

MONTHLY NEWS REVIEW

Vol. 3, Issue 1, January 2003

Prepared by Mark Shafer, Oklahoma Climatological Survey

IN THIS ISSUE:

NATIONAL

Congress hopes to pass appropriations by State of the Union
Congress will not rubber-stamp Bush proposals
Nation's legislators see budget worries as leading problem
John Snow picked to head Treasury

AGENCY NEWS

GAO criticizes e-government projects
Mixed results in agency collaboration
FEMA chief Allbaugh stepping down
Griffin recommended for regional EPA director
Government increasing campus recruiting

STATE / LOCAL

Agencies told to plan for cuts up to 20%
Ten percent less revenue forecast for FY 2004
November revenues miss mark (again)
Gas prices may ease budget crunch
Henry picks Elk City banker to head finance department
Meacham restructures budget process
Governor-Elect Henry opposed to tax increases
Republicans back zero-based budgeting
Panhandle State University finds new president
OU considers cutting classes, faculty

BUSINESS / ECONOMY

Consumer spending brightens holiday outlook
Slow growth anticipated in 2003
Natural gas prices spike over \$5
Natural gas prices hover near \$4
Kerr-McGee cuts non-core operations

WEATHER

2002 warm and dry
Bid on electric distribution system iced
Ice storm cleanup bill still unpaid

CLIMATE

U.S. Climate Change Science Program hosts workshop
Planetary waves reduce ozone hole
Springtime temperature swings harm northeastern forests
Changed rice farming practices results in less methane

ENVIRONMENT

Tougher emission rules on horizon
New EPA rules prompt lawsuit
Feed lots come under EPA regulations
Bush administration seeks to streamline forest reviews
Circuit court blocks new logging roads
OWRB wetlands rules criticized
Kaw Reservoir looking for buyers
Company seeking purchase of Arbuckle water rights
Communities band together for water service rights
San Francisco developing solar energy sources

SCIENCE & TECHNOLOGY

Technology lobbyists outline agenda
Scientists seek supercomputing effort
What is information worth?

Monthly News Review is prepared by the Oklahoma Climatological Survey. Its purpose is to provide a summary of weather and climate news or related issues that may help guide policy-makers in the Oklahoma Weather Center. Along with weather, climate, environmental, and science issues, the review includes issues on the national and state agendas and events that affect major businesses in Oklahoma that bear some relation to demands for weather-related information. The summaries and any opinions expressed herein are those of the author, and in no way reflect positions of the Oklahoma Climatological Survey or the University of Oklahoma.

NATIONAL

Congress hopes to pass appropriations by State of the Union (GovExec.com 12/5/2002) – Republicans aim to complete the remaining 11 FY 2003 spending bills before President Bush's State of the Union address on January 21. Leaders hope to "clear the table" of outstanding bills, allowing the President to focus on new initiatives in his address. Incoming Senate Appropriations Chairman Ted Stevens (R-AK) hopes to maintain total spending to within the president's \$750.4 billion budget, but that will necessitate trimming \$15 billion from the appropriations bills reported out of committee when Sen. Robert Byrd (D-WV) was Chairman.

<http://www.govexec.com/dailyfed/1202/120502cd1.htm>

Congress will not rubber-stamp Bush proposals (Los Angeles Times 12/9/2002) - "Based on their track records," many Republican committee chairmen "will not be mere rubber stamps for the administration," the Los Angeles Times reports. "The new Senate barons include a cadre of mavericks and independent thinkers who bring their own ideas and quirks to the legislative table." (From GovExec.com EarlyBird)

Nation's legislators see budget worries as leading problem (AP/Oklahoman 1/2/2003) – The National Conference of State Legislators and the National Governors Association said budget shortfalls are strangling programs in the states. Budget shortfalls of \$17.5 billion accrued in the first quarter of 2003 alone. This comes after a \$50 billion shortfall last year, which caused states to cut programs, lay off workers, and dip into rainy day funds. This year, education and Medicaid will be on the table in many states. California alone may encumber a \$38.5 billion deficit. These shortages come at a time when citizens are demanding more of state government, especially in the areas of education and class sizes and in controlling skyrocketing health care costs.

John Snow picked to head Treasury (AP/Oklahoman 12/10/2002) – John W. Snow, president of CSX Corporation – one of the nations largest railroad freight lines – was nominated by President Bush to be his new Treasury Secretary, following the resignation of Paul O'Neill. Snow shares a similar philosophy to O'Neill, but is viewed as more cautious and politically savvy. Snow has a Ph.D. in economics from the University of Virginia. In the past, Snow has advocated balanced budgets, which may introduce a note of caution into tax cut proposals.

Status of Legislation (newly added to report; action noted; legislation passed; legislation failed):

This regular part of the report is suspended until new bills are introduced in the 108th Congress (convened January 7, 2003).

AGENCY NEWS

GAO criticizes e-government projects (GovExec.com 12/20/2002) – The General Accounting Office criticized procedures for selecting projects for the White House’s e-government initiative. The GAO noted that fewer than half of the 24 selected projects addressed customer needs for online services and only eight included information on how projects would increase collaboration among government agencies and Congress. The OMB argues that it uses a rigorous formula based in private-sector practices for selecting projects, which is why they come up with different results than GAO. The focus of the 24 initiatives is to reduce existing redundancy and underutilized projects and to reduce paperwork.

<http://www.govexec.com/dailyfed/1202/122002td1.htm>

Mixed results in agency collaboration (GovExec.com 1/2/2003) – Collaboration among agencies is improving, according to two recent General Accounting Office studies (GAO-03-321 and GAO-03-320), but some agencies still have a long way to go. The reports note improved coordination in some areas, such as Interior and Forest Service developing joint wildfire fighting efforts in a National Fire Plan and 10-year Comprehensive Strategy. However, other agencies continue to rate poorly in coordination, ten years after the 1993 Government Performance and Results Act identified the need. As an example, the GAO cites NOAA’s lack of collaboration with EPA, Defense, or Interior departments in wetlands management.

<http://www.govexec.com/dailyfed/0103/010203a1.htm>

FEMA chief Allbaugh stepping down (AP/Oklahoman 12/17/2002) – Joe Allbaugh will leave his post on March 1, when FEMA becomes part of the new Homeland Security Department. Mike Brown, Allbaugh’s deputy, is expected to become the new director. Allbaugh managed both Bush campaigns for governor of Texas and his first campaign for President. He said he will likely be involved in the re-election campaign, but not as manager.

Griffin recommended for regional EPA director (Oklahoman 12/19/2002) – Brian Griffin, environmental secretary under Oklahoma Governor Frank Keating, is was recommended by state officials to become director of EPA Region 6, which includes Arkansas, Oklahoma, Texas, Louisiana, and New Mexico. Griffin, if selected, could be instrumental in resolving a long-standing conflict over water quality issues between Oklahoma and Arkansas. A new director will be selected in January, following the retirement of Gregg Cook, the current director.

Government increasing campus recruiting (AP/Oklahoman 12/1/2002) – The new Homeland Security department and anticipated increase in retirements have made some agencies more aggressive in recruiting on college campuses. The Partnership for Public Service notes that half of the federal workforce will be eligible for retirement by 2007, resulting in nearly 250,000 jobs that need to be filled. The nonprofit organization has helped link 60 federal agencies with 380 colleges and universities. Despite the often lengthy application process, students seem attracted to the job stability and the opportunity to make a difference in government.

STATE / LOCAL

Agencies told to plan for cuts up to 20% (Oklahoman 12/23/2002) – Oklahoma state agencies were instructed to prepare budgets reflecting potential cuts ranging from 6.5% to 20% for fiscal year 2004. State Treasurer Robert Butkin referred to the scenarios as an early exercise in contingency planning. Education, health care, and corrections are expected to be protected to the greatest possible extent, meaning other departments may need to absorb much larger cuts. The request also asks state agencies to identify alternate sources of revenue, like federal funds, that could help offset some of the state revenue shortfall.

Ten percent less revenue forecast for FY 2004 (Oklahoman 12/19/2002) – The Office of State Finance projected a \$593 million reduction in revenues, as compared to the original FY 2003 budget of \$5.6 billion. The 10.6% reduction is 4.7%, or \$245 million, less than the current FY03 budget, which reflects budget cuts made earlier this year. The State Board of Equalization will do a final certification in February.

November revenues miss mark (again) (Oklahoman 12/11/2002) – November revenues fell more than five million dollars short of the projected mark. The 12% shortfall is another in a long string of poor revenue performances. Although revenues were well below projections, the \$43.2 million total was only 0.1% below the November 2001 collections. Gross production taxes on natural gas were well above projections – 14.4% above estimates and 71.9% above November 2001 collections – but all other revenue categories fell well below estimates.

Gas prices may ease budget crunch (Oklahoman 12/25/2002) – The unexpected increase in natural gas prices could provide as much as \$147 million in additional revenue to Oklahoma. Even though it will not solve the budget crisis, the income would help offset some cuts. So far, fiscal year 2003 is coming in 12% below expected revenues, and projections for FY 2004 are equally bleak. Experts caution not to plan on the additional revenue, because natural gas prices could decline as quickly as they rose.

Henry picks Elk City banker to head finance department (Oklahoman 12/5/2002) – Governor-Elect Brad Henry named Scott Meacham, an Elk City banker, to be director of the Office of State Finance. Meacham holds a bachelor's of finance, an MBA and a law degree from OU. Henry also announced the appointments of Gerald Adams, former communications director for the attorney general's office, as chief of staff and Tom Spencer, chief of staff for state Treasurer Robert Butkin, as general counsel. [Note: the bank for which Scott Meacham was head was founded by the Thurmond family in 1901; Pete Thurmond is a landowner for the Mesonet site at Cheyenne.]

Meacham restructures budget process (Oklahoman 12/16/2002) – Even before taking office, Scott Meacham has begun drafting new ways of determining state revenues and budgets. He is consolidating the governor's and Legislature's budget committees, seeking improvements on the method of estimating revenues, and advocates more restrictions on use of the state's Rainy Day fund. Meacham wants to use more conservative revenue estimates in planning state budgets.

Governor-Elect Henry opposed to tax increases (Oklahoman 12/15/2002) – Brad Henry is looking toward cutting government spending as a solution to the current fiscal crisis. Henry cites a quadrupling of the corrections budget over the past few years as an example of escalating costs. Instead of increasing taxes, Henry wants to scrutinize budgets of each agency, requiring them to justify all expenditures. In addition to corrections, Henry mentions higher education as a possible area to find savings. The governor-elect ruled out eliminating income tax as an option to spur economic growth, noting that sales and service taxes, unlike state income tax, cannot be deducted on federal income tax forms. He did cite some areas of Oklahoma's tax law that should be changed, including increasing deductions to match federal deductions and exemptions and reducing capital gains taxes.

Republicans back zero-based budgeting (Oklahoman 12/18/2002) – Governor-elect Brad Henry gained the support of key state legislative leaders in his proposal for zero-based budgeting. Republicans have long advocated the method. Zero-based budgeting requires agencies to create their budgets from scratch, justifying every dollar along the way. Incremental budgeting, the more common method, uses the previous year as a benchmark and only requires justification on changes to the previous budget. Zero-based budgeting is time-intensive; therefore agencies will likely only undergo the process every three or four years, on a rotating basis. The goal is to reduce governmental expenses and increase efficiency in service delivery.

Panhandle State University finds new president (Oklahoman 12/18/2002) – David Bryant, vice provost and director of agriculture extension services at Montana State University, will become the newest president of Panhandle State University at Goodwell when he takes office on March 1. Among the factors leading to his selection was his success at raising public and private funds to support research initiatives during his tenure as dean of the College of Agriculture and Biological Sciences at South Dakota State University. Bryant earned a bachelor's degree from Washington State University, a master's degree from Texas Tech, and a doctorate in range management from the University of Arizona.

OU considers cutting classes, faculty (Oklahoman 12/4/2002) – Looking at a potential budget shortfall of between \$15 million and \$25 million, University of Oklahoma President David Boren said that it may be necessary to eliminate classes, cut programs and staff, and eliminate adjunct professorships. Boren and Oklahoma State University's new president David Schmidly are seeking to remove the annual tuition increase cap of 7%, allowing the schools to raise tuition up to the Big 12 average increase. OU and OSU currently rank as the lowest tuition costs among Big 12 schools, more than \$1,000 below the average for in-state tuition and \$3,500 below the average for out-of-state tuition. OU has sufficient reserves to make it through the current fiscal year without furloughs or staff cuts.

BUSINESS / ECONOMY

Consumer spending brightens holiday outlook (AP/Oklahoman 12/24/2002) – November figures show a 0.5% increase in consumer spending, the biggest increase since July. Following a 0.4% increase in October, economists were buoyed by signs of an economic recovery. Personal income also increased 0.3%, the fourth consecutive month of growth. Increasing incomes and improving consumer confidence are good signs of recovery, given that consumer spending accounts for two thirds of all economic activity in the United States. However, steep discounts to spur holiday shopping may lessen retailers earnings in what had started out as a strong holiday shopping season.

Slow growth anticipated in 2003 (Oklahoman 12/5/2002) – University of Oklahoma economist Bob Dauffenbach predicted that the Oklahoma economy, like the national economy, will “muddle through” the coming year. Overall, the Oklahoma economy has fared better than the national economy through the recession, and will experience a 1.6% growth in jobs, ahead of the national average of one percent. Dauffenbach notes potential inflation, stock market uncertainty, and the exodus of manufacturing jobs overseas as factors that will inhibit a strong recovery. The loss of manufacturing jobs could be especially troublesome for Oklahoma, where manufacturing jobs account for 20% of the work force.

Natural gas prices spike over \$5 (Energy Information Administration 1/3/2003) – Natural gas prices peaked over \$5 per thousand cubic feet in mid-December, in large part due to greater-than-expected withdrawals from storage. Prices declined somewhat in late December, but a new arctic cold front and expectations of cold weather in the Midwest and Northeast pushed prices back to near \$5 shortly after the first of the year. Crude oil prices have also risen because of political instability in Venezuela and concerns about possible military action in Iraq.

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Natural gas prices hover near \$4 (Oklahoman 12/4/2002) – Natural gas index prices dipped to slightly below \$4 per thousand cubic feet, the first decline since August. Analysts caution that the dip is temporary, and expect prices to hold near the \$4 mark throughout the winter. A cool fall increased demand for natural gas by 25-30 percent, and the impacts of El Nino appear to be less than anticipated. “The current El Nino is shaping up to be weak and will have little effect on the climate,” stated Tony Say, president of Clearwater Enterprises, Inc. Natural gas supplies stand at 90% of storage capacity, which is sufficient to meet demands for a normal winter. A severe and long-lasting cold spell could push prices upward above the \$4.75 upper limit that Say expects. Drilling activity is still slow, however, leading to potential long-term supply problems.

Kerr-McGee cuts non-core operations (Oklahoman 12/17/2002) – In line with other energy companies, Kerr McGee chose to sell off or close assets not related to its core business. Kerr-McGee announced that four forest products plants, none of them located in Oklahoma, will be closed by early 2004, while the lease on a fifth would be allowed to expire next year. The company also sold some of its higher-cost oil and gas production fields in West Texas and Oklahoma. The news was greeted positively by investors, as Kerr-McGee focuses on oil and gas exploration and production and production and marketing titanium dioxide pigment.

WEATHER

2002 warm and dry (NOAA 12/17/2002) – The National Climatic Data Center reported that the overall average U.S. temperature was expected to be among the 20 warmest years since 1895 and precipitation in the western U.S. was on pace to match or exceed record lows. At its peak, moderate to extreme drought covered 50% of the contiguous United States, although the total area receded to 36% by years' end. Early in the year, drought was prominent in the Eastern U.S., but the main area of concern shifted westward to the Rocky Mountains states by late in the year, although drought conditions persist, particularly in the Southeast U.S. A developing El Nino limited hurricane development, contributing a season in which 12 named storms formed in the Atlantic, of which only two became major hurricanes.

<http://www.publicaffairs.noaa.gov/releases2002/dec02/noaa02164.html>

Bid on electric distribution system iced (Oklahoman 12/12/2002) – A bid by Elk City, OK, to take over its electrical distribution system from AEP-PSO failed, and city leaders are blaming a recent ice storm. One week before the city's election on the issue, an ice storm knocked out power to many residents of western Oklahoma. Residents' fears about the capacity of the city to handle restoring power in the event of a disaster contributed to the question's defeat. An ice storm in January, 2002 knocked out power to some rural parts of Oklahoma for as long as 39 days and cost the state over \$300 million (see <http://climate.ocs.ou.edu/> "Climate Event Summaries").

Ice storm cleanup bill still unpaid (Oklahoman 12/30/2002) – McCurtain County faces default on bills related to cleanup of the December 2000 ice storm unless promised federal and state funds are provided soon. The problem stems from Federal Highway Administration disaster assistance funds. The agency approved \$10.5 million in disaster assistance, but to date, the county has only received only about half of the promised funds. Funds are released only once per year, in October, and are used toward all disasters occurring within the time frame. If Congress does not allocate sufficient funds to cover all guaranteed expenses, then payments are proportionately reduced. FEMA paid almost all of the \$12.1 million costs it guaranteed.

CLIMATE

U.S. Climate Change Science Program hosts workshop (NOAA 12/13/2002) – The U.S. Climate Change Science Program (CCSP), a combination of the U.S. Global Climate Change Research Program and the Climate Change Research Initiative, held a workshop on December 3-5 to discuss its strategic plan. The workshop focused on a wide range of climate change issues, including atmospheric composition, carbon cycle, land use and climate interactions, climate modeling, data quality and management, resource management, emerging science issues, and human contributions and responses to climate change. Comments were solicited from the climate community, and could be submitted through the CCSP web site through January 13, 2003.

<http://www.noaanews.noaa.gov/magazine/stories/mag66.htm>

Planetary waves reduce ozone hole (NASA 12/6/2002) – A greater than usual number of planetary waves in the Antarctic helped ozone levels recover. The ozone hole, half the size it was two years ago, benefited from active weather phenomena that helped transport warmer air into the stratosphere, reducing the development of cold clouds that act as catalysts destroying ozone. The last time the ozone hole was as small as this year was in 1988, another year of active large scale surface weather systems.

<http://www.gsfc.nasa.gov/news-release/releases/2002/02-166.htm>

Springtime temperature swings harm northeastern forests (UCAR 12/17/2002) – Recent research shows that temperature swings – freeze-thaw cycles – in the northeast U.S. are harming forests. Researchers have noted a decline in the health of forests in the region, commensurate with the intensified spring freeze episodes. Researchers attribute the increased episodes to an atmospheric pressure imbalance over the North Atlantic, related to the North Atlantic Oscillation. Although mean temperatures are largely unaffected, temperature extremes have increased, with more frequent nighttime freezes and higher daily maximum temperatures.

<http://www.ucar.edu/communications/newsreleases/2002/mearns.html>

Changed rice farming practices results in less methane (NASA 12/19/2002) – In the early 1980s, farmers in China began draining rice paddies midway through the season to increase yields and conserve water. An unintended benefit is a reduction in production of methane. Instead of continuous flooding farmers drain the fields, allowing better root development, more nitrogen fixation in the soil for fertilizer, and aerates the soil. Methane is produced under anaerobic conditions, when the fields are immersed in water. Methane is a 21-times more potent greenhouse gas than carbon dioxide and is more susceptible to changes in land management practices.

<http://www.gsfc.nasa.gov/news-release/releases/2002/02-172.htm>

ENVIRONMENT

Tougher emission rules on horizon (AP/Oklahoman 12/31/2002) – The Environmental Protection Agency is considering new rules that would cut sulfur emissions and require emission controls on off-road vehicles. Diesel-powered vehicles, including construction and farming equipment, account for more pollution than trucks and busses regulated under existing clean air legislation. The new rules would also apply to new marine and railroad engines, and bring all these sources in line with the standards used for trucks and busses. The rules must be cleared by the White House, and would likely take effect, if approved, in Spring 2004.

New EPA rules prompt lawsuit (AP/Oklahoman 1/1/2003) – The EPA published new rules in the Federal Register, governing emissions controls on utilities, refineries, and manufacturers. The EPA argued the new rules are designed to provide flexibility to industries and encourage energy efficiency and decrease air pollution, but attorneys general in eight New England and Atlantic states immediately filed a lawsuit to challenge the new requirements. The issue centers around requirements for emissions controls when facilities are expanded or modernized. Under the old rules, expensive emissions control equipment was required. The eight states – New York, Connecticut, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, Rhode Island, and Vermont – counter that air pollution, smog, acid rain, and respiratory diseases will increase under the new regulations.

Feed lots come under EPA regulations (AP/Oklahoman 12/17/2002) – New EPA regulations require that all large concentrated animal feeding operations must apply for a permit under the Clean Water Act. The permits require limits to how much animal waste can be applied to fields. Animal waste contains nitrogen and phosphorus, which are beneficial to crops but become pollutants in larger concentrations in water supplies. The new rules will primarily affect the nearly 15,000 facilities with more than 1,000 “animal units.” The new rules will have little impact on Oklahoma, which already has some of the nation’s most stringent regulations.

Bush administration seeks to streamline forest reviews (AP/Oklahoman 12/12/2002) – President Bush is examining options to speed environmental reviews that precede forest cutting. The administration is targeting ten areas in need of thinning. Each area will have an initial environmental analysis, but not as detailed as the comprehensive environmental impact statements currently required. In particular, the administration proposal seeks to shorten the review time. More than seven million acres were burned during 2002.

Circuit court blocks new logging roads (AP/Oklahoman 12/14/2002) – The 9th U.S. Circuit Court of Appeals, based in San Francisco, upheld a Clinton-era rule barring construction of new roads in roadless parcels of 5,000 acres or more. The decision threatens timber deals in Idaho and Alaska, as well as affecting some smaller portions outside of the western U.S., where most of the protected parcels remain. The ruling also limits fire fighting, due to a federal policy prohibiting fire-prevention efforts in roadless areas.

OWRB wetlands rules criticized (Oklahoman 1/4/2003) – Environmentalists, oil and gas producers, the Oklahoma Farm Bureau, and the State Chamber of Commerce all voiced concerns over proposed new wetlands regulations in Oklahoma. Under the new rules, proposed by the Oklahoma Water Resources Board, federal wetlands protection requirements would be extended to all wetlands, not just federal lands as required by federal law. Energy industry officials voiced concerns over increased expenses for planning and delays in permitting new drilling sites. The OWRB will review comments and consider the changes in February.

Kaw Reservoir looking for buyers (Oklahoman 12/14/2002) – A recent study concluded that Kaw Reservoir is a source of more water than it currently can use. As a result, the Kaw Reservoir Authority has contacted 30 cities in Oklahoma to assess interest in purchasing water and constructing pipelines. Among the communities expressing an interest is Yukon, which has been involved with the Central Oklahoma Water Resource Authority to develop wells in the Arbuckle-Simpson aquifer. Opposition from residents in the aquifer's region and a shortage of commitments from Canadian County communities to purchase the water has put the plan into question. If Yukon were to opt for water from Kaw Reservoir instead, by adding on to an existing pipeline that brings water to Stillwater, the largest customer of the aquifer pipeline would be gone. Yukon is also negotiating with Oklahoma City for a better purchase price for water it gets from the City's sources.

Company seeking purchase of Arbuckle water rights (Oklahoman 12/14/2002) – BRR Oasis LLC in Pontotoc filed an application for 6 billion gallons of water annually from the Arbuckle-Simpson aquifer. An attorney for BRR Oasis claims the water is for use by local landowners, although the application shows "municipal and rural water uses" in "various central Oklahoma communities." PESA LLC, who is under contract to develop a pipeline from the aquifer to Canadian County, claims there is no connection between their efforts and those of BRR Oasis.

Communities band together for water service rights (Oklahoman 12/23/2002) – Small communities joined together in the Associated Municipal Water Providers, an outgrowth of the Oklahoma Municipal League, to develop clout to compete against the state's Rural Water Association in disputes over water. The Rural Water Association typically backs rural interests over municipalities and is viewed by some as obstructionist toward economic development projects. Most contention relates to planned growth in areas immediately adjacent to towns, areas that are often in the traditional service areas of the rural water districts.

San Francisco developing solar energy sources (New York Times 11/23/2002) – Fog is no barrier to environmental dreams. The city of San Francisco has installed a network of solar energy monitors to determine optimal places in the city in which to locate solar panels. The monitoring system is the first step in a \$100 million renewable energy project aimed to generate up to 50 megawatts of renewable energy for the city. The initial installation of 10 megawatts of solar power is expected within the next five years. Readings, which show areas of fog quite distinctly, are provided freely on the web at www.solarcat.com/sfsolar/main.htm.

SCIENCE & TECHNOLOGY

Technology lobbyists outline agenda (GovExec.com 1/6/2003) – The Information Technology Industry Council outlined economic stimulus, broadband deployment, and anti-piracy technology as its most important policy items for the new congress. The Industry is seeking to increase the 30-percent depreciation of high-tech assets that was included in the 2002 stimulus package, citing continued economic sluggishness and the need for more business investment in technology. The broadband debate is centered on an FCC review, expected in January, of rules governing access to the Bell telephone companies networks. High-tech companies have argued that the FCC should deregulate the Bell companies' new investments in broadband. Senator John McCain (R-AZ) notes that broadband will be featured prominently on his Commerce Committee's agenda. The Council is also planning to engage Congress on H1B visas for highly-skilled foreign workers. The cap is expected to drop from 195,000 visas to 65,000 at the end of Fiscal Year 2003.

<http://www.govexec.com/dailyfed/0103/010303td1.htm>

Scientists seek supercomputing effort (GovExec.com 12/6/2002) – U.S. scientists are urging the federal government do to more to maintain U.S. leadership in supercomputing technology. In April 2002, Japan announced the Earth Simulator, a \$400 million supercomputer that is as fast as 20 top American computers combined. Although budgets will not be revealed until February, the director of the Office of Science in the Energy Department testified that maintaining the U.S. lead is his top priority. In fiscal year 2003, the U.S. spent \$842.5 million on high-end computing research, nearly double the level five years earlier. Much of the U.S. effort has been in distributed cluster computing which takes advantage of multiple machines, but suffers from limitations of connectivity.

<http://www.govexec.com/dailyfed/1202/120602td1.htm>

What is information worth? (Space Imaging Notes November/December 2002) – A rule of thumb is that the economic value of information is about one percent of the value produced by a user of that information. Economists and others have been grappling with how to measure the value of information. They point out difficulties in measurement, including the “social surplus” nature of information (non-economic uses) and that information can help avoid poor decisions and losses. Agencies throughout government, such as NOAA and the EPA are trying to develop ways to value resources and processes that are generally under-valued economically. All of this relates to the \$10-\$12 billion per year that is spent on geospatial data and management, and to the potential tradeoffs if these resources were used for other means, such as health care or education. *[Ed. Note: the U.S. Gross Domestic Product is about \$10 trillion. Applying the 1% rule-of-thumb yields \$100 billion benefit from the use of information, still an order of magnitude greater than what is spent on acquiring and managing the information. Thanks to Billy McPherson for pointing out this article.]*