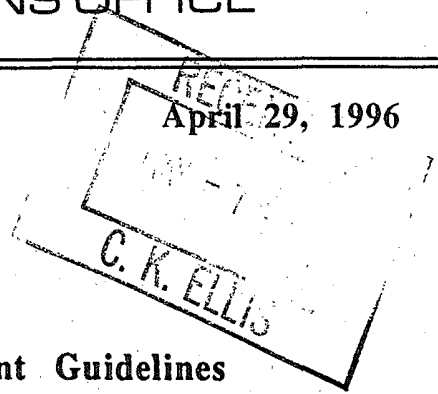


Washington Report

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CORPORATE

EPA Releases New Cancer Risk Assessment Guidelines

On April 17, EPA Administrator Carol Browner released the long awaited revisions to EPA's 1986 Cancer Risk Assessment Guidelines. The proposed revisions will have a 120 day comment period which will end in August 1996, and are expected to be finalized in the summer of 1997. In addition, EPA plans to publish a related Federal Register notice for a 30 day comment period on the Agency's implementation strategy for re-evaluating previously finalized risk assessments. EPA has conducted risk assessments on 200 possibly carcinogenic substances. EPA hopes to release the final reassessment implementation strategy simultaneously with the final risk assessment guidelines next summer.

Republicans and Democrats Outline Legislative Strategies for Remainder of 104th Congress - Democrats Target Tax Deferral on Foreign Income

On April 23 and 24, Congressional Republican and Democrat leaders unveiled their respective legislative agendas for the remainder of the 104th Congress. The Republican plan centers on a balanced-budget strategy for fiscal 1997 and calls for action in June and July on spending bills including Medicare, Medicaid and welfare reform. Tax cuts, the most controversial issue of last year's budget debate, would be separated from the spending measures and voted on in September. The Senate draft budget resolution assumes \$700 billion of unspecified policy changes, including a tax reduction of \$170 billion over six years to be offset by reinstating the expired airline ticket tax and closing some unspecified "corporate welfare" loopholes.

Senate Minority Leader Tom Daschle (D-SD) presented the three-theme, nine-point "Action Agenda" that Democrats expect to follow over the next five months. Their plan features such controversial issues as a minimum wage hike of 90 cents an hour, expansion of pension access and portability to benefit small businesses, and individual and family tax deductions to defray the costs for higher education. These and other key measures could be introduced as either free-standing bills or offered as floor amendments to pending legislation. Of importance to Philip Morris is a proposal in the Democratic plan that would eliminate the tax deferral of profits earned from foreign source income. The provision carries a five-year price tag of \$2.2 billion and is identical to S.1597 introduced by Senator Byron Dorgan (D-ND) in March.

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**FOOD
FEDERAL GOVERNMENT AFFAIRS**

Hearing Scheduled to Review National Cheese Exchange

The House Agriculture Committee has announced hearings for May 15 and 16 to consider issues raised by a recent University of Wisconsin study of trading practices on the National Cheese Exchange (NCE). The study alleges that the NCE is subject to manipulation by large traders, and attempts to suggest improper conduct by Kraft Foods in its trading activities on the NCE. Kraft categorically rejects these allegations. The hearings will be conducted jointly by the Livestock, Dairy and Poultry Subcommittee chaired by Rep. Steve Gunderson (R-WI) and the Risk Management and Specialty Crops Subcommittee chaired by Rep. Tom Ewing (R-IL).

Rep. Gunderson Launches Food Inspection Policy Review

On April 24, Rep. Steve Gunderson (R-WI), Chairman of the House Agriculture Subcommittee on Livestock, Dairy, and Poultry, held the first in a series of hearings on various aspects of food inspection. His initial hearing focused on current inspection practices of the European Union and New Zealand, and their similarity to and compatibility with current and proposed U.S. practices. Witnesses included veterinary officials from the European Commission and the Embassy of New Zealand together with Tom Billy, Assistant Administrator of USDA's Food Safety and Inspection Service. Topics of the Subcommittee's future hearings will include emerging processing technologies, a review of seafood inspection, a consideration of state meat and poultry inspection systems, and oversight of USDA's HACCP/Pathogen Reduction regulatory initiatives.

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