



Friends of the Earth

Taxpayers for  
Common Sense

U.S. Public Interest  
Research Group

20/20 Vision

Alliance for Nuclear  
Accountability

American Lands Alliance

American Rivers

Clean Water Action

Concord Coalition

Defenders of Wildlife

Environmental Voters

Mineral Policy Center

National Audubon Society

National Parks  
Conservation Association

National Priorities Project

Physicians for  
Social Responsibility

Public Citizen

Public Employees for  
Environmental  
Responsibility

Republicans for  
Environmental Protection

The Wilderness Society

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




# Green Scissors

## 2003

Cutting Wasteful

& Environmentally

Harmful Spending



**"The *Green Scissors 2002* report provides a common sense road map that allows us to protect the environment, cut wasteful spending and maintain the trust of the American people."**

In a letter sent by Representatives Earl Blumenauer (D-Ore.), Steve Chabot (R-Ohio), Rush Holt (D-N.J.), Christopher Shays (R-Conn.), Bob Filner (D-Calif.), Bernard Sanders (I-Vt.) and Robert Simmons (R-Conn.) on the release of the *Green Scissors 2002* report, May 24, 2002

*At a time of record budget deficits, fiscally wasteful and environmentally harmful spending continues to be rampant in Washington, D.C. Meanwhile, industry and its allies in Congress and the White House are demanding even more taxpayer dollars for programs that pollute our air and water, and scar our public lands.*

*As a defender of American taxpayers and the environment, the Green Scissors Campaign is standing up to polluting interests and fighting to cut wasteful and environmentally harmful spending from the federal budget.*

## Introduction

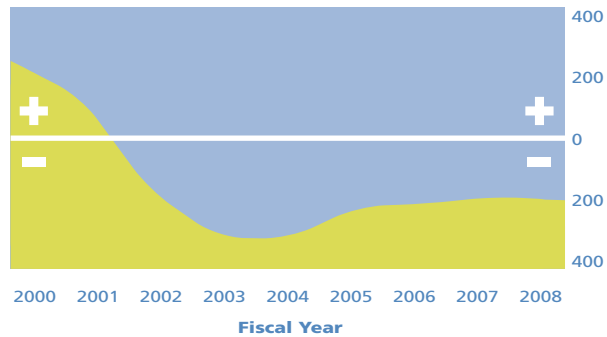
The Green Scissors Campaign calls on political leaders to make fiscal and environmental health a national priority. Instead of bowing to the pressure of corporate interests and jeopardizing the long-term economic stability of our domestic resource base, Congress and the administration should commit to eliminating environmentally harmful and fiscally wasteful programs.

Recommendations offered in *Green Scissors 2003* outline a clear path toward fiscal and environmental responsibility. It is time for the 108th Congress and the administration to implement the important spending cuts proposed in this report. *Green Scissors 2003* outlines 68 recommendations that would do much to protect our natural resources, reduce unnecessary government spending by more than \$58 billion, and help guide our nation towards a more sustainable economic and ecological future.

## Federal Surplus or Deficit

Fiscal years 2000 through 2008

In \$ billions



Source: The White House Office of Management and Budget

## A Call for Fiscal Responsibility

In the past three years, Congress and the administration have increased discretionary spending by almost 25 percent, while reducing federal revenues. Unfortunately, many of these spending increases have included funding for projects and programs that please special interests, but needlessly waste taxpayer dollars. During the same period, our national budget surplus of \$5.6 trillion has vanished and our nation now faces a \$1.8 trillion deficit over the next ten years. This massive and continuing draw on the federal treasury undermines our economic security and threatens the stability of essential government programs that many Americans rely on for their basic human needs.

Instead of rising to the challenge of fiscal responsibility, Congress continues to spend money without regard for its long-term effect. As such, we now face a projected federal deficit of more than \$300 billion for each of the fiscal years 2003 and 2004, with continued deficits totaling \$1.8 billion into the next decade. Given these downward trends, and with cost estimates of the war in Iraq in excess of \$80 billion, federal lawmakers should embrace every opportunity to cut unnecessary and harmful spending.

## A Call for Environmental Responsibility

While the government's economic policies will leave its fiscal ledgers in the red for another ten years, its environmental policies are proving no less damaging. Indeed, it is as if the administration and Congress are colluding to undermine environmental protections — one tearing down long enshrined environmental laws, and the other dipping into the public purse to dole out massive handouts to polluting industries.

The environmental impacts of these devastating policies are just as stark as the economic ones. More than 131 million Americans

live in areas where smog pollution makes their air unsafe to breathe, and every year over 45,000 lives are cut short by air pollution. Thirty years after the Clean Water Act was enacted, more than 40 percent of our rivers, lakes, and estuaries remain unsafe for swimming and fishing. The National Academy of Sciences estimates that every year 60,000 children may be born at a significantly increased risk of neurological defects primarily due to mothers eating mercury-contaminated fish. Logging, mining, road building, and other development activities have destroyed more than half of our national forests. Scientists throughout the world agree that global climate change looms as a devastating threat to the future of the planet.

Despite these distressing trends, Congress continues to fund industries and programs that put undue pressure on our health, our environment, and our economy. At a time in history when security is on the minds of all Americans, our leaders appear to be actively working to cultivate financial and environmental insecurity. This report details the appropriate steps that can place us on an alternate path.

## The Campaign

Led by Friends of the Earth, Taxpayers for Common Sense, and the U.S. Public Interest Research Group, the Green Scissors Campaign works with Congress and the administration to end wasteful and environmentally harmful spending. With strong bipartisan support, the campaign has succeeded in cutting funding for wasteful federal programs by more than \$26 billion.

## Green Scissors 2003 Methodology

Members of the Green Scissors Campaign selected the programs in this report in consultation with a variety of experts and advocates from the field. The campaign evaluated programs based on a combination of factors including: cost to taxpayers, negative environmental consequences, and current political status. Many of the programs highlighted in this report involve complex issues, and are part of a broader debate. The recommendations offered here were developed in consensus with Green Scissors coalition members.

The published *Green Scissors 2003* report is structured to give a brief analysis of each program, and is grouped by category — agriculture, energy, international and military, public lands, roads and highways, and water. Full-page articles that offer a more in-depth analysis of Green Scissors recommendations can be found online at [www.greenscissors.org](http://www.greenscissors.org). The organizations and coalitions championing these reforms are excellent sources of additional information on these issues. To learn more about a given project, please consult the contact persons listed for each issue.

Additionally, while we are pleased with the diversity of issues covered in *Green Scissors 2003*, we would like to acknowledge that this report is not a definitive list of environmentally harmful and fiscally wasteful federal programs.

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## How Savings Are Estimated

Unless otherwise indicated, the figures in *Green Scissors 2003* represent a project's total cost to federal taxpayers over the life of the project. Where this information is not available, the savings are estimated based on the five-year program cost (i.e. multiplying the current year cost by five). Where appropriate, a distinct and suitable time period is used in place of a five-year estimate. Because of the many variables involved in arriving at a precise dollar value for each of these programs, savings figures are generally intended to be illustrative rather than definitive. These are conservative estimates, and program phase-in periods are usually not accounted for unless Congressional Budget Office estimates are used.

"\$N/A" is used for recommendations for which no reliable savings estimate is available, or when funding mechanisms are complex and indirect, and thus difficult to discern.

## New to Green Scissors 2003

*Green Scissors 2003* reflects our most recent research and responds to current events and initiatives, adding four new programs to the list this year. New issues profiled are:

- Factory Farm Subsidies
- FreedomCAR Initiative
- Stewardship Contracting for Forests
- Tennessee Valley Authority's Browns Ferry Nuclear Power Plant

## Choice Cuts

Among the 68 programs and subsidies described in *Green Scissors 2003*, the Green Scissors Campaign selected seven priorities or "choice cuts" for immediate reform or elimination. These programs include:

- Advanced Fuel Cycle Initiative
- Apalachicola-Chattahoochee-Flint River Navigation Systems
- Bonneville Power Administration
- Indianapolis-to-Evansville (I-69) Highway (Indiana)
- Oil Royalty Exemptions
- Superfund Reauthorization
- Timber Roads Construction

## Victories

Working together, taxpayers and environmentalists have proven that they can beat special interests and pork barrel politics-as-usual. During the 107th Congress, the Green Scissors Campaign won two massive victories that saved taxpayers billions of dollars, prevented degradation of our national waterways, and stymied a multi-billion dollar government give-away to nuclear and fossil fuel industries.

### Defeat of the House and Senate Energy Legislation

During the 107th Congress, energy issues dominated the nexus between environmental and taxpayer issues. The Green Scissors Campaign scored a major victory by helping to kill energy legislation proposed by the administration and voted on in Congress. The energy bill passed by the House of Representatives (H.R. 4) would have handed out more than \$28 billion to the fossil fuel and nuclear power industries. The Senate energy bill would have given away more than \$10 billion to the same industries. The House of Representatives and the Senate were unable to agree on the final energy legislation before the end of the Congress. Although this was an important victory, Congress continues the energy debate. In April 2003, the House of Representatives passed HR. 6, the Energy Policy Act of 2003, and the Senate is beginning debate on similar legislation. Both the House and Senate bills threaten to give billions of dollars to the oil, gas, coal, and nuclear power industries.

### Defeat of the Army Corps of Engineers Authorizing Bill

In 2002, the House of Representatives attempted to pass the Water Resources Development Act (WRDA) to authorize Army Corps of Engineers' (Corps) projects. However, the proposed legislation ignored a host of reform proposals that had previously been brought to the Transportation and Infrastructure Committee's attention in both legislation and testimony. Instead, the bill would have greatly expanded unnecessary subsidies by authorizing nearly \$4 billion worth of new water projects. At the same time, the legislation did nothing to correct serious problems with the Corps' planning process, which include a lack of accountability and oversight resulting in unjustifiable projects that waste taxpayers' dollars and damage the environment. The Green Scissors Campaign and other Corps reform advocates were able to stall this biennial legislation in 2002 because congressional committees failed to include real reform for the embattled agency. Although a victory, WRDA and Corps reform are likely to be key issues in the 108th Congress.

# Feeding at the Trough

## Factory Farm Subsidies

The Environmental Quality Incentives Program (EQIP) is a Department of Agriculture program intended to provide assistance to farmers and ranchers seeking to improve the environmental quality of their operations. The program was created to deliver real conservation benefits, but recent legislation undermines EQIP by allowing it to subsidize Concentrated Animal Feeding Operations (CAFOs), some of the largest livestock operations. These wasteful factory farms, which confine thousands of animals to one facility, are among the nation's biggest polluters and are operated by some of the agriculture industry's biggest corporations.

## Green Scissors Proposal

Prohibit EQIP assistance from funding any livestock operation that exceeds 1,000 animal units.

## Current Status

The Farm Security and Rural Investment Act (2002 farm bill), authorized \$11.6 billion over ten years for EQIP and lifted a cap on the size of livestock operations that could qualify for assistance. The change enables CAFOs for the first time in the program's history to receive up to \$450,000 over six years. During consideration of the farm bill, the late Sen. Paul Wellstone (D-Minn.) successfully offered an amendment that placed reasonable limits on the subsidization of factory farms, but most of the provisions were stripped in conference.

## Program Hurts Taxpayers

Concentrated animal feeding operations are operated by some of the country's largest corporations. EQIP was intended to assist smaller operators, not to subsidize agribusiness giants for the cost of doing business. As a result of the changes to EQIP in the 2002 farm bill, American taxpayers could end up footing the bill for these corporations' expansion of factory farming, even in risky areas such as floodplains.

## Program Hurts the Environment

Concentrated animal feeding operations cause severe water pollution. These operations generate massive amounts of animal waste, which are either stored in giant open-air lagoons or sprayed over cropland. Leaks, spills, and runoff caused by CAFO waste disposal pollute ground and surface water with harmful bacteria such as cryptosporidium. According to the Environmental Protection Agency, hog, chicken and cattle waste has polluted 35,000 miles of rivers in 22 states and contaminated groundwater in 17 states.

Concentrated animal feeding operations pollute the air. Animal waste contains nitrogen, which is released into the air from manure lagoons, and aerial spraying. Studies have shown that residents living near CAFOs suffer from higher than normal rates of respiratory illnesses.

Concentrated animal feeding operations contribute to harmful antibiotic resistance. CAFO operators use antibiotics like penicillin on healthy animals. This practice creates antibiotic resistant bacteria, threatening the health of humans who depend on antibiotics to treat serious illnesses.

## Contacts

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"...EQIP money was never designed to subsidize the expansion of livestock operations."

Senator Tom Harkin (D-Iowa), December 16, 2001, during debate over the 2002 farm bill



COURTESY VIVASA.ORG

\$634 million

# A Free Ride

## FreedomCAR Initiative

In January 2002, Secretary of Energy Spencer Abraham announced the \$1.2 billion FreedomCAR (Cooperative Automotive Research) program to fund research into hydrogen fuel cells for cars. The program is intended to reduce vehicle emissions of greenhouse gases and other pollutants and end the United States' dependence on petroleum. FreedomCAR is a revamped version of the failed Partnership for A New Generation of Vehicles (PNGV), started by the Clinton administration, and consists of joint research between the federal government, Ford, General Motors, and Daimler-Chrysler. The purpose of FreedomCAR is to create an affordable passenger vehicle that has a hydrogen fuel cell engine within the decade.

The FreedomCAR program lacks any meaningful benchmarks for evaluating the progress of the research funded. In fact, hundreds of millions of taxpayer dollars will be spent with no requirement that auto manufacturers ultimately produce a hydrogen-powered car.

## Green Scissors Proposal

Terminate the FreedomCAR program. The Congressional Budget Office has estimated that this will save taxpayers more than \$634 million over the next five years.

## Current Status

During his 2003 State of the Union address, President Bush announced an addition to the FreedomCAR program, called FreedomFuel. FreedomFuel would invest federal research dollars

into developing infrastructure to support hydrogen fuel. The administration proposes spending \$1.7 billion on these two programs over the next five years. The administration's fiscal year 2004 budget requests \$158 million for the FreedomCAR program.

## Programs Hurt Taxpayers

This program is corporate welfare for major U.S. auto manufacturers. Without appropriate benchmarks, major auto manufacturers may utilize taxpayer-funded research without ever perfecting or even using fuel-cell technology in a commercially viable way. This is exactly what happened with PNGV; despite spending over \$1.25 billion from 1995-1999, U.S. auto manufacturers did not reach their goal of an affordable 80-mpg car.

## Program Hurts the Environment

The auto industry and the administration are using FreedomCAR to block more aggressive pollution reducing regulations. Automakers use FreedomCAR as a shield against raising Corporate Average Fuel Economy (CAFE) standards, which would reduce oil consumption and pollution.

There are more cost-effective ways to cut greenhouse gases now. A commercially viable hydrogen-powered car will not be available for at least a decade. Environmental groups believe that raising the fuel efficiency standards for passenger cars and light trucks is a far more immediate and cost-effective way to reduce pollution.

Additionally, the administration plans to obtain hydrogen from dirty energy sources such as coal, nuclear, oil, and gas, negating the potential environmental benefits from hydrogen fuel.

## Contacts

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“Rather than forcing American citizens to pay for this program for years to come, why not let private sector firms use their entrepreneurial talents to discover new ways to design and produce more fuel-efficient automobiles? When federal bureaucracy replaces American ingenuity, it can only result in a stagnant, stifled economy. Private businesses should be encouraged to flourish on their own; they should not be locked into a cooperative that answers to and relies on subsidies from the United States government.”

National Taxpayers  
Union Issue Brief 142,  
*FreedomCAR: A Realistic  
Goal — Or Just Another  
Subsidy?*, Dariel Colella,  
Feb. 21, 2003



# The Great Timber Experiment

## Stewardship Contracting for Forests

Stewardship contracting is the first step toward placing the management of federal lands in the hands of private timber interests. This program allows the Department of Agriculture's U.S. Forest Service and the Department of the Interior's Bureau of Land Management (BLM) to use taxpayer-owned trees as payment for services such as road building, prescribed burning, watershed restoration, or any other regularly contracted activities. It also authorizes many other provisions that undermine the fiscal accountability of federal land management agencies.

Historically, stewardship projects were funded through general service contracts and revenue generated through timber sales. Due to continued reductions in timber sales and unreliable appropriations, the Forest Service introduced a five-year stewardship contracting demonstration program in 1999 to test alternative funding mechanisms and increase administrative efficiency of these projects. Unfortunately, many of the practices utilized in these pilot projects make it nearly impossible to track financial losses, undermining Congress' ability to monitor spending. As of 2002, there were 84 pilot programs underway. Most pilot projects are still in the early stages of implementation. To date, only five have reached completion reporting few if any accomplishments.

In 2003, Congress tacked a rider onto the fiscal year 2003 Omnibus Appropriations Act that drastically expanded the pilot program to a ten-year program applicable to more than 450 million acres of Forest Service and BLM land. Expansion of stewardship contracting sets a dangerous precedent by expanding untested authorities in the management of our public lands.

## Green Scissors Proposal

Repeal the stewardship contracting program as passed by the 2003 Omnibus Appropriations Act and allow the current pilot demonstration program to run its full five-year course. No extension of the stewardship contract program should occur until evaluation of the 84 pilot programs is complete. Additionally, any provisions that permit removal of the largest, most fire-resistant trees for commercial profit or limit agency accountability for taxpayer dollars should be eliminated.

## Current Status

The 2003 Omnibus Appropriations Act expanded stewardship contracting from a limited demonstration program on Forest Service land to a ten-year program of unlimited projects applicable to both Forest Service and BLM lands.

## Program Hurts Taxpayers

Stewardship contracting is the first step towards privatizing the management of public lands, reduces congressional and public accountability and oversight of federal funds, and establishes another off-budget trust fund. With the Forest Service's history of money losing timber sales and poor fiscal accountability, expansion of the untested stewardship program as well as reductions of congressional oversight is likely to lead to additional taxpayer losses. Special interest provisions that have been added to the program through the 2003 Omnibus Appropriations Act will further encourage the extraction of under-valued taxpayer timber. One provision will allow timber companies to pick the trees they log rather than government officials, which could lead to bigger, more profitable trees being cut; another will allow logging companies to trade trees for services they provide to the federal government. These and similar provisions will make it nearly impossible to evaluate and monitor the financial costs of stewardship contracts and related timber extraction, setting the stage for massive increases in logging subsidies and undercutting the Forest Service's ability to account for the public resources with which it is entrusted.

## Program Hurts the Environment

More than half of our national forests have been degraded through poor management, and an emphasis on timber sales instead of preservation. The stewardship program would make this problem worse by giving the timber industry even more control over national forest management. This program could dramatically increase the amount of logging in our national forests, resulting in increased water pollution, habitat destruction and reduced opportunities for recreation such as hiking, hunting and fishing.

## Contacts

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"[F]ew [stewardship pilot programs] have actually operated long enough to produce an adequate or reliable basis for final assessment. Preliminary experience to date has already identified a number of substantial issues and obstacles in how the expanded [stewardship contracting] authorities are applied and/or implemented, suggesting the possible need for significant adjustments before they are made permanent."

FY2002 National Team Report, *USDA Stewardship Contracting Pilots*, Pinchot Institute, December, 2002, p. 3

# Nuclear Brownout

## Tennessee Valley Authority's Browns Ferry Nuclear Power Plant

Established in 1933, the Tennessee Valley Authority (TVA) is the nation's largest public power company. TVA services the southeastern United States, including almost all of Tennessee and parts of Mississippi, Kentucky, Alabama, Georgia, North Carolina, and Virginia. TVA wants to spend at least \$2.1 billion of its \$30 billion in federal borrowing authority to restart an antiquated and troubled nuclear reactor that has been idle for 17 years. The 1960s-vintage reactor at Browns Ferry located near Decatur, Alabama, started generating electricity on the banks of the Tennessee River in August of 1974. In 1985, TVA closed the three units of the Browns Ferry plant after admitting to the Nuclear Regulatory Commission that its architectural drawings did not match the physical layout of the plants, posing potential safety and security problems. In 1991 and 1995, respectively, TVA restarted Units 2 and 3 of the Browns Ferry site.

### Green Scissors Proposal

Congress and the administration should reject proposals by TVA to restart Browns Ferry reactor Unit 1. This will cost at least \$2.1 billion with no guarantee that TVA can restart the reactor.

### Current Status

In May 2002, TVA's Board approved restarting Browns Ferry Unit 1 despite having no business plan.

"TVA may lack the money needed to make Browns Ferry Unit 1 fit into either the operating plant or permanently closed plant categories. It will cost a lot to do the work necessary to bring Unit 1 into the 1990's and back into compliance with the requirements of its operating license."

David Lochbaum,  
Union of Concerned  
Scientists, in testimony  
given before the Nuclear  
Regulatory Commission,  
October 26, 1998

### Project Hurts Taxpayers

The \$2.1 billion restart costs (including interest) will add to an already overwhelming debt load. TVA currently holds \$25.4 billion in debt, and is approaching the \$30 billion debt cap established by Congress.

In March of 2002, TVA walked away from a \$360 million gas-fired power plant project after spending \$150 million on its development. TVA cited, in part, insufficient market demand to justify continued development of the gas plant. The Browns Ferry reactor would put twice as much power into the market as the gas plant that TVA already said was unnecessary — but at five times the price. This would waste taxpayer dollars.

### Project Hurts the Environment

Aging nuclear plants are more likely to experience mechanical problems. In addition to restarting the Browns Ferry reactor, TVA also proposes boosting Unit 1's generating capacity from 1,050 megawatts to nearly 1,300 megawatts and extending the reactor's operating license, currently scheduled to expire in 2013, for an additional 20 years. This threatens public health and safety.

The containment system for the Browns Ferry Unit 1 is of notoriously weak design which makes it vulnerable to accidental over-pressurization and over-temperature accidents as well as deliberate acts of sabotage from the crash of general and commercial aircraft.

As the nation's largest utility, TVA is the nation's second largest emitter of nitrogen oxides and the third largest emitter of sulfur dioxide and carbon dioxide. Restarting Unit 1 will reduce funds available to install controls on old coal-fired power plants.

### Contacts

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COURTESY TVA

# Nuclear Alchemy

## Advanced Fuel Cycle Initiative

The U.S. Department of Energy (DOE) has expanded its dubious quest to reduce the toxicity and volume of nuclear waste. The Advanced Fuel Cycle Initiative (AFCI) combines particle accelerators, new types of nuclear reactors, and a nuclear fuel reprocessing technology known as “pyroprocessing.” Pyroprocessing is a vestige of the nuclear breeder reactor program killed by Congress in 1994. The DOE continues to throw money at reprocessing spent nuclear fuel in the U.S., despite the fact that reprocessing is too expensive to commercialize and increases the threat of spent commercial fuel to the environment. This program also counters a long-standing U.S. policy, established under the Ford administration, which prohibits reprocessing spent fuel because of nuclear proliferation risks.

## Green Scissors Proposal

Terminate the AFCI program, saving at least \$315 million over the next five years.

## Current Status

In February 2003, Congress appropriated \$58 million for this program — three times the amount requested by DOE. The administration request for fiscal year 2004 is \$63 million. While the program continues to grow, the DOE has yet to provide a cost-estimate or timeline for completion. The House energy bill, passed on April 11, 2003, authorizes \$399 million to this program over the next four years, while the Senate energy bill currently authorizes \$860 million over five years.

## Project Hurts Taxpayers

The capital outlays for AFCI are outrageously large. In 1999, DOE estimated that this program alone could cost the United States as much as \$280 billion to implement over 118 years. While DOE has retracted that estimate, it has yet to provide any new calculation of how much this risky experiment will cost taxpayers.

This concept includes technologies that are uncompetitive and will prove very costly to taxpayers. Proponents have compared the cost of this program to sodium breeder reactor technologies, which were terminated because they were uncompetitive. The Organization for Economic Cooperation and Development suggests that employing spent fuel treatment and transmutation on a commercial scale would add at least ten percent to the overall cost of electricity.

This project is corporate welfare. If this were an economically feasible method of dealing with nuclear waste, the nuclear industry would develop it on its own.

## Project Hurts the Environment

DOE acknowledges that the project will not obviate the need for a repository. Far from solving the nuclear waste problem, these messy and expensive processes to extract plutonium from irradiated nuclear fuel create difficult-to-manage radioactive waste streams of their own.

Pyroprocessing increases the risk of nuclear proliferation. A National Academy of Sciences report, commissioned by DOE, explained that the process “could be redirected to produce material with nuclear detonation capability.” The report also raised questions about interim storage of the waste streams and other aspects of pyroprocessing.

## Contacts

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“This is a lot of money to wager on the successful completion of such an extremely complex enterprise, especially when the net gain calculation is based on uncertain economic and technical assumptions.”

Kazimi et.al. A Review of the LANL Project on Accelerator-Driven Transmutation of Waste (ATW), Massachusetts Institute of Technology, February 20, 1998



# A Boondoggle for Barges

## Apalachicola-Chattahoochee-Flint River Navigation

The Apalachicola-Chattahoochee-Flint (ACF) River Navigation system through Florida, Alabama, and Georgia is a small part of the inland waterway system operated and maintained by the U.S. Army Corps of Engineers (Corps). Although the ACF River system is virtually unused by ships and barges, federal taxpayers spent \$12.9 million in fiscal year 2002 year to maintain it. The dredging of this river system and disposal of sediment along the riverbanks destroys aquatic habitat, smothers wetlands, and risks the productivity of the Apalachicola Bay estuary.

### Green Scissors Proposal

Decommission this underused navigation system, saving taxpayers an estimated \$12.9 million in operations and maintenance costs annually, or \$64.5 million over the next five years.

### Current Status

In 2000, then Representative Bob Barr (R-Ga.) and Senator Bob Graham (D-Fla.) investigated options to close the ACF to commercial navigation, but faced stiff resistance from other legislators from Alabama and Georgia. In July 2002, Senators Graham and Nelson (D-Fla.) introduced legislation to deauthorized maintenance on the Apalachicola River and authorized a study to aid river ecosystem recovery. Rep. Allen Boyd (D-Fla.) introduced an identical bill in the House of Representatives.

### Program Hurts Taxpayers

This virtually unused navigation system is a drain on the federal Treasury. Federal taxpayers spend over \$10 million annually to maintain the ACF River system despite the fact that an estimated two or fewer barges use the system each day.

A Congressional Budget Office (CBO) analysis from the early 1990's found that the ACF River system is one of the most highly subsidized navigation projects in the entire inland waterway system. In the study, the CBO calculated that ACF navigation cost more than 50 times the national average for navigation channels.

### Program Hurts the Environment

Dredging scours the river's bottom, and disposal of that dredge material has already smothered one-quarter of the Apalachicola's banks with mountains of sand, destroying key habitat and choking the area's rich tangle of sloughs, side channels, and wetlands.

The Corps' creation of "navigation windows" of high water to allow barge travel upstream also causes severe harm. Apalachicola sport fish have been in rapid decline since the practice began in 1990, and the April 2000 navigation window resulted in an almost complete failure of sport fish spawning along the entire Apalachicola River and reservoirs upstream. State and federal wildlife agencies have raised concerns over the loss of preferred habitats for federally protected fish and shellfish. The Apalachicola floodplain is a biological factory fueling Apalachicola Bay. It is one of the cleanest remaining estuaries in the Southeast. The bay is home to 15 percent of America's and 90 percent of Florida's annual oyster harvest. A decline of 50 percent to 75 percent in gamefish populations has been estimated near dredge material disposal sites.

### Contacts

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COURTESY EARTHJUSTICE

"Based upon our review and conversations with the Corps, I believe that maintaining navigation on the ACF is not economically justified or environmentally defensible."

Assistant Secretary of the Army Joseph Westphal in letters to Senator Bob Graham (D-Fla.), August 9, 2000 and Representative Bob Barr (R-Ga.), August 14, 2000

# Unplug the Subsidies

## Bonneville Power Administration

The Bonneville Power Administration (BPA) is a federal agency that sells approximately 45 percent of the electricity consumed in the Pacific Northwest and owns about 75 percent of that region's transmission lines. BPA markets power from 31 federally owned hydroelectric projects in the Pacific Northwest as well as one large nuclear plant at rates often substantially lower than those in other regions of the country.

In recent years, BPA's financial stability has deteriorated. Poor fiscal management and planning, drought conditions, volatile energy markets, and a history of extremely low rates and special deals with preferred customers have created more than a \$1 billion shortfall in BPA's budget. The shortfall is forcing BPA to reevaluate its electricity rates set in 2001, fish and wildlife funding, and annual payment to the federal treasury.

## Green Scissors Proposal

Deny BPA additional access to taxpayer dollars until the completion of an independent financial audit.

## Current Status

In February 2003, Congress passed the fiscal year 2003 Omnibus Appropriations bill (H.J. Res. 2) that contained \$700 million in additional borrowing authority for BPA. On passage of the borrowing authority, Senator John McCain (R-Ari.) announced the need to seek an independent audit of BPA finances. In March 2003, Representatives David Hobson (R-Ohio) and Peter J. Visclosky (D-Ind.), chairman and ranking member of the House Appropriations Subcommittee on Energy and Water Development, requested a General Accounting Office review of BPA's finances.

## Project Hurts Taxpayers

BPA imposes a significant financial burden on U.S. taxpayers. According to its 2002 Annual Report, BPA currently has more than \$13.6 billion in debt, including over \$7.4 billion owed directly to the federal treasury and an additional \$6.2 billion in liability for debt to non-federal bondholders of failed nuclear power plants. Despite this contribution from federal taxpayers, the benefits of BPA's federal hydropower accrue to only one region of our country.

BPA is in a financial crisis. After accounting for taxpayer subsidies and debt restructuring, over the past two years, BPA has lost more than \$1 billion. The financial shortfalls have lead BPA to project a 36 percent probability that it will make the agency's annual payment, and only a 2.4 percent chance of meeting all its payments through fiscal year 2006 to the federal treasury and other creditors.

Like other power marketing administrations, BPA sells power at cost, primarily to customers (public utilities, investor-owned utilities, and the direct service industry) in the Northwest. At cost power is often a benefit for Northwest utilities, though surplus power is regularly sold outside the region at market based rates.

The federal dams that generate electricity for BPA are the primary cause of decline of endangered salmon in the Columbia and Snake rivers, inflicting approximately 80 percent of human-caused mortality for lower Snake River runs. Should the dams force salmon into extinction, federal taxpayers could be liable for billions of dollars in legal settlements with the Columbia River Basin treaty tribes and Canada. A recent report by the Government Accounting Office found "little conclusive evidence" that current efforts were helping to recover fish. BPA's salmon-funding cuts will only make a bad situation worse.

## Project Hurts the Environment

BPA has cut the budgets for energy efficiency and renewable energy programs. Power rates must be sufficient to allow BPA to meet all its environmental and legal obligations.

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

BPA cut more than \$40 million in vital salmon restoration funds in fiscal year 2003 to help alleviate financial shortfalls due to poor fiscal management. More drastic cuts are likely in fiscal years 2004-2006.

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

## Contacts

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"The more I've learned, the more I realize that Bonneville has a terrible record of fiscal accountability and is facing a financial crisis of its own making."

Senator John McCain (R-Ari.) in February 13, 2003 statement on final passage of H.J. Res. 2

# The Pork Barrel Polka

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

The proposed 140-mile all-new I-69 extension would go from Indianapolis to Evansville, Indiana at a cost of more than \$1.7 billion. Federal taxpayers would pay 80 percent, or \$1.4 billion. The highway is one segment of the proposed 1,000-mile "Mid-Continent NAFTA Superhighway" linking Canada with Mexico, which would cost taxpayers between \$6 and \$10 billion.

Indiana residents do not support the new highway. An unprecedented coalition of farmers, conservationists, local business people, elected officials, and taxpayer groups are opposing it. Sixteen Indiana newspapers — including those in Indianapolis, Gary, and South Bend — have editorialized against it.

### Green Scissors Proposal

Block federal funding for the all-new I-69 extension. Instead upgrade existing highways, saving approximately \$680 million.

### Current Status

In Summer 2002, Indiana released the draft Environmental Impact Statement for the I-69 corridor. In November, the coalition fighting the new terrain I-69 presented the state with 16,000 comments from people opposed to the new highway, and 138,000 petition signatures. On January 9, 2003, Governor Frank O'Bannon announced he preferred the same new-terrain route for I-69 that he and the

Department of Transportation (INDOT) had been pushing for over ten years. Governor O'Bannon is spending \$12.1 million for studies in an effort to justify the same boondoggle route panned by NBC News as a "Fleeing of America" and opposed by local and state elected officials. INDOT expects to finish the first of two environmental studies on the route late this year.

### Project Hurts Taxpayers

At \$1.7 billion in estimated total cost, Governor O'Bannon's preferred route is one of the most expensive options for extending I-69 in Indiana. An independent analysis found that other, far less costly routes would provide virtually identical transportation and economic benefits to Indiana.

There is a much less expensive and destructive alternative to an all-new highway — the "Common Sense" route using Interstate 70 and an upgraded U.S. 41. This would save taxpayers at least \$680 million. Travel time from Evansville to Indianapolis would be only ten minutes longer than travel time on the new road.

### Project Hurts the Environment

The project would destroy almost 7,000 acres of farmland and forests, more than any other project in Indiana, and lead to sprawl development. Indiana is already losing farmland faster than any other major farm state except Texas.

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

### Contacts

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"Hundreds of millions of federal tax dollars that Indiana could use for other pressing transportation needs are at stake. So are wetlands, forests, farms and communities whose value only begins to be expressed in dollars. Tempting as it is to put the I-69 battle in the past, Indiana's future demands that it grind on."

*Indianapolis Star* editorial; January 10, 2003

# Drilling a Hole in the Treasury

## Oil Royalty Exemptions

When oil and gas companies drill on federal land or outer continental shelf waters, they pay a royalty to the federal government for use of the land and extraction of the public resource. These proceeds go to the federal Land and Water Conservation Fund and state public education budgets, as well as to the general treasury. States received more than \$3.7 billion from oil royalty payments in the last five years. Oil royalty exemptions will only place more pressure on states already facing budget deficits in the range of \$70 billion to \$85 billion for fiscal year 2004.

In recent years, oil and gas companies have spearheaded two proposals that would dramatically reduce what these companies are paying to drill on public lands and the outer continental shelf. The first industry proposal, otherwise known as royalty in kind, would allow oil and gas companies to pay royalties to the federal government in the form of oil or gas, instead of cash. The other proposal grants exemptions from paying royalties on wells drilled in the Gulf of Mexico below 400 meters, as well as onshore marginal wells that produce less than 30 barrels per day.

## Green Scissors Proposal

Reject proposals that authorize royalty in kind payments and royalty exemption for marginal wells and wells drilled on the outer continental shelf. Rejecting these proposals would save taxpayers \$700 million and \$102 million, respectively.

## Current Status

In April 2003, the House of Representatives passed the Energy Policy Act of 2003 (H.R. 6) that authorized the federal government to take royalty in kind. The bill also exempts marginal well operators and operators of certain wells drilled in the Gulf of Mexico from paying royalties.

After two and a half years, the Department of the Interior is reopening rules that required oil companies to pay royalties based on the fair-market price of oil. The department's Minerals Management Service (MMS) claims that "technical issues" need refinement. In 2000, the Green Scissors Campaign successfully defended the proposal to force the oil industry to pay royalties based on market prices.

## Program Hurts Taxpayers

Oil on federal land is a taxpayer asset that should be managed in a way that provides a fair return to taxpayers.

Royalty in kind payments lose taxpayers money. A 1998 General Accounting Office (GAO) report notes that mandating a royalty in kind would cost taxpayers between \$140 million to \$367 million annually. The Congressional Budget Office determined that the marginal wells and off-shore drilling royalty exemption provisions in H.R. 6 will cost \$102 million over the next five.

Two royalty in kind pilot projects have failed, both losing significant revenue compared to traditional royalty programs. A January 2003 GAO report concluded, "MMS [Mineral Management Service] will be unable to determine whether royalty in kind sales generate more or less revenue than traditional cash royalty payments ..."

Royalty exemptions for drilling in the Gulf of Mexico are not a primary driver for offshore drilling. According to John O'Keefe of Oryx Energy Company, the "genesis of deep-water exploration is that it is under explored ... the discoveries you are likely to make are much larger than in shallower waters. That's the real attraction. The royalty holiday is an enhancement, but it's not the reason for deepwater drilling." Many oil companies already explore deep-water reserves for the potential revenue they will receive; as such, federal funds are not needed to encourage further exploration.

## Program Hurts the Environment

Royalty exemptions reinforce existing programs that subsidize an inefficient and environmentally damaging oil industry. Oil drilling often leads to the release of oil and other toxic materials that contribute to the destruction of sensitive ecosystems. Oil refining is a major source of chemical releases reported through the U.S. Toxics Release Inventory. According to Union for Concerned Scientists, the oil industry spills 31,000 gallons of oil into U.S. waterways every day.

Oil royalty exemption and royalty in kind place cleaner fuel sources at a market disadvantage, discouraging the development of new alternatives to fossil fuel energy. The burning of fossil fuels contributes to air pollution, smog, and global warming. Subsidizing the oil industry only encourages the development and misuse of the dirty fuels that promote these problems.

Royalty exemptions can shortchange the Land and Water Conservation Fund. A portion of revenues from oil royalties is dedicated to this special fund for acquisition and conservation of natural places and habitat. Without these oil royalty revenues, state environmental protection efforts will suffer.

## Contacts

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"The incentives [royalty relief] contained in this section are far too generous. They are not in the public interest. They will not provide for our energy security. Further, none of these provisions was contained in President Bush's report on Energy Policy. Indeed, this title is an oil and gas producer's dream, but it is a taxpayer's nightmare."

Thomas Petri (R-Wis.) in opposing the royalty relief provisions in H.R. 4., *Congressional Record*, August 1, 2001

# Polluters Must Pay

## Superfund Reauthorization

Congress created the Superfund program in 1980 in response to growing public concern about the effects of toxic waste sites like New York's Love Canal. This landmark program helps remediate contaminated sites and was founded with a core principle in mind: polluting industries, not taxpayers, should foot the bill for cleanups.

The Superfund program is backed up by revenue from a trust fund, which is tapped for cleanups when the government cannot identify the responsible parties or when the responsible parties refuse to pay. Superfund's "polluter pays" fees include those levied on corporations and fees on the purchase of chemical and petroleum products. The fees generated \$1.5-\$2 billion annually for cleanups, and the trust fund reached a high of \$3.6 billion in 1995. Unfortunately, in the same year, the Superfund fee system lapsed, and Congress has failed to reinstate it. The trust fund is now dwindling, more of the cleanup burden is falling on taxpayers' shoulders, and the pace of cleanups has declined dramatically.

## Green Scissors Proposal

Make those associated with potentially polluting industries and those purchasing and using toxic chemicals — not taxpayers — pay to clean up toxic waste sites. Reinstating a Superfund fee system will help ensure the burden of cleanup does not fall where it is least appropriate: on average taxpayers. Reinstating the Superfund fee will raise \$5.8 billion over the next five years.

## Current Status

The administration has failed to request reinstatement of Superfund's fee system for three years running. In the summer and fall of 2002, Senator Jeffords (I-Vt.), Chairman of the Environment and Public Works Committee, wrote to the administration requesting a list of sites impacted by the failure to reinstate the fees. The ensuing EPA Inspector General's report showed that in fiscal year 2002, 55 Superfund sites in 25 states received partial or no funding. In its 2004 budget request, the administration requested \$1.39 billion for the Superfund program, expecting taxpayers to shoulder approximately 80 percent of program costs. In contrast, the last year before the Superfund fee system expired, taxpayers paid only 18 percent of program costs. There are bills in both the House and Senate to reinstate Superfund's fee system.

Senators Frank Lautenberg (D-N.J.), Barbara Boxer (D-Calif.), and Lincoln Chafee (R-R.I.) offered an amendment to the fiscal year 2004 budget resolution to reinstate Superfund fees. The amendment failed 43 to 56.

## Project Hurts Taxpayers

Taxpayers should not have to clean up toxic waste sites created by private industries. Superfund seeks to ensure that polluters responsible for environmental degradation pay for site cleanup costs. Without reinstatement of the Superfund fees, the billions necessary to cleanup toxic sites will come from taxpayers, while industry shirks its responsibilities. Industry has avoided paying about \$4 million a day, totaling over \$10 billion since the Superfund fees expired in 1995.

Failure to reinstate Superfund fees would give big petroleum corporations a double taxpayer-funded subsidy. Congress authorized a per-barrel petroleum tax as part of the Superfund fees, but in return exempted oil companies from liability under the Superfund law. Unless Congress reinstates the fees on petroleum products, these big oil companies will continue to be exempt from liability and cleanup costs.

## Project Hurts The Environment

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

The pace of cleanups has declined dramatically. During the final four years of the Clinton administration, an average of 85 contaminated sites were cleaned up annually. In the first three years of the Bush administration, an average of only 43 Superfund sites will be cleaned up per year; a decrease of nearly 50 percent. As a result, more toxic sites will languish while waiting for adequate funding for cleanup.

Other environmental programs may pay the price. With less money available from the Superfund trust fund, an increasing share of cleanups is paid for with general revenue. The higher the taxpayer share climbs, the more Superfund will be forced to compete with other critical environmental programs for funding, especially in a time of budgetary belt-tightening.

## Contact

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

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

# The Great Tree Robbery

## Timber Roads Construction

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

In 1998, members of the House and Senate Appropriation Committees agreed to eliminate the "Purchaser Road Credit" (PRC) program, which enabled timber corporations to receive trees from our national forests in exchange for building logging roads, from the Interior Department's fiscal year 1999 budget. Despite elimination of PRCs, Congress continues to appropriate funding to subsidize the engineering and design costs associated with timber road construction.

## Green Scissors Proposal

Cut all funding for construction, planning and design of new logging roads, saving approximately \$34.6 million annually or \$173 million over five years.

## Current Status

In fiscal year 2002 the Forest Service spent almost \$62.3 million on road construction, including direct appropriations, purchaser roads, and purchaser elect roads. The administration's fiscal year 2004 budget request has projected these costs to be around \$34.6 million for the construction and reconstruction of roads to access timber sales.

However, for the time being, most road building in roadless areas is prohibited by the Roadless Area Conservation Rule, but the administration has announced its intentions to revise the rule and is moving forward with most plans for road building in roadless areas, particularly in Alaska's Tongass National Forest.

## Program Hurts Taxpayers

Taxpayers should not pay for the timber industry's cost of doing business. According to the General Accounting Office (GAO), taxpayers paid over \$387 million to construct timber roads from fiscal year 1992 to fiscal year 1997. Additionally, there is already an estimated backlog for maintenance of existing roads of around \$10 billion.

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

## Program Hurts the Environment

Forest roads continue to cause significant impacts to grizzly bear security and other wildlife such as elk. Roads fragment habitat, disrupt wildlife-migration routes, and destroy scenic beauty.

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

## Contacts

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

*Cleveland Plain Dealer, June 1998*

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# Agriculture

The federal government spends billions of dollars each year on agricultural programs that were established during the Great Depression. These programs were originally intended to support domestic crop production by stabilizing farm income, propping up agricultural prices at levels above world market rates, and controlling the production of designated crops. Over time, however, the original goals of these programs have been distorted. Now, instead of supporting the livelihood of the small family farmer, these programs benefit large corporate farms, and place massive and unnecessary costs on the American taxpayer. Additionally, many of these programs encourage the use of environmentally harmful agricultural practices such as over-production, farming on marginal lands, and intense chemical use.

In 2002, Congress passed the Farm Security and Rural Investment Act (2002 farm bill), which reinstated flawed farm policies from the past, and increased agriculture spending by more than 50 percent. This was seen by many as a disingenuous attempt by a number of farm-state lawmakers to bring home the bacon in an election year; leaving many to question the true motives behind the current direction of U.S. farm policy. By offering taxpayer-financed crop subsidies, some of which increase in proportion to crop acreages; large farms are encouraged to increase production in order to receive additional federal funds. This incentive has created a cycle that leads the largest growers (and subsidy recipients) to buy as much land as they can from smaller, independent family farm operations that can no longer compete with them for business. This is surely not the end result our Depression-Era lawmakers intended.

Listed below are highlights from seven federal agricultural programs targeted by the Green Scissors Campaign. The Green Scissors Campaign is targeting these programs for elimination or significant reform. Full descriptions of the programs and the Green Scissors recommendations can be found at [www.greenscissors.org/agriculture](http://www.greenscissors.org/agriculture).

## Cotton Program

**\$N/A**

According to the Farm Service Agency, producers of upland cotton received more than \$5.5 billion in government payments between 1996 and 2000. The 2002 farm bill extends the U.S. Department of Agriculture's (USDA) cotton program for another 10 years by providing fixed direct payments (payments made irrespective of market prices or current planting choices), counter-cyclical payments (that would kick in should commodity prices go below a certain target price), and marketing assistance loans and related loan benefits.

Cotton production uses many pesticides that pose long-term threats of birth defects, cancer, and other serious health prob-

lems to human and animal life, and requires a great deal of water, most of which comes from irrigation systems. At the same time, poor farmers in other countries using traditional agricultural methods are driven into poverty by prices depressed through U.S. government intervention.

## Irrigation Subsidies

**\$2.2 billion**

Major portions of federal irrigation subsidies now flow to some of the world's richest farmers. To ensure that these subsidies go to small family farms rather than to corporate farms, federal law limits the amount of land any farmer can irrigate with federally subsidized water to 960 acres. However, the General Accounting Office (GAO) has repeatedly identified problems in enforcing these acreage limits. Irrigation subsidies waste millions of taxpayer dollars by assisting corporate agribusiness instead of family farms. They hurt the environment by encouraging inefficient water use and by destroying precious wetlands and wildlife populations. The Green Scissors Campaign proposes applying a means test to recipients of subsidized irrigation water. Any operation with gross income over \$500,000 should pay full cost for water. This would save taxpayers approximately \$440 million to \$1.1 billion annually.

## Market Access Program

**\$865 million**

The Market Access Program (MAP) is administered by the Foreign Services Department of the U.S. Department of Agriculture to promote the overseas marketing of U.S. agricultural products. MAP funds consumer promotions, market research, trade shows, advertising campaigns, and other pro-



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grams designed to subsidize the sale of high-value products in foreign markets by private cooperatives, trade associations, and businesses. In fiscal year 2003, the program provided huge subsidies to trade associations that represent some of the largest and most powerful corporations in America, including \$2.4 million to the U.S. Poultry and Egg Export Council, \$2.8 million to the U.S. Grains Council, and \$4.9 million to the American Forest and Paper Association. MAP encourages some of the most environmentally harmful forms of agriculture, from bioengineered crops to logging in our national forests to factory farms with severe animal waste problems.

## Mohair Subsidies

**\$N/A**

Mohair is wool made from goat hair. During World War II, U.S. soldiers wore uniforms made of mohair wool. Worried that domestic producers could not supply enough for future wars, Congress enacted loan and price support programs for wool and mohair in 1954. In the early 1990s, nearly 100,000 wool and mohair producers received benefits worth hundreds of millions of dollars per year. In 1994, Congress phased out the outdated mohair program, saving about \$200 million a year. However, in the fiscal year 1999 Omnibus Appropriations bill and in the fiscal year 2000 Agriculture Appropriations bill, mohair producers once again became eligible to receive interest free loans and related loan benefits. Additionally, spending legislation in 2000 and 2001 provided direct payments to wool and mohair producers for crops yielded in 1999 through 2001. In 2002, the Farm Security and Rural Investment Act (2002 farm bill) eliminated direct payments, but reauthorized marketing assistance loans, and related marketing loan benefits for mohair producers at a rate of \$4.20 per pound. Government support of mohair production encourages overgrazing of goats, which contributes to erosion and degradation of riparian areas and the siltation and pollution of waterways. Subsidies to mohair producers should be eliminated so that the market can dictate mohair production and prices instead.

## Peanut Program

**\$1 billion**

The peanut program was originally created to provide temporary controls over the domestic supply of peanuts and to protect the income of peanut producers. The 2002 farm bill took steps toward reforming the Depression-era peanut program by eliminating past provisions for peanut marketing quotas with a buyout system that compensates quota owners for the lost asset value of their quotas. However, the bill still retains subsidies for the crop in the form of marketing assistance loans, fixed-direct payments, and counter-cyclical payments. The General Accounting Office (GAO) estimates that the current peanut program will cost almost \$3.5 billion over a ten-year period. The GAO also found that while this program will

initially reduce the cost to peanut consumers, any savings will be offset by an increase in federal spending for subsidies to peanut producers. Peanuts rank as one of the highest pound-per-acre crops for treatment with herbicides. Because the program encourages farmers to plant peanuts on the same land each year, it discourages crop rotation and, therefore, increases reliance on chemical fertilizers.

## Sugar Program

**\$N/A**

The U.S. Department of Agriculture's (USDA) federal sugar program provides price supports for domestic sugar producers through marketing allotments, non-recourse loans and related loan benefits, tariff rate quotas, and a sugar storage facility loan program. A June 2000 General Accounting Office (GAO) report estimated that the sugar program costs consumers about \$1.9 billion in 1998. One of the more costly of these subsidies is the non-recourse loan and loan benefits program, which supports domestic sugar prices by offering loans to sugar processors where future sugar crops serve as collateral. However, if the market price of sugar drops below the loan rate, producers can simply forfeit their crops or pay back to the government only what the sugar is worth on the market at the time of repayment. At periods during 2002, the USDA was sitting on so much forfeited sugar that it cost taxpayers more than \$1 million a month just to store it. The 2002 farm bill extended the sugar program so that 42 percent of the sugar benefits will continue to go to the most profitable one percent of large corporate sugar farms. Sugar production in southern Florida has disturbed the fragile Everglades ecosystem by disrupting water flow and dumping pollutants like phosphorus into the waterways. Ending non-recourse loans will eliminate the government costs associated with storing forfeited sugar.

## Wildlife Services Livestock Protection Program

**\$75 million**

The U.S. Department of Agriculture's (USDA) Wildlife Services Program offers a significant subsidy to the western livestock industry. The total operational budget for the Wildlife Services Program approved for fiscal year 2003 was \$69 million. A portion of the program spends nearly \$15 million annually to control predators for western ranchers. Despite extensive research on non-lethal methods of predator control conducted by the USDA's National Wildlife Research Center, Wildlife Services kills hundreds of thousands of wild animals. However, the Livestock Protection Program has not significantly reduced livestock losses due to predation.

# Energy

Every year, the federal government spends billions of dollars to subsidize the use and production of polluting forms of energy. These subsidies include tax breaks, government funded research and development, exemptions from paying taxpayers for extracting resources from public lands, and insurance schemes that cap the fiscal liability of the nuclear power industry in the case of an accident.

These subsidies are going to some of the nation's wealthiest and dirtiest companies, leaving a trail of pollution in their wake. Every year the United States burns more than 900 million tons of coal, releasing more than 51 tons of mercury and two billion tons of carbon dioxide into the air. According to the Union of Concerned Scientists, the oil industry spills 31,000 gallons of oil into U.S. waterways every day. Meanwhile, nuclear power has left a legacy of 41,000 metric tons of highly irradiated nuclear waste, for which there is no safe disposal option.

The bulk of government assistance in the energy sector has been directed to the nation's most profitable and dirtiest energy sources. For example, between 1948 and 1998, the federal government spent \$111.5 billion on energy research and development programs. Of this amount, 60 percent, or \$66 billion, was dedicated to nuclear energy research, and 23 percent, or \$26 billion, was directed to fossil fuel energy research.

The administration proposed and Congress debated energy legislation in the 107th Congress that would have increased the subsidies given to these mature and profitable energy sources. The Green Scissors Campaign helped to defeat these efforts. Unfortunately, in April 2003, the House of Representatives passed H.R. 6, the Energy Policy Act of 2003, which authorizes billions of dollars in new subsidies for the coal, oil and gas, and nuclear power. As the report went to press, the Senate was considering legislation that would also dramatically increase taxpayer handouts to mature and polluting energy sources.

Below is a brief summary of the energy programs targeted by the Green Scissors Campaign. Unless otherwise noted, the Green Scissors Campaign is seeking to cut the entire program. For a complete description of the Green Scissors proposals go to [www.greenscissors.org/energy](http://www.greenscissors.org/energy).

## "Clean Coal" Programs

### \$750 million

Since 1984, Congress has allocated more than \$1.8 billion in federal subsidies to the coal industry through the "Clean Coal" Technology Program (CTTP). This program subsidizes private industry in its effort to develop cleaner burning coal technologies by matching

research investments with federal funds of up to 50 percent. So-called "clean coal" projects waste millions of taxpayer dollars each year on duplicative research that the coal industry can conduct with private sector funding or that has already been done.

In an effort to resuscitate the "clean coal" technologies program, the House energy bill (H.R.6) authorizes \$1.8 billion for the President's Clean Coal Power Initiative. The Senate energy bill also includes the first-ever tax break for investment and production utilizing "clean coal" technologies. These tax breaks will cost taxpayers over \$2 billion dollars, and will result in increased mercury and global warming related pollution. The fiscal year 2003 Omnibus Appropriations bill (H. J. Res. 2) contained \$150 million for the "Clean Coal" Power Initiative. Despite this continued outpouring of federal taxpayer dollars, no program has ever demonstrated coal to be anything other than a threat to public and environmental health and a waste of taxpayer money.

## Coal Research and Development

### \$794 million

Historically, coal has received substantial public funding through the U.S. Department of Energy's (DOE) Research and Development (R&D) programs. DOE supports research into technology programs for producing, refining, and burning coal products. Coal R&D projects are another form of corporate welfare that are benefiting an energy source that significantly contributes to acid rain and greenhouse gas build-up in the atmosphere. In April 2003, the House of Representatives passed H.R. 6, the Energy Policy Act of 2003. The bill authorized \$1.3 billion over the next four years for coal research and development.

## 'Low-Level' Radioactive Waste Promotion & Support Service

### \$900,000

This Department of Energy (DOE) program develops nuclear waste disposal policies, as well as promotes new radioactive waste dumps for private industry. In 2000, Congress cut this program from DOE's budget, representing a victory for taxpayers, and environmentalists. The victory, however, was short lived as Congress restored funding last year.

The nuclear industry should be responsible for the costs of managing radioactive waste, and there is no need to use taxpayer dollars to assist the industry in developing new waste dumps. This program supports the creation of waste sites that could potentially threaten public and environmental health.

## MOX Power Reactors

### \$600 million

The administration has requested \$400 million for fiscal year 2004 for site preparation and continued construction of a mixed oxide (MOX) fuel fabrication facility in South Carolina, which will pro-

duce fuel for use in a commercial nuclear reactor. MOX is a mixture of weapons-grade plutonium and uranium, and is touted as the best way to dispose of 34 metric tons of surplus plutonium in the U.S. stockpile. However, using MOX to fuel nuclear reactors will reduce the stability of reactor cores, requiring increased expenditures on reactor modifications to restore the same level of control as with uranium fuel, and create its own trail of harmful radioactive waste.

The MOX program, which will cost \$4 billion, is a huge subsidy to the nuclear industry, as well as a grave threat to world security. In 2002, the Department of Energy officially rejected immobilizing the plutonium, which would have saved taxpayers \$600 million over the life of the program and be a much safer option for disposing of surplus plutonium. By ending the moratorium on U.S. plutonium fuel use in commercial reactors, the project undermines nuclear non-proliferation goals and could encourage other nations to pursue plutonium fuel cycles, increasing proliferation and security risks.

## **National Ignition Facility**

**\$5 billion**

The National Ignition Facility (NIF) is a DOE nuclear weapons project being constructed at the Livermore Laboratory in northern California. NIF is a mega-laser designed to blast a radioactive hydrogen fuel pellet with 192 laser beams in an attempt to create a nuclear fusion explosion inside a reactor vessel. Cost estimates for the construction of NIF continue to rise. In 1993, NIF's cost was estimated at \$677 million. In 2001, the General Accounting Office (GAO) estimated NIF's construction costs to be \$4.2 billion. That same year, an independent analysis of the project estimated that construction costs would be over \$5 billion, while the full 30-year life span of the project would cost more than \$32 billion. This extremely expensive program is behind schedule, billions of dollars over budget, will create radioactive waste, and undermines U.S. non-proliferation goals.

## **Nuclear Research and Development**

**\$375 million**

From 1948-1998, the federal government spent \$66 billion on nuclear research and development, yet the industry still remains a burden to taxpayers and the environment. Despite the nuclear industry's historic failure to supply safe, affordable energy, the administration continues to substantially invest in programs that support the industry. In 2003, the Department of Energy nearly quadrupled its budget for the Nuclear Energy Technologies program, which seeks to create "cost efficient technologies" that will assist industry in developing the next generation of nuclear reactors by 2010. Companies currently being funded under this program include Dominion, Entergy, and Exelon. After billions of

dollars of federally funded research, the same environmental problems remain: there is no safe way to dispose of the toxic wastes produced by our continued reliance on nuclear energy.

## **Nuclear Waste Fund Fee Adjustment**

**\$315 million**

To offset the costs associated with high-level nuclear waste generation, nuclear utilities pay into a fund to help cover the long-term costs of managing radioactive waste. Since 1983, this payment has been a flat fee of one-tenth of one cent per kilowatt-hour. However, this rate of contribution will not cover the costs originally anticipated, much less new and unforeseen expenses of waste disposal. Unless the fee is indexed for inflation and adjusted to cover additional nuclear waste costs, taxpayers will be liable for shortfalls in the fund. If the Nuclear Waste Fund fee were indexed for inflation, it would have saved taxpayers \$315 million between 1996 and 2000 alone. Without adequate funds, finding and implementing the safest and most acceptable solution to nuclear waste disposal will be impossible. Charging nuclear operators the full cost of nuclear-generated electricity helps to level the economic playing field for use of cleaner, safer, and more efficient energy sources.

## **Petroleum Research and Development Program**

**\$210 million**

The U.S. Department of Energy's (DOE) Oil Technology Research and Development Program focuses on the exploration and production of crude oil in the United States. Among the beneficiaries of the Oil Technology program are BP, ChevronTexaco, ExxonMobil and Marathon. The program's goals include the promotion and enhancement of oil drilling in the Alaskan Arctic and the Powder River Basin in Wyoming. This program uses millions of taxpayer dollars annually to subsidize the research of an already mature energy industry. Taxpayer dollars should not be spent to subsidize oil corporations that pollute the environment and threaten public health.

## **Plutonium "Pit" Manufacturing Project**

**\$5.75 billion**

The Department of Energy is constructing two facilities that will produce plutonium cores for nuclear bombs. Pits are the core of the first, or "primary" stage of a thermonuclear weapon and are the most difficult, expensive, and hazardous component of a nuclear weapon to fabricate. The first facility, located at Los Alamos National Laboratory (LANL) in New Mexico, is projected to build 20 pits/year by 2007, and up to 50 pits/year thereafter. The total price tag for construction is estimated by LANL at around \$1.75 billion.

The second facility will be the design, construction, and operation of a "Modern Pit Facility" (MPF), built to produce up to 450 pits/year. This facility would run in conjunction with the Los Alamos facility. This project is expected to cost up to \$4 billion, and is expected to come on line around 2018.

Processing and manufacturing plutonium is an extremely dangerous industrial activity. At the Rocky Flats nuclear weapons facility, hundreds of fires and other accidents contaminated a wide area, creating serious worker and public health problems.

### **Price-Anderson Act**

**\$/N/A**

The Price-Anderson Act, originally enacted in 1957, limits the liability of the nuclear industry in the event of a nuclear accident in the United States. The legislation was initially intended to provide investor confidence in what was viewed as a new and risky industry. However, over 40 years later, this mature industry still enjoys a massive subsidy that skews the true cost of nuclear power and potentially leaves taxpayers on the hook for damages from a severe nuclear accident. As it stands, if a nuclear incident were to occur, the nuclear industry would only be liable for public damages up to \$9.43 billion. However, a Nuclear Regulatory Commission (NRC) study estimated that damages from a severe nuclear accident could cost as much as \$560 billion in 2000 dollars. In such a case, the current industry liability of \$9.43 billion would represent less than two percent of the total costs. Furthermore, since current legislation provides no guarantee that victims would be properly compensated after an accident, it is likely that taxpayers would be left to pay for the human health costs in addition to the financial costs of the cleanup. The act is scheduled to expire in December 2003. The House energy bill extends Price-Anderson until 2017, while the current Senate energy bill extends the act permanently. Congress should repeal the act, forcing the industry to purchase full risk insurance on the private market.

### **Radioactive Release Subsidies**

**\$/N/A**

The Department of Energy (DOE) and the Nuclear Regulatory Commission (NRC) are using taxpayer money to encourage and allow the release of radioactively contaminated materials from nuclear sites into commercial use. DOE's National Center of Excellence for Materials Recycle was established in 1997 to "educate, promote and facilitate Radioactive Scrap Metal recycling and reuse." Although release of potentially contaminated metals is temporarily on hold, DOE is planning to release contaminated concrete from their facility in Oak Ridge, Tennessee. Meanwhile, the NRC is establishing rules that would permit radioactive metal, concrete, soil, asphalt, plastics, wood, among other contaminated

materials to make common daily-use items such as belt buckles, zippers, toys, buildings, playgrounds, furniture, jewelry, and more. This will result in unnecessary, increased public exposure to toxic chemicals. Taxpayer dollars should not be utilized to assist the nuclear industry in dealing with its waste problem.

### **Tokamak Fusion Reactors**

**\$1.16 billion**

Nuclear fusion research focuses on using different forms of hydrogen fuel, such as tritium and deuterium, in an attempt to generate energy that theoretically could be used to provide electric power. The Department of Energy (DOE) Fusion Energy Sciences program provides \$257 million in annual funding to operate two fusion reactors, build a new spherical torus reactor, and to participate in an exorbitantly expensive international collaboration (ITER) to build the largest experimental fusion reactor in the world. The U.S. has already spent more than \$10 billion over 40 years and tokamak reactors are still far from commercial viability. The total cost estimates for the ITER project rest at close to \$10 billion, for which the U.S. is expected to provide ten percent of the funding. Furthermore, tokamaks are unlikely to generate clean, affordable energy because they utilize radioactive tritium as a fuel, which generates large quantities of radioactive waste. A 1991 DOE policy memo ranking energy technology options on the basis of economics, market, and environmental risk, ranked fusion 22 out of 23.

### **Yucca Mountain High-Level Nuclear Waste Repository**

**\$460 million**

Despite widespread opposition from environmental and public interest organizations, Congress voted last summer to override the State of Nevada's formal objections and allow Department of Energy (DOE) to proceed with the Yucca Mountain Project. This plan involves transporting 77,000 tons of high-level radioactive nuclear waste through 44 states to be eventually buried within Nevada's Yucca Mountain. The program's total estimated cost has already soared to \$60 billion, nearly double the original projection, and will cost taxpayers and ratepayers \$460 million this year alone. The administration is now proposing to remove the program from the normal appropriations process, thereby shielding it from budgetary constraints. The project also raises an astounding list of environmental and safety concerns, not the least of which is that the site is cut by 33 earthquake faults and has been jolted by a 5.6 magnitude earthquake. In June 2001, the Environmental Protection Agency (EPA) finalized site-specific radiation protection standards for Yucca Mountain and settled for standards that are more lenient than the generic standards already in force for repositories. The U.S. Court of Appeals for the District of Columbia Circuit will hear three important cases in September 2003 involving DOE, Nuclear Regulatory Commission, and EPA regulations that were inappropriately weakened to allow the Yucca Mountain Project to proceed.

# International and Military

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

Below are several programs identified by the Green Scissors Campaign, which are wasting taxpayer dollars and harming the environment. Unless otherwise noted, the Green Scissors Campaign supports eliminating these programs. To view the entire Green Scissors proposal, please go to [www.greenscissors.org/other](http://www.greenscissors.org/other).

## Army's Chemical Weapons Incineration Program

**\$1.78 billion**

Although plagued by malfunctions, chemical agent releases, delays, and cost overruns, the U.S. Army continues to spend billions of dollars to destroy chemical weapons using incinerators. Since the program began in 1985, the estimated price tag for the Army's environmentally unsound incineration approach for disposing of chemical weapons has increased from \$1.7 billion to \$24 billion. The National Academy of Sciences and the Pentagon have approved safer and cheaper alternatives to incineration. In 2002, the Army finally abandoned incineration at two munitions storage sites in Colorado and Kentucky. Unfortunately, four sites around the country in Pine Bluff, Ark.; Umatilla, Ore.; Tooele, Utah; and Anniston, Ala., are still poised to burn their stockpiles of chemical weapons. Continued incineration of chemical weapons will drive up costs to taxpayers, and cause grave harm to the environment.

## Low Frequency Active Sonar

**\$N/A**

The U.S. Navy is proposing to deploy a system known as "Low Frequency Active Sonar" (LFA). This system, designed to illuminate enemy submarines, consists of 18 bathtub-size (approximately 180 feet in total length) transmitters designed to broadcast low frequency, high-volume sound waves into the surrounding waters. The sound levels produced by LFAs are approximately 100 times more intense than levels of industrial noise known to cause behavioral disruptions in gray whales.

After being stopped by a 2002 court injunction, the Navy is attempting to rewrite environmental laws to gain exemptions for the deployment of LFAs. Taxpayer investment in this defense system is unneeded, because the cold war era deep-sea submarine fleet that it was meant to detect has dramatically diminished.

## Navy's Extremely Low Frequency Transmitters Program

**\$65 million**

The Navy's Extremely Low Frequency Transmitters Program, known as Project ELF, is a Cold War remnant that was part of the communication system designed to launch and wage a submarine-based nuclear war. The Navy is currently planning to spend an additional \$2 million to improve this submarine communication system, which is located in Ashland County, Wisconsin. The ELF antenna uses three sites to jolt the bedrock with millions of watts of electricity. The jolting creates ELF radio waves, which eventually circle the Earth, reaching submarines wherever they go. Local residents and some scientists believe that electromagnetic pollution (EMP) has direct and adverse effects on human health.

## Multilateral Investment Guarantee Agency

**\$11 million**

The Multilateral Investment Guarantee Agency (MIGA) is an arm of the World Bank established in 1988 to provide political risk insurance to private corporations and banks investing in developing countries. Rather than supporting the World Bank's mission to alleviate poverty by promoting growth and creating jobs, MIGA instead underwrites the operations of many Fortune 500 companies. This corporate subsidy takes advantage of taxpayers, and an overwhelming percentage of MIGA's investments harm the environment. The agency has underwritten environmental disasters around the world, including a mine in Papua New Guinea that dumps toxic waste directly into the ocean, a gas pipeline in Bolivia that is fueling deforestation, and a mine in Guyana that experienced four cyanide spills in one year.

# Public Lands

In the 19th century, the federal government initiated policies to encourage the development of the western United States. These policies helped to make resource extraction from public lands cheap and easy. More than a 100 years later, the West has been developed, and resource extraction industries have matured to the point where they no longer need federal assistance. Nevertheless, many archaic federal land policies continue to exist and each year taxpayer dollars are used to subsidize destructive practices on public lands.

The Green Scissors Campaign supports the idea that public lands, and the resources therein, are assets held in trust for all citizens. The federal government should ensure that public lands remain a source of environmental wealth and should be managed to provide a fair return to all taxpayers. However, many enshrined federal public land programs waste billions of taxpayer dollars on extractive development and seriously damage ecosystems that were once pristine. For example, the 1872 Mining Law has allowed mining companies to take more than \$245 billion worth of precious minerals from public lands without paying a dime in royalties to taxpayers. Even more scandalous is the fact that taxpayers have been left with a \$32 to \$72 billion cleanup bill for the half a million polluted abandoned mine sites, more than 70 of which have been designated as Superfund sites.

Meanwhile, the U.S. Forest Service is effectively robbing the public purse while leaving a legacy of environmental destruction. Two reports released by the General Accounting Office (GAO) document that the Forest Service's commercial timber program lost more than \$2 billion between 1992 and 1997. More recently, the Forest Service announced numerous proposals that would reduce environmental analysis and opportunities for public involvement in the management of our national forests. Additionally, the administration has said it intends to propose changes to the widely popular roadless area conservation rule that protects 58.5 million acres of our last wild forests.

The issues highlighted below capture some of the most egregious examples of federal programs and policies that exact a heavy fiscal and environmental price. Unless otherwise noted, the Green Scissors Campaign opposes any funding for the following programs. For a complete description of our policy recommendations, go to [www.greenscissors.org/publiclands](http://www.greenscissors.org/publiclands).

## 1872 Mining Law

\$519 million

The General Mining Law of 1872 is a policy relic that provides billions of dollars in government subsidies to the hardrock mineral industry through the below cost sale of public lands and give-away of taxpayer-owned mineral resources. This policy differs from federal policy toward the coal, oil, and gas industries, all of which currently pay royalties for extracting minerals from public lands. Additionally, the 131-year-old law also allows a mining company to patent, or buy, mineral-rich public land for \$5 an acre or less — paying 1872 prices for land worth billions of dollars. The Mineral Policy Center estimates that the U.S. government has given away more than \$245 billion in mineral resources through patenting or royalty-free mining since 1872. Furthermore, provisions that require mining companies to post financial assurances to pay for the full cleanup costs of new mine sites could be weakened or eliminated by rule changes. As such, taxpayers will be liable for the future costs of mine cleanup. The 1872 Mining Law distorts the minerals market and elevates mining as the best use of the land, regardless of other potential uses. It also promotes environmental destruction of public land because it contains no environmental standards.



COURTESY MINERAL POLICY CENTER

## Land Exchanges

\$N/A

Public lands constitute a large percentage of the western United States and often surround or break up parcels of private land. Therefore, the U.S. Forest Service and Bureau of Land Management (BLM) frequently swap public land with privately owned land in an effort to even out borders and protect important natural resources. However, the review process agencies use to conduct the swaps is often misguided and inadequate.

Recent land exchanges have created a furor over the appraisal and environmental review processes conducted by federal agencies. In June 2000, the General Accounting Office (GAO) released a report charging that the Forest Service and BLM have undervalued federal land and overvalued land the government has obtained in trades from private interests. The report concluded that, too often, these land exchanges benefit private business interests at the public's expense. For example, when companies exchange their exploited lands with the federal government, they avoid cleanup obligations, thus sticking taxpayers with the cost of decommissioning logging roads and restoring damaged lands. The Green Scissors Campaign supports the GAO recommendations to implement a moratorium on land exchanges until these programs are fixed. A recent report by the Appraisal Foundation confirmed that government agencies are trading public lands at far below fair market value.

## Rangeland Reform

\$500 million

The public land grazing program administered by the U.S. Forest Service and the Bureau of Land Management (BLM) is highly subsidized, benefits only a tiny fraction of the nation's livestock operators, and, in recent years, has cost taxpayers more than \$100 million annually in direct costs alone. Below-cost grazing fees encourage overgrazing and, along with other problematic features of the existing federal program, have resulted in extensive and severe environmental damage to public lands.

On January 30, 2003, BLM announced its intention to rewrite the rules that govern its grazing program. The current grazing rules were adopted in 1994 by then-Interior Secretary Bruce Babbitt through a rulemaking process that involved extensive public participation and a comprehensive environmental review. The changes now under consideration would roll back several key provisions of the Babbitt rules; threaten to limit BLM's ability to balance livestock use with other uses; and hamper the ability of the public to participate in decision-making about these lands. For the fifth year in a row, Congress included a legislative rider on the fiscal year 2003 Omnibus Appropriations bill (H. J. Res 2), as well as on the fiscal year 2003 war supplemental that allows expiring BLM grazing permits to be automatically renewed without an environmental review. This year, Congress included the Forest Service in the rider for the first time.

## U.S. Forest Service Salvage Fund

\$69.3 million

The U.S. Forest Service Salvage Fund was created to expedite the removal of insect-infested, dead, damaged, or down timber. Revenues from 'salvage' sales are deposited in the Salvage Fund. This funding mechanism gives local forest managers an incentive to choose logging over other more environmentally benign management activities. For instance, instead of using prescribed burns to reduce the risk of insect outbreak, a forest manager may choose salvage logging in order to keep the resulting timber receipts. Logging often has greater impacts on wildlife, habitat, water quality, forest function, and scenic beauty than other management activities.

Additionally, the Forest Service is authorized to make expenditures from the Salvage Fund without an annual appropriations request, which gives Congress little ability to monitor and control this spending. In 2002, the Salvage Fund financed one-third of all logging on national forests completely free from congressional oversight. Many of these sales fail to cover significant portions of their costs. According to the Congressional Research Service, "[n]o Forest Service budget documents have identified transfers of excess collections from the Salvage Fund to the U.S. Treasury," as required by existing law. The amount allocated for this fund in fiscal year 2004 is approximately \$69.3 million.

## U.S. Forest Service Timber Sales

\$1.65 billion

The U.S. Forest Service's commercial timber sales program provides timber from our national forests to companies that cut and mill lumber or other wood products. Commercial timber sales on public lands lose money because the receipts paid to the government by the companies buying the timber do not cover all the costs associated with preparing and administering the sales. According to two General Accounting Office reports, the Forest Service lost more than \$2 billion of taxpayer money from the timber sales program between 1992 and 1997. Additionally, logging in national forests has eliminated many old growth forests and damaged habitat for numerous species such as salmon, grizzly bear, and wolf. Soil erosion and sedimentation caused by logging and road building is the most significant threat to fish and other aquatic organisms in our national forests. Erosion can also reduce the productive capacity of these lands, limiting regeneration of trees and other plants. If receipts for commodity timber sales in national forests were required to cover the expenses involved with preparing the sales, as well as related landscapes and watershed restoration, taxpayers would save more than \$330 million annually or \$1.65 billion over five years, and forest health would be more effectively maintained.

## Tongass National Forest

**\$150 million**

The General Accounting Office estimates that the United States government has spent more than \$500 million on industrial scale logging and related activities in Alaska's Tongass National Forest since 1992. Expensive and harmful logging and road construction in undeveloped Tongass watersheds was scheduled to end under the nationwide Roadless Area Conservation Rule adopted in early 2001. As of January 2003, the roadless rule was in force, but the Forest Service has indicated its intent to change the rule to lift protections from Tongass roadless areas. In addition, the timber industry successfully sued to eliminate land protections granted in the 1999 Tongass management plan. The Tongass is now being managed under a contested 1997 management plan that proposes building over 1,100 new miles of logging roads and clear cutting more than 85,000 acres of old-growth rainforest over a 10-year period.

The Tongass timber program is the biggest money loser in the national forest system. In 1998, the Forest Service lost \$33.7 million on Tongass logging — 37 percent of that year's losses for the entire national forest timber program. Any increase in expenditures is particularly unjustified given the low demand for Tongass logs. Though up to 267 million board feet per year could be logged, only 47.5 million board feet were sold in 2001. Last year, Congress added an additional \$10 million above the administration's request for Tongass timber logging and road building.

## University of Alaska Land Grab

**\$N/A**

In previous years, lawmakers from Alaska have introduced bills that would grant up to 500,000 acres of federal land to the University of Alaska to fund the university system. The bills would have given the University of Alaska 250,000 acres of federal land within Alaska, and allowed a land exchange of 250,000 additional acres of federal lands in Alaska if the state agreed to provide 250,000 acres of state land. This give-away is unnecessary because Alaska received 103 million acres at statehood — including Prudhoe Bay, the nation's richest oil field — and 186,000 acres in three separate land grants over the past century for higher education. Alaska has used Prudhoe Bay oil revenues to create a \$25 billion "Permanent Fund," from which it dispenses annual checks of more than \$1,200 to every citizen. Previous proposals would have given Alaska the right to select various environmentally protected and sensitive lands.

## Wildfire Management

**\$N/A**

The federal government should prioritize fire prevention and suppression efforts in the area where communities are immediately adjacent to fire-dependent ecosystems. Instead, federal agencies continue to fund often-counterproductive and inefficient fire prevention and suppression efforts with a blank check each year. Between fiscal years 2000 and 2002, over \$3 billion was spent on federal fire suppression alone. Unfortunately, too many taxpayer dollars are going towards cutting large, fire-resistant trees in back country areas, rather than protecting those communities at the highest risk of fire. Fire suppression costs will continue to rise if firefighting expenditures are not reviewed, and timber industry profits continue to be prioritized over the protection of human communities.

In 1995, federal land management agencies were required to develop Fire Management Plans for all land management units in order to help managers prioritize fire suppression, reduce fire-related costs, restore ecosystems, and keep firefighters out of harm's way. To help minimize the need for fire suppression, agencies perform hazardous fuels (i.e. small trees, shrubs, etc.) reduction projects to reduce the probability of future fires. In 2001 and 2002, the Forest Service and BLM abused this opportunity for wildfire prevention and put communities at risk by using much of this money to fund commercial timber sales.

Land management agencies can better utilize taxpayer expenditures on wildfire management and protect communities by: 1) Conducting hazardous fuels reduction projects in areas directly adjacent to communities that face the highest risk of wildfire; 2) Prioritizing fire suppression efforts so that fires that threaten homes and communities as well as those burning well outside pre-settlement ranges in endangered ecosystems or habitats are treated as top priority; 3) Implementing 100 percent of Fire Management Plans, incorporating ecosystem restoration and the use of prescribed and wildland fire to promote ecosystem health; 4) Performing post-fire reviews of all decisions to aggressively fight wildfires in order to evaluate the effectiveness of suppression strategies, use of resources, and hazards to firefighters; and 5) Requiring that hazardous fuels treatments have environmental safeguards.

# Roads and Highways

In 1998, Congress enacted the Transportation Equity Act for the 21st Century (TEA-21), which authorized federal transportation spending levels for six years. The bill resulted in a 40 percent increase in transportation spending, most of which was directed to excessive highway spending. TEA-21 is scheduled to expire in September 2003, which many believe will make this year, once again, the “year of the highway.” Indeed, preliminary proposals for the new bill would make the highway lobby the big winner.

In the House of Representatives, Rep. Don Young (R-Alaska), Chairman of the Transportation and Infrastructure Committee, has proposed transportation funding that carries a \$375 billion price tag over six years. Although it is unclear whether he will succeed in passing his proposal, it is a near certainty that wherever the dollar figure settles, the transportation bill will include a substantial amount of funding for several wasteful highway projects. TEA-21 earmarked over \$9 billion for 1,850 projects. Although most of these projects received minimal funding, a handful received tens of millions of taxpayer dollars.

Across the country, state highway departments are promoting huge highway projects despite the objections of local residents. Although half the nation’s roadways, and nearly 70 percent of urban roadways, were in poor, mediocre, or fair condition as of 2001, a disproportionate amount of highway funds continue to flow towards expanding roads or building new, expensive, and unnecessary projects. These projects, which carry a huge price tag, also exact a devastating environmental cost. Highway construction contributes to suburban sprawl by opening areas on the metropolitan fringe — areas that had formerly been difficult to reach by car — to development. The end result is the destruction of vast and increasingly scarce areas of open space, wildlife habitat, and agricultural lands. Nationwide, an area of farms, ranges, wetlands, and forests roughly the size of Virginia has been urbanized over just the last two decades.

The road projects cited in this report are only a handful of the environmentally harmful and wasteful projects that the federal government continues to fund. Unless otherwise noted, the Green Scissors Campaign opposes funding for these highways. A full description of our transportation proposals can be viewed at [www.greenscissors.org/transportation](http://www.greenscissors.org/transportation).

## Calhoun/Clarendon Connector

South Carolina

**\$83 million**

The Calhoun/Clarendon Connector is a proposed 2.8-mile, two-lane roadway. This project includes a 9.6-mile bridge that will span Lake Marion to connect two sparsely populated rural communities: Lone Star in Calhoun County and Rimini on the Clarendon/Sumter county line. The project will cost federal taxpayers at least \$83 million and will be built through the Upper Santee swamp, the largest unaltered and unprotected wetland area in South Carolina. The environmental disturbances ensuing from this project would harm migratory waterfowl patterns in the region, and potentially impact 21 acres of forested wetlands and degrade hundreds of more acres.

## Corridor H

Elkins, West Virginia and Strasburg, Virginia

**\$1 billion**

Corridor H is a proposed 100-mile, federal four-lane highway intended to “open up” West Virginia for economic development. The highway was originally slated to run between Elkins, West Virginia and I-81 at Strasburg, Virginia, but Virginia’s 1995 cancellation of the 14-mile easternmost segment forces the highway to terminate near the state line. The project cost would be at least \$1.6 billion, or about \$16 million per mile, and would damage pristine wilderness areas and historic towns.

## Highway Demonstration Projects

**\$9.3 billion**

Highway demonstration projects are generally specific construction projects requested by a member of Congress. Earmarked highway demonstration project funding is usually added to a state’s regular budget allocation for roads. These projects are typically not needed, often face significant citizen opposition and as such, are an unnecessary waste of taxpayer funds.

A 1991 General Accounting Office (GAO) report found that more than half of the projects reviewed were not included in state and regional plans. GAO found that many of these projects “provided limited benefits.” In addition, some demonstration projects reviewed would not have qualified for federal funding through the normal planning process.

## Houston Grand Parkway

Texas

**\$3.6 billion**

The Grand Parkway, Houston’s fourth outer freeway loop, would have a circumference of 177 miles and would be extremely distant from the city’s center. The federal government would pay 90 percent of the \$4 billion price tag, or \$3.6 billion. The highway will run through relatively undeveloped areas of the Katy Prairie

and the Cypress Creek watershed. The Katy Prairie is winter habitat for one of the densest concentrations of migratory waterfowl in North America. Construction of the highway and the resulting secondary development would severely impact this habitat and exacerbate downstream flooding. Furthermore, Houston already has two freeway loops and a road that is an almost complete third loop making the Grand Parkway redundant. In some sections the proposed fourth outer freeway loop would come within six miles of the third outer loop.

## **Inter-County Connector**

### **I-370 Maryland**

#### **\$1.1 billion**

The Inter County Connector (ICC) is a proposed six to 12 lane, 18-mile highway running from I-270 near Gaithersburg, Maryland to U.S. Route 1 near Laurel, Maryland. The ICC would cost at least \$1.4 billion, destroy precious forests and wetlands, damage communities, degrade Potomac River tributaries, worsen air pollution, and encourage sprawl. In 1999, Governor Parris Glendening declared he would not pursue the ICC, but would build its eastern and western thirds, and reserve its middle third for transit. However, newly elected Maryland Governor Robert L. Ehrlich, Jr. has made building the ICC his top priority. Recently, the U.S. Department of Transportation has decided to speed up a federal study on the traffic and environmental effects of building the ICC. A "fast-tracked" study may allow the road to sidestep environmental laws.

## **Loop Road Paving Project**

### **Wyoming**

#### **\$7 million**

The Loop Road Paving Project would pave and relocate 7.1 miles of the Lois Lake Road, a 28-mile dirt and gravel mountain road through the southeastern corner of the Shoshone National Forest in Wyoming. The upgraded road would cost more than \$1 million per mile to rebuild costing federal taxpayers \$7 million. Local organizations recommend spot improvements to the existing road instead of paving. The Federal Highway Administration (FHWA) released a Final Environmental Impact Statement (EIS) in 2001 and a Record of Decision for the Loop Road in 2002, calling for a "pave and reconstruction" alternative. The FHWA dismissed the spot improvement option even though the vast majority of public comments had requested limited improvements.

## **Route 6 Expressway**

### **Connecticut**

#### **\$432 million**

The Route 6 Expressway is a proposed 12-mile expressway in eastern Connecticut. This highway would cut through the Scituate Reservoir, the source of most of the state's drinking

water and an environmentally rich area. Both the Environmental Protection Agency's and the Army Corp of Engineers' Environmental Impact Statements have found the road proposals to be unsatisfactory. Construction of this expressway is expected to cost taxpayers \$432 million over the life of the project.

## **Route 710**

### **California**

#### **\$1.12 billion**

State Route 710 was first planned in 1949 as one in a series of freeways serving Los Angeles County, California. In 1973, the freeway was halted by a federal court injunction pending an adequate Environmental Impact Statement (EIS) by the California Department of Transportation. The injunction was renewed in 1998 pending litigation. This 4.5-mile, eight-lane urban freeway has a price tag of \$1.5 billion and would divide historic neighborhoods and destroy thousands of mature trees with no evidence of air pollution improvement.

## **Stillwater Bridge**

### **Minnesota**

#### **\$120 million**

Stillwater Bridge is a proposed nine-lane, 2/3-mile long bridge that would be built across the federally designated wild and scenic St. Croix River between Stillwater, Minnesota and Houlton, Wisconsin. The cost to the federal government is \$120 million or 80 percent of the \$150 million total project cost. Action on this project is on hold for the moment while the state and federal governments complete a Supplemental Environmental Impact Statement. In 2002, President Bush issued an executive order that placed Stillwater Bridge on a list of federal highway projects that should receive a streamlined review under the National Environmental Policy Act (NEPA). It is unclear how this will affect the outcome of the project.

## **Western Transportation Corridor**

### **Northern Virginia**

#### **\$N/A**

The \$1.5 billion, 50-mile Western Transportation Corridor (WTC) would run mostly through rural land from the Rappahannock River near Fredericksburg, Virginia to the Potomac River near Leesburg, Virginia. Since the region already has several north-south corridors with others under construction or being planned, this road is redundant. An Environmental Impact Study being conducted by Virginia Department of Transportation (VDOT) is still underway, even though VDOT slashed its road-building plans by one-third in 2002 due to lack of funding and chronic project cost overruns. According to the U.S. Environmental Protection Agency, the WTC, in comparison to the upgrade and linkage alternative, "has the potential to directly impact up to ten times the wetlands areas, [and] cross ten times the floodplain area."

# Water

Since the settlement of the West, and from the days of large public works projects of the 1930s and 1940s to the present, members of Congress have inserted unneeded water infrastructure projects into legislation for their home states and districts. Like authorizations for highways and military bases, these water projects — mainly built by the Department of the Interior's Bureau of Reclamation and the U.S. Army Corps of Engineers (Corps) — have no other purpose than to benefit local interests at the expense of the federal taxpayer. Many times, incredibly expensive projects that destroy valuable habitat are built when less costly alternatives exist. Since 1902, irrigation subsidies that are components of many of these projects have cost taxpayers an estimated \$70 billion.

No federal agency has a greater impact on the waters of the United States than the Corps. Corps civil works programs include construction and maintenance of locks and navigable waterways, the protection of coastal areas and beaches, harbor dredging, and flood control construction projects. The agency is a key lever for members of Congress to pull pork-barrel funding back to their district, and as a result, the Corps currently has a \$58 billion construction backlog of authorized projects waiting for congressional funding. Congress last passed Water Resources and Development Act (WRDA) legislation, authorizing Corps civil works projects, in 2000. The Green Scissors Campaign and other Corps reform advocates were able to stall this biennial legislation in 2002 because congressional committees failed to include real reform for the embattled agency.

Like the Corps, Bureau of Reclamation projects are often boondoggles authorized at the expense of both federal taxpayers and the environment. Efforts to reform the Bureau of Reclamation have stalled repeatedly. Legislation continues to advance for the construction of new dams, new irrigation schemes, and giveaways of public assets to private entities. In 2002, the Bureau of Reclamation celebrated its 100th anniversary in the midst of calls for the agency to reform its mission by halting the waste of taxpayer dollars and minimizing environmental degradation.

For almost a decade, the Green Scissors Campaign has championed reform of our nation's approach to water projects, eliminating unneeded irrigation and water infrastructure projects, increasing cost-shares for non-federal entities that benefit from federal projects, and decommissioning unnecessary, existing water projects. Unless otherwise noted, the Green Scissors Campaign advocates eliminating the following water projects. For full descriptions of these proposals visit [www.greenscissors.org/water](http://www.greenscissors.org/water).



COURTESY DOWLING PHOTOS

## Beach Renourishment

**\$3 billion**

Beach renourishment projects are the only projects the Army Corps of Engineers (Corps) builds knowing that they will fail because large storms and the ocean will eventually move the redeposited sand down- or off-shore. Taxpayers for Common Sense estimates that the cost of beach projects currently scheduled or proposed by the Corps will reach more than \$10 billion over coming decades. While federal taxpayers subsidize the majority of costs, benefits from beach renourishment projects are largely localized to private homeowners, owners of rental properties, and resort guests. Despite rules requiring public access to federally subsidized beaches, some coastal areas impose strict parking regulations, allow padlocked gates, and post 'no trespassing' signs near public beaches to discourage their use.

With respect to the environment, the pumping of sand necessary for beach "renourishment" or "replenishment" actually works counter to beach health by damaging natural beach functions that are critical for plants, wildlife, and storm protection. Further, beach renourishment promotes development on fragile, high-risk barrier islands, which increases both federal emergency payments for flood damages and impacts upon coastal wildlife. The Green Scissors Campaign advocates for a shift in a cost-burden by increasing the local cost-share for periodic beach renourishment from 35 to 65 percent, which would save taxpayers more than \$3 billion over coming decades.

## Big Sunflower River "Maintenance" and Yazoo Pumps Project

**\$250 million**

The \$62.5 million Big Sunflower River "Maintenance" project and proposed \$191 million Yazoo Backwater Pumps are designed to increase drainage of floodwaters in areas with low-lying agricultural land by deepening the Big Sunflower River in the lower Mississippi River Basin to speed drainage, and pumping floodwaters downstream over the Yazoo Backwater Levee. The Yazoo Backwater Pumps — which would be the world's largest pump assembly — are part of an Army Corps of Engineers (Corps) plan to "replumb" the Mississippi River Delta. Designed to subsidize marginal agriculture, both projects would be entirely federally funded. The Yazoo Pumps project would drain more than 200,000 acres of wetlands — seven times the wetland area converted for development nationwide each year — ostensibly to increase more highly subsidized agriculture.

Additionally, re-suspension of DDT- and toxaphene-contaminated sediment caused by dredging the Big Sunflower River would be a health risk to Delta citizens. Together, the Big Sunflower River and Yazoo Pumps projects could cost federal taxpayers more than \$250 million to complete. The fiscal year 2003 omnibus spending bill allocated \$10 million for the Yazoo Pumps

project, even though the Corps has not completed its final economic and environmental analyses.

## Columbia River Channel Deepening

**\$122 million**

The Army Corps of Engineers (Corps) plans to spend \$188 million, at a federal cost of \$122 million, to deepen the Lower Columbia River and estuary a distance of 103 miles (from the Pacific Ocean to Portland, Oregon) in order to accommodate larger ships. Dredging will further disturb this already seriously impaired river and estuary system, degrading critical habitat for threatened and endangered salmon and impacting commercial, tribal, and recreational fishing. Offshore disposal of the dredge spoils will smother Dungeness crab habitat, negatively impacting this economically important fishery. Local, regional, and national environmental, taxpayer, and recreational organizations have challenged the Corps' proposal to dredge the Columbia River Channel on numerous grounds, however fiscal year 2003 appropriations provided \$27 million for navigation improvements on the Columbia River.

## Dallas Floodway Extension

**\$91 million**

The Army Corps of Engineers (Corps) and the City of Dallas propose to extend the Dallas levee system and cut a 3.7-mile, 600-foot swale (a shallow, wide swath of land) through the Great Trinity Forest. The total cost of the Dallas Floodway Extension (DFE) project is estimated at \$140 million (in 2001 dollars) and of this, federal taxpayers would pay \$91 million. The Corps and Dallas claim the project would protect downtown Dallas from flooding, but this project would only serve to increase flood levels elsewhere. The administration has complained that the Corps ignored cheaper and less destructive alternatives; court records from a lawsuit against the project reveal that simply raising the existing levees would be more beneficial and less expensive than digging the DFE. In addition, the DFE project would cut 34,000 mature trees and destroy several hundred acres of rare bottomland hardwood habitat in one of the nation's largest urban forests.

## Deep Draft Dredging

**\$500 million**

The federal government shares the cost of harbor dredging with local ports. Under current law, the federal share of the cost of deepening harbors ranges from 80 percent for shallow harbors to 40 percent for "deep-draft" harbors (those deeper than 45 feet). In recent years, local port authorities, many of which hope to dredge their harbors to record depths, have been calling for an increase in the federal cost-share for dredging and operation and maintenance of deep-draft harbors. However, environmentally responsible disposal of dredging spoils is increasingly difficult and making it cheaper to go deeper will exacerbate this problem. The Green Scissors Campaign rejects proposals to increase federal cost-share for dredging, and instead calls for a revised "Harbor Services User

Fee” that will link actual harbor maintenance costs to a vessel’s “draft.” Tying maintenance costs to vessel depth will ensure that market forces encourage deep-water port development in places where it is economically justifiable, rather than simply fueling a “race to the bottom.” Additionally, the Green Scissors Campaign supports the administration’s initiative announced in the fiscal year 2004 budget to tap the existing surplus in the Harbor Service User Trust Fund to pay for harbor deepening projects.

## **Delaware River Deepening**

**\$273 million**

The Army Corps of Engineers (Corps) and the Delaware River Port Authority are proposing to deepen the Delaware River’s shipping channel by five feet for 102.5 miles to accommodate tankers and larger container ships on the Delaware River. The primary beneficiaries of this project are oil refineries that currently off-load portions of incoming oil onto smaller vessels before bringing extremely deep draft supertankers up-river. The project itself will not eliminate the need to off-load oil, and to take advantage of the deepened channel the refineries themselves will have to deepen their private “approach channels”; only one refinery has committed to this endeavor thus far. The project threatens recovering oyster populations and the Delaware River’s blue crabs. Plans to blast a granite portion of the riverbed, a component of the river deepening, pose risks to the endangered short-nosed sturgeon and to the underlying aquifer.

Initial estimates by the Corps placed project costs at \$420 million, with \$273 million paid by federal taxpayers. In response to a request by members of Congress, the General Accounting Office (GAO) reviewed these estimates and project justifications and found that the Corps’ economic analysis of the project contained “a number of material errors.” The GAO concluded that the actual benefit-cost ratio is between .49 to 1.0 — or fifty cents to the dollar — not 1.4 to 1.0, which the Corps originally claimed. In response to these findings, the Corps issued a more recent analysis dramatically decreasing the project cost. Reviews of this re-analysis reveal that the Corps overstated project benefits and ignored a number of environmental costs in order to re-justify this discredited project. In November 2002, the state of New Jersey revoked the project’s construction permit.

## **Devils Lake “Emergency” Outlet**

**\$100 million**

The Devil’s Lake “Emergency” Outlet project would pump water into the nearby Sheyenne River in order to lower Devil’s Lake, N.D., if lake levels reach a certain height. The Army Corps of Engineers (Corps) is currently authorized to spend \$100 million on outlet construction, although the project has not proven to be economically justified. It would have significant negative environmental impacts on the Sheyenne and Red Rivers due to the release of lake contaminated lake sediments and increased prob-

ability of exotic species from the inter-basin transfer. This has led the states of Minnesota and Missouri, the province of Manitoba, and even the Canadian government to oppose the project.

## **Flood Control Construction**

**\$1.25 billion**

The Army Corps of Engineers (Corps) spends upwards of \$1 billion annually on flood-control construction and repair projects. Rather than reducing flood losses, however, the projects have the overall effect of increasing the potential for even more severe flood damage. Many of the projects encourage high-risk development in flood-prone areas, reduce incentives for strong state and local floodplain management, and eliminate the natural and beneficial functions of floodplains. The Green Scissors Campaign proposes a reduction in the Corps’ flood control construction budget by \$250 million annually, saving \$1.25 billion over five years. The campaign also recommends reducing the standard federal cost-share for flood control projects from the present 75 percent level for already authorized projects and 65 percent level for future projects to no more than 50 percent and the promotion of more multi-beneficial, non-structural flood control solutions.

## **Grand Prairie Area Demonstration Project**

**\$207 million**

The Army Corps of Engineers (Corps) is preparing to build the Grand Prairie Area Demonstration project that would benefit some rice farmers in eastern Arkansas. The project, which will cost \$319 million, \$207 million of which will come from the federal treasury, entails building a massive pump on the White River, miles of canal and pipe distribution systems, and assisting farmers in building water storage structures on individual farms. This project is the Corps’ first major venture into irrigation projects, and represents “mission creep,” away from the traditional corps missions of providing flood control, maintaining navigable waterways, and environmental restoration. The Corps has also proposed several other projects that would tap eastern Arkansas streams at a cumulative cost of more than \$1 billion.

In 2002, Congress appropriated \$12 million for the project, but the administration restricted this money to on-farm water conservation features. No additional funds were allocated in fiscal year 2003, or in the administration’s fiscal year 2004 budget. Conservationists and wildlife enthusiasts have raised concerns that this project will degrade two National Wildlife Refuges. In 2000, Taxpayers for Common Sense and the National Wildlife Federation named this project the most wasteful and environmentally harmful Corps water project in the United States.

## **Inland Waterway Operation and Maintenance**

**\$700 million**

The 11,000-mile federal inland waterway system is by far the nation’s most heavily subsidized commercial freight transportation mode, yet users pay for less than eight percent of the system’s cost.

The operation and maintenance of these waterways involves dredging and dumping 50 million tons of river sediment annually, destroying wetlands, and aquatic habitat. This Army Corps of Engineers (Corps) program, which cost an estimated \$600 million in 2001, primarily benefits large barge companies and shippers at the expense of the nation's taxpayers and the environment. Taxpayers have already paid billions of dollars to build the waterway system. It is now time that the beneficiaries take over at least half of the cost of maintaining the mature waterway system — doing so would save federal taxpayers an estimated \$700 million over five years. In fiscal year 2004, the administration proposes using \$146 million from the Inland Waterway Trust Fund to pay for deferred maintenance. This would enable users to participate in the waterway maintenance and reduce the full burden of this program now placed on taxpayers.

### **National Flood Insurance Program**

**\$1 billion**

The Federal Emergency Management Agency (FEMA) is currently required to provide federally backed flood insurance to prospective policyholders who choose to invest in the development of areas deemed a high risk for flooding. These are often ecologically significant areas. Properties in these risky areas are often damaged or lost repeatedly, which results in a repetitive drain on federal coffers for government payout after government payout. These repetitive loss properties make up only two percent of all the National Flood Insurance Properties, but claim 40 percent of all the federal insurance payouts, according to National Wildlife Federation's 1998 report *Higher Ground*. A recent General Accounting Office (GAO) report noted that repetitive losses cost taxpayers more than \$200 million annually. Legislation recently introduced by Representatives Blumenauer (D-Ore.) and Bereuter (R-Neb.) would require properties claiming repetitive damages of more than \$1000 in a 10-year period to flood-proof, elevate or move their homes with the help of government assistance. Property owners failing to take these actions, would no longer be eligible for government-subsidized flood insurance, requiring them to bear the full, risk-based cost of insurance for the given property.

### **New Orleans Industrial Canal**

**\$486 million**

The Industrial Canal is a 5.5-mile waterway that runs by a historic neighborhood and connects the Mississippi River to the Gulf Intracoastal Waterway, which runs along the Gulf coast from Texas to Florida. The Army Corps of Engineers (Corps) plans to widen, deepen, and expand the canal's locks to nearly triple its current size at a total cost of \$748 million, of which taxpayers are expected to pay 65 percent, or \$486.2 million. Corps' plan will likely flush contaminated sediments dredged from the canal to Lake Ponchartrain. Denial of funding to widen, deepen or expand the New Orleans Industrial Canal would save federal taxpayers \$486 million over the life of the project.

### **Oregon Inlet Jetties**

**\$70 million**

This proposed jetty construction project is intended to provide commercial and private fishing boats better access to the ocean. The jetties would cost \$108 million to construct, more than \$70 million of which would be paid for by federal taxpayers, in addition to project maintenance costs of more than \$4 million annually. The subsidy per commercial fishing vessel is estimated at more than \$500,000. Relying on decades of scientific criticism and more than half a dozen independent reviews, the U.S. Fish and Wildlife Service and the National Park Service have opposed this project over five successive administrations. The independent reviews and scientific criticisms have determined that the jetties not economically justified and will likely cause ecological harm to the nearby Pea Island National Wildlife Refuge and Cape Hatteras National Seashore.

### **Snake River Salmon Restoration**

**\$N/A**

Four federal dams on the lower Snake River in Washington State are the primary factor in the continuing decline of wild Snake River salmon. In an effort to meet legal obligations while keeping the lower Snake River dams in place, federal agencies have spent more than \$3.3 billion on failing fish mitigation programs in the region, according to a report last year by the General Accounting Office. Despite the tens of millions of taxpayer dollars that are spent every year on efforts to aid salmon migrating past these four dams, a 2001 study by Trout Unlimited estimated that, under current policies, one threatened stock of Snake River salmon could vanish from certain tributaries by 2007, and become functionally extinct by 2016.

### **Upper Mississippi Lock Expansions**

**\$975 million**

The Army Corps of Engineers (Corps) operates a series of commercial navigation locks and dams along the Mississippi and Illinois Rivers and is now working to expand seven of these at significant cost to aquatic habitat. In February 2000, the former lead economist for this project submitted documentation that led the Army's Inspector General to conclude that Corps officials had deliberately manipulated the cost-benefit analysis to justify the \$1.2 billion lock expansions. The National Academy of Science later reviewed the project, and directed the Corps to redo the economic analysis. Based upon errors found in the original traffic forecasts, and because of the scandal around the investigation, the Corps delayed their study, and re-initiated the process in 2002. The Corps' recommendation on whether or not to expand the locks is expected in 2004. The project is now estimated to cost \$1.5 billion, with the federal government expected to pay 65 percent, or \$975 million.

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This report will be made available for free via the internet. Please point your web browser to [www.greenscissors.org](http://www.greenscissors.org)

Additional copies of this report are available for \$15 each (includes shipping charges) from:

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## Green Scissors on the Web

Full descriptions of the 68 recommendations in the *Green Scissors 2003* report are available on the web at [www.greenscissors.org](http://www.greenscissors.org). If the recommendations in the *Green Scissors 2003* report were implemented, taxpayers would save more than \$58 billion and improve our environment.

### Agriculture Targets

[WWW.GREENSCISSORS.ORG/AGRICULTURE](http://WWW.GREENSCISSORS.ORG/AGRICULTURE)

Cotton Program	\$N/A
Factory Farm Subsidies	\$N/A
Irrigation Subsidies	\$2.2 billion
Market Access Program	\$865 million
Mohair Subsidies	\$N/A
Peanut Program	\$1 billion
Sugar Program	\$N/A
Wildlife Services Livestock Protection Program	\$75 million

### Energy Targets

[WWW.GREENSCISSORS.ORG/ENERGY](http://WWW.GREENSCISSORS.ORG/ENERGY)

Advanced Fuel Cycle Initiative	\$315 million
Bonneville Power Administration	\$N/A
"Clean Coal" Programs	\$750 million
Coal Research and Development	\$794 million
FreedomCAR	\$634 million
"Low-Level" Radioactive Waste Dump Promotion	\$900 thousand
Mixed Oxide Power Reactors	\$600 million
National Ignition Facility	\$5 billion
Nuclear Energy Research and Development	\$375 million
Nuclear Waste Fund Fee Adjustment	\$315 million
Oil Royalty Exemptions	\$802 million
Petroleum Research and Development	\$210 million
Plutonium Manufacturing Project	\$5.75 billion
Price-Anderson Act	\$N/A
Radioactive Release Subsidies	\$N/A
Tennessee Valley Authority	\$N/A
Tokamak Fusion Reactors	\$1.16 billion
Yucca Mountain High-Level Nuclear Waste Repository	\$460 million

### International, Military, and Other Targets

[WWW.GREENSCISSORS.ORG/OTHER](http://WWW.GREENSCISSORS.ORG/OTHER)

Army Chemical Weapons Incinerator Program	\$1.78 billion
Extremely Low Frequency Transmitters	\$65 million
Low Frequency Active Sonar	\$N/A
Multilateral Investment Guarantee Agency	\$11 million
Superfund Tax Reauthorization	5.8 billion

### Public Lands Target

[WWW.GREENSCISSORS.ORG/PUBLICLANDS](http://WWW.GREENSCISSORS.ORG/PUBLICLANDS)

1872 Mining Law Reform	\$519 million
Land Exchanges	\$N/A
Rangeland Reform	\$500 million
Stewardship Contracting for Forests	\$N/A
Timber Roads Construction	\$173 million
Tongass National Forest	\$150 million
U.S. Forest Service Salvage Fund	\$69.3 million
Wildfire Management	\$N/A
U.S. Forest Service Timber Sales	\$1.65 billion
University of Alaska Land Grab	\$N/A

### Transportation Target

[WWW.GREENSCISSORS.ORG/TRANSPORTATION](http://WWW.GREENSCISSORS.ORG/TRANSPORTATION)

Calhoun/Clarendon Connector	\$83 million
Corridor H Highway	\$1 billion
Highway Demonstration Projects	\$9.3 billion
Houston Grand Parkway	\$3.6 billion
I-69	\$680 million
Inter County Connector	\$1.1 billion
Loop Road Paving Project	\$7 million
Route 6 Expressway	\$432 million
Route 710	\$1.12 billion
Stillwater Bridge	\$120 million
Western Transportation Corridor	\$N/A

### Water Targets

[WWW.GREENSCISSORS.ORG/WATER](http://WWW.GREENSCISSORS.ORG/WATER)

Apalachicola-Chattahoochee-Flint River Navigation	\$64.5 million
Beach Renourishment	\$3 billion
Big Sunflower River "Maintenance" Project and Yazoo Pump Project	\$250 million
Columbia River Channel Deepening	\$122 million
Dallas Floodway Extension	\$91 million
Deep Draft Dredging	\$500 million
Delaware River Deepening	\$273 million
Devils Lake Emergency Outlet	\$100 million
Flood Control Construction	\$1.25 billion
Grand Prairie Area Demonstration Project	\$207 million
Inland Water Operation and Maintenance	\$700 million
National Flood Insurance Program	\$1 billion
New Orleans Industrial Canal	\$486 million
Oregon Inlet Jetties	\$70.2 million
Snake River Salmon Restoration	\$N/A
Upper Mississippi Lock Expansion	\$975 million

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*Green Scissors 2003* offers 68 recommendations to cut more than \$58 billion in wasteful spending and subsidies that pollute our natural resources and threaten public health.

*Green Scissors 2003* is the product of a diverse coalition of environmental, taxpayer and consumer groups that have come together to show how the government can save billions of tax dollars and improve our environment.

These common sense proposals would help address a broad range of threats to citizens, wildlife and natural resources in every state in the country.

