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TAKE THE TAX AND BUDGET SURVEY AND TELL YOUR FRIENDS AND COLLEAGUES ABOUT IT!!

We are conducting an exciting new [Internet survey](#) that explores tax and budget issues and will be used in an offensive strategic campaign. Respondents have until Feb. 4 to complete the survey.

Over the past months, nonprofits from across the country have been telling us about the adverse consequences of federal and state budget cuts. OMB Watch is issuing a call to action to nonprofit organizations for a long-term campaign to take the offensive on tax and budget issues -- a campaign about what we are for, not just what we are against. Three main elements of this campaign might include: 1) fair tax policies that provide adequate revenue, 2) support for vital government services and investments, and 3) a re-examination of the positive role

of the federal government.

Now we want to hear from you (we've already heard from almost 800 people!). The [Internet survey](#) is open until Feb. 4. Please take a few minutes to complete the [survey](#) and redistribute it if you can.

The Budget for 2004 is Finally Done

Just in time for the start of the Year of the Monkey, on Thursday, Jan. 22, the Senate passed the omnibus conference report ([HR 2673](#)) which was approved by the House a month ago.

The omnibus bill includes funding for the 7 appropriations that were not passed for fiscal year 2004, and up to \$11 billion in "pork" projects (according to [Sen. John McCain \(R-AZ\)](#)) and a number of controversial provisions. The vote was 65-28. Passage came after Tuesday's successful filibuster by Democrats and several Republicans to block a vote on the bill by 48-45. The vote to consider the bill with no further delay (cloture vote) on Thursday barely passed on a 61-32 vote - just one vote more than needed for a three-fifths majority. Passage came after Republicans threatened to push through a continuing resolution (CR) for the remainder of fiscal year 2004. A CR would fund departments and agencies at last year's level, which would mean billions of cuts no funding for special interest projects. The bill amounts to a total of \$820 billion, including \$373 billion for appropriations. President Bush signed it into law on Friday, Jan. 23.

Besides the fact that the appropriations process for 2004 is finished, there is not much else to be said in favor of the omnibus bill. It represents a huge victory for the administration, which largely shaped the final form of the bill including a number of non-appropriation related legislative provisions that run contrary to previous actions by the House and/or Senate.

The bill:

- Fails to block Department of Labor plans to weaken overtime pay rules which will deny overtime pay to 8 million American workers, according to the [Economic Policy Institute](#);
- Delays "country-of-origin" labeling of supermarket meat and produce for two years - from September 30, 2004 to September 30, 2006;
- Fails to include protections for the 400,000 federal workers whose jobs are targeted for privatization
- Requires the destruction within 24 hours of background check records for gun purchase applications, eliminating the previous requirement that those records be kept for 90 days;
- Fails to block FCC media ownership rules allowing an increase in the number of television stations that one network can own from 36 percent to 39 percent of the nation's audience, which will allow media conglomerates to own more television stations. This 39 percent coincidentally mirrors current ownership levels of Viacom's CBS and News Corporation's Fox;
- Includes \$18 million for a school voucher program in DC, allowing public funds to be used for private school tuition; and
- Continues the ban on Americans traveling to Cuba.

Democrats vowed to take action on some of the objectionable provisions in amendments to other upcoming bills, or, in the case of the overtime provision, through efforts to rescind the Department of Labor regulation after it is finalized.

And Onward to the Budget Battles Ahead

President Bush's FY 2005 budget will be released on Monday, Feb. 2 with the promise of a difficult budget process ahead.

According to the President's State of the Union address, his budget for FY 2005 will limit overall discretionary spending to 4 percent. According to Senate Majority Leader Frist (R-TN), because of increases in military spending and homeland security, domestic discretionary spending (funding for most of what government does outside of defense) would be limited to 1 percent. This is about half the rate of inflation, and represents a tiny increase from \$399 billion in 2004 to only \$403 billion in 2005.

Spending cuts, made necessary by the Bush administration's huge tax cuts targeted to the wealthy, are being slated to fall on domestic programs that serve middle-class Americans, as well as low-income families and children. The cuts will be compounded by the fiscal troubles of the states. President Bush is requesting that all tax cuts enacted in 2001, 2002, and 2003 be permanent (all provisions sunset by the end of 2010); at a cost estimated by the nonpartisan [Tax Policy Center](#) to be a cool \$2 trillion through 2014 (\$1.7 trillion in revenue reduction and \$.3 trillion in increased interest payments on the national debt).

One small example of the President's disregard for domestic needs is the initiative he unveiled during his State of the Union address to help released prisoners be incorporated back into society.

"Tonight I ask you to consider another group of Americans in need of help. This year, some 600,000 inmates will be released from prison back into society. We know from long experience that if they can't find work, or a home, or help, they are much more likely to commit more crimes and return to prison. So tonight, I propose a four-year, \$300 million Prisoner Re-Entry Initiative to expand job training and placement services, to provide transitional housing, and to help newly released prisoners get mentoring, including from faith-based groups. America is the land of the second chance, and when the gates of the prison open, the path ahead should lead to a better life."

Sounds good, but do the math -- that's exactly \$500 for each released prisoner, hardly enough for one month's rent.

"A budget that funds the war, protects the homeland, and meets important domestic needs, while limiting the growth in discretionary spending to less than 4 percent," cuts "the deficit in half over the next five years," and makes permanent the huge revenue-reducing tax cuts is certainly the most rosy scenario, and is about as likely as flying pigs. We can look forward to another difficult budget year.

Economy and Jobs Watch: CBO Projecting Large Deficits

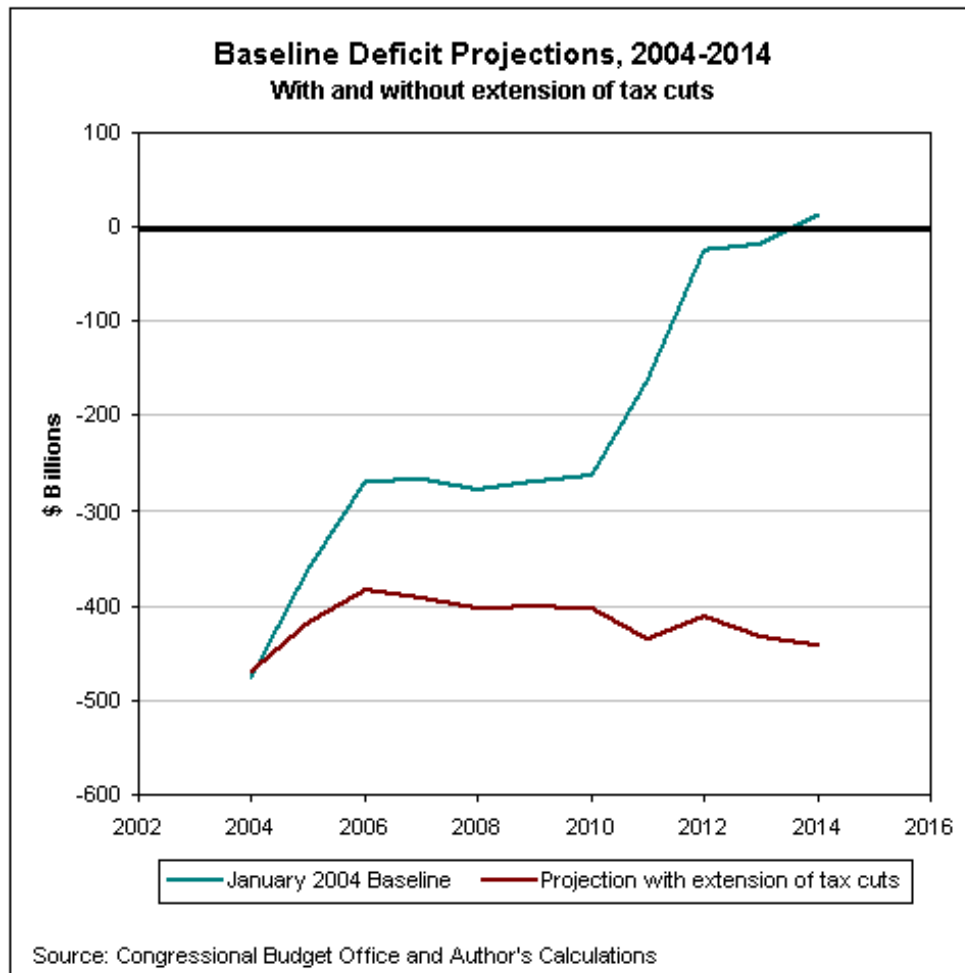
The Congressional Budget Office (CBO) today released their [baseline budget estimates for 2005-2014](#). The analysis shows that in 2004 deficits will likely reach \$477 billion - which is 4.2% of GDP - and that deficits will continue over the next decade, reaching a cumulative \$1.9 trillion baseline over the next 10 years.

The CBO "baseline," however, is not a forecast, but rather an estimate of revenue and spending under current law. Current legislative proposals, including extending past tax cuts, any new tax cuts, or greater than legislated increases in spending on defense, homeland security, and other areas, would increase the deficit beyond the

CBO's baseline.

For example, the figure below shows the baseline deficit over the 2004-2014 period as well as the deficit adjusted to include the effect of making various tax cuts permanent. (Data is from Table 1-3 of the CBO report).

If the tax cuts are extended, the deficit will remain near \$400 billion for the rest of the next decade.



In addition, the current estimated deficits represents a \$1 trillion deterioration in the 10-year budget situation since just last August. About 70 percent of the change was due to new legislation, and the rest from economic factors and technical revisions.

This data continues to show continuing irresponsibility on the part of federal budgeters and the administration.

Economy and Jobs Watch: Lowering the Deficit Bar

According to the president's [State of the Union address](#), the administration claims it will "cut the deficit in half over the next five years."

This is a shift from just 6 months ago when the administration was claiming that ["the budget deficit is expected to be cut by more than half by 2006."](#)

In addition, it appears that there is no prospect whatsoever of a balanced budget anytime in the near (or distant) future under current policy. The president has claimed that there was plenty of money for both tax cuts and current priorities. He has claimed that he would not pass on the tax burden to future generations. With the

current fixation on tax cuts to the exclusion of all other priorities, the administration has apparently abandoned all legitimate claims of fiscal responsibility, and has squandered an opportunity to shore up the long-term health of Social Security, Medicare, and other vital priorities.

For a comprehensive explanation of the fiscal situation, and options for how to return the budget to balance, see Restoring Fiscal Sanity: How to Balance the Budget, from the Brookings Institution.

Pressure Continues to Mount Against OMB's Peer Review Plan

Many recent news stories and editorial pieces from around the country are critical of the Office of Management and Budget's (OMB) draft bulletin on peer review, thereby maintaining pressure on the agency to either drastically alter the policy proposal or withdraw it entirely.

OMB's Data Quality Guidelines, the information policies that the peer review bulletin builds upon, received little media criticism or even attention during development. However, the peer review bulletin seems to be garnering much more interest, in part because so many scientists are rejecting this "scientific" policy.

Recent negative articles include "Peer Review Plan Draws Criticism" in the Washington Post, "Politics, science like oil, water" an editorial in The Atlanta Journal-Constitution, "White House seeks control on health, safety" in the St. Louis Post-Dispatch, and "The White House vs. Science" in The Philadelphia Inquirer.

These articles reflect objections and concerns voiced in the numerous public comments that OMB received on the peer review bulletin. As OMB Watch previously reported, the majority of those comments strongly opposed the peer review proposal.

The separate deadlines for comments on the bulletin from the public and from federal agencies have closed. OMB's next step will be to review the comments it received and decide how to respond and revise the bulletin. Many have called upon the agency to withdraw the bulletin, which while uncommon is well within OMB's power. The increased media coverage makes it more difficult for the agency to dismiss the concerns and complaints raised as unfounded.

The period for comments from the public and non-governmental organizations ended in mid-December and in a refreshing display of transparency OMB has provided all of those comments in an online docket. Comments on the peer review bulletin from federal agencies were collected in a separate process that ended Jan. 16. Unfortunately, it has been reported to OMB Watch from outside sources that OMB will not be allowing any access to the comments from government agencies. It appears OMB is claiming that these agency comments are protected from disclosure as inter-agency communications. Hopefully the media attention on this controversial and important issue will also help convince OMB to relent in its secrecy surrounding agency comments.

U.N. Report Compares Freedom of Information Laws

A new report by the United Nations Educational, Scientific and Cultural Organization (UNESCO) examines freedom of information policies across several governments and non-governmental organizations.

Over the past 10 years, the importance of freedom of information has been acknowledged throughout the world, and the report stresses the importance of free flowing information to democratic governments, human rights, and other issues. An overview of the international base for freedom of information is given.

Additionally, comparative analyses of freedom of information policies are presented through case studies of 10 countries – Bulgaria, India, Japan, Mexico, Pakistan, South Africa, Sweden, Thailand, the United Kingdom and the United States. It also examines two organizations – the United Nations Development Programme and the World Bank.

Read the entire report [here](#).

Avoiding Shame Through Secrecy Puts Lives At Risk

No one wants to be embarrassed, especially the folks working on the taxpayer's dime under the harsh lights of public scrutiny. But when people in high places in government try to keep embarrassing information out of the public eye, the results can be high-profile scandal. Just ask Richard Nixon and Bill Clinton. Most government efforts to keep unnecessary secrets, however, never reach the front pages of the New York Times but still put lives in danger and waste taxpayer dollars. Two recent news stories make this point. One deals with the question of whether the Sept. 11 attacks could have been prevented, the other with problems in California's prison system.

The National Security Agency intercepted two cryptic messages on Sept. 10 but failed to translate them until Sept. 12, 2001. Unclear is whether these messages, had they been translated and moved through the chain of command, would have allowed our government to prevent 9/11. This series of events only came to public light because CNN learned of these events from two anonymous sources and reported them. Now a grand jury investigation is underway to go after the leaker.

The second example involves an altogether different subject -- prison reform. A prison guard tried to suppress evidence that he failed to prevent a prison riot that injured 24 inmates, left one guard paralyzed, and ultimately lead to the suicide of a second guard who blamed himself for the violence. In a recent editorial, the Los Angeles Times blamed, in part, a pattern of secrecy in California's prison system for the system's failures. "It's past time to halt the secrecy, lack of accountability, tax waste and danger in the state's prisons," the Times wrote.

There are legitimate needs to keep secrets to protect sources and methods of intelligence gathering, but secrecy is not warranted merely to avoid embarrassment. The government should restore the public's trust through a transparent and open investigation into any failures, missed opportunities and lessons from the attacks of 9/11 in order to make our country safer and better protected. Then, as part of the democratic process, the public can push government officials to direct resources toward needed improvements. To close the delay between intelligence collection and its translation, perhaps we should hire more translators or encourage foreign language programs in our universities. These gaps in our homeland security system cannot be filled if we, the public, do not know about them and therefore cannot pressure our leaders to fill them.

Human mistakes are inevitable and forgivable; efforts to cover them up are neither. Whatever the policy recommendations that ultimately emerge from the riot and tragic suicide of a guilt-ridden guard and delay in translating cryptic intercepted comments, covering up the events that led to great tragedy only perpetuates the problems. Secrecy is a convenient solution for the self-interested but primarily perpetuates problems and does not serve the public interest.

Is CBS Squelching Free Speech?

CBS refuses to air MoveOn's 30-second issue ad during the Super Bowl, claiming the ad is too "controversial."

MoveOn's ad pictures children working in grocery stores as clerks, in factories as bottle manufacturers, and in auto shops as mechanics. The only line, "Guess who's going to pay off President Bush's one trillion dollar deficit?" concludes the spot. In a letter to its members MoveOn writes, "This is not a partisan issue. It's critical that our media institutions be fair and open to all speakers. CBS is setting a dangerous precedent, and unless we speak up, the pattern may continue."

CBS has agreed to air other issue ads during the Super Bowl, including an American Legacy Foundation's 30-second anti-smoking ad and an anti-marijuana ad sponsored by the White House Office of National Drug Control Policy (ONDCP).

Critics claim that CBS does not have a clean track record when it comes to fairness in broadcasting and ethics.

The National Organization for the Reform of Marijuana Laws (NORML) says that CBS is being hypocritical by airing the president's ad on marijuana policy, and refusing to air MoveOn's ad despite a recent CNN/Time poll indicating that marijuana decriminalization currently enjoys 72% support among the American public.

In March 2003, Gateway Inc. was also refused airtime from Viacom, which owns CBS. CBS has taken a clear stance on easing the digital piracy laws. In fact, Viacom has been among the most vocal media companies lobbying Congress for tougher rules regarding digital piracy. CBS claimed that Gateway's ad went against their "no controversial ad" policy because they were offering a digital music package as part of the purchase of any new PC, including 50 free songs from an Internet music provider. The ad also mentioned a new Gateway Web site, www.ripcurnrespect.com. On the site, Gateway urges visitors to contact Congress if they think anti-piracy proposals by the record labels have gone too far.

Robert McChesney, founder of Free Press, a national nonpartisan organization working to increase informed public participation in crucial media policy debates, states that, "CBS is playing politics with the right to free speech: another example of media monopoly's chilling effect on democratic debate." He adds that the problem of censorship may get worse as media companies gain more control over the airwaves.

A provision within the omnibus-spending bill gives media companies, such as CBS, more control over the market. Sen. John McCain, R-AZ, spent nearly an hour on the Senate floor last Wednesday arguing against the provision saying, "the new ownership cap is a prize to CBS and Fox, which would have to sell television stations if the original 35 percent limit was enacted." Free Press reports that CBS/Viacom spent over four million dollars in the past four years lobbying Congress to raise the media ownership cap to 39 percent.

It is interesting that in an election year and during the single most visible annual event CBS will shut out one voice while allowing another to be heard. Is this an example of viewpoint discrimination? Or is CBS simply trying to abide by its policies? We would like to hear from you. Please let us know if you think that this is an important issue, what other concerns does this raise for nonprofit organizations, and any other knowledge you might have in light of these circumstances. You can voice your ideas, opinions, and/or knowledge on NPAAction.org's forum. NPAAction.org is our web site designed to strengthen the capacity of nonprofits to participate in public policy.

Definition of Regulated Federal PAC To Be Considered by FEC

The Supreme Court's Dec. 2003 decision upholding the Bipartisan Campaign Reform Act (BCRA) has raised new questions about what kinds of political action committees are subject to federal campaign finance laws. On Jan. 15 the Federal Election Commission (FEC) voted to consider new regulations defining what kinds of political action committees would be subject to contribution and expenditure limits for federal election activity. FEC plans to have a proposed rule published on March 4. There will be a comment period followed by a public hearing in mid-April. The final rule is expected to be published on May 13.

Prior to the Supreme Court's decision in *McConnell v. FEC* regulated "federal" election activity was limited to electioneering that used "magic words" that expressly advocated for or against a federal candidate, such as "vote for" or "vote against." FEC regulations had been written and interpreted using this standard. Since the *McConnell* case held that Congress is not limited to regulating federal activity to express advocacy, the traditional boundary line between regulated and unregulated political committees has been erased. Nothing clearly replaces the old standard, and the FEC rulemaking process is meant to resolve the issue.

In the meantime, three campaign finance reform groups filed an enforcement complaint against political action committees that are conducting voter mobilization campaigns with donations from individuals. The complaint says the groups should be subject to the FEC rules, including limits on contributions and expenditures, because they are focusing their efforts on this year's federal election. The complaint was filed by the Campaign Legal Center, the Center for Responsive Politics and Democracy 21 against America Coming Together (ACT), The Media Fund and the Leadership Forum.

BCRA bans "soft money" contributions to political parties, but does not directly address the question of soft money contributions to political action committees. Up until now "soft money" has been unregulated by the FEC. (IRS rules require disclosure of these groups' finances.)

Similar issues have been raised in two Advisory Committee requests pending at the FEC. One has been filed by

Americans for a Better Country, a Republican leaning group, asking about the legality of activities similar to the Democratic leaning ACT's agenda. ACT has also filed a request for clarification of the legality of its program.

Muslim Charities Scream As Government Probes Them Again

Congressional scrutiny around the link between charities and terrorist organizations continues to grow. As first reported in the Washington Post on Jan. 14, Senate Finance Committee Chairman Charles Grassley (R-IA) and ranking member Sen. Max Baucus (D-MT) requested the Internal Revenue Service (IRS) to produce the confidential financial records and tax documents of several Muslim charities and Islamic philanthropic organizations. The Dec. 22, 2003 letter was sent in order to increase government oversight over groups that "finance terrorism and perpetuate violence."

Federal law protects the privacy of tax and financial information, but a special exception allows the chairs of the Senate Finance and House Ways and Means Committees access for oversight purposes.

This action comes on the heels of a Dec. 2003 General Accounting Office (GAO) report concerning the proliferation of alternative terrorist financing mechanisms, including the misuse of charities. The GAO report called for the Federal Bureau of Investigation (FBI), Treasury Department, and other relevant agencies to collect and analyze information, and for the IRS to establish procedures, in consultation with state charity officials, to share information about charities.

For two years, the federal government has investigated Muslim charities suspected of supporting groups classified as or alleged to be terrorist organizations. Muslim leaders are concerned that the freezing of over \$136 million in assets and closing the operations of major organizations based in the U.S. has lead to a climate of misinformation and distrust regarding legitimate charity work undertaken by tax-exempt organizations that have followed the rules. More information on the similar chilling effect on legitimate charity activity is available in the September 2003 OMB Watch Executive Report.

Faith-based Initiative Gets a Push with Set Aside Funds

Evidence emerges that faith-based charities are not discriminated against, but instead they are being favored.

Last Tuesday during his State of the Union address, President Bush urged Congress to open up billions of dollars in grant money to competition that includes faith-based charities. In doing so he states, "Tonight I ask you codify this into law, so people of faith can know that the law will never discriminate against them again."

In Massachusetts, John F. Downing runs a homeless shelter and substance abuse program for veterans. According to reports by The Roundtable on Religion and Social Welfare Policy, last year Downing's shelter was denied a \$415,000 grant renewal from the Department of Veteran Affairs (VA) because preference was given to faith-based providers. However, this year Downing decided to register his charity as a faith-based organization with the White House Office of Faith-Based and Community Initiatives, which made him eligible for technical assistance and information about grants opportunities. After registering, Downing contacted his representatives in Congress, whose staff helped with the preparation for grant applications. He also testified before Congress to explain the level of veteran homelessness in his community and his organization's loss of funds. A year later, Downing and his newly registered faith-based organization, United Veterans of America Inc.(UVA), had a influx of federal funds. UVA received grants and loans from the VA, the U.S. Department of Housing and Urban Development (HUD), and the Federal Home Loan Bank.

UVA never changed its name, nor changed the programs offered at the shelter. Yet after registering as a faith-based group they received almost \$2 million in federal funds one year after it was denied \$415,000. Both the VA and HUD claim that UVA's faith-based status had nothing to do with their decisions.

In Oklahoma City, State Rep. Debbie Blackburn (D-Oklahoma City) became concerned over whether their state Office of Faith-Based and Community Initiatives (OFBCI) is showing favoritism toward evangelical Christian

groups in awarding state contracts for social services. The problem was brought to Blackburn's attention by other faith-based organizations in her district who claim that an annual \$45,000 contract given by the Department of Human Services, which funds and houses the OFBCI, was specifically designed for an evangelical Christian group. The contract, which was awarded to Cornerstone Tulsa, is an intermediary and provides technical assistance to faith-based organizations. [Norman Transcript](#) reports that OFBCI director Bradley Yarbrough was aware that Cornerstone Tulsa had some "isolated problems" with fulfilling the terms of the contract after receiving the funding, but those have since "cleared-up." Blackburn and Yarbrough have met over this issue.

Designated Zones Continue to be Drawn for Protesters

The Secret Service has created restricted areas to keep those actively opposing President Bush's policies from being seen during his public appearances. People have been arrested for stepping outside the designated free speech area, and one man was prosecuted in federal court.

In South Carolina a long-time political activist was fined \$500 for entering a restricted area during a presidential visit. Much like two people who were arrested for stepping onto the street in Atlanta, Brett Bursey, 55, was peacefully protesting.

Originally Bursey was arrested for trespassing and faced up to six months in prison and a \$5,000 fine. However, five months after his arrest, he was charged with an obscure federal statute and the trespassing charge was later dropped. Assistant U.S. Attorney John Barton said that Bursey was charged under the federal statute because the incident took place at the Columbia Metropolitan Airport and South Carolina law does not allow local authorities to prosecute incidents there. Prosecutors claim that Bursey was in an area that had been closed to the public except for through traffic and ticket-holders. Conversely, Bursey explains that he had no idea that area he was in was off limits. He believes that he was picked out of the crowd because he was holding a sign that read "No War for Oil," while people with signs favoring Bush were not arrested and remained in the area.

On Jan. 19, an estimated 800 protestors gathered in Atlanta awaiting the arrival of President George W. Bush where he came to visit Rev. Dr. Martin Luther King Jr.'s grave. Protestors organized across the street from the King Center for Nonviolent Social Change, where the president was paying his tribute to Dr. King's legacy. Immediately in front of the protestors stood a long line of Metropolitan Atlanta Rapid Transit Authority buses. The buses were not there for transportation; instead they were used to block the President's view of the protestors. Standing alert on top of the buses where city police in riot gear. At least two people were arrested for stepping into the street beyond the buses.

For more information on "protest zones" see OMB Watch's article [Suit Challenges Secret Service "Protest Zones."](#)

Supreme Court Decides EPA Can Overrule State Air Permits

In a 5-4 decision, [the Supreme Court ruled](#) Jan. 21 that EPA has authority to overrule a state construction permit that, as judged by the agency, violates air quality standards.

In doing so, the court rejected the Alaska Department of Environmental Conservation's claim that EPA lacked the authority to block construction of a power plant at Teck Cominco Alaska Inc.'s Red Dog Mine, the world's largest zinc mine, located in northwest Alaska. (Cominco sought more generating capacity to expand zinc production by 40 percent.)

The state of Alaska approved construction of the plant without insisting that Cominco install the most effective technology for controlling air emissions, as required by the Clean Air Act. EPA intervened at the urging of the National Park Service, which was concerned about air pollution in nearby Cape Krusenstern National Monument and Noatak National Preserve.

"Only when a state agency's [Best Available Control Technology] determination is 'not based on a reasoned analysis' ... may EPA step in to ensure the statutory requirements are honored," Ruth Bader Ginsburg wrote for

the majority. "EPA adhered to that limited role here." Ginsberg argued that without such federal oversight, states might be tempted to compete for business by undercutting federal environmental standards.

The ruling upheld a 2002 decision by the U.S. Court of Appeals for the Ninth Circuit.

Administration Says It Will Prosecute Clean Air Violations, For Now

The Bush administration will reverse course and bring new court cases against violators of power-plant emissions standards, according to EPA Administrator Mike Leavitt.

Just three months ago, it was revealed that the administration had decided to stop investigating 70 power plants suspected of violating clean air standards, and would consider dropping 13 other cases that were referred to the Justice Department.

This decision followed EPA's action weakening its New Source Review (NSR) program, which governs power-plant emissions. Past violations, the administration concluded, would be judged by the new, weaker standard -- even though it was not the law at the time.

Then, a day before Christmas, a federal appeals court temporarily blocked the administration from implementing the NSR rollback. As a result, Leavitt said, EPA would aggressively enforce the existing rule until the case is resolved.

Court Overturns Bush Rollback of Air Conditioner Efficiency Standards

A federal appeals court overturned a Bush rollback of air conditioner efficiency standards, finding that it violated the National Appliance Energy Conservation Act, which prohibits such backsliding.

The Clinton administration, in its final weeks, required that most new air conditioners and heat pumps be made 30 percent more energy efficient by 2006. But the Bush administration immediately lowered this requirement to 20 percent, which would have created substantially more demand for power.

"Under the Bush rollback, from 2006 -- the year the standard should go into effect -- through 2030, U.S. households would have used an additional 253 billion kilowatt-hours of electricity, equivalent to the amount of power used by about 25 million households in one year," according to the Natural Resources Defense Council, which was part of the lawsuit to reinstate the Clinton standards. This would have meant an additional 51 million metric tons of carbon emissions (equivalent to that of 34 million cars), \$21 billion extra spent by consumers on utility bills, and an increased risk of summer blackouts.

"In rejecting the Bush administration's attempt to turn back the clock on energy efficiency, the court has boosted efforts to reduce consumers' energy bills and protect California from future power shortages," California Attorney General Bill Lockyer said in a statement.

Administration Limits Objections to Forest Thinning

The Bush administration issued an interim final rule Jan. 9 that limits the public's ability to challenge forest-thinning projects under the recently enacted Healthy Forests Restoration Act, which allows increased logging purportedly to reduce the danger of wildfire.

Under the rule:

- You can only launch an administrative appeal to stop a project if you submitted comments during the formal public comment period;
- Federal agencies are not allowed to file objections;
- Appeals must be brought within 30 days after the issuance of an environmental impact statement or assessment;
- A single Forest Service "reviewing officer" decides on an appeal, and can potentially do so without meeting with the objectors;
- No further administrative challenges are allowed if the reviewing officer rejects the appeal; and
- Exceptions for legal challenges should be "read together, narrowly construed and invoked only in rare instances such as where information becomes available only after the conclusion of the administrative process."

"This is not about protecting homes or communities from forest fires," Amy Mall, senior forest specialist with the Natural Resources Defense Council, told BNA. "This is about trying to cut the public out from having a say in the management of their public lands. It will make it harder for people to challenge projects that would damage the environment and do nothing to protect homes or communities."

This action follows a rule issued in December that limited consultations under the Endangered Species Act for forest-thinning projects.

Commerce Dept. Calls for More Regulatory Rollbacks

The Commerce Department released a report Jan. 16 on U.S. manufacturing that calls on the Office of Management and Budget (OMB) to review existing regulations and implement reforms "on a priority basis" to reduce costs on manufacturers.

Curiously, the report does not mention that OMB actually did this during the first two years of the Bush administration, using its annual report to Congress on federal regulation to identify and weaken a host of significant standards, such as controls on power-plant emissions.

In this past year's report, OMB did not solicit new recommendations on specific rules, as the administration was still evaluating the whopping 267 recommendations submitted the previous year. Instead, OMB issued new guidance on regulatory analysis that raises the bar for promulgating new health, safety and environmental standards. The Commerce Department urges OMB to "rigorously apply" this guidance "to any proposed rules that would influence the costs imposed on the manufacturing sector, particularly as they affect small and medium-sized businesses."

In making these recommendations, Commerce cites a study commissioned by the Small Business Administration's Office of Advocacy that misleadingly suggested small businesses are being strangled in a sea of regulation without providing any corresponding review of the benefits of health, safety and environmental protection. (OMB's latest report by contrast found that the benefits of environmental regulation swamp the costs.) Indeed, going by Commerce's report, the primary objective should be to reduce regulatory costs no matter the consequences.

Time Remains to Comment on EPA's Burden Reduction Plans for TRI

OMB Watch encourages interested individuals to take part in the Environmental Protection Agency's (EPA) Stakeholder Dialogue Phase II that focuses on burden reduction options for the Toxics Release Inventory (TRI) program. The TRI is a flagship database that contains information about releases and transfers of toxic chemicals from manufacturing facilities. Since the establishment of TRI, the simple act of publicizing the amount toxic chemicals that facilities release has pressured companies to reduce these releases by more than half.

Each of the options being considered by EPA would create loopholes significantly reducing the amount of information available to the public. Allowing industry to hide data about toxic releases eliminates the incentive for facilities to lower their emissions. This burden reduction initiative could threaten the very usefulness of TRI.

Please see [OMB Watch's action alert](#) to send your comments to EPA.

