

ALLASKEA LINGUISTIC JOURNAL OF THE SOCIETY OF LINGUISTS

2021 HSA • HB 630 - HB 663

2021

residential real estate loan programs into some kind of centralized organization it became apparent that while although a new loan authority might bring consistency, order, and in the long run, economy to the area, in the short run it is obvious that the new tier which this draft adds serves only to potentially delay the process of obtaining approval for loans to be purchased by the state. Since the existing housing loan programs which were to be preserved were already functioning and were drafted with distinct statutory parts that differed on specific points depending on the nature of the project, it did not seem advisable to simply consolidate all the programs without further study. This is especially true since some of the programs, such as AHFC, have statutory provisions stating that they shall not be terminated as long as bonds, notes or obligations were outstanding. On the other hand, the other programs could not readily be merged into the AHFC format unless the interest, security, bonding, as well as other provisions were to apply. Any attempt to maintain the distinctions between the various programs as to those matters would have resulted in a statute containing nearly all the present language which is now located in several chapters. Thus, the creation of the Alaska Housing Loan Authority in the manner presented in this draft may well be an example of an attempt at the centralization of a function without necessarily resulting in a simplification. I look to you for direction relating to more specific statutory language to clarify the exact nature of the housing loan authority.

The area of business loans was a good candidate for exploring another approach to implementing the Commonwealth suggestions. Since the report spoke favorably of the already existing Alaska Industrial Development Authority (AS 44.88), and that authority had recently undergone amendments to allow state support of loans for such disparate purposes as mining and tourism, it provided an excellent vehicle for the inclusion of the commercial fishing and agricultural loan programs which the report recommended be placed under or within a single business loan authority. The existing definition of "small enterprise" contained in AS 44.88.220(12) is considered to be sufficiently broad to cover those loans formerly made by the Commercial Fishing Revolving Loan Fund (AS 16.10.30C) and the Agricultural Revolving Loan Fund (AS 03.10.010). The only substantive amendments needed under AS 44.88 are contained in sec. 19 of the draft. With the

December 10, 1981

addition of paragraphs to AS 44.88.080 making it clear that loans for the purchase of fishing vessels or limited entry permits can be purchased by the authority, the language in AS 44.88 will permit the purchase of all loans previously administered under the programs identified by the Commonwealth report. In fact, the mining and tourism loans were already transferred to the development authority by Chapter 106, SLA 1980. Again, since the Commonwealth position paper was critical of the lack of rationale for the various "subsidized" interest rates, no attempt has been made to distinguish between appropriate interest rates for the various categories of business loans.

The only financing program recommended for inclusion by the Commonwealth document and not in fact placed within the business loan authority created by this draft is the Alaska Medical Facility Authority (AS 18.26). Upon review it was felt that the functions of that authority were more nearly covered by the rationale advanced by the Commonwealth report for the creation of an Alaska Social Loan Authority. You will note that the present draft does not contain language creating a social loan authority. The programs identified were of such disparate nature (e.g., disaster relief, outdoor recreation) that the creation of a loan authority to supervise the administration of the various programs would be much more likely to add another level of red tape and increase the capacity for delay and waste. At least in the Alaska Housing Loan Authority there is a commonality of subject matter in which the authority might develop expertise since those programs typically involve the availability of financing for residential real estate. Although it is beyond argument that various programs identified by the Commonwealth report do in fact come within the penumbra of "socially" worthwhile programs, it is not clear that the creation of a social loan authority will assist in the administration of any of those programs. The last statement clearly reflects a value judgment which this office needed to make in preparing this draft and is, of course, subject to your review.

This draft has taken quite some time to prepare due to the volume of material needed to be reviewed in order to confirm the major conclusions of the Commonwealth report. This is an area in which much further work can be done. The enclosed legislation can clearly be used to get rid of some of the less essential state loan programs as well as removing the

Representative Ray H. Metcalfe
Page 5
December 10, 1981

state from the primary market in those programs which remain. It is weakest in the areas of the loan authorities. The housing and business loan authorities outlined in this draft are merely two possible approaches to the problem. It will probably require further clarification in order to make this draft a strong one. At least the draft presents a vehicle for discussion and additional input. I would be happy to discuss any and all of the matters raised above further with you at your convenience.

TAS:ljb

Enclosure

BILL ANALYSIS
HOUSE BILL 630 (1/11/82)

1. Creates an Alaska Housing Loan Authority (AHLA) in Department of Commerce and Economic Development to coordinate, supervise and give final approval for purchase of loans by:
 - a. Alaska Housing Finance Corporation (AHFC).
 - b. Nonconforming Housing Loan Fund.
 - c. Senior Citizens Housing Development Fund.
 - d. Residential Energy Conservation Fund.

Authority may employ executive director and staff as necessary.

2. Amends the various statutes of AHFC and loan funds stipulated in (1) above subjecting their lending activity to AHLA approval.
3. Nonconforming Housing Loan Fund is allowed to purchase, as a secondary lender, loans but is not allowed to directly originate loans.
4. Alaska Industrial Development Authority is renamed the Alaska Business Loan and Industrial Development Authority (ABLIDA). Powers of ABLIDA are expanded to purchase or insure business loans to agricultural and fishing enterprises.
5. Residential Energy Conservation Fund can purchase loans but can no longer originate them.
6. After July 1, 1982 no further loans may be made for or under:
 - a. Alaska Agriculture Loan Account.
 - b. Loans for purchase of Alaska limited entry permits.
 - c. Fisherman's Mortgage and Note fund.
 - d. AHFC Housing Development Fund.
 - e. Veterans Loans from Department of Commerce and Economic Development.
 - f. Child Care Facility Revolving Loan Fund.
 - g. Residential Care Facility Revolving Loan Fund.
 - h. Alaska Commercial Fishing and Agriculture Bank.
7. The following programs are repealed:
 - a. Housing Development Revolving Loan Fund. (Low and Moderate income on rentals for low and moderate income).
 - b. Moderate cost and rental housing of the Alaska State Housing Authority.

BILL ANALYSIS, HOUSE BILL 630, Cont'd

- c. Housing Development Fund of AHFC; provides loans for persons of lower and moderate income.
- d. Loans for relocation assistance to encourage and facilitate the construction and rehabilitation of housing of displaced persons.
- e. Alaska Economic Disaster Impact Fund.
- f. Alaska Renewable Resources Corporation (repeals entire account).
- g. Native corporation loan fund. (This is no longer needed as native claim payments have been settled).
- h. Temperate Social Activities Revolving Loan Fund.
- i. Nonconforming Housing Loan Fund. (Repeals eligible locations statute).
- j. Alaska Commercial Fishing and Agriculture Bank (entire statute).

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. House Bill No. 630
Title Relating to State Loan Programs
Requested by House Labor & Commerce Committee Date 1/11/82

II. FISCAL DETAIL

Agency Affected Dept. of Commerce & Economic Development, Dept of Revenue
Program Category Affected Development
BRU, Program, Or Subprogram(s) Affected _____
(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		1,750.6	1,925.7	2,118.2	2,330.1	2,563.1
200 TRAVEL		200.0	220.0	242.0	266.2	292.8
300 CONTRACTUAL		500.0	550.0	615.0	665.5	732.1
400 COMMODITIES		50.0	55.0	60.5	66.5	73.2
500 EQUIPMENT		130.0				
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2,630.6	2,750.7	3,025.7	3,228.3	3,661.2

FUNDING (Thousands of Dollars)

GENERAL FUND		2,630.6	2,750.7	3,025.7	3,228.3	3,661.2
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

FULL TIME		43.0	43.0	43.0	43.0	43.0
PART TIME		3.0	3.0	3.0	3.0	3.0
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Create an Alaska Housing Loan Authority (AHLA) in Dept. of Commerce & Economic Development to coordinate, supervise and give final approval for purchases of home loans by Alaska Housing Finance Corp. (AHFC) and several other programs, AHFC and others must make credit analysis, etc. and all their work is subject to approval of AHLA; therefore, staffing and budget presented above is similar in size and scope to AHFC budget since all AHFC and other work is subject to second review and approval.

IV. DATE February 8, 1982

PREPARED BY *Peter A. Bussiere*
Anselm Staack
AGENCY Department of Revenue

Original: Legislative Finance

PHONE 465-2350

cc: Budget and Management

Prime Sponsor (First Legislator Name)

33-001 (Rev. 12/81)

Stress that this is
a first draft. As many
who testified have stressed.
This is a subject worthy of
consideration, although, like any
work draft it has problems
over the years we, the legislators
have created a virtual Christmas tree of
Loan Programs.

As far as the decision of ~~an~~ an
additional layer of bureaucracy, possibly
what concern should be addressed, and a
no. of other committees
the philosophical question of
Direct vs indirect loans
is not of concern that is

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5
JUNEAU, ALASKA 99811

March 8, 1982

The Honorable Terry Martin
Chairman
House Labor and Commerce Committee
Room 211 - Behrends Building
Juneau, Alaska

Dear Mr. Martin:

Re: House Bill No. 630

House Bill No. 630, an Act relating to state loan programs, was introduced in the House on January 11, 1982 and was referred to the House Labor and Commerce; State Affairs and Finance Committees.

For the consideration of the House Labor and Commerce Committee, I am enclosing six copies of a Fiscal Note prepared by Mr. Anselm Staack, Treasury Comptroller, Department of Revenue concerning the proposed legislation.

Sincerely,

R. D. Stevenson
Special Assistant

Enclosure

cc: The Honorable Ray H. Metcalfe
Chairman
House State Affairs Committee

The Honorable Albert P. Adams
Chairman
House Finance Committee

Joseph K. Donohue
Deputy Commissioner
Department of Revenue

Anselm Staack
Treasury Comptroller
Department of Revenue

REC'D FEB 8 1982

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

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Requested by House Labor & Commerce Committee Date 1/11/82

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BRU, Program, Or Subprogram(s) Affected _____
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700 GRANTS, CLAIMS, ETC.						
TOTAL		2,630.6	2,750.7	3,025.7	3,228.3	3,661.2

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FEDERAL FUNDS						
OTHER (Specify Source)						

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IV. DATE February 8, 1982

PREPARED BY *Peter A. Bushne* Anselm Staack

AGENCY Department of Revenue

Original: Legislative Finance

PHONE 465-2350

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

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2/8/82

BILL ANALYSIS, HOUSE BILL 630, Cont'd

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- j. Alaska Commercial Fishing and Agriculture Bank (entire statute).

Alaska State Legislature



House of Representatives

RAY METCALFE

POLCH V
JUNEAU, ALASKA 99811

P.O. BOX 4-2786
ANCHORAGE, ALASKA 99509

February 12, 1982

David Chatfield, Chairman
Loan Committee
Common Wealth North
935 W 3rd Ave.
Anchorage, Alaska 99501

Dear Mr. Chatfield:

Enclosed please find four taped copies of the February 8 Labor and Commerce meeting on Representative Metcalfe's HB 630.

Representative Metcalfe requests that you review the testimony and address the concerns in the next meeting.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ann Krekelberg".

Ann Krekelberg, Staff person
House State Affairs Committee

Alaska State Legislature



MEMBERS:
TERRY MARTIN, CHAIRMAN
BERNARD BYLSMA, VICE CHAIRMAN
RICHARD RANDOLPH
TERRY GARDINER
BRIAN ROGERS

POUCH V
STATE CAPITOL
JUNEAU, AK 99811
PHONE (907) 465-3783
OFFICIAL BUSINESS

House of Representatives

LABOR AND COMMERCE COMMITTEE

To: Russ Meekins, Chairman
Special Banking Committee

From: Terry Martin, Chairman
House Labor & Commerce Committee

Date: February 8, 1982

Subject: HB 630 referral

Pursuant to hearing and discussion by this committee, the members have agreed that the Special Banking Committee should review HB 630 before action by the Labor & Commerce Committee. Areas we request your committee review are:

1) to include all state loan programs under the proposed Alaska Business Loan and Industrial Development Authority:

a) consolidation of social loan programs;

b) include the Alaska Power Authority in the loans being addressed by this legislation;

2) review contractual and constitutional rights of loan participants under those loan programs being eliminated; and,

3) evaluate the bureaucracy potentially created by this legislation.

Labor & Commerce Committee members Bylsma and Rogers have been appointed by the committee chairman to work with your committee on reviewing HB 630. After review by the Special Committee on Banking, we request HB 630 be returned to the House Labor & Commerce Committee for expedited consideration.

*Terry Martin by
M. Jones*

Alaska State Legislature



House of Representatives

RAY METCALFE

POUCH V
JUNEAU, ALASKA 99811

P.O. BOX 4-2766
ANCHORAGE, ALASKA 99509

*For your info
11/8 6:30 in Martins committee
this was my comments.*

TO: All interested parties
FROM: Rep. Ray Metcalfe *RM*
SUBJ: Proposed legislation
DATE: December 17, 1981

Attached you will find the final draft of the proposed legislation that would implement Commonwealth North's proposal to reconstruct the State loan programs. To this point, the only instructions I have given to the Legislative Legal Department was to draft what that department determines to be the directive of the Commonwealth North proposal.

Please review the enclosed legislative proposal and provide me with any comments or recommendations of change that you perceive to be beneficial.

****PLEASE NOTE****

THE ORIGINAL FILE CONTAINS AN OVERSIZED DOCUMENT THAT IS UNSUITABLE FOR FILMING. PLEASE REFER TO THE ALASKA STATE ARCHIVES TO VIEW THE ORIGINAL.

"*NEWSYAVEK*" STORY
"ALASKA FISHERMAN"
FEB 1982

AARC LIKELY TO GO OUT OF BUSINESS

1-15

H0630

Notify Commonwealth North,
Malcolm Roberts # 274 7011
loan committee members 11

Midnight

Feb 8 1-3 Richards Teleconference
Rm

Sabour Commerce Com
m R

C/O CW

935 W 3rd Ave.

99501

Ronda, Secy., will notify all
members of Teleconference

L.A. in Arch. has bill copies

2-1

David Chatfield - state loan committee

264 275-7

is away meeting will be in D.C. for
a week

John Norman - 274 3576

Jean Shepherd 276 #1333

Bob Baer 272 0571

Chris Lethin 344 2211

Fred Ferrina 278 3537

Dick Miller 276 7200

Stan Howitt 276 1246

Edith Bullock 272 0775

Jim Laiks 276 7725

Assigned to Special
Committee on Banking.

MAR 5 1982

Called Meekins' aide,
Carl Nesso, to find out
status of the Bill.

He said he is going
to get with Tom Sogo (the
attorney working on it)
and he was out of town
and was supposed to
return this week. He is
now scheduled to return
next week at which time
Carl will meet with him
in an effort to "translate
it into English" - it is
presently cumbersome in
language ~~and~~ ^{too lengthy} and
difficult to understand.

He will call me when he
gets with Sogo as to when it is

NB-630 - Called Carl Nelson
4937 (1:12 PM) Out - he will
call me back, ^{Sofo} He isn't
back in town. But, they are planning
on waiting for Senate Bill
SB-729. Then they will
compare the two bills
and discuss the language.
The SB is similar but
merbiage is impr- ^{ment} ~~ved~~ on
NB-630. When it has
been discussed w/ Sofo,
Carl will keep me
posted.

3/15/82 Talked to Carl Nelson -
(who is working w/ Sofo on bill)
Still waiting for SB-729 it
is similar. He will let me
know as soon as it is put into
appropriate language.

(I call every other day to
check to see if there is any progress.)

3/19
Loss ... SB 729

WB-630 - Loans - Sp. Committee
On Loans"

Loan Chairman

Letter has been sent to
Kathy Hesse and Jane
Chatfield, head of Commonwealth
North.

Kathy is with Common
Sense.

Also tape of February
8 meeting.

Kathy has backup and
she is working full time on the bill.

They are working on the
problems.

Their comments are
requested.

I will contact them
at the end of each week
as to their progress.

Kathy Hesse 276-6222

(Common
Sense)

Cathy Hesser Commonsense
from 243 8609 wh 2766222

4321 Edinburgh Court
Anch 99502

tape of meeting
Cu. Still has Mel Roberts
Commonwealth North

An Investor's
Guide To
Farm Credit
Securities

HB630





The Farm Credit System

The banks and associations of the Farm Credit System rank first among institutional lenders to agriculture in the United States.

Farm Credit System loans are made through:

The 12 Federal Land Banks which provide mortgage credit of up to 40 years through 520 local Federal Land Bank Association offices.

The 12 Federal Intermediate Credit Banks which provide short- and intermediate-term loan funds to farmers and ranchers through 427 local Production Credit Associations.

The 13 Banks for Cooperatives which make loans of all kinds to agricultural marketing, supply, and business service cooperatives.

Farm Credit System loans are backed by solid collateral—land, buildings, equipment, livestock, commodities, and other agricultural assets.

Added to this is the credit expertise of Farm Credit System loan specialists. They know agriculture and its credit needs. As a result, investors in Farm Credit securities—issued by the banks to raise loan funds—have never failed to receive interest and principal when due. This record of strength and excellence dates back to 1917.

Farm Credit Securities

Federal Farm Credit Banks Consolidated Systemwide securities are the joint and several obligations of all 37 Farm Credit Banks and are sold through a nationwide selling group managed by the banks' Fiscal Agency in New York. The selling group consists of both commercial bank and non-bank securities dealers. The securities are in the form of discount notes (5 to 270 days), 6- and 9-month bonds, and longer term bonds.

The securities of the Farm Credit Banks are not obligations of nor are they guaranteed by the U.S. Government. The Farm Credit Banks are Federally chartered and are supervised and examined regularly by the Farm Credit Administration, an independent agency of the Federal Government.

Income derived from interest on Farm Credit securities is exempt from state, municipal, and local taxes. The interest income, however, is subject to Federal income taxes. Likewise, the gain from sale or transfer by gift or inheritance of these securities is subject to both Federal and state taxes.

Eligibility as Investments

Farm Credit securities are legal investments for many public bodies subject to the regulations and restrictions of the individual states. They are accepted as security for fiduciary, trust, and public funds under the control of the U.S. Government and are eligible as collateral for Treasury tax and loan accounts and for advances by Federal Reserve Banks to member commercial banks.

Offering Notices

Interest rates on new security issues are set at the time they are sold, consistent with current yields on comparable securities. Offering notices of new issues and pricing announcements appear in financial publications and major newspapers, such as the *Wall Street Journal*, *New York Times*, *American Banker*, and the *Bond Buyer*. Farm Credit securities enjoy an active secondary market supported by those dealers who distribute the original issues.

Denominations

Federal Farm Credit Banks Consolidated Systemwide Bonds are issued only in book-entry form. Bonds with original maturities of 13 months or longer are in denominations of \$1,000. Bonds with original maturities of less than 13 months are in denominations of \$5,000.

Federal Farm Credit Banks Consolidated Systemwide Notes (discount notes) are issued only in definitive form in denominations of \$50,000, \$100,000, \$500,000, \$1,000,000, and \$5,000,000.

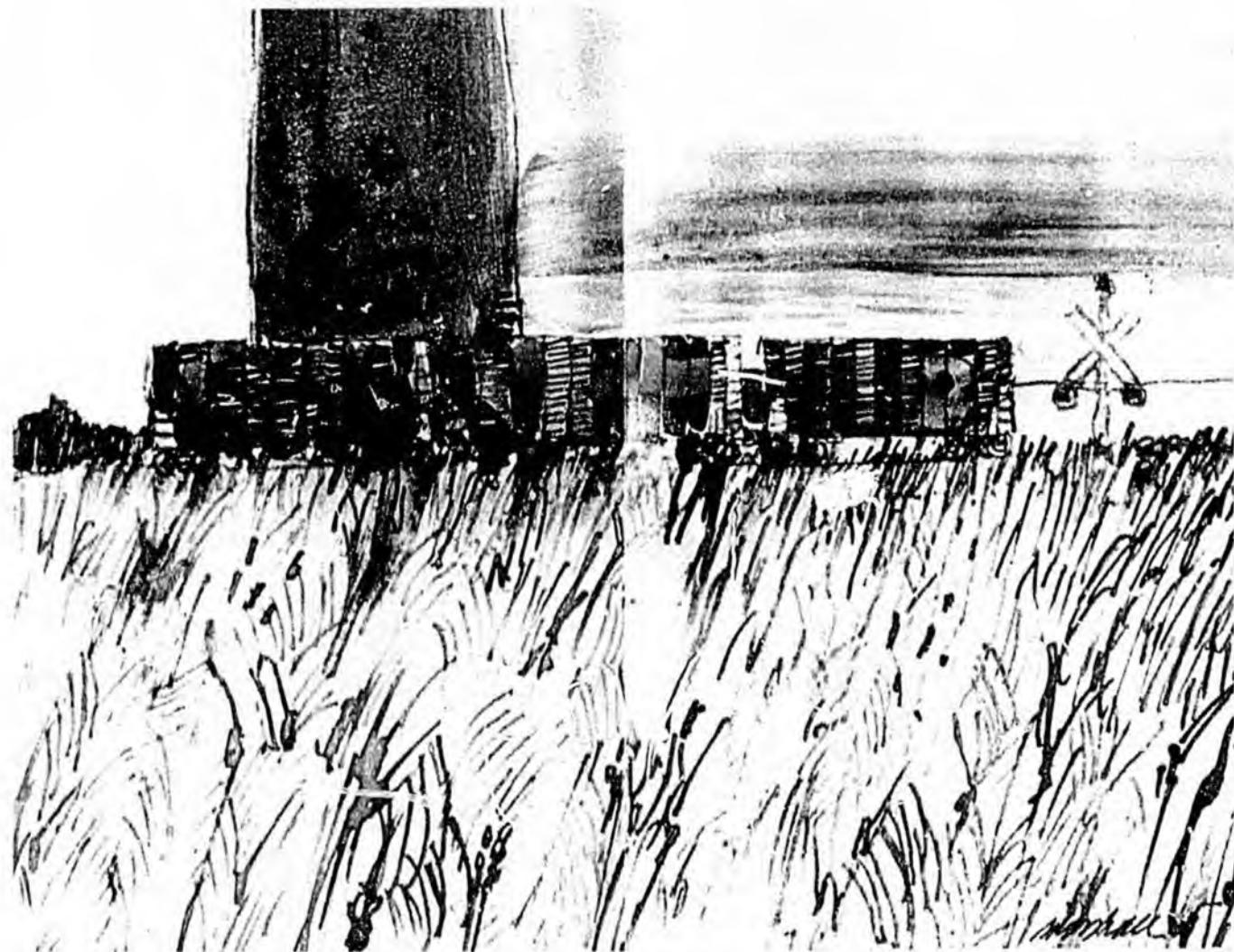
Book-Entry Delivery

Farm Credit bonds are now issued in book-entry form only. Investors in book-entry securities do not receive physical certificates. They are not registered, but rather are assigned to an investor's account. Federal Reserve Banks and branches maintain computerized records of book-entry securities in the names of member banks. These member banks keep separate accounts for securities they own and for those they maintain for investors and other financial institutions.

Investors may choose as custodian any bank or other financial institution that maintains book-entry accounts with a member of the Federal Reserve System. The bank or non-bank dealer will issue a custody receipt as evidence of the investor's ownership of the securities. Payment of interest and principal at maturity of book-entry securities is credited to the investor's account and does not require presentation of a coupon or certificate. Investors may be charged a fee for this service.

Investors In Farm Credit Securities

Farm Credit securities meet the needs of a wide variety of investors, such as commercial banks, insurance companies, state and local governments, fiduciary accounts, thrift institutions, and individuals. The Farm Credit Banks offer bonds with short-, intermediate-, and long-term maturities. Discount notes are sold on a daily basis and carry maturities from 5 to 270 days. Every month, the Farm Credit Banks issue bonds with 6- and 9-month maturities. Intermediate



and long-term issues are offered periodically throughout the calendar year—January, April, July, and October . . . and as the needs of the banks dictate. Thus, the investor is provided with flexibility of issue date and maturity selection.

Commercial Bank Portfolio Accounts

Commercial bank portfolio managers must consider the safety, liquidity, and yield of any investment. Farm Credit securities are generally considered risk free. They are designed for liquidity management, with discount notes available to mature as needed and 6- and 9-month issues to mature monthly. Longer term issues are offered in a variety of maturities to fit investment portfolio objectives. All Farm Credit securities may be easily liquidated as a source of funds for unexpected deposit flows or increased loan demand.

Farm Credit securities provide yields which normally are higher than those of comparable Treasury issues. These securities can be used as collateral to secure deposits of public monies and for Federal Reserve Bank advances and discounts. They are not subject to national bank percentages on investment in the securities of one obligor or maker.

Insurance Companies

Insurance fund managers invest in Farm Credit securities with a broad range of maturities. Insurance premiums are paid regularly, but payouts generally are irregular. Farm Credit discount notes can be used to maximize daily cash flow; 6-month and 9-month bonds provide funds on a monthly basis. In addition, Farm Credit term issues provide for a higher and more stable yield for a company's income portfolio.

State and Local Governments

Government entities normally have regular seasonal inflows (tax payments) and less regular outflows as bills are paid. Short-term Farm Credit notes and bonds can help cope with unpredictable outflows while providing a high degree of safety and liquidity for public monies. Term bonds are well suited for investment by public employee and retirement accounts requiring safety, stability, and yield.

Fiduciary Accounts

To meet scheduled commitments, fiduciary accounts, such as pension funds, mutual funds, and commercial bank trust accounts invest funds obtained from security sales and deposits. Farm Credit discount notes are an ideal place for these short-term funds. Longer term Farm Credit issues provide fiduciary accounts with a higher return than comparable U.S. Treasury obligations, while still enjoying a strong secondary market and a proven record of safety.

Thrift Institutions

Savings banks, credit unions, and savings and loan associations are large investors in Farm Credit securities. Their participation reflects regulatory limitations, maturity requirements, and expectations of deposit flows. With Farm Credit securities, thrift institutions can select maturities and receive fair returns while meeting their obligation to select safe investments and maintain liquid portfolios.

Individuals

Farm Credit securities are available to individuals through the nationwide selling group of bank and non-bank dealers.



They can be attractive personal investments. A dealer may charge a fee or commission for arranging the purchase of these securities. Charges may vary from dealer to dealer and it is advisable to ask about the charges before placing an order.

In Summary

Farm Credit securities offer safety, liquidity, and returns generally higher than comparable U.S. Treasury securities. Discount notes have flexible settlement and maturity dates, allowing investors to commit funds as they become available and redeem them when needed. Six- and 9-month bonds are issued each month on a regular basis. Term bonds are issued periodically throughout the year, affording investors a fair and stable rate of return for longer periods. All Farm Credit securities enjoy an active secondary market.

A publication—"Farm Credit Banks Report to Investors"—which describes the Farm Credit Banks and their securities and which contains their financial statements may be obtained from your securities dealer or from the Fiscal Agency for the Farm Credit Banks, 90 William Street, New York, New York 10038.



INFORMATION

February 13, 1982

The Alaska Commercial Fishing and Agriculture Bank (CFAB) - a private lending cooperative, was created to fill the gap in sources of financing for Alaska's fishing and agriculture industries.

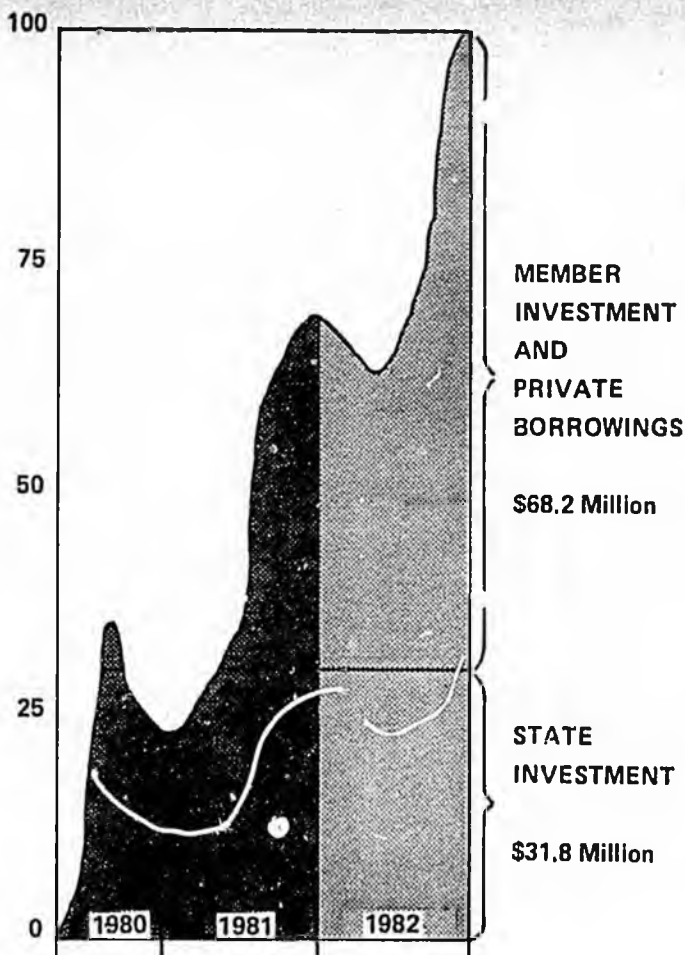
Since opening its doors nearly two years ago, CFAB has shown significant responsiveness to the needs of the industries it serves; Development of a growing body of expertise resulting from broad specialization has enabled CFAB to finance business endeavors rather than service loan requests. Development of service and industry programs to meet all segments of the industries' needs has enabled CFAB to meet the demands of forecasted development and expansion. And by providing greater accessibility to its intended borrowers CFAB has been able to reach the following villages and communities throughout Alaska:

Aleknagik	\$ 136,810	English Bay	\$ 4,407,180	Metlakatla	\$ 3,800	Sitka	\$ 57,750
Alexander Creek	11,550	Haines	17,875	Naknek	8,752	Slana	13,200
Anchorage	7,368,377	Homer	5,230,545	Nelson Lagoon	100,980	Soldotna	2,014,100
Anchor Point	252,450	Hydaburg	2,200,000	Ninilchick	104,500	S. Naknek	42,399
Auke Bay	62,700	Juneau	972,158	Nome	42,900	Sterling	2,200,000
Bethel	224,331	Kasilof	182,902	Palmer	137,236	Tatitlek	35,200
Chignik	792,000	Kenai	3,789,115	Pelican	11,000	Togiak	1,100,000
College	4,842	Ketchikan	2,307,506	Petersburg	12,149,500	Toksook Bay	66,288
Cordova	19,747,373	King Cove	1,207,562	Port Alexander	76,890	Unalaska	2,649,900
Craig	3,850	King Salmon	275,000	Port Helden	166,638	Valdez	308,000
Delta Junction	1,036,200	Kodiak	16,652,316	Port Lion	39,600	Ward Cove	45,100
Dillingham	4,474,936	Kogwton	11,000	Port Pt.	2,986,555	Wasilla	134,585
Douglas	11,000	Koliganek	190,999	Seldovia	49,500	Wrangell	495,550
Egegik	9,130,000	Manakotak	67,304	Seward	672,550	Yakutat	35,750

Reflective also of CFAB's responsiveness is its ever increasing loan portfolio performance record as of 31 January 1982:

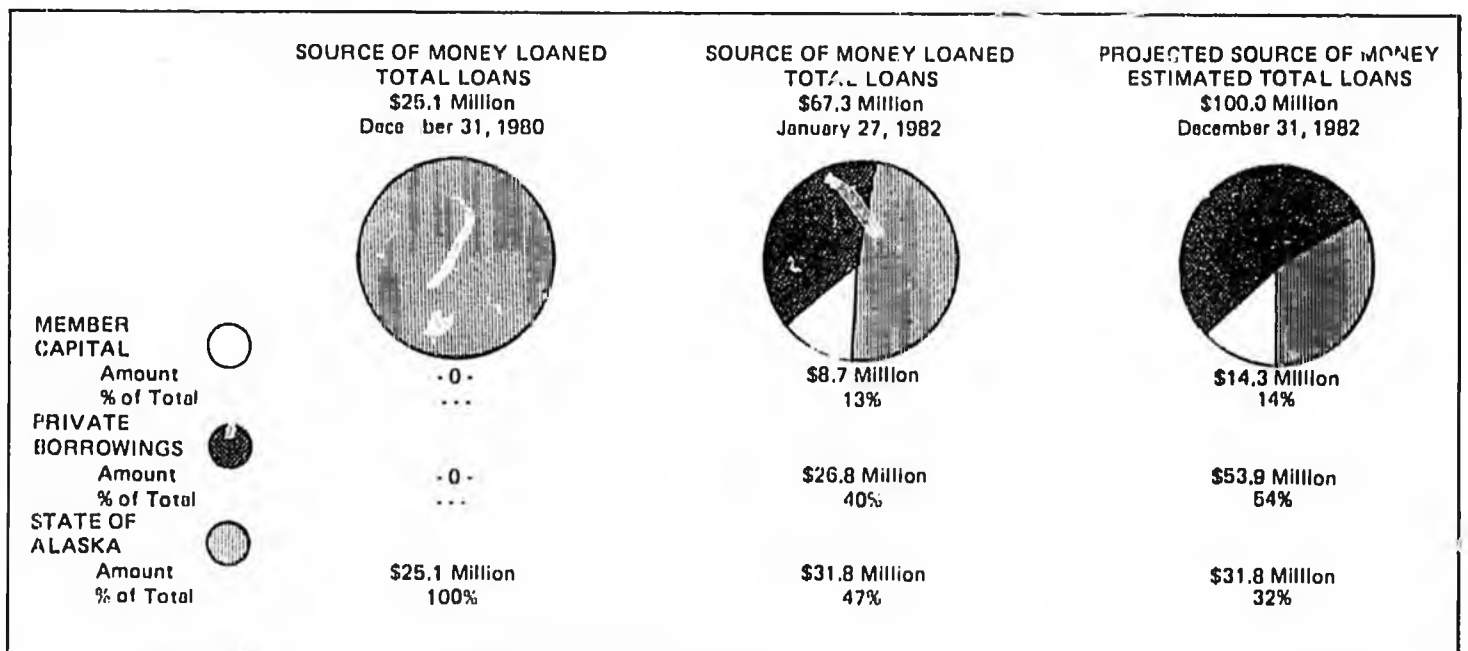
LOANS MADE SINCE INCEPTION:	\$153,873,324.
LOANS OUTSTANDING:	\$ 68,443,017.
COMMITMENTS TO FUTURE LOANS:	\$ 29,131,831.
APPLICATIONS BEING REVIEWED:	\$ 8,982,421.

Previous loan growths, commitments outstanding, and applications pending, substantiate that by year end 1982 \$80 million dollars of non-Alaskan monies will have been brought into the state. This is effectuated by CFAB's ability as a cooperative and a participant in the Farm Credit System to have ready access to "Wall Street" funds at reasonable rates. This enables CFAB to magnify the effects of the state's initial \$32 million dollar investment by more than doubling it in less than two years of operation and potentially having the capability of enhancing that same investment by a factor of 10 (\$300 million) prior to its repurchase by CFAB.



Replacing over \$100 million dollars of state funds by its creation, CFAB has also eliminated for the state the growing burdens of primary and secondary funding to the commercial fishing industry, high cost of subsidies, risk of loan losses and administrative costs. CFAB operates out of earned member capital contributions. CFAB does not return to the state for additional operational or debt fundings.

The continued vote of confidence exemplified by member capital investment of over \$8 million dollars and their undertaking of risk for loan losses are graphically demonstrated below:



Rapidly evolving from state support to member capitalization, reliance upon state capital is being reduced while member ownership is steadily increasing. The first repurchase of the state's investment was completed at the end of CFAB's first year of operation and subsequent retirement is a fundamental part and concern of the formal policy planning by CFAB's Board of Directors and management.

In conjunction with expert solicited advice from International Development Consultant Dr. Belden Daniels of Harvard and Dr. Kenneth Duft, Management and Financial Consultant on Cooperatives; restructuring of CFAB's equity program is underway with anticipated results to be made known to the state by year end.

As a further example of CFAB's continuing effort to fulfill the needs of the people it serves CFAB has prepared and processed for submittal to the Fisherman's Mortgage and Note Program 16 of the only 17 applications this program has received to date and will continue its efforts to assure that all eligible Alaskans are fairly represented.

The Board of Directors and management of CFAB see its purpose as not only providing loans but services as well. We must both serve the present and prepare for the future. Only in doing so can we assure the ongoingness of the commercial fishing and agriculture communities that we serve.

Commonwealth North (4)

Chairman Loan Committee 630

Review & address views & concerns.
expressed in next hearing

has been assigned to sp committee
on to him

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FISCAL NOTE

I. REQUEST
 Bill/Resolution No. House Bill No.638
 Title An Act Relating to Transportation Planning and Reports
 Requested by Special Committee on Roads and Highways Date 1/30/80

II FISCAL DETAIL
 Agency Affected Department of Transportation & Public Facilities
 Program Category Affected Transportation
 BRU, Program, or Subprogram(s) Affected Planning & Research
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES	0.5	1.0	1.5	1.5	1.5	1.5
200 TRAVEL **	4.5	12.5	13.0	13.5	14.0	14.5
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	5.0	13.5	14.5	15.0	15.5	16.0

** Travel based on 4 meetings per year, 5 members for 2 days

FUNDING (Thousands of Dollars)

	5.0	13.5	14.5	15.0	15.5	16.0
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER (Specify Fund Source)	0	0	0	0	0	0

POSITIONS

	0	0	0	0	0	0
FULL TIME	0	0	0	0	0	0
PART TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

Administrative Order No.33, as amended, dated October 8, 1976 established the Alaska Transportation Planning Council within the Division of Policy Development and Planning. It is assumed that this HB 638 will supersede the Administrative Order No.33. The duties described by HB 638 are not as comprehensive as the duties for the Council in AO 33. In HB 638 the duties of the Council are limited to review and comment on the department's plans and programs and providing copies of their comments to the legislative and executive branches. AO 33 required development of recommendations on a variety of transportation policy issues, programs and procedures with at least one report annually detailing the findings, recommendations, and areas of study of the Council. There are no provisions for an Executive Secretary in HB 638 to provide the administrative support for the council. Arranging for meetings, agenda, travel, travel vouchers and payment, correspondence, transcribing meeting minutes, and report preparation are necessary administrative activities that must be provided.

IV. DATE 2/9/80 PREPARED BY John Umlauf
 AGENCY Planning & Research, DOTPF
 PHONE 465-2470
 Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

inclusive in that plan
shall be a state transportation
Map showing all ~~and~~ Roads and
~~and~~ highways which ~~is~~ either have
directly or indirectly received state
funds for construction and
or maintenance. That map shall
show all intermodal transportation
tie-in's ^{to the roads and highways system} to the total transportation
^{to reflect a}
system. ~~and~~

that map shall be up dated
every 5 years; and ~~that~~ Published
to meet supply demand and
be considered the official ~~transportation~~
~~road~~ transportation map of
the state of Alaska. ~~and~~ additional
~~and~~ map shall be provided
for each metropolitan area

~~Additional~~, the Comptroller
which has
that map shall outline all
existing and proposed capital
improvements and the projected
time frame for their completion -
It shall reflect the proposed coordination
between the state and local
Planning authorities, and the transportation
~~proposals~~ C.I.P. proposals of each.
A similar state wide map shall
also be developed. These maps
shall be kept current, and
made available to the public.

H

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AMENDMENT

OFFERED IN THE HOUSE:

By: State Affairs

To: amend HOUSE BILL No. SSHB 663

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page 1, line 20:

Delete "1941 - 1961" and insert "1942 - 62"

Page 11, line 21:

Delete "1955" and insert "1954"

Page 4, following line 7:

Insert a new section to read:

acc "Sec. 18.17.070. APPLICABILITY. The provisions of this chapter apply only to those veterans who live in Alaska and who have resided continuously for at least a year in the state and who establish, according to guidelines adopted by the department, a reasonable basis for believing that they were exposed to

(1) nuclear radiation as a result of above-ground nuclear weapons testing between the years 1942 and 1962 in the continental United States or Pacific Ocean;

(2) nuclear radiation as a member of the United States occupation force at Hiroshima or Nagasaki, Japan, following World War II;

(3) chemical or biological warfare agents between 1954 and 1969, either with their informed consent or through undisclosed experimentation while serving at the following military bases in the continental United States and Alaska

(A) Fort Dietrich;

(B) Fort Greely;

(C) Dugway Proving Ground;

(D) Rocky Mountain Arsenal; or

(E) any other military base confirmed to be a site where active testing or experimentation with chemical or biological agents has been conducted;

(4) a chemical defoliant or any of a class of phenoxy-herbicides or other causative agent, including Agent orange, while serving in Vietnam, Cambodia, Laos, or Thailand, or waters contiguous to those countries, between August 4, 1964, and April 1, 1973."]

Page 44

AMENDMENT

pg 2-72

OFFERED IN THE HOUSE:

By: _____

To: _____ HOUSE BILL No. SS113643

SENATE BILL No. _____

PAGE: _____

LINE: _____

Page
Page 4, lines 15 - 19:

Delete all material and insert:

"(4) veteran means a person honorably separated from the military service of the United States who served on active duty for other than training purposes for at least 90 days or whose service was for less than 90 days because of injury or disability incurred in the line of duty."

Page 3, line 29:

Delete "facetissue biopsies;"

A M E N D M E N T

Offered in the HOUSE

By Rogers

TO: SSHB 663

Page 1, line 20:

Delete "1941 - 1961" and insert "1942 - 1962"

Page 1, line 21:

Delete "1955" and insert "1954"

Page 4, following line 7:

Insert a new section to read:

"Sec. 18.17.070. APPLICABILITY. The provisions of this chapter apply only to those veterans who have ~~resided~~ resided continuously for at least a year in the state and who establish, according to guidelines adopted by the department, a reasonable basis for believing that they were exposed to

(1) nuclear radiation as a result of above-ground nuclear weapons testing between the years 1942 and 1962 in the continental United States or Pacific Ocean;

(2) nuclear radiation as a member of the United States occupation force at Hiroshima or Nagasaki, Japan, following World War II;

(3) chemical or biological warfare agents between 1941 and 1962, either with their informed consent or through undisclosed experi-

69

54

mentation while serving at the following military bases in the continental United States and Alaska

- (A) Fort Dietrich;
- (B) Fort Greely;
- (C) Dugway Proving Ground;
- (D) Rocky Mountain Arsenal; or
- (E) any other military base confirmed to be a site where active testing or experimentation with chemical or biological agents has been conducted;

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Page 4, lines 15 - 19:

Delete all material and insert:

"(4) veteran means a person honorably separated from the military service of the United States who served on active duty for other than training purposes for at least 90 days or whose service was for less than 90 days because of injury or disability incurred in the line of duty."

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Rogers

To: _____ ss HOUSE BILL No. 663

SENATE BILL No. _____

PAGE: 3

LINE: 29

Delete "fat tissue biopsies,"

A M E N D M E N T

OFFERED IN THE HOUSE:

By: Rogers

To: _____ ss HOUSE BILL No. 663

SENATE BILL No. _____

PAGE: 3

LINE: 29

Delete "fat tissue biopsies,"

A M E N D M E N T

Offered in the HOUSE

By Rogers

TO: SSUB 663

Page 1, line 20:

Delete "1941 - 1961" and insert "1942 - 1962"

Page 1, line 21:

Delete "1955" and insert "1954"

Page 4, following line 7:

Insert a new section to read:

"Sec. 18.17.070. APPLICABILITY. The provisions of this chapter apply only to those veterans who have ~~at least~~ resided continuously for at least a year in the state and who establish, according to guidelines adopted by the department, a reasonable basis for believing that they were exposed to

(1) nuclear radiation as a result of above-ground nuclear weapons testing between the years 1942 and 1962 in the continental United States or Pacific Ocean;

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(3) chemical or biological warfare agents between 1942 and 1962, either with their informed consent or through undisclosed experi-

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(B) Fort Greely;

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Page 4, lines 15 - 19:

Delete all material and insert:

"(4) veteran means a person honorably separated from the military service of the United States who served on active duty for other than training purposes for at least 90 days or whose service was for less than 90 days because of injury or disability incurred in the line of duty."

A M E N D M E N T

Offered in the HOUSE

By Rogers

TO: SSHB 663

Page 1, line 20:

Delete "1941 - 1961" and insert "1942 - 1962"

Page 1, line 21:

Delete "1955" and insert "1954"

Page 4, following line 7:

Insert a new section to read:

"Sec. 18.17.070. APPLICABILITY. The provisions of this chapter apply only to those veterans who have ^{been in} ~~resided~~ ^{resided and who have} resided continuously for at least a year in the state and who establish, according to guidelines adopted by the department, a reasonable basis for believing that they were exposed to

(1) nuclear radiation as a result of above-ground nuclear weapons testing between the years 1942 and 1962 in the continental United States or Pacific Ocean;

(2) nuclear radiation as a member of the United States occupation force at Hiroshima or Nagasaki, Japan, following World War II;

(3) chemical or biological warfare agents between ¹⁹⁵⁴ 1942 and ¹⁹⁶² 1962, either with their informed consent or through undisclosed experi-

mentation while serving at the following military bases in the continental United States and Alaska

- (A) Fort Dietrich;
- (B) Fort Greely;
- (C) Dugway Proving Ground;
- (D) Rocky Mountain Arsenal; or
- (E) any other military base confirmed to be a site where active testing or experimentation with chemical or biological agents has been conducted;

(4) a chemical defoliant or any of a class of phenoxy-herbicides or other causative agent, including Agent Orange, while serving in Vietnam, Cambodia, Laos, or Thailand, or waters contiguous to those countries, between August 4, 1964, and April 1, 1973."

Page 4, lines 15 - 19:

Delete all material and insert:

"(4) veteran means a person honorably separated from the military service of the United States who served on active duty for other than training purposes for at least 90 days or whose service was for less than 90 days because of injury or disability incurred in the line of duty."



Alaska State Legislature

House of Representatives

Committee on State Affairs

Official Business

1-29 & 2-3

NOTIFICATION SHEET

BILL NO. ~~SB 196~~ HB 663

Pouch V
State Capitol
Juneau, Alaska 99811

NAME	ORGANIZATION	PHONE NO.
<i>Bradley</i>	<i>Senate</i>	
<i>VFW</i>	<i>1-26 no ans.</i>	<i>62478</i>
<i>U A</i>	<i>1-26 no ans.</i>	<i>67472</i>
<i>UFW Anch Legion</i>	<i>Mr. Anderson</i>	<i>2768213</i>
<i>Harold Eastham</i>		<i>69603-8643300</i>
<i>Sec Lewis Sec Office</i>		<i>6-1950</i>
<i>Genl Sheril</i>	<i>(Nath. Grayson) Military Affairs</i>	<i>4600</i>
<i>Rogers staff will bring</i>	<i>1-27 found no. 20500-00000000</i>	
<i>R. Rogers will have an's ready</i>	<i>2-8</i>	

REVISED

POSITION PAPER

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 663

Sponsor Substitute for House Bill No. 663 adds two other categories of veterans to the Vietnam group as defined in HB 663. Namely any exposed to radiation from above-ground nuclear weapons testing during the years 1941-1961; and any veterans exposed to chemical and biological agents during the periods 1955-1969.

The bill would require collecting and tabulating all veterans who might have belonged to one of the afore-mentioned groups; doing epidemiological studies on veterans and families. Furthermore, this bill would add children of veterans to the genetic screening.

Agent Orange

House Bill No. 663 sets up the framework for genetic screening and an epidemiological study of the effects of Agent Orange and other chemical defoliants and herbicides on Vietnam veterans in Alaska. It also provides for genetic counseling and referral assistance in filing claims to remedy problems caused by these agents.

While it is clear that exposure to Agent Orange and its effects are issues of concern to many Vietnam-era veterans, Alaska lacks the sophisticated laboratory capability, trained staff, and numbers of Vietnam veterans to conduct such a study in a manner that would yield conclusive results. We are concerned that initiation of such a study would lead veterans to expect some definitive answers on the effects and treatment of Agent Orange. Experience of other states and organizations in conducting similar studies has not been very successful. We do not want to see a project begun that would raise false hopes for a sure outcome.

The Center of Disease Control, the Air Force, and the Veterans Administration are all conducting similar studies at this time. They do not expect results for several years. The State of New York determined they did not have sufficient numbers of veterans available to conduct a valid epidemiological study. In response to these concerns, a White House Inter-agency Committee is contracting with UCLA to develop a major national epidemiological study of the effects of Agent Orange and similar substances.

This is an exciting development and it is pleasing to see that such a study is being conducted by a relatively neutral party for there has been a feeling in the past that agencies such as VA and the Air Force could not be totally objective in drawing conclusions.

Epidemiologic research would be extremely costly as cancer and many other medical problems are not reportable diseases and would require extensive investigation. To contract for such a study will cost a minimum of 300,000 dollars per annum.

It is estimated there are 24,000 Vietnam Veterans in Alaska. How many of them would go to a physician for examination; and how many the physician would refer for screening and fat biopsy is very difficult to calculate. Assuming ten percent went to the physician and he referred fifty percent for screening/biopsy we are talking about 1200 individuals.

POSITION PAPER, SSHB 663

Page 2

Laboratory analysis is expensive and could be expected to cost approximately \$1,350.00 per person studied to do and analyze fat biopsies for herbicide and chromosome analysis for genetic screening. As the technology to perform these sophisticated measures is not well developed, the results would be subject to a wide range of interpretation. Definitive conclusions and recommendations would not be able to be made.

As information becomes available from these studies, we think it is valuable to provide for public education concerning the results, but this is several years away.

With regard to assistance programs, (Sec. 18.17.060), veterans are already receiving some referral aid from the Vets Center and its satellites and from the Veterans Outreach program in Juneau. It would be valuable to have a staff member hired as a central contact and resource person and to provide those who come in contact with Vietnam veterans with information about available assistance programs. At this time, the genetic effects of chemical defoliants and herbicides are not clearly known, so genetic counseling would not be appropriate. The other parts of an assistance program: fat biopsies and genetic screening require sophisticated laboratory equipment and trained interpreters and would be of little use except as part of an epidemiological study.

Radiation Exposure

This bill will require that Alaska attempt to do what the federal government has been doing for the past four years in an on-going program with the Department of Defense. This program includes location of veterans involved with atmospheric nuclear testing, a compilation of records of medical histories, and determination of radiation exposures from existing records or calculation of radiation exposures if records do not exist. As part of this effort there are at least two groups outside of the Department of Defense, the National Academy of Sciences and the Center for Disease Control, which are evaluating the exposures to determine potential for injury based on personnel oriented histories of each test. This is being coordinated by the Nuclear Test Personnel Review Program of the Defense Nuclear Agency, DOD. This is an extensive effort involving an annual expenditure of 6 million dollars and approximately 170 man years of effort each year.

In addition to the above effort there is pending federal legislation designed to provide assistance to veterans involved with the nuclear testing program. At least one law has already passed. On November 3, 1981 President Reagan signed Public Law 9772 "Veterans Health Care Training and Small Business Loan Act of 1981." In addition to the assistance evident from the title is medical assistance to veterans exposed to Agent Orange as well as radiation exposure during weapons testing.

Based on information from the Veterans Administration there are 20 thousand Alaska veterans who served in all branches of the military from World War II up through 1960. It has been estimated that during the period of atmospheric nuclear testing in this country, 1945-1962, that 200 000 Department of Defense personnel, military and civilian, were involved. From this one can

estimate that the number of veterans in Alaska who were involved with our nuclear weapons testing is from 200-300. This agrees very well with the number of Alaska veterans, 142, who have contacted the Defense Nuclear Agency stating that they were involved with nuclear testing while in the service.

Due to the extremely small number of individuals involved and the small risk for injury because of the low levels of radiation exposure received, it would appear to be futile to attempt an epidemiological study of Alaska veterans involved with atmospheric nuclear weapons testing. To compound the difficulty, the type of illnesses caused by radiation exposure are not specific to radiation. In the case of cancer, for example, with the high incidence of cancer from all other causes combined it would not be possible to reasonably assert that radiation was the cause or even likely to be the cause in any given situation. It is only statistically that one can show a cause and effect relationship between radiation exposure and cancer.

Chemical and Biological Agents

It is difficult to estimate the number of veterans in this group. There would be overlap with the ones under radiation exposure and the Agent Orange group. Similar efforts for case-finding, collecting and tabulating as in the other two groups would be most difficult to accomplish.

In summary, to accomplish the above bill would require a staff of epidemiologists or a large contract of more than \$300,000 annually plus three positions for collecting, analyzing and reporting. Necessary research is being done nationally and we do not recommend the State sponsor another project. We think the State of Alaska should be supportive of these other projects and participate in them where possible and appropriate rather than funding a separate smaller program.

We therefore recommend this bill not be enacted.

Recommended by: E. S. Rabeau, M.D.
E. S. Rabeau, M.D. Director
Division of Public Health

Date: Feb. 2, 1982

Approved by: Helen D. Beirne
Helen D. Beirne, Commissioner
Department of Health and
Social Services

Date: 2-3-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. Sponsor Substitute for House Bill No. 663
 Title "An Act relating to reports concerning veterans who may have been exposed...."
 Requested by Commissioner's Office Date 2/2/82

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Health/Public Health
 BRU, Program, Or Subprogram(s) Affected Communicable Disease Control/Epidemiology
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		122.3	134.5	148.0	162.8	179.0
200 TRAVEL		20.0	22.0	24.2	26.6	29.3
300 CONTRACTUAL		1928.0	2128.0	2332.9	2566.2	2822.7
400 COMMODITIES		2.0	2.2	2.4	2.7	2.9
500 EQUIPMENT		7.0	7.7	8.5	9.3	10.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		2079.3	2294.4	2516.0	2767.6	3044.1

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		2079.3	2294.3	2516.0	2767.6	3044.1
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

All inflation @ 10%

A. Epidemiological Contract	\$300.0
B. Positions(3)	
(2) Nurse Epidemiologists	99.0
(1) Clerk Typist III	23.3
Travel	20.0
Contractual	8.0
Commodities	2.0
Equipment	7.0
	\$159.3
C. Genetic screening/fat biopsies	
1200 x 1350 =	\$1620.0
D. Total	\$2079.3

*2000
1000
1000
1000*

*Minus 420,000
for 83000*

IV. DATE 2/2/82

PREPARED BY E. S. Rabeau, M.D.
 AGENCY Dept. of Health & Social Services

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

JCC

More Data On Dioxin Is Urged

LAS VEGAS—The American Medical Association has urged physicians to help collect information on the effects on man of exposure to TCDD, the contaminant in agent orange.

The association, in approving a report by its council on scientific affairs, also recommended that all physicians be alerted to chloracne—the only documented effect so far—and to the “possible signs and adverse effects of TCDD exposure.”

The council report, actually prepared by an outside advisory group whose membership included Dr. Nelson Irey, head of the registry of tissue reactions to drugs at the Armed Forces Institutes of Pathology, now is AMA's official position on the agent orange issue.

Veterans Administration delegate to AMA's interim meeting here, chief medical director Dr. Donald L. Custis, called the report the best summary of scientific knowledge about agent orange that he has seen.

The report notes that an herbicide mixture of 2,4-dichlorophenoxyacetic acid (2,4-D) and 2,4,5-trichlorophenoxyacetic acid (2,4,5-T)—the mixture known as agent orange—was sprayed over certain areas of Vietnam during the latter stages of the conflict in that country.

Similar mixtures, it states, have been used in the United States for years for forestry management, lawn weed control and farming.

In addition, the report notes that numerous persons have been exposed to phenoxy herbicides during the course of their employment.

The report says that despite allegations by Vietnam veterans and others involved in accidental industrial exposures, there is “very little substantive evidence” to link phenoxy herbicide compounds with such effects as malignancy, spontaneous abortion, birth defects and other illnesses.

TCDD, a dioxin, the contaminant in agent orange, was discovered in 1957 when workmen involved in the manufacture of TCP (2,4,5-trichlorophenol, a precursor of agent orange) developed chloracne, the report relates.

About 29 years ago the TCDD level in commercially available 2,4,5-T was anywhere from 1 to 70 parts per million, the report says. However, as industry became aware of this contaminant's toxicity, production operations were changed to reduce this level, which now stands at about .01 to .05 ppm.

The two most pronounced effects of chlorinated dioxins are chloracne, found in the rabbit, nude mouse, monkey and man, and accumulation of fluid in the pericardium and peritoneal cavity of chicks, the report relates.

Chloracne usually occurs within 2 to 3 weeks of exposure. It may clear up within several months or persist for as long as 30 years. Persons most susceptible, the report says, are those prone to developing acne vulgaris.

Chronic exposure to TCDD, the report states, leads to degeneration of the liver and thymus in experimental animals. Porphyria and weight loss also are sometimes seen.

“Of perhaps more relevance to man are the *in vitro* studies on mammalian cells—HeLa; Balb-3T3; normal mouse fibroblasts; SV101; virus-transformed 3T3 mouse fibroblasts, human foreskin fibroblasts and normal human lymphocytes,” the report says.

“No significant growth inhibition in the cell cultures nor discernible ultra structural changes have been observed by electron microscopy.”

The report says the teratogenicity and fetotoxicity of TCDD were discovered in 1969 in a study of 2,4,5-T's biological activity. Cleft palate was linked to exposure in mice, and cystic kidney in the mouse and rat.

“No conclusive evidence is yet available that phenoxy herbicides or TCDD are mutagenic or teratogenic in man,” the report states.

TCDD does promote or cause cancer in some strains of rats or mice—usually accompanied by considerable toxicity.

The report says the most extensive experience in man with TCDD exposure resulted from the July 1976 industrial accident in Seveso, Italy, in which more than 37,000 persons potentially were exposed to varying doses.

In that incident, TCDD accidentally was released from an ICMESA (Industria Chimica Meda Societa Anonima) trichlorophenol synthesis plant when a safety disk in a steam-heated reactor vessel ruptured.

“Two years after the incident occurred, the acute and mid-term health effects were assessed,” the report notes. “The mild chloracne, which occurred mainly in a small group of children, healed quickly.

“Subclinical peripheral nerve impairment was reported; there was also some liver involvement, but without apparent functional disorder. Neither immunoresponse nor susceptibility to infectious diseases was altered.”

The report advises that the following studies currently are being conducted “which may resolve questions on the kinds and extent of human damage from exposure to low levels of TCDD:”

•The Armed Forces Institute of Pathology's department of environmental and drug-induced pathology is examining biopsy and autopsy tissue of Vietnam veterans.

Thus far 152 cases have been assessed. Dominant diseases are epidermal inclusion cysts and chronic, non-specific dermatitis

“If any malignancies were to have been induced by TCDD, they should be appearing by now, yet there have been no unusual morphological features nor clustering of tumors by diagnosis or site as to implicate agent orange.”

•A soft-tissue sarcoma study has been proposed that will be conducted jointly by AFIP and the National Cancer Institute.

•The Air Force is examining 1,200 personnel involved in actual handling and spraying of agent orange. This group and a control population of 20,000 will be followed for 20 years.

•VA has awarded a contract for the design of an epidemiologic study of Vietnam veterans to the University of California, Los Angeles.

•About 45,000 Vietnam veterans have been examined by VA because of concerns expressed about agent orange exposure. Data on 25,000 have been placed in an agent orange registry to be used to indicate health trends.

•A chloracne task force has been established to separate true chloracne cases from others.

AMA recommends that these studies be expanded “to include cooperative engagement of all internationally known exposure data, as recommended by the International Agency for Research on Cancer.”

U.S. Medicine

U.S. Medicine

Agent Orange Examinations Contract Let

WASHINGTON—A Houston, Texas, clinic has won a contract to conduct the physical examinations for the Air Force study of pilots who flew agent orange spraying missions in Vietnam.

Under terms of the \$5 million contract, Kelsey-Seybold Clinic will conduct up to 2,400 exams for the study, designed to detect possible health effects related to exposure to the defoliant.

The squadron that flew the missions, the Ranch Hand Unit, was composed of more than 1,200 members. The study involves a one-to-one matched control group for the physical examinations.

The Air Force contends that the Ranch Hand pilots are the most likely group to have had significant exposure in Vietnam.

Louis Harris Associates Inc. received a separate contract to conduct a health, demographic social, and psychological survey of the group in September.

The questionnaire results are expected to be in by April, with the physicals completed by Sept. 30.

Followup examinations are to be continued at regular intervals for 20 years.

POSITION PAPER

CS for SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 663

CS for Sponsor Substitute for House Bill No. 663 adds two other categories of veterans to the Vietnam group as defined in HB 663. Namely any exposed to radiation from above-ground nuclear weapons testing during the years 1941-1961: and any veterans exposed to chemical and biological agents during the periods 1955-1969.

The bill would require collecting and tabulating all veterans who might have belonged to one of the afore-mentioned groups; doing epidemiological studies on veterans and families. Furthermore this bill would add children of veterans to the genetic screening.

Agent Orange

House Bill No. 663 sets up the framework for genetic screening and an epidemiological study of the effects of Agent Orange and other chemical defoliants and herbicides on Vietnam veterans in Alaska. It also provides for genetic counseling and referral assistance in filing claims to remedy problems caused by these agents.

While it is clear that exposure to Agent Orange and its effects are issues of concern to many Vietnam-era veterans. Alaska lacks the sophisticated laboratory capability, trained staff, and numbers of Vietnam veterans to conduct such a study in a manner that would yield conclusive results. We are concerned that initiation of such a study would lead veterans to expect some definitive answers on the effects and treatment of Agent Orange. Experience of other states and organizations in conducting similar studies has not been very successful. We do not want to see a project begun that would raise false hopes for a sure outcome.

The Center of Disease Control, the Air Force, and the Veterans Administration are all conducting similar studies at this time. They do not expect results for several years. The State of New York determined they did not have sufficient numbers of veterans available to conduct a valid epidemiological study. In response to these concerns, a White House Inter-agency Committee is contracting with UCLA to develop a major national epidemiological study of the effects of Agent Orange and similar substances.

This is an exciting development and it is pleasing to see that such a study is being conducted by a relatively neutral party for there has been a feeling in the past that agencies such as VA and the Air Force could not be totally objective in drawing conclusions.

Epidemiologic research would be extremely costly as cancer and many other medical problems are not reportable diseases and would require extensive investigation. To contract for such a study will cost a minimum of 300,000 dollars per annum.

It is estimated there are 24,000 Vietnam Veterans in Alaska. How many of them would go to a physician for examination and how many the physician would refer for screening is very difficult to calculate. Assuming ten percent went to the physician and he referred fifty percent for screening we are talking about 1200 individuals.

POSITION PAPER, CS for SSHB 663

Page 2

Laboratory analysis is expensive and could be expected to cost approximately \$1,000 per person studied to do chromosome analysis for genetic screening. As the technology to perform these sophisticated measures is not well developed, the results would be subject to a wide range of interpretation. Definitive conclusions and recommendations would not be able to be made.

As information becomes available from these studies, we think it is valuable to provide for public education concerning the results, but this is several years away.

With regard to assistance programs, (Sec. 18.17.060), veterans are already receiving some referral aid from the Vets Center and its satellites and from the Veterans Outreach program in Juneau. It would be valuable to have a staff member hired as a central contact and resource person and to provide those who come in contact with Vietnam veterans with information about available assistance programs. At this time, the genetic effects of chemical defoliants and herbicides are not clearly known, so genetic counseling would not be appropriate. The other part of an assistance program: genetic screening requires sophisticated laboratory equipment and trained interpreters and would be of little use except as part of an epidemiological study.

Radiation Exposure

This bill will require that Alaska attempt to do what the federal government has been doing for the past four years in an on-going program with the Department of Defense. This program includes location of veterans involved with atmospheric nuclear testing, a compilation of records of medical histories, and determination of radiation exposures from existing records or calculation of radiation exposures if records do not exist. As part of this effort there are at least two groups outside of the Department of Defense, the National Academy of Sciences and the Center for Disease Control, which are evaluating the exposures to determine potential for injury based on personnel oriented histories of each test. This is being coordinated by the Nuclear Test Personnel Review Program of the Defense Nuclear Agency, DOD. This is an extensive effort involving an annual expenditure of 6 million dollars and approximately 170 man years of effort each year.

In addition to the above effort there is pending federal legislation designed to provide assistance to veterans involved with the nuclear testing program. At least one law has already passed. On November 3, 1981 President Reagan signed Public Law 9772, "Veterans Health Care Training and Small Business Loan Act of 1981." In addition to the assistance evident from the title is medical assistance to veterans exposed to Agent Orange as well as radiation exposure during weapons testing.

Based on information from the Veterans Administration there are 20 thousand Alaska veterans who served in all branches of the military from World War II up through 1960. It has been estimated that during the period of atmospheric nuclear testing in this country, 1945-1962, that 200,000 Department of Defense personnel, military and civilian, were involved. From this one can

estimate that the number of veterans in Alaska who were involved with our nuclear weapons testing is from 200-300. This agrees very well with the number of Alaska veterans, 142, who have contacted the Defense Nuclear Agency stating that they were involved with nuclear testing while in the service.

Due to the extremely small number of individuals involved and the small risk for injury because of the low levels of radiation exposure received, it would appear to be futile to attempt an epidemiological study of Alaska veterans involved with atmospheric nuclear weapons testing. To compound the difficulty, the type of illnesses caused by radiation exposure are not specific to radiation. In the case of cancer, for example, with the high incidence of cancer from all other causes combined it would not be possible to reasonably assert that radiation was the cause or even likely to be the cause in any given situation. It is only statistically that one can show a cause and effect relationship between radiation exposure and cancer.

Chemical and Biological Agents

It is difficult to estimate the number of veterans in this group. There would be overlap with the ones under radiation exposure and the Agent Orange group. Similar efforts for case-finding, collecting and tabulating as in the other two groups would be most difficult to accomplish.

In summary, to accomplish the above bill, would require a staff of epidemiologists or a large contract of more than \$300,000 annually plus three positions for collecting, analyzing and reporting. Necessary research is being done nationally and we do not recommend the State sponsor another project. We think the State of Alaska should be supportive of these other projects and participate in them where possible and appropriate rather than funding a separate smaller program.

We, therefore recommend this bill not be enacted.

Recommended by:

E. S. Rabeau
E. S. Rabeau, M.D., Director
Division of Public Health

Date:

Feb. 10, 1982

Approved by:

H. D. Beirne
Helen D. Beirne, Commissioner
Department of Health and
Social Services

Date:

11 Feb 82

POSITION PAPER/Department of Health & Social Services

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

AMENDED FISCAL NOTE

I. REQUEST Committee Substitute for
Bill/Resolution No. Sponsor Substitute for House Bill No. 663
 Title "An Act relating to reports concerning veterans who may have been exposed..."
 Requested by Commissioner's Office Date 2/9/82

II. FISCAL DETAIL
 Agency Affected Department of Health and Social Services
 Program Category Affected Health/Public Health
 BRU, Program, Or Subprogram(s) Affected Communicable Disease Control/Epidemiology
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES		122.3	134.5	148.0	162.8	179.0
200 TRAVEL		20.0	22.0	24.2	26.6	29.3
300 CONTRACTUAL		1508.0	1658.8	1824.7	2007.1	2207.9
400 COMMODITIES		2.0	2.2	2.4	2.7	2.9
500 EQUIPMENT		7.0	7.7	8.5	9.3	10.2
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL		1659.3	1825.2	2007.8	2008.5	2429.3

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND		1659.3	1825.2	2007.8	2008.5	2429.3
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME		3	3	3	3	3
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

All inflation @ 10%

A.	Epidemiological Contract	\$300.0
B.	Positions(3)	
	(2) Nurse Epidemiologists	99.0
	(1) Clerk Typist III	23.3
	Travel	20.0
	Contractual	8.0
	Commodities	2.0
	Equipment	7.0
		\$159.3
C.	Genetic screening	
	1200 x 1000	\$1200.0
D.	Total	\$1659.3

IV. DATE 2/9/82 PREPARED BY E. S. Rabeau, M.D. JCC
 AGENCY Dept. of Health & Social Services
 Original: Legislative Finance PHONE 465-3090

cc: Budget and Management
 Prime Sponsor (First Legislator Named)
 33-001 (Rev. 12/81)

there is a mathematic error
as pointed out by Doctor from
Hess

Remove Radial logical
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LEGIBLY BECAUSE OF POOR QUALITY OF THE
ORIGINAL.

TITLE (COVER) PAGE
READS:

AGENT ORANGE
a story of dignity and doubt

MINNESOTA

JIM GAMBON
MARTIN LUTHER KING

JIM TOULGIO

MINNESOTA
MARTIN LUTHER KING

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Chairman
John G. Heubach, Jr.

The material in this packet was edited by the Minnesota Veterans Coalition (MVC) and it was reprinted with permission from Tim Michaels. We wish to acknowledge those who have provided factual information and opinions herein. Support has been furnished by many individuals and groups including a grant to help distribute the film: Agent Orange: A Story of Dignity and Doubt from the Minnesota Humanities Commission, in cooperation with the National Endowment for the Humanities. The findings, conclusions, etc. of the film, panel discussions, and other grant activities do not necessarily represent the views of the Minnesota Humanities Commission or the National Endowment for the Humanities. The U.S. Government reserves a non-exclusive license to use, reproduce for government purposes, without payment, any publishable matter, including copyrighted matter, arising out of grant activities where the government deems it in its interest to do so. Permission to reprint any material herein is granted by the Minnesota Veterans Coalition.

Thankyou for your support. Your donation is needed!

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Agent Orange

An Update

Issue #1 Minnesota Veterans Coalition: Contact Person; Tim Michaels, tel. # 612/296-1771, Rm. 325, State Capitol, St. Paul, Minnesota 55155

(St. Paul) Minnesota's Senate Veterans Affairs Committee announced its second Agent Orange hearing scheduled for Wednesday, July 9, 1980 at 1:00 p.m. in room 15 at the State Capitol. Legislators at the hearing will hear from the State Commissioner and the Minneapolis VAMC Chief of Staff regarding the outcome of their recently completed statewide Agent Orange Outreach Program. Latest word is that approximately 11,000 vets have requested the screening, and that about 4,000 have been screened to date. Earlier results had shown 12 veterans who were manifesting symptoms that were possibly relate to herbicide exposure and 615 vets who were called back for follow-up work. The 615 called back (out of 3,500 screened) were experiencing problems ranging from high blood pressure and dermatological problems to liver disease and chemical dependency. There was one death reported which was said to have been non-related to herbicide exposure.

The keynote witness at the upcoming Agent Orange hearing will be Dr. Barclay Shepard, Special Assistant to the Chief Medical Director of the VA. Dr. Shepard was recently named as the replacement for Dr. Haber as the Chair of the VA's Committee on Toxic Herbicides, based out of Washington, D.C., which puts him in the position of heading up the VA's Agent Orange efforts. Dr. Shepard will address the status of the proposed epidemiological study, the newly created Chloracne Task Force, the fat biopsy test, a blood test for genetic damage being perfected in California, the alleged destruction of a portion of the VA's cancer tumor registry, the opening of communications with the Australian government on their Agent Orange efforts, comments on the nature of tests being administered as an "Agent Orange screening" and how that information will be used, and just how the VA plans on using Minnesota's large data base.

Also included in the hearing will be Mr. Victor Yannacone, the New York attorney who is heading up the national class action law suit, who will offer comments on the status of the litigation. The Committee will also be taking testimony from several Vietnam veterans who believe they have been personally affected by exposure, and will hear from John Heubach, the Midwest Regional Coordinator of the National Veterans Task Force On Agent Orange. The hearing will be followed by an Agent Orange fundraiser which will provide the opportunity to informally meet with the hearings participants and discuss the issue. For further information regarding the hearing and/or the fundraiser, contact Tim Michaels, Administrative Assistant to the Committee at 612/296-1771.

* * * * *

(St. Paul) Minnesota became the eighteenth (18) state to join the class action suit against the manufacturers of Agent Orange, when the Minnesota portion of the suit was filed in U.S. District Court on Thursday, June 5, 1980. Victor Yannacone, a New York attorney who is heading up the court action against Dow Chemical Company and five other chemical companies, filed the suit on behalf of six families in Minnesota and asked that it be ruled to apply to all those similarly situated so as to cover all Minnesota veterans who came into contact with Agent Orange.

* * * * *

(Love Canal) Researchers conducting blood tests on 36 Love Canal residents have reported chromosome abnormalities in 11 of 36 people tested. The blood test to detect genetic damage was conducted by the Bionetics Laboratory under a contract

with the Environmental Protection Agency. The results of the chromosome aberration test have led to the White House's announcement that the federal government will relocate certain Love Canal residents, some 200 households having already left the area. Dr. Picciano, of the Bionetics Laboratory was quoted in a recent article in The Stars & Stripes as saying that they... "would not want to conduct experiments in their laboratories with dioxin because it is so deadly."

* * * * *

(Atlanta) Dr. Renate Kimbrough, a medical research officer at the Center for Disease Control, and a member of the Love Canal field research team disputed the results of the chromosome aberration test released by the Environmental Protection Agency. Dr. Kimbrough noted criticism regarding both the collection of the data and the interpretation of the laboratory results. The EPA/Bionetics report also drew criticism from an HEW (now HHS) medical review panel chaired by Dr. Richardson, and reportedly led to a similar critique by Dr. Roy Albert who Chairs the EPA's own scientific review committee. Dr. Kimbrough, who specializes in field work in toxicology and epidemiological research, just recently returned from collecting data in the Love Canal area. It was reported that when the Center for Disease Control attempted to do their own review of the Bionetics research data they were allegedly denied access to this information by that company.

Dr. Kimbrough was in Washington, D.C. during the week of May 26, at the request of the Veterans Administration, to conduct an Agent Orange seminar for physicians from each of the Veterans Administration Medical Centers in the VA hospital system. Parallels between possible Agent Orange exposure victims and exposure victims in the Love Canal area exist since samples taken from the dumps there included a 5ppb (parts per billion) concentration of the chemical 2-3-7-8 (tetrachlorodibenzodioxin) which is used in the manufacturing process of chemicals similar in nature to the herbicide Agent Orange. The Love Canal dump site was used by the Hooker Chemical Company which did produce the chemical 2-3-7-8. Hooker Chemical Company is not one of the plaintiffs named in the national Agent Orange class action suit which includes; DOW Chemical, Hercules, Diamond Shamrock, Monsanto and Thompson - Hayward. It was not known at the time this article was written, whether or not Hooker Chemical Company was a subsidiary of the above named plaintiffs, or was in any way affiliated with the manufacturers of Agent Orange.

* * * * *

(Los Angeles) Dr. Gerald P. Hirsch, a medical researcher with the Veterans Administration, is working on yet another experimental technique that may prove useful as a tool for detecting genetic damage in veterans screened for Agent Orange exposure. Dr. Hirsch had developed a blood test to check for genetic damage while he was working with Dr. Raymond A. Popp, at the Oak Ridge National Laboratory. That test concentrated on the level of an amino acid called isoleucine contained in the hemoglobin of test subjects. The test was originally applied to test residents of the Marshall Island in the Central Pacific who were exposed to radiation to determine evidence of genetic damage. The results of the test do seem to confirm its use as a diagnostic tool in evaluating possible genetic damage, however there are some problems in replicating test results at a later point in time. Dr. Hirsch is currently working on a new test which concentrates on lipoproteins and cysteine (an amino acid and a free SH group) which would serve as a check on the blood test perfected earlier with regard to isoleucine in the hemoglobin.

A research proposal to study this latest possible tool to detect mutagenesis has been advanced by Dr. Hirsch and has cleared the local VA station's medical review committee. The research proposal has been forwarded to VA Central for their review and consideration, but no decision has been forthcoming at the

time which this article was written. Dr. Hirsch expressed a fear that in light of the criticism levied against the VA by the General Accounting Office and the National Academy of Sciences for their plans to conduct an in-house epidemiological study, his research proposal might be shot down.

* * * * *

(St. Paul) The Veterans Administration continues to ignore a request made by Don Miller, Commissioner of Minnesota's Department of Veterans Affairs, that the VA consider utilizing the fat biopsy test to detect dioxin in the fatty tissue of possible Agent Orange exposure victims. Commissioner Miller made his request on February 26, to Max Cleland, when he learned that this diagnostic tool was not being offered to veterans being given the Agent Orange screening at the Minneapolis VAMC. A local hospital spokesman said that the reason the VA was not making the fat biopsy test available to veterans was due to the expense involved. There was also some speculation that since the test involved elective surgery with an attendant risk involved, and since there was some doubt as to the significance of the results obtained in a pilot study of the test last December, it would not be available to veterans at this time.

In a related story it was learned that several VA physicians who requested the results of the fat biopsy pilot study while at the recent Agent Orange conference in Washington, D.C. were denied access to the data by the VA.

* * * * *

(Madison) Meeting in Madison Wisconsin on May 25, and 26, the National Veterans Task Force On Agent Orange provided testimony to Congressman Daschle, Chairman of the Vietnam Veterans Congressional Caucus. The Task Force made the following recommendations;

1) That Dr. Shepard and Max Cleland insure that the Veterans Administration Medical Centers will provide mobile health screening teams to conduct Agent Orange screenings for incarcerated veterans who have requested the same, and that they notify the Task Force of the procedures they will use, and the date they will implement the same.

2) That the VA will insure the timely release (and timely must be defined) of all medical information obtained in Agent Orange screenings to veterans requesting said information, and will reaffirm said access to this medical information as the "veterans legal right-to-know".

3) That Dr. Shepard will address the utilization of the NVTFAO data base compiled by the Minnesota Veterans Coalition, either in a pre-test of the proposed epidemiological study, in the actual epidemiological study, or in a separate research study.

4) That Senator Alan Cranston and Congressman Daschle will open communications with Australia regarding their efforts on resolving the Agent Orange issue, and that they share the resulting information with the NVTFAO and the National Association of Concerned Veterans.

In a related event the Madison Agent Orange conference heard a report from Mr. James Credle regarding planning in progress for a National Agent Orange Convention in Washington, D.C. the weekend of May 23, and 24, 1980. Individuals desiring input into the proposed National Conference planning should contact:

Mr. James Credle
Assistant Dean of Students
Rutgers The State University
53 Washington Street
Newark, New Jersey 07102

(Dallas) John Anderson, independent Presidential candidate, called for a ..."quick evaluation and treatment for victims of the herbicide Agent Orange". Anderson went on to say that the VA should ..."reach out and contact those who might be victims of Agent Orange, diagnose their illness and treat them".

* * * * *

(St. Paul) Mr. Jeff Ryan, Contracting Officer for the VA's procurement office, said that their evaluation panel is still in the process of reviewing and evaluating bids submitted for a VA contract to develop the scientific protocol for an epidemiological study of Vietnam veterans exposed to the herbicide Agent Orange. Congress passed a law in December of 1979 mandating the VA to conduct an epidemiological study. The VA published a Request For Proposals (ie, RFP) on March 19, and received just over 100 requests for information on the research contract. The VA followed up the process with a pre-bid conference in Washington, D.C that attracted somewhere between 20 and 30 interested people. The bidding process was closed on May 8, at 3:30 p.m., and Mr. Ryan noted that they are not allowed to say how many bids were received. Federal laws on procurement procedures do not allow certain types of information to be given out, and only those with a "need-to-know" can get access to it.

When asked about the time-frame involved in such an evaluation of the bids made Mr. Ryan responded that due to the complexity of the issue the panel had to be prudent in its review of the bids, and that no date could be given as to when the VA would actually award the contract. A source within the VA's general counsel's office suggested that because of certain criticisms brought against the VA by the General Accounting Office and the National Academy of Sciences, the VA had to go back to the bidders and request additional information. Asked to respond to the alleged nature of the delay Mr. Ryan responded that he was not at liberty to divulge that type of information while the evaluation panel was still deliberating on the awarding of the contract. Mr. Ryan did note that some procurements do necessitate requesting additional information after the bidding process has been closed, but that he couldn't comment on if this was the case with the epidemiological study. In a related area Mr. Ryan noted that there was another RFP still out on a contract for a literature review of scientific research on phenoxy herbicides.

* * * * *

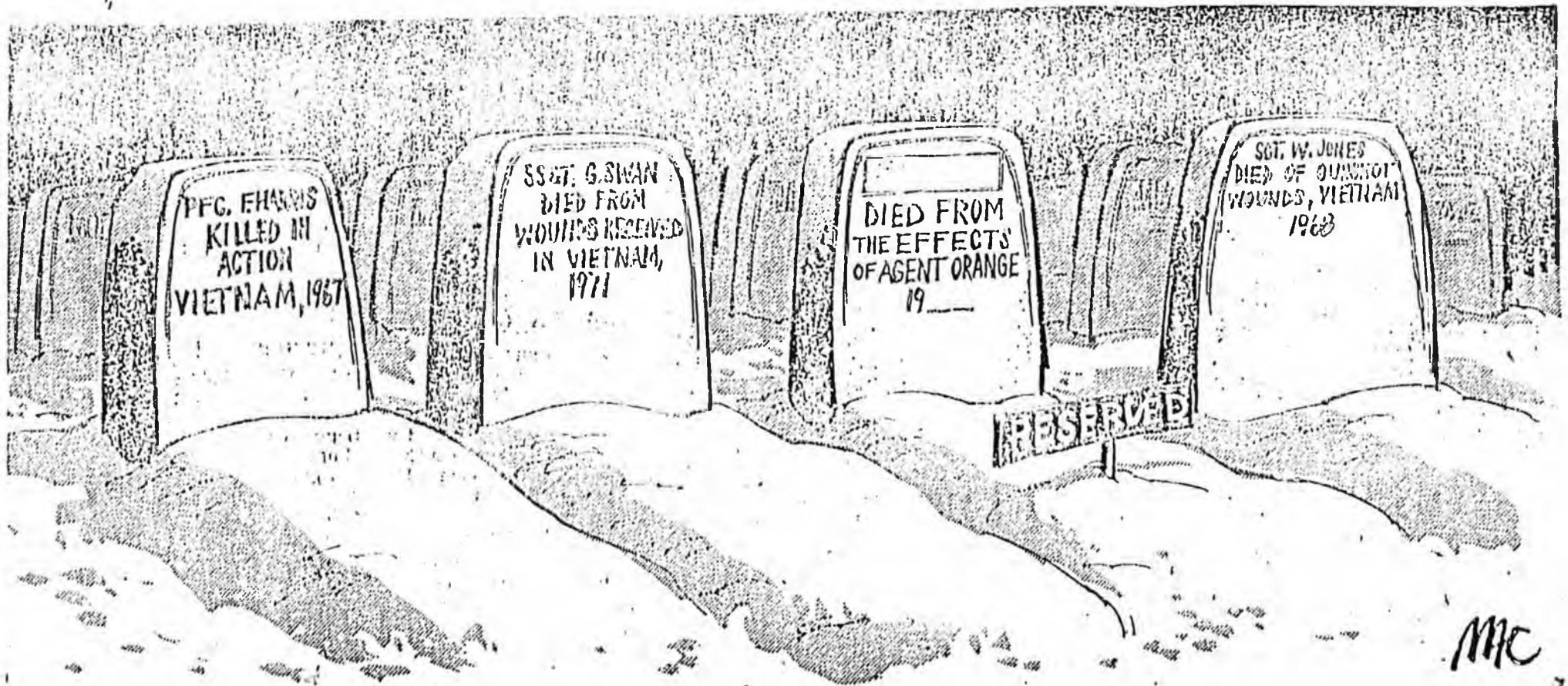
(St. Paul) A documentary film on Agent Orange, and in particular how it has affected a veteran and his family, is being produced in Minnesota. The documentary is being produced by a non-profit organization called Film In The Cities, in conjunction with the Minnesota Veterans Coalition, a member of the National Veterans Task Force On Agent Orange. Any proceeds from the use of the film will go to the two veterans organizations to finance their continuing efforts to work toward a speedy resolution of the Agent Orange issue. A total of \$30,500 is needed to research, produce, process and distribute the film. Any contributions to assist us in our efforts to document this important story would be greatly appreciated. Tax deductible contributions can be made to:

Agent Orange Film Project Fund
C/O Film In The Cities
2298 University Avenue
St. Paul, Minnesota 55108

RECOMMENDATIONS

MINNESOTA VETERANS COALITION

- Expedite the epidemiological study
- Utilize the Minnesota data base involving 11,000 Vietnam veterans being given the Agent Orange screening
- Provide mobile health screening teams for incarcerated vets requesting the screening
- Open up communications with Australia, and other governments, conducting dioxin studies
- Reaffirm the veterans access to his Agent Orange medical records as his legal "right-to-know"
- Fund studies concentrating on flushing the system of the dioxin contaminant
- Fund studies on treating the symptoms of Agent Orange exposure
- Approve funding of Dr. Hirsch's genetic blood test proposal
- Initiate legislation that would establish compensation procedures for exposure victims, so that it is in place if and when it is needed
- Keep a Central Registry of all potential dioxin exposure victims, not just Vietnam vets (ie, Love Canal, etc.)



AGENT ORANGE

Agent Orange was the code name for a chemical herbicide used as a defoliant in Vietnam from 1962 until at least 1971. Herbicide Orange was a chemical mixture of 2,4,5-T and 2,4-D that was used primarily by the Air Force, in a military operation code-named "Operation Ranch Hand". Used as a defoliant, this herbicide mixture denuded the jungle foliage thereby making it easier to observe enemy troop movements, and possibly preventing enemy ambushes. The military use of Agent Orange was halted, by the Pentagon, about 1970 (although there were documented uses of the chemical in 1971) due to adverse health effects cited by scientists researching the impact of the chemical on those exposed to it.

The medical problems which may be related to exposure to Agent Orange are thought to be the result of the veterans exposure to a component of 2,4,5-T called tetraclorodibenzo-para dioxin (or dioxin). Dioxin is a byproduct created during the 2,4,5-T manufacturing process, and is believed to be the deadliest toxin known to man. Vietnam veterans exposed to Agent Orange have attributed a variety of medical problems to their exposure, including;

chloracne rash-skin tumors- liver problems-kidney disfunctions-constant fatigue-numbness of the extremities-depression-personality changes-cancer-birth defects-a loss of sexual interest-and many other symptoms.

Minnesota has conducted an Agent Orange Outreach Program to inform veterans about the possible implications of their exposure to Agent Orange, to refer those who are concerned about these implications to the nearest Veterans Administration Medical Center for a free health screening, and to develop a data base which may prove useful to the VA in addressing this problem. In addition the Legislature conducted hearings on Agent Orange, on December 13, 1979, to familiarize members with the issue and to determine what Minnesota might be able to do to assist in a speedy resolution of the issue.

The Agent Orange Outreach Program was initiated by the Department of Veterans Affairs, the County Veterans Service Officer network, the Veterans of Foreign Wars and the American Legion. The motivating factor behind the program itself, as well as the Legislative hearings, came from the Vietnam Veterans Civic Council and the Vietnam Veterans Against The War. The Outreach Program succeeded in reaching about 22,000 Vietnam veterans, at least 10,100 of whom have requested an Agent Orange screening at their nearest VAMC.

Other activities revolving around the Agent Orange issue include the formation of an organization called the Minnesota Veterans Coalition to carry on the work begun by the VVCC and the VVAW--the Coalition in turn joined forces with the National Veterans Task Force on Agent Orange to work toward a resolution of the issue--members of the Coalition have participated in meetings/conferences and have provided Congressional testimony on the Agent Orange issue (in St. Louis, Denver, Chicago and Madison) Minnesota's efforts have become recognized as being in the forefront of veterans advocacy on behalf of potential Agent Orange exposure victims. Anyone interested in finding out more about the ongoing activities in Minnesota should contact John Heubach (612/376-8189) or Tim Michaels (612/296-1771).

ADDITIONAL CONTACTS: Veterans Administration Medical Center (612/725-6767)
Toll free # 1-800-692-2121
Dept. of Veterans Affairs (612/296-2562)
Veterans Administration Claims Office (612/726-1454)

Agent Orange

An Update

Minnesota Veterans Coalition

Issue #2 Contact Person: Tim Michaels 612/296-1771, Room #325, State Capitol, St. Paul, Minnesota 55155

(St. Paul) Minnesota's Senate Veterans Affairs Committee held its second Agent Orange hearing on Wednesday, July 9. The Committee heard testimony from Dr. Barclay Shepard, Victor Yannacone, John Heubach, and a number of Vietnam veterans who feel that they have been personally affected by exposure, or who have been working on the Agent Orange issue.

The Senate Committee learned that Minnesota's Agent Orange Outreach Program resulted in contacting over 20,000 Vietnam veterans, 11,190 of whom requested a VA examination for exposure. As of July 9, 4,600 vets had received the physical, 500 were scheduled, 3,700 were in the process of being scheduled, 1,521 did not show up for their scheduled appointment, and 1,980 did not respond to the requested appointment form.

Of the 4,600 veterans who were examined, 747 patients were asked to return for follow-up work, six vets were hospitalized. Listed below are the types of problems which were found that required follow-up work:

Dermatological	52.3%	Orthopedic	2.0%
Medical	22.5%	Eye	1.4%
Neurological	6.3%	Psychiatric	1.1%
Urologic	5.4%	Other Miscellaneous	4.3%
Ear, Nose, Throat	3.3%		

The Dermatological problems included, in order of frequency; nonspecific dermatitis, acne, tinea pedis, eczema, psoriasis, and fungal infections.

The Medical referrals were of three basic types: hypertension, abnormal chest x-ray, and abnormal chemistry.

The referrals to Neurology were for; headaches, numbness, tingling, and stiffness.

The referrals to Urology were primarily for two problems; infertility, and prostatitis (inflammation of the prostate).

The six patients hospitalized had the following problems;

1. Enlarged liver, jaundice.
2. Recurrent acute and chronic alcoholism and drug intoxication.
3. Psychological dependence, headaches, visual disturbances.
4. Probable cluster headaches.
5. Atypical chest pain.
6. Passive aggressive behavior, alcoholism.

The VA Hospital noted that as of July 3, 121 veterans had requested their medical records, Agent Orange, or otherwise.

Dr. Shepard's presentation provided no new information, and concluded with the statement..

"I would like to state emphatically that despite any allegations to the contrary, the leadership of the Veterans Administration is deeply concerned with all aspects of this perplexing problem and is genuinely dedicated to devoting any and all available resources at its command in helping any veteran who is experiencing any problem thought to be related to exposure to exposure to herbicides in Vietnam, continually striving to make our system respond in the most humane and compassionate manner possible and improve our relations with all veterans organizations. As new scientific knowledge and information develop we will apply it in the most effective way possible in order to arrive at a resolution of the issues and problems involved."

The Commissioner of the State Department of Veterans Affairs reported that the outreach effort cost his Department only \$1,140. The remainder of the cost involved was \$62,500 in donated computer services, and over 3,400 man hours put in by staff in the Department, as well as volunteer time put in by County Veterans Service Officers, and Service Officers of the major veterans organizations --- not to mention the time donated by the members of the Minnesota Veterans Coalition, a member of the National Veterans Task Force On Agent Orange.

Victor Yannacone, the New York attorney who heads the class action suit on behalf of Agent Orange exposure victims provided the Committee with background on the litigation that is pending in the courts. Mr. Yannacone elicited much support from the standing room only crowd of onlookers, as he responded to a question regarding which veterans may have been exposed to Agent Orange saying ... "that any veteran who served in Vietnam in combat and who did not spend the entire war in a bar in Saigon drinking bottled water and bottled booze....meaning almost anybody below the rank of Colonel was exposed."

(Washington D.C.) Minnesota Congressman Jam Oberstar has demonstrated his support of Vietnam vets on the Agent Orange issue by coauthoring two bills dealing with the issue; H.R. 6377, authored by Congressman Tom Daschle (Chairman of the Vietnam Veterans Congressional Caucus), which authorizes compensation and service-connected medical treatment for Vietnam veterans exposed to Agent Orange, and for their dependents who may have been affected. The bill also provides for treatment and compensation for dependents of exposure victims, when said birth defects are the result of contamination by dioxin. This law would treat the veterans children, in a sense, as veterans of the Vietnam war. H.R. 7157, which also was coauthored by Congressman Oberstar, waives the one year time limit on disabilities due to exposure to Agent Orange and other herbicides sprayed in Vietnam. In addition Oberstar asked both his colleagues on the House Veterans Affairs Committee and the Chief Medical Director of the Veterans Administration to take steps to ease the financial burden of veterans requesting Agent Orange screening's. The Congressman pointed out the fact that many veterans must take a day off of work, must commute long distances, and make motel accommodations to take advantage of the examination.

The Minnesota Veterans Coalition thanks Congressman Oberstar for his concern for the Vietnam vet, and for the support he has provided us.

(St. Paul) As a result of the hearing conducted by the Minnesota Senate Veterans Affairs Committee, Senator Chmielewski, the Chairman of the Committee, made the following recommendations

Recommendations on the "Agent Orange" Issue

By the Senate Veterans Affairs Committee

1. That the VA move more rapidly on conducting the epidemiological study.
2. That veterans officially requesting the results of their Agent Orange physical be provided the same in a timely (and timely must be defined) manner, and that veterans are to be provided with complete records.
3. That the VA Central office dispatch a memo to all VA Medical Centers reaffirming the veterans access to their medical records as being within the veterans "legal right-to-know".
4. That incarcerated veterans requesting Agent Orange screenings should be notified now as to how the VA plans on responding to their request.
5. That the VA give serious consideration to utilizing the Minnesota data base (presently being collected) in either the epidemiological study or in a pie-test of the same.
6. That the VA Central office will support the research proposed set forth by Dr. Hirsch (of the Wadsworth VA Hospital in Los Angeles) to further develop a blood assay test which can be used as a diagnostic tool in determining genetic damage caused by exposure to toxic chemicals or to radiation.
7. That the Senate Veterans Affairs Committee be kept apprised of the VA's operation of the Agent Orange screening program: including the receipt of regular reports, the issuance of DVB-Circulars regarding the program, and any other documents relating to the operation of the screening program and its results not covered by the Privacy Act.

Agent Orange

An Update

The Minnesota Veterans Coalition
A Member of the National Veterans Task Force On Agent Orange

Issue #3. Contact Person: Tim Michaels 612/296-1771, Room #325,
State Capitol, St. Paul, Minnesota 55155

(Washington, D.C.) The American Legion, testifying before Congress, was highly critical of the VA's handling of the Agent Orange issue. Mr. John F. Sommer, Jr., the Legion's Chief of Claims Services, told the Senate Veterans Affairs Committee that the resolution of this issue was ... "mired in bureaucratic controversy" ... and urged that the ... "National Academy of Sciences conduct a study (of dioxin) rather than the Veterans Administration." (source: Stars & Stripes June 12, 1980)

Mr. Sommer further levied criticism regarding the VA's handling of the issue saying ... "Bureaucratic inertia has been manifest, as has bureaucratic language, so that veterans' apprehensions are aggravated, hospital and clinic staffs are not properly oriented to handle cases, and the feeling is increasing that the VA doesn't care."

* * * * *

(Love Canal) The controversy continues to rage surrounding the outcome of the chromosome abnormality test conducted by the EPA on a small number of Love Canal residents. The latest report on those tests coming from Mr. Forrest Lindley, Jr., in the July 31, issue of the Stars & Stripes, stating that the test results were confirmed by a doctor hired by the Hooker Chemical Company -- the firm which had dumped over 21 tons of chemicals at the Love Canal site.

Veterans advocates working on the Agent Orange issue have suggested that the VA utilize the blood test for chromosome abnormalities being used at Love Canal as a check for genetic damage amongst Vietnam vets who may have been exposed to Agent Orange. The Love Canal area was a dump site for 21,800 tons of chemicals, including the chemical 2-3-7-8 (or tetrachlorodibenzo-paradioxin, the component in Agent Orange which is believed to be causing medical problems for vets), by Hooker Chemical Company.

Veterans have been critical about the fact that the government was so quick to respond to the concern of the residents of Love Canal, yet so slow in addressing the veterans concern. Vietnam veterans first began asking for assistance on the Agent Orange issue over two years ago, and the VA has said that results of a medical study will not be ready for at least one to two years. The residents of Love Canal were able to get a much more immediate response from the government when they raised a hue and cry about the possibility of adverse health affects due to chemical exposure. Members of the Love Canal Homeowners Association siezed, and held, two officials of the Environmental Protection Agency hostage, demanding that the government act expeditiously in resolving their concern. A short time later President Carter declared a state of emergency at Love Canal; and the EPA was told to contract out a study to determine the possibility of genetic damage to area residents. The

government is presently looking at the possibility of relocating up to 2,500 residents at an estimated cost of \$3 to \$5 million.

In our first "Update" edition, it was reported that the EPA chromosome aberration study had been completed, and that the results indicated a significant level of genetic damage in those tested. We also reported a conversation with Dr. Renate Kimbrough, of the Center for Disease Control, who disputed the results of the test released by the EPA. Dr. Kimbrough noted that the EPA report also drew heavy criticism from the Department of Health & Human Services (formerly HEW). The criticism cited the lack of controls, failure to use modern staining techniques, and inconsistency in labeling different types of chromosome breaks "supernumerary acentric chromosomes".

Dr. Dante Picciano, of Bionetics Corporation (Houston, Texas), the firm contracted by the EPA to conduct the chromosome aberration test, said that this was essentially meant to be a pilot study to determine whether a larger more scientific study was warranted. Dr. Picciano believes that the preliminary evidence suggests that a larger study would be worthwhile.

At least a part of the controversy regarding the chromosome aberration study regards the scientific credibility of Dr. Picciano, and the accessibility of the study data. Dr. Kimbrough reported that when they attempted to review the data collected by Dr. Picciano, they were denied access to this information. The Bionetics Corporation, and Dr. Picciano, contend that they only wanted to name one of the scientists on the panel which would review the data. The Bionetics Corporation demanded that Dr. Jack Killian be named to the review panel. The Center for Disease Control refused the offer to put Dr. Killian on the review panel citing the fact that Dr. Killian had been involved with Dr. Picciano in a very controversial research study earlier when they had both worked for DOW.

Dr. Killian is a cytogeneticist who had collaborated with Dr. Picciano in a in-house study of workers exposed to benzene while the two still worked for DOW Chemical. The results of the DOW study were criticized by DOW, as well as by a cytogeneticist named Peter Tishler --- at the request of the Manufacturing Chemists Association, and by James H. Jander, a hemotologist at Harvard. DOW would not allow the benzene study to be printed and Dr. Picciano decided to leave, taking the study with him, only to release it at a later date when he went to work for the EPA. The EPA is currently suing Hooker Chemical Company and Plastics Corporation (now owned by Occidental Petroleum) for \$124.5 million, for damages caused by that company's dumping of 21,800 tons of chemicals at Love Canal.

Hooker contends, in the meantime, that they have no obligation or responsibility because they disposed of the wastes in full accordance with existing environmental regulations, at the time the chemicals were dumped. In 1953 Hooker sold the Love Canal dump site to the Niagra School Board for \$1 with a deed disclaiming responsibility for any injuries that may result from the buried wastes. The Board accepted the conditions of the sale and proceeded to build a school on the property and sold the remaining land to developers for home construction.

The Love Canal situation is a significant development in terms of understanding the problems which Vietnam veterans are facing in trying

to get the government to address their concerns about the adverse health implications of exposure to Agent Orange. Residents of Love Canal and Vietnam veterans do share something---they share a sense of frustration that their government is not willing to openly discuss the full implication of their possible exposure to toxic chemicals, and how that exposure could affect them and their children; they share a helplessness in confronting an issue that is both large enough and potentially devious enough to discourage a cohesive grass-roots advocacy approach toward solving the problem; they share a sense of betrayal that their government too is discouraged and divided in its opinion regarding how to address the issue; they share a feeling that the government is perhaps unwilling to stop dragging its feet on the issue in fear of the enormous financial implications which a resolution of the issue might bring; and last of all they distrust the very statements issued by the government to assuage their fears (ie, that there is no scientific data available at this time that would demonstrate medical problems related to exposure), when they know full well that there are many amongst them suffering from a wide range of medical problems that just could be attributable to chemical exposure.

The crux of the overall issue seems to be that both Vietnam veterans and residents of Love Canal are having some very real medical problems, and regardless of whether or not their problems were the result of exposure to toxic chemicals the fact remains that our government is magnifying those problems through the stress they have placed on possible exposure victims due to their indecisiveness, their inept handling of both situations, and their failure to keep people informed about the issue(s).

* * * * *



FOR SALE

- | | |
|---------------------|------------------|
| Must sell | VA approved |
| No money down | Unique location |
| Points paid for | Landfill nearby |
| Immediate occupancy | Make us an offer |

LOVE CANAL
REALTY

(New York) The National Cancer Institute recently reported that they had conducted studies which found that small amounts of Dioxin caused cancer in lab animals.

* * * * *

(Wisconsin) The Wisconsin Legislature and the Wisconsin Department of Veterans Affairs announced plans to conduct a statewide Agent Orange Outreach Program. The Wisconsin program, patterned after Minnesota's, will attempt to contact 60,000 of Wisconsin's Vietnam veterans, to inform them about the possible health implications of exposure to the chemical.

* * * * *

(Nebraska) Dioxin was found in tissue samples of veterans tested for the VA by the University of Nebraska. The study found that all 33 men tested had traces of dioxin in fat cells, but that none had lethal amounts. (Stars & Stripes, July 31)

* * * * *

(Minneapolis) The Minnesota Veterans Coalition announced that the American Cancer Society is interested in coming to Minnesota and conducting a longitudinal cancer study of Vietnam veterans possibly exposed to the chemical Agent Orange. The Cancer Society cited the excellent data base put together by Minnesota in its Agent Orange Outreach Program, which has resulted in over 11,000 Vietnam veterans requesting VA screening's. Approximately 5,000 veterans have been screened so far in Minnesota.

* * * * *

(Arizona) Reports out of Prescott, Arizona, have the VA spraying 2-4-D, the other half of Agent Orange, on the grounds of the VA Medical Center. Dr. Barclay Shepard, head of the VA's Agent Orange efforts out of Washington, when asked about the alleged spraying by John Heubach, Midwest Regional Coordinator of the National Veterans Task Force On Agent Orange, offered no response.

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(Massachusetts) Dr. Arthur Westing, of Hampshire College in Amherst, Massachusetts, will coordinate the American scientific involvement in an International Dioxin Conference scheduled to be held sometime in January, 1981.

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(Saigon) Dr. Ton That Tung, the Internationally noted scientist from Duc Hospital in Saigon, will be in the United States later this Fall. Dr. Tung is expected to be in Madison, Wisconsin sometime during the third week of October.

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Agent Orange

An Update

The Minnesota Veterans Coalition
A Member of the National Veterans Task Force On Agent Orange

Issue #4 Contact Person: Tim Michaels 612/296-1771, Room #325,
State Capitol, St. Paul, Minnesota 55155

(Washington, D.C.) The House Subcommittee On Medical Facilities and Benefits held an Agent Orange hearing on July 22, 1980. The following are excerpts from the testimony provided to the United States House of Representatives.

Ron DeBoer, Vietnam Veteran, A Troop, Seventh Squadron, Seventeenth Air Cavalry, United States Army, 1968-1969;

"Never before in the history of this country have a group of veterans been looked upon and treated with such little regard. NOW is the time to aid those men who chose to serve their country and did so honorably and courageously, only to return home to a thankless nation. We, the victims, can only pray that those dark days of exile are behind us and help is forthcoming."

Ed. note: Ron DeBoer is one of the key litigants in the national class action law suit, he has testicular cancer (rare among men his age), and also suffers from a persistent skin rash.

* * * * *

Gabriel P. Brinsky, AMVETS;

"We unequivocally oppose HR 6377 the Vietnam Era Veterans Agent Orange Act which would provide for an immediate presumption for service-connected disability to veterans who served in Vietnam"... "The creation of such presumptions are without any foundation either in jurisprudence, medicine, or science, and are contrary to any principle of adjudication. The creation of such presumptions is foreign to and incompatible with any concept of jurisprudence or administrative law. The creation of any such presumptions would completely erode the program administered by the Veterans Administration relative to the adjudication of claims according to the laws and regulations currently in effect. It would completely destruct the concept of the administration of veterans benefits."... "Specifically, we are disturbed that billions of dollars may be required to provide health care and compensation to those Vietnam veterans and members of their families when entitlement thereto has not been established, perhaps at the cost in the reduction or denial of benefits to those whose entitlement has been clearly and unequivocally established. For the resources of this Government, as great as they may be, has a limit."

* * * * *

Dr. Samuel S. Epstein, Professor of Occupational and Environmental Medicine and Director of Toxicology at the University of Illinois Medical Center, Chairman of the Panels on Mutagenicity, and on Teratogenicity of Pesticides of HEW Secretary Finch's MRAK Commission, Consultant to OSHA, EPA, the Department of Labor, and numerous agencies, states and Commissions, the author of over 200 scientific publications and five books on the hazardous effects of chemicals;

"There is a clear consistency between the wide range of toxic effects induced in experimental animals of various species and those observed in humans. This consistency particularly relates to multi-system disease, cholracne,...and carcinogenicity."

"In view of the extensive environmental contamination of South Vietnam with phenoxy herbicides, the proposed legislation establishes a "presumption of exposure" of Vietnam veterans without imposing on them the onus for documenting its degree, location, mode, route, and other specific circumstances. In so doing, HR 6377 shifts the burden of proof from the veteran, on whom it now almost exclusively rests, to the Administrator."

"While HR 6377 properly shifts the burden of proof away from the veteran, it appears questionable whether this should be imposed on the Administrator to the exclusion of Dow Chemical and other responsible industries. The herbicide registrants had an affirmative and ongoing duty to supply the USDA with all available data on the health and safety of their products. As such, it would appear that Dow had a non-delegable responsibility to inform the USDA and others in 1964 of its admitted knowledge of the contamination of 2,4,5-T with TCDD. Instead, Dow withheld this information, and in 1964 publicly asserted that its herbicide was "absolutely non-toxic to humans or animals". The failure of Dow to have made public warnings of the potential hazards of TCDD in 1964, at which time appropriate precautions could have been taken including the warning of servicemen, appears to constitute a wrong that justifies a heavy burden of responsibility for restitution."

"In view of these considerations and the superior knowledge of Dow Chemical on the toxicity of TCDD, the Congress could consider directing the Attorney General to take action to recover the cost of providing veterans benefits from the registrants"...

"Recognizing these circumstances, and the overwhelming body of literature on the hazards of TCDD, the bill could explicitly proscribe delay of restitutive action pending further confirmatory studies."

* * * * *
Congressman Thomas Daschle, Chairman of the Vietnam Veterans in Congress (a 19 member Congressional caucus);

"We have now found revealing testimony concerning potential culpability and the withholding of data from the Federal government by the Dow company. This testimony has been a part of the public record since 1970 when Dr. Julius E. Johnson, at that time Vice-President and Director of Research of Dow Chemical, told the late Senator Phillip Hart, before the Senate Commerce Subcommittee on Energy, Natural Resources, and the Environment, that Dow was aware as early as 1964 that 2,4,5-T was contaminated with dioxin. The significance of this matter is that Dow apparently made no attempts whatsoever to notify the Department of Defense, the Food and Drug Administration, the U.S. Department of Agriculture, or anybody else in the Federal government of their discovery until the Hart hearings were held in April, 1970. This was 8 years after herbicide operations had begun in South Vietnam, 6 years after Dow's initial discovery that their product was contaminated, and 6 years after the point when Dow stepped up production of 2,4,5-T to meet increased demands from the DOD. Thus, it appears very likely that DOD was unaware that they were utilizing a contaminated and potential dangerous product to humans until the Secretaries of HEW, Interior,

and Agriculture jointly announced the suspension of 2,4,5-T in April, 1970, based upon the publication of studies that dioxin was a teratogen. Ironically, the suspension order was announced the same day Dr. Johnson was testifying at the Hart hearings."

"I am requesting that Dr. Johnson's testimony and subsequent questioning of him be made a part of the public record. In light of this information, I feel that it is imperative that this committee request from Dow all unpublished studies done on dioxin, including the reproductive study on 300 wives of dioxin-exposed workers that was initiated in July, 1976 and concluded in July, 1978. Furthermore, I believe that the implications raised by this testimony, and unpublished Dow studies, warrant that additional hearings be called."

* * * * *
Congressman David E. Bonior, past Chairman of the Vietnam Veterans In Congress;

"...there is an ominous recurrence of severe medical problems exhibited in those who claim to have been exposed to Agent Orange. These problems include tumors, chloracne rash, birth defects in offspring, and neurological disorders among many others."

"This is not the first time these symptoms have been seen in connection with Agent Orange. Dow Chemical, the largest manufacturer of Agent Orange in the United States, experienced an outbreak of chloracne at one of its manufacturing plants in 1964. Thomas Whiteside, in his research, cites Dr. Benjamin Holder, Director of Dow's Midland Division as stating that heavy exposure could lead to internal organ damage and nervous system disorders."

"In 1953, male workers at a German manufacturing plant were found to have developed chloracne."

"In 1963, following an explosion at a Dutch manufacturing plant, 50 workers suffered chloracne and internal damage."

"The most famous case involving dioxin occurred in Seveso, Italy in July, 1976. An explosion at a Swiss-owned chemical plant produced a cloud of dioxin and forced the evacuation of the surrounding communities. The people exposed experienced eye and throat irritation, skin eruptions, headaches, and dizziness. Within two days, small animals in the area began to die. Postmortems showed extensive liver damage. Because of the publicity on the teratogenicity (disfigurement of fetuses) from dioxin, the Catholic Church sanctioned abortions for exposed women. Spontaneous abortions appeared to double. The following year, 280 children north of the contaminated area were suffering from chloracne. To my knowledge, many of these families are still unable to return to their homes."

Ed. note: Science magazine, Vol. 205, 24, August 1979, reported in an article entitled "Agent Orange Furor Continues to Build";

"Last month, 13 of 74 employees at a 2,4,5-T manufacturing plant in Jacksonville, Arkansas, were found to have chloracne from dioxin leakage. A medical team headed by Irving J. Selikoff of Mount Sinai School of Medicine has been dispatched to the scene to look for effects of the chemical on skin, and immune systems of past and present workers."

* * * * *

Robert O. Muller, Executive Director, Vietnam Veterans of America;
"Nearly everyone, including the Veterans Administration and the chemical manufacturers, agree that exposure to Agent Orange and its contaminant dioxin causes chloracne, a distinct, persistent and severe skin rash. Yet, no Vietnam veteran in America with chloracne has received compensation for the skin condition because of exposure to Agent Orange."

"When asked to explain why, VA Administrator Max Cleland states, as he did before this Committee in February, that the existing statistics are inadequate because they were not done on Vietnam veterans.

Ed. note: The following is a verbatim quote from Max Cleland's testimony before the Subcommittee on February 25, 1980;

"Whereas there are a number of reports of human exposure to Agent Orange constituents from industrial settings and accidents... the only clearcut health related finding is that such exposures may be (note: underlining is Editor's emphasis) followed by the development of a skin condition known as chloracne. However, there are no scientifically validated data yet available to show increased frequency among Vietnam veterans of this"...

* * * * *
E. Phillip Riggin, Deputy Director National Legislative Commission, of The American Legion;

"We are sorry to say that the VA has, in our judgement, not handled this matter as well as it should have."..."hospital and clinic staffs were apparently not properly oriented as to the rationale for the examinations, which resulted in many veterans being antagonized by the way they have been received and treated by VA medical personnel."

"The American Legion is at present monitoring the examination process, nationwide, to determine how well the Veterans Administration is carrying out its responsibility to examine all veterans who were or may have been exposed to Agent Orange, and to ascertain whether such examinations are being carried out in a thorough and compassionate manner."

..."the Field Service staff of the Legion's National Veterans Affairs and Rehabilitation Commission is presently evaluating the Agent Orange screening program during their visitations to VA medical care facilities. The Field Representatives have recently been instructed to pay special attention to the screening program and to provide comments and observations on the quality and timeliness of these examinations. The feedback we receive as a result of these surveys will be of great assistance in identifying the facilities at which inconsistencies in the quality of examinations exist."

* * * * *
Jeanne M. Stellman, Associate Professor of Public Health, Division of Environmental Sciences, Columbia University, New York, NY;

..."there is a pressing need for development of clinical protocols for examination of veterans with possible exposure to Agent Orange. I have appended a medical examination form of one veteran examined at the Veterans facility at Fort Snelling, Minnesota. It is clear that this form was designed without regard to centralization and computerization of results. It is an open form, allowing each examining physician

discretion for even the most basic and routine blood and urine tests. It provides no guidance to the examining physician who must treat a patient with possibly a quite complex array of symptoms. It seeks no systematic reproductive history. It requests that the veteran describe his exposure to Agent Orange, rather than provide the physician with an independent mechanism for determining exposure. There is no attempt at records linkage between the veteran's medical record and his service history."

* * * * *
Phillip R. Mayo, Special Assistant, National Legislative Service,
Veterans of Foreign Wars Of The United States;

"...a number of questions have been generated in the scientific community regarding the VA's "Request for Proposal for Agent Orange Epidemiology Study Design." These questions relate to the manner in which the VA seeks to conduct the study, the elimination of eligibility of certain scientists from participating in such a study, the lack of certain needed "quality" controls on the study, and the VA's apparent intransigence concerning the criticisms that have been leveled in this regard. At this time, we cannot condone the elimination of any qualified expertise in such an endeavor nor can we acquiesce to a protocol which may be so restrictive as to raise questions concerning its credence."

* * * * *
National Veterans Law Center, Lewis M. Milford, Ronald Simon, and
Lewis A. Golinker;

"The history of the Veterans Administration policy on Agent Orange reveals several troubling problems. Unlike the actions of the Environmental Protection Agency and other agencies concerned with related health areas, the Veterans Administration has taken a closed and secretive approach to decision-making on issues of health and scientific inquiry. Scientists, veterans and other interested members of the public have been closed out of important agency deliberations on the rules for adjudication and the conduct of scientific inquiry."

"Opposition to such open discussion goes to the heart of this problem and is contrary to the basic principles of scientific integrity: that all relevant data and interpretations be taken into account before important public policy decisions are made. We are too far along in the area of public health and environmental debate to deny the uncertainty of scientific information and the social judgements that must be made on the basis of such imperfect information. To compound these difficulties by making such admittedly difficult decisions without the full range of advice and criticism invites public skepticism and often results in the wrong decisions."

"the absence of informed and independent opinion in these deliberations has meant that the VA has not considered on the record the central scientific and public policy considerations that are necessary to develop sound standards and levels of proof required for compensation decisions in toxic substances exposure areas. The issues are extremely difficult and deserve attention immediately. That the Veterans Administration has relied almost exclusively on scientific evidence developed by the Department of Defense is consistent with the Agency's refusal to consider outside independent information in these sensitive areas."

"We attempt here to set out several suggested approaches to dealing with the problems identified above. First, open and participatory public decision-making is essential in this controversial scientific and political area. The Agency should be required to conduct public rulemaking on the issue of whether health effects may result from dioxin exposure and on the basic issues of level of proof and toxic substances victim compensation policy. The Agency also should contract out completely the epidemiological study mandated by Congress in Public Law 96-151. The inherent defects in the process which have been revealed to date, criticisms by veterans and presumably by the National Academy of Sciences on the lack of credibility of an in-house study fully support this position. The sensitive nature of this problem mandates that an independent and objective study be conducted immediately."

"In addition the Agency should discontinue the practice of denying claims for Agent Orange related disabilities until public rulemaking is completed. At present the Agency has denied all claims based on the current level of information. This has caused a significant harm to current claimants who may be discouraged and not pursue their claims after these initial denials. Also, the Agency should conduct a national, comprehensive outreach program to inform veterans of the current information on Agent Orange, obtain necessary health data and begin to provide a full range of genetic and family counseling services."

"Finally, aggressive oversight and direction by the White House Interagency Work Group on Phenoxy Herbicides on policy and scientific matters is absolutely necessary. The VA has demonstrated remarkable indifference to open and participatory policy making on these health and science matters. Other agencies of government concerned with related health issues must intervene before Vietnam veterans and the public lose whatever hope is left of resolving this issue."

* * * * *

Christopher H. Johnson, Vietnam Veterans of South Dakota, Inc.;

"We are the men who went to fight a very complicated war and the suffering and dying was just as real as in all wars. You asked us to go and we went. We are the ones who were fighting on foreign soil so we could keep the United States such a freedom loving country. You must not turn your backs on us now that we are in real need of help. We are not the ones who went to Canada for awhile, who were allowed to come back home with a guaranteed work program."

"You are not turning your backs on the Vietnamese refugees or the Cuban refugees. You are still sending monetary aid to Vietnam and allowing Cubans to take up bed spaces in VA hospitals. I do not mind them coming to our country, I would in no way want to live in their countries either."

"Don't you think that it is only right to take care of the American men who supported you, first?"

Ed. note: Christopher Johnson lost his right leg and sustained multiple fragment wounds to the left foot, left hip, and right arm and also sustained a hearing loss; the Johnson's son, Nicholas was born with severe chromosome damage (some 26 birth defects) and died shortly after birth. Chris also suffered(s) from a large weight loss, a severe skin rash, and persistent flu type symptoms.

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Agent Orange

An Update

The Minnesota Veterans Coalition
A Member of the National Veterans Task Force On Agent Orange

Issue #5 Contact Person: Tim Michaels 612/295-1771, Room #325,
State Capitol, St. Paul, Minnesota 55155

WHITE HOUSE SEEKS AGENT ORANGE INPUT FROM VETERANS ORGANIZATIONS

(Washington, D.C.) The Interagency Work Group to Study Possible Long-Term Health Effects of Phenoxy Herbicides and Contaminants has scheduled a public meeting, at 10:00 a.m., Monday, September 22, to solicit input regarding the Work Group's recommendations to the White House. The meeting will be held in the Health & Human Services North building auditorium, 330 Independence Avenue, Washington, D.C. The Interagency Work Group recommendations are printed in the August 29, 1980 Federal Register, beginning on page 57783. Individuals wishing to appear before the Work Group for this meeting should contact Les Platt, 202/245-7542, or Susan Wrenn, at 202/245-1897. (Les is the counsel for the General Counsels Office, and Susan is the Deputy Assistant Secretary for the Health & Human Services Office of Public Information.) If you want to appear before the Work Group you are asked to submit a written copy of your statement to the General Counsels Office by Monday, September 15. If you cannot make the meeting you can still offer comments and questions regarding the Work Group's recommendations, provided that they are received by September 22. The meeting itself will consist of three main agenda items: 1.) a report of the Work Group's work, 2.) taking public input on the Work Group's recommendations, and 3.) a question and answer session dealing with the letters they have received regarding recommendations. The Interagency Work Group will present its report and recommendations to Stewart Eizenstadt, the White House Domestic Policy Advisor.

Written comments should be sent to:

Office of Public Affairs
Dept. of Health & Human Services
Room 3716E
Hubert Humphrey Building
200 Independence Avenue SW
Washington, D.C. 20201

* * * * *

(Washington, D.C.) Mr. Lou Galinker and Lewis Milford, of the National Veterans Law Center, expressed concern about three of the recommendations being advanced by the Interagency Work Group to the White House;

1. That the VA's epidemiological study should not include ground troops.
2. That the scope of the epidemiological study be expanded to include additional variables.
3. That the Air Force should be allowed to conduct the Operation Ranchand study inhouse.

(St. Paul, Mn.)

The Minnesota Veterans Coalition shares the concerns expressed by the National Veterans Law Center on these three recommendations, and ask that you join us in testifying before the Interagency Work Group, or by submitting your written comments on these proposals.

As to point number 1, an epidemiological study that did not include ground troops would be incomplete at best and would supply no viable answers for the majority of combat veterans who may have been exposed to Agent Orange.

The second point calls for an expansion of the scope of the research to include additional variables. There is a very good reason for the federal government to undertake this type of a study, however, we cannot support the incorporation of this into the Agent Orange study. The Minnesota Veterans Coalition would support a seperate research project in this area. The inclusion of a study of the synergistic effects of chemicals used in Vietnam would necessitate yet another change in the research design, and therefore in the research protocol, or methodology -- which translates into a large delay in getting an already overdue research program underway. Such a change would require that the VA solicit additional information from researchers bidding on the epidemiological study. The VA would then have to reconvene their technical review panel of epidemiologists to reassess the new data before awarding a contract. A major change in the focus of the VA study is unwarranted, and would surely create a lengthy delay in getting answers which veterans and their families have been waiting for too long as it is.

In addition, the probable results of an expanded study do not seem to justify either the changes being proposed or the delay they would necessitate. If scientists are uncertain about the medical effects of exposure to Agent Orange then how much more certainty will they have about the combined effects of additional chemicals? By expanding the scope of the research program the only clear cut result would seem to be the confounding of the variables of causality -- and from what many of us have read in the scientific journals, scientists now know little or nothing about the synergistic effects of chemicals on humans, or even animals for that matter.

On point number three, we agree with the position of the National Academy of Science, the Veterans of Foreign Wars and the American Legion, that a study conducted in-house by the U.S. Air Force would lack credibility as far as veterans and the general public are concerned.

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(Washington, D.C.) The U.S. Senate voted 96 to 0 (with 1 abstention) to approve the Heintz/Jranston amendment (#1549) dealing with the Agent Orange issue. The amendment, which passed the Senate on Wednesday, September 3, would expand the scope of the VA's Agent Orange study to include other variables. In addition, it would require Congress to promulgate rules to administer Agent Orange disability compensation claims by the VA, no later than two years following the VA's first report to Congress on the preliminary results of the epidemiological study. The adoption of a similar amendment by the House would shift the focus of the VA's research from Agent Orange exposure to Vietnam service and the impact of exposure to a variety of chemicals.

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(St. Paul, Mn.) John Heubach, Regional Coordinator of the National Veterans Task Force On Agent Orange, has provided the following statistics on the number of Agent Orange screening's conducted, or pending, in the midwest region (figures were supplied by Mr. Bob Puttman, DMS - VA Central):

	Minnesota	4,257	completed,	212	pending
	Michigan	1,645	"	"	147 " "
<u>MIDWEST</u>	Illinois	1,081	"	"	155 " "
<u>AGENT ORANGE</u>	Wisconsin	992	"	"	145 " "
<u>SCREENING'S</u>	North Dakota	839	"	"	107 " "
	South Dakota	728	"	"	120 " "
	Missouri	671	"	"	147 " "
	Midwest Total	10,213			

John noted that these figures were representative of the information VA Central had on hand on August 20, 1980. In addition, the total number of requests for physicals in Minnesota have now reached 13,545.

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(Washington, D.C.) Dr. Lawrence Hobson, Special Assistant to Dr. Custis, the VA's Chief Medical Director, informed us that the VA's technical selection committee selected a contractor for the Agent Orange epidemiological study sometime in August. Dr. Hobson noted that this information could not be released pending the outcome of the General Accounting Office's (GAO) review of the contract procurement procedures. The GAO was requested to investigate the contract negotiations at the request of the National Veterans Law Center. The Law Center had also sought an injunction against the VA to halt the contract review process, based on what they believed to be gross inadequacies in the proposed studies research design. The Court did not issue the injunction the Law Center was seeking, however.

Dr. Hobson stated that it was his belief that the VA would have awarded the research contract as much as three months ago, if it were not for the Law Centers intervention through the courts and the GAO.

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(St. Louis, Mo.) The National Veterans Task Force On Agent Orange is seeking input on a National Agent Orange Conference being planned for Washington, D.C., on May 23 and 24, 1981. The Task Force is also asking for information regarding local referral systems within states, so that their office can refer veterans concerned about Agent Orange, and other issues, to local veterans advocacy groups. Call or write Jon Furst at 314/428-0113;

Jon Furst
 NVTFO - National Office
 P.O. Box 15972
 St. Louis, Missouri 63114

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(Washington, D.C.) The Environmental Protection Agency announced on April 29, 1980, that the Agency is requesting additional information from manufacturers to determine whether 2,4-D, a component of Agent Orange still used extensively in the United States, is safe for