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The Estate Tax: By the Numbers

The [Tax Policy Center](#) has recently posted tables displaying the impact of the estate tax. The analysis shows just how few people would benefit from a repeal of the estate tax:

- In 2004, an estimated 18,800 estates will pay an estimated total \$17.6 billion in estate taxes.
 - That's just 1 out of every 15,587 people in the US who will pay an estate tax this year.
- In 2004, only an estimated 440 estates with significant farm or business assets will pay even a dime in estate taxes.
 - That's about 2 percent of those who pay the estate tax, and just 1 out of every 665,989 people in the U.S..
- From 2002 to 2003, changes in the estate tax law have cost the federal government \$13 billion.
- Over the next 10 years, the estate tax will raise \$271 billion from only the wealthiest decedents.

Last Thursday, President Bush said that "[the death tax is bad for rural America.](#)" However, the numbers show that the president is using a very, very, very small number of people to sell a tax break that would benefit only a very, very small number of very wealthy individuals; and the rest of us will have to pick up the tab - the president is projecting a deficit of more than \$500 billion for this year alone.

The real issues are not about rural America, and not about family farms or businesses; but rather about who would really benefit -- the wealthiest Americans, some of which continue to pressure the administration with armies of lobbyists using "family business" as a misleading argument. (Although a large number of the wealthiest Americans do support the estate tax, see Responsible Wealth.)

Meanwhile in the House of Representatives, 20 of the 29 wealthiest members rich enough to qualify for the estate tax voted last year to cut the tax at the expense of the rest of us (see compilation by TechPolitics.)

- For a handy tool of how much people have to pay, see our Estate Tax Calculator

Bush Tax Shifts

Two recent analyses show that the so-called "Bush tax cuts" are as much about shifting the burden away from wealthy Americans as they are about lower taxes for all.

The Center on Budget and Policy Priorities has released a comprehensive report on the impact of recent changes to tax law entitled Tax Returns: A Comprehensive Assessment of the Bush Administration's Record on Cutting Taxes. The report's main conclusions are that:

- "The Bush tax cuts have contributed to revenues dropping in 2004 to the lowest level as a share of the economy since 1950, and have been a major contributor to the dramatic shift from large projected budget surpluses to even larger projected deficits, which are as far as the eye can see.
- The tax cuts have conferred the most benefits, by far, on the highest-income households — those least in need of additional resources — at a time when income already is exceptionally concentrated at the top of the income pyramid.
- The design of these tax cuts was ill-conceived, resulting in significantly less economic stimulus than could have been accomplished for the same budgetary cost. In part because the tax cuts were not as effective as alternative measures would have been, job creation during this recovery has been notably worse than in any other recovery since the end of World War II."

A separate report by the Citizens for Tax Justice, Overall Tax Rates Have Flattened Sharply Under Bush, shows that the tax structure has become significantly more "flat" in recent years, with higher income individuals seeing a greater reduction in their tax rates.

Understanding the AMT (Alternative Minimum Tax)

The cost of "fixing" the Alternative Minimum Tax (AMT) is often mentioned as one of the "hidden" tax expenditures that must be addressed.

A primer about the AMT by OMB Watch explains what it is and why it was created. In a nutshell, the AMT was created to keep taxpayers with very high incomes from paying little or no income tax by taking advantage of all the tax preferences that those with high incomes can claim. The AMT applied to less than one percent of all taxpayers before 2000, but since it is not linked to inflation, it is beginning to affect more and more taxpayers. According to a new report by the Congressional Budget Office (CBO), in 2010, if nothing is changed, one in five taxpayers will have AMT liability.

The tax cut bills in 2001 and 2003 temporarily raised the AMT exemptions, but the higher exemptions will run out after 2004. CBO finds that extending the AMT for just FY 2005 would cost \$18 billion. Indexing the AMT to inflation would cost \$370 billion over ten years. Eliminating the AMT would reduce revenues by nearly \$600 billion over the next ten years. The cost of fixing the AMT is high, but it would be politically unpopular to ignore the increasing numbers of taxpayers who will be affected by it. Yet as the administration and Congress continue

to promote a permanent extension of the expiring tax cuts, regardless of its huge cost, the additional -- and hardly insignificant -- cost of fixing the AMT is not being included.

Moving Towards A Long-Term Proactive Tax and Budget Initiative

As a community, nonprofit service providers, issue advocates, and policy wonks alike spend most of their time fighting against "bad" policies like program cuts or tax giveaways to the wealthy. Rather than remaining on the defensive, the sector should begin laying the groundwork for a positive vision of what it considers to be sound tax and budget policy.

In December 2003, OMB Watch released a "call-to-action" [paper](#) that led to a number of conversations and discussions which overwhelmingly indicated positive support, energy, and enthusiasm for the idea of a long-term, proactive federal tax and budget strategy. Many people in the nonprofit community understand the importance of this kind of effort and the urgent need to begin it.

Since the release of the paper, with support from the Open Society Institute and the Marguerite Casey Foundation, we have:

Conducted an Internet survey of nonprofits

We have developed, conducted, and analyzed preliminary results from an Internet survey. The survey had 709 respondents most of which were representatives from nonprofit organizations encompassing every state except Nebraska. The survey was to determine 1) in what activities nonprofit organizations are actively engaged on tax and budget issues, 2) how important people think it is to engage in long-term planning and action on tax and budget issues, 3) on what issues should a campaign focus, 4) what are the challenges to making such a long-term campaign successful, and what are the needs of groups who might participate. More information and results from the survey is available at the [OMB Watch website](#).

Held regional strategy sessions

In collaboration with state co-hosts, four state/regional strategy sessions were held in Columbia, South Carolina; Chicago, Illinois; Seattle, Washington; and Phoenix, Arizona. In each location, lively, rich and very helpful discussions were initiated with a presentation about the short and long-term federal budget situation and the preliminary results from the Internet survey. A state tax and budget expert (or experts from several states) presented the state budget situation.

From the very sobering picture of "where we are now" in terms of the current and future tax and budget crisis, the groups moved into envisioning where we want to be in ten years, the key outcomes and objectives, the challenges and opportunities, the strategies for achieving the desired outcomes, and the next steps. Summaries of each group are being completed and sent to participants to determine if we correctly captured and interpreted the content, and will eventually be posted on the [web site](#).

Begun development of a tax and budget website

We are developing a prototype of a tax and budget Internet resource center designed to make it easy to access all the extremely useful existing federal tax and budget information, analyses, news, budget games, projects, campaigns, etc. The Internet survey identified this type of tool as a high priority. This resource may ultimately include sources of state tax and budget information as well. We hope that it will add to the creation of a network consisting of state, local and national issue-based advocacy groups, service providers, and other organizations, as well as tax and budget groups.

Planned a larger strategy meeting

With assistance from the [Center for Responsible Funding](#), we have scheduled a larger meeting for Philadelphia-area nonprofits on April 28. In order to more fully flesh out five of the main themes that were consistently brought up in the regional strategy meetings, this meeting will be organized around breakout groups. The five main themes include: What would a vision statement look like? How do we address the attacks on the role of government? How do we strengthen civic responsibility? What infrastructure, leadership and resource issues need to be addressed to make a long-term initiative a success? What do we need to do differently with our strategies and tactics to make us more effective on the federal tax and budget front?

Started to plan a national retreat

We are in the midst of planning a two-day retreat in the DC/Baltimore area to bring together local, state, and

national nonprofit leaders. Using the results of the Internet survey, the regional meetings, and our many discussions with other national groups, we intend for this meeting to be the vehicle that actually develops a proactive tax and budget strategy over the long-term. The retreat will be the starting point for making this initiative a reality. A planning committee is currently working on the details for this event.

OMB Watch does not intend to be "in charge" of this proactive initiative, though we hope to be a part of it. Our role now is that of "provocateur." We have already learned that there is widespread support for initiating a long-term campaign that will build a visionary tax and budget policy, which is full of viable alternatives to policies that are always being fought against.

After evaluating the energy and sentiments expressed in the survey and regional meetings we have learned that, despite the many challenges, our crafted goals -- better values-based framing and messaging, broadening and re-energizing the base, developing a leadership structure and improved coordination, and generally determining what we need to do differently to have a real impact on the long-term debate about tax and budget policy in this country -- are actually achievable.

We have heard a wealth of creative ideas and strategies over the past few months, and are looking forward to being part of the developing process. We welcome the opportunity to talk with you more about this project and get your thoughts and suggestions. Please see the [project's website](#) for more information.

Where Do Your Tax Dollars Go?

Learn how the federal government spends your income tax dollars, how the tax dollars of the average household are spent in your state (and selected cities and counties), and how your taxes might be spent differently (with trade-offs and the like) by reading the National Priorities Project's [tax day release](#) "Where do your tax dollars go?"

9/11 Tops Ten Most Wanted Documents Report by New Anti-Secrecy Coalition

The federal government too often uses terrorism and national security as an excuse to keep unnecessary secrets. There is a great need for more information from government to make our families and communities safer, and this need has been clearly articulated in the results of a survey released last week by [OpenTheGovernment.org](#), a new coalition aimed at fighting secrecy and strengthening democracy.

The new coalition is run by a steering committee co-chaired by OMB Watch and the National Security Archive and has released results of an Internet survey identifying the Ten Most Wanted government documents, a report prepared by OMB Watch and Center for Democracy and Technology. Topping the "Ten Most Wanted" list was a section of Congress' joint inquiry into 9/11 that dealt with foreign governments' support of al Qaeda. The entire list of documents and the report can be downloaded at [OpenTheGovernment.org](#).

Survey respondents most wanted government to release documents that could help the public make their communities safer and nation more secure. Roughly 500 people took the online survey, which asked the public to rank documents spanning a wide array of issues, from women's rights and animal welfare to 9/11.

OMB's Peer Review Proposal Improved But Still Flawed

After receiving strong opposition for its peer review proposal from scientists, environmentalists, and public interest groups, the Office of Management and Budget (OMB) released a massively revised version of the guidance – and is seeking public comment on the new version. While many of the changes are significant improvements over OMB's initial policy, the new proposal fails to address some of the most fundamental complaints.

OMB's goal is to establish government-wide minimum requirements for when and how federal agencies use scientific peer review. The initial proposal, published September 15, 2003, drew sharp and consistent criticism from various sectors for being overly strict and prescriptive for an activity, peer review, that is highly varied and often tailored to the specific needs of each case. This new OMB proposal, released on April 15, is an attempt to address the sharpest criticism leveled at the original proposal.

OMB places a high priority on ensuring the "peer review process is transparent by making available to the public a written charge to the peer reviewers, the peer reviewers' report, and the agency's response to the peer reviewers' report." It also tells agencies, "While it will not always be easy for agencies to quantify the benefits and costs of peer review, we encourage agencies to approach peer review from a benefit-cost perspective."

The major shift reflected throughout the revised proposal is increased flexibility and control for the individual agencies engaging in scientific peer review of "influential scientific information." For instance, while OMB's revised policy still contains strict requirements for some peer reviews, it reduces the amount of information that would qualify for this stricter review. The new proposal also allows individual agencies to choose, on a case-by-case basis, among a wider range of peer review types.

The new proposal has a stricter, more prescriptive approach to peer reviews for "highly influential scientific assessments." OMB will get to decide what is considered "highly influential," including if "the dissemination could have a clear and substantial impact on important public policies (including regulatory actions) or private sector decisions with a potential effect of more than \$500 million in any one year or that the dissemination involves precedent setting, novel and complex approaches, or significant interagency interest." In other words, OMB will sit in the driver seat on determining whether an agency must go through a more rigorous peer review process than generally prescribed.

OMB also removed restrictions that would have made scientists employed, associated or funded by federal agencies ineligible for selection as peer reviewers for influential information. "[W]hen a scientist is awarded a government research grant through an investigator-initiated, peer-reviewed competition, there generally should be no question as to that scientist's ability to offer independent scientific advice to the agency on other projects," according to OMB. However, OMB encourages agencies to think twice about a scientist who has a consulting or contractual arrangement with the agency conducting a peer review. Agency employees may be peer reviewers, for the more basic peer reviews, as long as they do not possess a conflict of interest and comply with applicable federal ethics requirements. However, OMB's stricter peer review requirements for "highly influential scientific information" continue to bar federal employees from serving as peer reviewers. The selection of peer reviewers was perceived as a highly controversial provision in the original proposal, raising concerns that it would tilt peer review in favor of business interests. In general, OMB "encourages agencies to consider using the panel selection criteria employed by the NAS [National Academy of Sciences]."

Additionally, the new proposal permits agencies to decide on the level of public involvement called for in each peer review. While OMB gives agencies enormous leeway, the proposal warns agencies to "avoid open-ended comment periods, which may delay completion of peer reviews and complicate the completion of the final work product."

In another change from the original proposal, OMB allows agencies to automatically exempt "time-sensitive medical, health, and safety determinations" from the peer review requirements. In the original proposal agencies had to request a waiver from OMB for such important health information. The change likely stemmed from the scientific community's strong objections to a political office inserting itself within critical health decisions.

The new proposal does not address the concerns raised by many that a government-wide peer review requirement is unnecessary and that OMB lacks the legal authority to establish such requirements. The new proposal contains a section that attempts to establish the need for the proposed government-wide peer review requirements. OMB claims "various authorities have argued that peer review practices at federal agencies need to be strengthened." However, OMB still fails to make a case that a fundamental or overarching problem exists throughout the federal agencies' peer review. Improvements in peer review policies and implementation can

almost certainly be accomplished. However, considering that generally agencies were implementing peer reviews effectively it seems likely those improvements would best be achieved by incremental and targeted policies.

OMB continues to assert that its legal authority is implied in a series of laws and executive orders including the Information Quality Act, which amends the Paperwork Reduction Act, and Executive Order 12866, Regulatory Planning and Review. Yet, it seems more reasonable that OMB should seek specific and explicit approval for such a precedent setting proposal with government wide impacts rather than cobbling together implied authority from a variety of sources. In fact, Congress has considered government-wide peer review requirements in the past -- either as part of larger regulatory reform measures or as stand-alone proposals -- and failed to enact such legislation. The current OMB action would appear to circumvent legislative prerogatives.

An additional complaint raised against the original proposal was that OMB proposed placing itself in an oversight role for federal peer review, a role that the office has never played and is poorly qualified for assuming. The proposal is unclear on the degree of oversight that OMB wishes to assume. The new proposal no longer contains certain oversight provisions outlined in the original, including agencies getting OMB's approval of peer review plans. An interesting new provision proposes that OMB and the Office of Science and Technology Policy (OSTP) establish an interagency panel to foster learning about peer review techniques. However, OMB continues to place itself in a clear oversight role including allowing OMB to approve alternative peer review plans and exemptions from the strictest peer review requirements.

Many of the changes reflect concerns raised in the nearly 200 public comments that OMB received and made public. However, it is unclear how many of the changes were called for by federal agencies. In addition to the public comment process OMB collected feedback on its initial peer review proposal from federal agencies in an interagency review process. However, these comments have not been made public. Considering that many of these agencies have significant experience performing peer review, their assessment of OMB's proposal could be extremely informative to the public and should therefore be disclosed.

OMB is accepting public comments on the new proposal for 30 days, until May 15. Several public interest groups plan to request a 60 day extension of the public comment period in order to allow fuller consideration of the changes made.

FEC Holds Hearings on Proposed Rule After Receiving Record Number of Comments

After two days of public hearings with testimony from thirty witnesses and over 200,000 public comments received, the Federal Election Commission (FEC) was no closer to resolving the complicated issue of re-defining the reach of its regulation than it was when it published its proposed rule in March. The FEC is scheduled to make a final decision on the proposed rules in mid-May; however, some Commissioners have publicly commented that they may take additional time to consider the volume of comments they received before taking any further action. A group of nonprofits, including OMB Watch, held a Congressional briefing on the issue the day before the hearings began.

A host of parties weighed in during the public comment period. Sens. John McCain (R-AZ) and Russell Feingold (D-WI), sponsors of the Bipartisan Campaign Act of 2002, supported extending FEC regulation to all political committees, including those independent of campaigns and parties. However, 120 House members signed a letter to the FEC opposing the proposed rule, noting that neither the Bipartisan Campaign Reform Act of 2002 nor the Supreme Court's decision upholding it imposes new restrictions on independent groups. The letter stated, "There has been absolutely no case made to Congress, or record established by the commission, to support any notion that tax-exempt organizations and other political groups threaten the legitimacy of our government when criticizing its policies.... We believe instead, that more, not less political activity by ordinary citizens and the associations they form is needed in our country." The House members also said the rules should not be changed in the middle of this year's election cycle.

These differences were echoed in the comments and testimony from nonprofit organizations, political committees, labor unions and legal experts. After two days of detailed testimony, including witnesses Kay Guinane of OMB Watch and Nan Aron of the Alliance for Justice, there was no emerging consensus among the six FEC Commissioners. Four votes are needed for action to be taken. Several Commissioners said more time was needed to examine the issues. The only Commissioner to express support for the rule was Republican Michael

Toner.

The FEC reported that it received 140,000 comments by email and 60,000 by fax or regular mail, breaking the record for comments submitted to FEC on any previous rule. The surge began a few weeks ago after MoveOn.org issued an alert to its members asking them to contact the FEC. In the last week before the comment period ended the Republican National Committee also issued an alert. The Bureau of National Affairs, a trade publication, reported that a random sample of comments it reviewed was opposed to the proposed rule.

On April 13, NonprofitAdvocacy.org held a congressional briefing where leaders from the nonprofit community informed congressional staffers of the potential harms the Federal Elections Commission's (FEC) proposed rulemaking on political committee status could have on legitimate activities conducted by 501(c)(3) organizations.

Rick Cohen, executive director of National Committee for Responsive Philanthropy, warned, "The potential FEC regulations will fall prey to the 'law of unintended effects.'" The briefing focused on just that, the chilling effects the proposed rule would have on nonprofit organizations and their fundraising ability, regardless of the final rule's regulatory language.

Lisa Ransom Brown of the Washington Council of Agencies cited numerous examples of policy education and voter registration activities that most of her member organizations are currently involved in. These communications are now threatened with FEC regulation, which would treat them like political parties or campaigns, banning corporate contributions (including private foundations) and limiting individual contributions.

"When ideally realized, democracy provides the space for voices in the minority to be heard, recognized, and addressed. We have much to lose if this balance is off or if the sector is hindered in effectively playing out its role. The proposed FEC rules would severely hinder our ability to do our jobs," explained Sheri Brady, public policy director at the National Council of Nonprofit Associations and moderator of the briefing.

NonprofitAdvocacy.org coalition urged congressional staffers to talk to their bosses about sending a message to the FEC stating that it was never Congress' intention to muzzle the speech of charities when passing the Bipartisan Campaign Reform Act of 2002.

National Head Start Association Calls for Bureau Chief's Resignation

The National Head Start Association called for the resignation of U.S. Head Start Bureau chief, Windy Hill on April 13 after it unveiled findings from an unreleased Health and Human Services (HHS) review that revealed Hill was engaged in serious mishandling of federal grant money. The allegations were supported by an outside audit of the Head Start program in Texas Hill managed.

HHS' independent review listed 29 major concerns that were later confirmed by an outside audit. The Texas Head Start program, Cen-Tex Family Services (Cen-Tex), among other things, was found to be in violation of a host of standard agency policies. These are listed at the end of this article. In May of 2003, Hill took the highly unusual step of sending a letter to Head Start programs warning that advocacy on issues relating to the controversial reauthorization of the program may be a violation of federal law. After being sued by the National Head Start Association (NHSA), an organization representing parents, teachers and Head Start programs, the court ordered Hill to send a correction letter explaining her inaccuracies over information about grantees' right to lobby on Head Start issues. "Windy Hill has been at war with Head Start grantees from the day she stepped into her current office. She has dragged out into headlines every possible problem – real or imagined, substantiated or simply alleged – and trashed programs across the country. To think that she was, at the same time, benefiting from a cover-up of her own misconduct during her tenure as head of a Head Start agency is simply astonishing," says NHSA President, Sarah Greene.

Under Hill's tenure, the U.S. Head Start Bureau has been prominent in state and local media attacking Head Start program directors by name with little to no factual information. The Bureau went as far as surveying all 2,700 Head Start grantees in the country about salaries and benefits of their employees after publicly denouncing an Austin-based program for paying its director what was later found to be a fair compensation.

Hill's agency was found to violate the following standards:

- giving the executive director, Windy Hill, three large bonuses that were not reported to the IRS as income. Additionally, there was no documentation indicating the basis of the bonuses or that it was available to all employees.
- paying some employees as much as 634 hours of vacation time when there is a 40 hour cap,
- not having an adequate accounting software system in place with appropriate internal controls, which makes it difficult to ensure all expenditures are accounted for. Cen-Tex's system allowed for more than one check with the same number to be issued (to different payees and for different amounts),
- not reporting on the federal funds that remained unspent at the end of the year,
- having four different active bank accounts, when only one is needed for a single-purpose agency (HHS demanded that they close three accounts),
- drawing grant fund advances in excess of the amounts needed to pay for actual expenditures,
- corrupting federal financial forms by not using accounting records as a source of information,
- giving unauthorized staff access to blank checks who issued checks without the required approval or supporting documents;
- making duplicate payments,
- making payments without any supporting invoice or documentation of why the payment was made,
- not following procedures for procurement and contracting regarding fair bidding and price quotes; open and free competition; documentation on why a particular vendor was selected; assurance of reasonable costs being paid; and nepotism in purchasing and contracting, and
- selling equipment and not reporting on money earned.

Open Debates Calls for the Revocation of the Commission on Presidential Debates' Tax-Exempt Status

Open Debates, a coalition of reform groups, filed a complaint at the IRS last week asking that it revoke the tax-exempt status of the 501(c)(3) organization in charge of general election presidential debates.

The complaint states that the Commission on Presidential Debates (CPD) violates Section 501(c)(3) of the tax Code, which prohibits intervening in support or in opposition to any candidate or party in a political campaign. Open Debates believes that by not letting non-majority party candidates participate in presidential debates, CPD is intervening in support of the two majority political parties. By promoting a bipartisan agenda, CPD is also shielding the presidential candidates from criticism.

501(c)(3) organizations that host candidate debates and forums must do so in a nonpartisan manner. All viable candidates must be asked to participate in the debate. A nonpartisan coalition comprised of national civic leaders committed to maximizing voter education hopes to replace the Commission on Presidential Debates in sponsoring the presidential debates. Open Debates is among the many organizations involved in The Citizens' Debate Commission coalition, some of the other organizations include: The American Cause, Youth Vote Coalition, Friends of the Earth, Judicial Watch, Brennan Center for Justice at NYU School of Law, Rock the Vote, ReclaimDemocracy.org, Center for Responsive Politics, Family Research Council, Common Cause, TransAfrica Forum, Federation for American Immigration Reform, Center for Economic and Policy Research, and Free Congress Foundation.

Administration Calls Cost-Benefit Analysis 'Unreliable'

The Bush administration altered a study of the economics of saving a threatened species by deleting 55 pages on the benefits of saving the species and leaving only discussion about the costs to industry.

Although the administration explains the deletion as a concession to the inadequacy of economic discourse in making policy decisions for threatened and endangered species, the cost-benefit analysis will still be used to reduce the amount of threatened habitat to be protected.

According to the *Washington Post*, the report by a Montana consulting firm hired by the Fish and Wildlife Service calculated costs of protecting the bull trout and its habitat in four states at \$230 million to \$300 million over 10 years and benefits of about \$215 million, primarily from sports fishing, lower drinking water costs, and increases in the water available to irrigation farmers.

The administration is adopting the criticism of cost-benefit analysis in order to co-opt it. The Fish and Wildlife Service explains that it has opted to take a qualitative approach to assessing the benefits of protecting the bull trout because the main methods of monetizing the noncommercial consequences, contingent valuation and benefits transfer, are both "unreliable." Advocates of strong safeguards for the public health, safety, and the environment have long argued the same. Now, the Fish and Wildlife Service's decision is forcing locally based environmental advocates to adopt the alternative argument, that benefits can indeed be measured. While adopting the criticism of cost-benefit analysis to proffer only monetized costs and qualitative benefits, the administration will simultaneously use cost-benefit analysis in determining just how much of the bull trout habitat should be protected.

Buried in the administration's strategically incoherent position is that there are two types of benefits to protecting the bull trout and its habitat. On the one hand, there are the commercial benefits to sports fishing and irrigation farming, which can properly be measured in monetary terms, and on the other there are the larger ecological consequences that are beyond monetary equivalence. Advocates of public health and environmental safeguards can maintain consistency in their opposition to the use of cost-benefit analysis in the elimination of those safeguards by rejecting the administration's false either/or instead of cleaving automatically to a position in favor of benefits calculations.

Although the Fish and Wildlife Service explains that the benefits considerations failed the OMB's requirements for cost-benefit methodology, the *Post* reminds readers that the White House apparently approved similar benefits analysis for its own Clear Skies program, which touts benefits of \$113 billion.

UPDATE: Overtime Cutback Imminent

The Bush administration's reduction of overtime rights may be finalized as soon as this Tuesday, sources on the Hill report.

The new regulations governing overtime pay could eliminate overtime rights for many workers.

Although the Department of Labor only recently sent its final rule to the Office of Management and Budget (OMB) for its review, which could hold the rule for up to 90 days, Hill sources say that the OMB review is complete and that the final rule will be published as early as Tuesday, April 20.

Senate Democrats are attempting to halt the administration's overtime regulation in an amendment to a bill that would repeal export tax breaks ruled illegal by the World Trade Organization. That bill has stalled yet again, as Republicans have unsuccessfully attempted to force an end to debate. The GOP's new strategy is to refer to the overtime corrective and other Democratic amendments as mere "message amendments" needlessly stalling deliberation of the export tax bill.

The same bill has stalled in the House as well, as House Democrats accuse the replacement tax breaks for firms

working abroad as abetting the off-shoring of American jobs.

White House Changes Experts' Report on Health Effects of Mercury

The White House and the Office of Management and Budget (OMB) made changes to a report from the National Academy of Sciences on the toxicology of mercury, a powerful neurotoxin that is especially dangerous to pregnant women and young children.

According to documents obtained by the [New York Times](#), White House staff made editorial interventions in the report, which was commissioned by Congress to establish the science on the risks associated with mercury. The White House's alterations downplayed the risks of mercury, replaced specific enumerations of [mercury-related harms](#) with bland, general references, and introduced additional emphasis on uncertainty.

The examples speak for themselves:

This language from the National Academy of Science experts on exposure to high levels of Hg and Ni--	Exposure . . . has been demonstrated to cause adverse health effects on the reproductive and central nervous systems; kidney damage; and cancer.	--was replaced with this far blander version:	Exposure . . . has been demonstrated to cause a variety of adverse health effects.
And this clear reference to additional studies--	Recent published studies have shown an association between methylmercury exposure and an increased risk of heart attacks and coronary disease in adult men.	--was muddled up by the White House revision:	[I]t has been hypothesized that there is an association between methylmercury exposure and an increased risk of coronary disease in adults; however, this hypothesis warrants further study as the few studies currently available present conflicting results.

The White House's revision of the experts' report coincided with the EPA's design of [new regulations](#) that make it easier for power companies to release mercury into the air.

