authority to audit non-Federally generated funds, accounts, and programs in the Territory of

Guam and the Commonwealth is contrary to the often-stated Federal intention of promoting greater self-government and autonomy in the Territory of Guam and the Commonwealth; and

WHEREAS, the Territory of Guam and the Commonwealth have achieved sufficient technical sophistication to conduct internal audits of their own funds and programs;


NOW THEREFORE BE IT RESOLVED that we respectfully request that the authority of the Inspector General of the U.S. Department of the Interior be restricted to the audit of Federal funds in the Territory of Guam and the Commonwealth of the Northern Mariana Islands; and

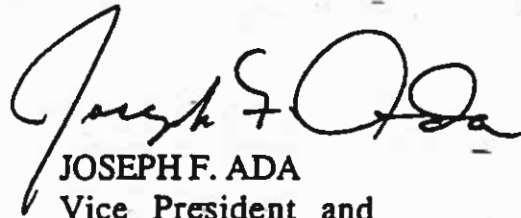
BE IT FURTHER RESOLVED that the appropriate legislative committees of the U.S. Congress take action to limit the Inspector General of the U.S. Department of the Interior's authority to audit in the Territory of Guam and the Commonwealth; and

BE IT FURTHER RESOLVED that copies of this resolution be forwarded to the President of the United States, Speaker of U.S. House of Representatives, President of the U.S. Senate, the Director of the U.S. Office of Management and Budget, the chairmen of appropriate Congressional Committees, the Congressional Delegations of the American Flag Pacific Islands, the Secretary of the U.S. Department of the Interior, and the Chairmen of the National Governors' Association and the Western Governors' Association.

APPROVED BY:

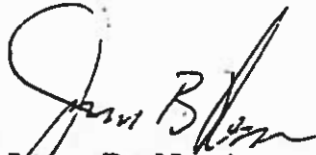
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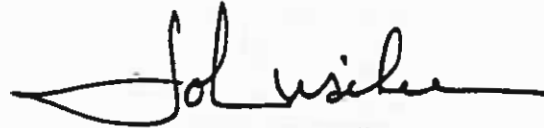


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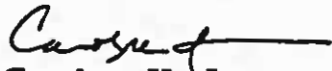
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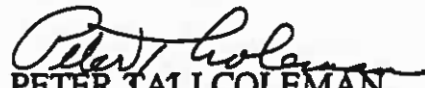
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Mr Lorenzo I. DeLeon Guerrero
Governor of the
Northern Mariana Islands

Mr Joseph F. Ada
President

Mr John Waihee

Mr Peter Tali Coleman
Governor of Samoa

RESOLUTION IN SUPPORT OF FULL STATE FUNDING FOR AMERICAN SAMOA AND THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS UNDER THE DRUG CONTROL AND SYSTEM IMPROVEMENT PROGRAM OF THE FEDERAL ANTI-DRUG ABUSE ACT OF 1986, AS AMENDED (1988).

WHEREAS, the Pacific islands continue to experience an increase in the use and trafficking of unlawful narcotics and other dangerous substances; and

WHEREAS, the Pacific islands have been used by neighboring countries (including Southeast Asian countries and the Philippines), as transit points for unlawful drugs and other dangerous substances entering Hawaii and the United States Mainland, and,

WHEREAS, a marked increase in the types and quantities of illegal narcotics and other dangerous substances have been noted in the Commonwealth of the Northern Mariana Islands, Guam, and American Samoa; and,

WHEREAS, the Pacific Basin Development Council and the island nations it represents seek to assist in whatever way possible in combatting the illegal use and trafficking of unlawful drugs and other dangerous substances within the Pacific basin; and,

WHEREAS, the Pacific Basin Development Council recognizes that the importation and abuse of illegal narcotics and other dangerous substances are not conducive to the progression, improvement, and well-being of the Pacific basin cultures and people; and,

WHEREAS, the Federal Government has considered the Commonwealth of the Northern Mariana Islands and American Samoa as a "full state" for purposes of determining the funding allocation available under the Anti-Drug Abuse Act of 1986; and,

WHEREAS, the Commonwealth of the Northern Mariana Islands and American Samoa each received federal formula drug funds available under the Anti-Drug Abuse Act of 1986 which were equal to or greater than the minimum amount allocated for each participating state in Fiscal Years 1987 and 1988; and,

WHEREAS, the U.S. Congress amended the federal Anti-Drug Abuse Act in 1988 and amended the eligibility of the Commonwealth of the Northern Mariana Islands, American Samoa, and Guam to be jointly considered as "one state" for purposes of determining the funding allocation with the Northern Marianas receiving only 17%, American Samoa 33%, and Guam 50% of a state share; and,

WHEREAS, Guam succeeded in regaining its full state status under an amendment to the Anti-Drug Abuse Act included in the Palau Compact of Free Association in Fiscal Year 1990; and,

WHEREAS, the Commonwealth of the Northern Mariana Islands and American Samoa continue to be treated as one state with the Commonwealth of the Northern Mariana Islands eligible for only 33% of a state share and American Samoa eligible for the remaining 67% of a state share; and,


WHEREAS, the Commonwealth of the Northern Mariana Islands and American Samoa desperately need the federal drug funds to enhance and retain their local drug control programs established to assist in the successful enforcement of their respective drug laws and in assisting the Nation in its battle to combat drug trafficking and drug use as outlined in the President's National Drug Control Strategy;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Pacific Basin Development Council hereby supports the efforts of the Government of the Commonwealth of the Northern Mariana Islands and the Government of American Samoa to regain their full state status under the federal Anti-Drug Abuse Act; and

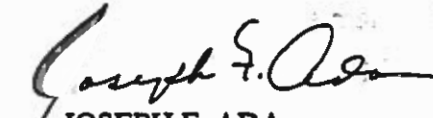
BE IT FURTHER RESOLVED that copies of this resolution be provided to the U.S. Attorney General, the American Flag Pacific Islands Congressional Delegations, appropriate Congressional Chairman of the Oversight and Appropriation Committees, and the National Criminal Justice Association


APPROVED BY:

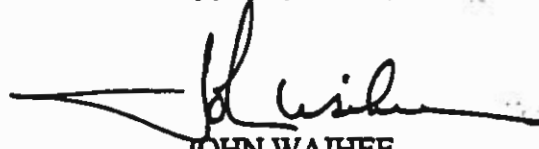
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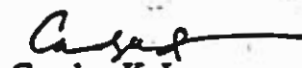

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