

The GAO's assertion aroused considerable controversy on the House floor, with critics complaining that completion of the project, already forecast at six times its initial budget, will then obligate the government to spend an additional \$1 billion so that it can be used at full capacity. The project's supporters simply deny that a bottleneck will develop.

Other hidden federal project costs detected by the GAO could include as much as \$31.5 million to soften the waterway's impact on fish and wildlife;

ognize past mistakes. . . . The Tenn-Tom project is bigger than the Panama Canal, but the potential usage is trivial by comparison. . . . It stands as a monument to the congressional pork barrel rather than as a project useful to the economic well-being of the country." But Representative Wes Watkins (D-Okla.) opposed termination because it would "place egg on the face of this Congress and egg on the face of the taxpayers of this country." The House refused even to slow the project's pace



Army Corps of Engineers

*The channel between the Tennessee and Tombigbee rivers, shown here, is almost three-quarters complete. The Corps says proudly that the quantity of dirt excavated to build it is sufficient to construct a two-lane highway to the moon, a project not yet proposed.*

\$360 million to deepen and widen the port of Mobile, where barges will enter the Gulf; and \$48 million to construct waterway-related recreational facilities. Mississippi and Alabama, which are obligated under federal water project rules to spend \$170 million for highway and bridge relocations, are actually receiving \$90 million of this amount from the federal Department of Transportation.

None of these costs are included in the Corps' cost-benefit calculations, because—as the Corps explains—the agency's rules do not require it. Last year, at congressional request, the Corps estimated that it would cost \$131 million to terminate the project, an estimate that the GAO found to be inflated and based largely on guesswork that consumed 4 hours of Corps officials' time.

Yet even the savings between the Corps' high estimate for termination and the prospective future costs failed to impress the House. Representative James Leach (R-Iowa) said that "the issue at stake is, above all, one of modesty—whether we, as a Congress, can rec-

by cutting its budget in half, although the vote was closer than in previous termination attempts.

Even if the Senate concurs with the House approval, the waterway must pass a legal hurdle that remains the last best hope of the environmental community. The U.S. Court of Appeals in the fifth circuit decided on 15 July that the Corps had "blatantly violated the National Environmental Policy Act and its own regulations" by refusing to prepare a supplemental impact statement on changes to the project made during the last decade. The Environmental Defense Fund had claimed that some of the changes will result in lower water quality, increased land erosion, and stagnation of a portion of the Tombigbee River. A Corps official admitted in a deposition that a supplementary impact statement was not filed so as to prevent additional public hearings.

The court ordered that some of the work on the waterway, involving the more recent design changes, be stopped

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## Reagan's Cabinet Split on Synfuels Funding

President Reagan approved his first synthetic fuel subsidy in circumstances that suggest such decisions will come neither quickly nor painlessly in the future. On 22 July the President settled what had become a major policy dispute in the Cabinet over the handling of a shale oil project backed by the Union Oil Company.

Secretary of Energy James Edwards, with the backing of some Republicans in Congress, had endorsed funding the Union project and two other projects left over from the Carter Administration. One of these was a shale oil plant cosponsored by the Tosco company and by Exxon, and the other was American Natural Resources' proposal to build a Great Plains coal gasification plant in North Dakota.

David Stockman, director of the Office of Management and Budget (OMB), has opposed all three of these as not deserving federal aid. Oil companies, in his view, are supposed to fend for themselves. As a congressman, he voted against the synfuels subsidy bill. Now at the OMB, he argues that energy companies seeking federal help should apply not to the kind-hearted Department of Energy, but to the Synthetic Fuels Corporation, which has tougher fiscal and technical requirements. When Stockman blocked funding for the three projects in Edwards' budget, the intra-Cabinet dispute went to the President.

After hearing arguments from both sides, Reagan overruled Stockman on one case: the Union Oil deal. Reagan approved what is in fact a contract from the Department of Defense promising to purchase synthetic jet fuel from Union at a fixed price. Giving Union a price guarantee of this kind is less risky for the government than granting the loan guarantees sought by Tosco and the Great Plains outfit. The government loses nothing if Union's plant fails to produce oil. In the worst case, the Defense Department could end up paying \$400 million more than the market cost to obtain jet fuel from Union. But if the Tosco or Great Plains project failed, the loan money would be forfeit.

While Union has been given its

prize, the other two projects have been set aside for further review. The Tosco project has one major weakness in that one of the partners—Exxon—has indicated it may go ahead with the venture even if the government backs out. The Great Plains project has a problem, too. Both Stockman and the new chairman of the Synthetic Fuels Corporation, Edward Noble, are said to be deeply opposed to the scheme because they think that there is no reason to subsidize synthetic gas production at a time when companies seem to be finding more and more gas in natural deposits. Reagan may reconsider these projects in early August, but a White House spokesman says no one expects a decision soon.

—**Elliot Marshall**

## Legislators Clear Way for Koop Nomination

Congress has approved a measure that clears the way for C. Everett Koop to be formally nominated as Surgeon General, but his confirmation by the Senate is still uncertain.

Koop's nomination, which has been stalled for several months by adept parliamentary maneuvering by House Democrats, was freed when legislators agreed to a reconciliation bill amendment sponsored by Democrat Henry Waxman of California. The measure is both honey and vinegar to the Republicans. Much to the Republicans' delight, the Waxman measure eliminates the mandatory retirement age of 64 for members of the Public Health Service Corps. Koop is 65. On the other hand, Waxman's bill stipulates a new requirement that the surgeon general have "specialized training and significant experience in public health programs," a standard that critics of Koop say he is unable to meet.

Given that the Labor and Human Resources Committee, which will hold confirmation hearings, has a Republican majority, Koop's approval seems assured. However, one of the committee's Republicans, Lowell P. Weicker of Connecticut, has sided with Democrats on some health issues and could provide a tie vote. Another committee

Republican who has voted with the Democrats on some measures is Robert T. Stafford, but a staff aide says that the Vermont senator believes that the President should be free to appoint whom he wishes. "There's no reason to believe he'd vote against Koop," the aide says.

Even if Koop is confirmed, the Waxman requirement of public health experience does provide the committee Democrats with the wherewithal to grill Koop, who has been keeping a low profile as deputy assistant secretary of health.

As part of the same reconciliation bill, the health conferees also agreed to restore \$35 million to research training grants. The Administration had originally sought to cut the program by \$50 million to \$147 million while Democrats pushed for \$193 million. The legislators in conference settled on a figure of \$182 million for fiscal 1982 which will cover institutional allowances—though at a lower pay level than last year—despite the Administration's desire to eliminate allowances. The previous year's budget was \$207 million.—**Marjorie Sun**

## Search Begins for New NIH Chief

A team of top officials at the Department of Health and Human Services (HHS) is narrowing a list of about 115 names of suggested candidates to replace outgoing National Institute of Health (NIH) director Donald S. Fredrickson. A pared-down list is to go before HHS Secretary Richard Schweiker by mid-August and an appointment might be made by Labor Day.

There has been some nervousness in the biomedical community that someone with less than eminent qualifications might be appointed. Critics have charged that the Administration's candidate for Surgeon General, C. Everett Koop, has insufficient public health experience for the job. But the search committee and the criteria from which the members are working appear to preclude an appointment of a person who falls short of the biomedical establishment's expectations.

For starters, the members of the

search team come from the mainstream of the biomedical community. They are assistant secretary of health Edward Brandt, Jr., former University of Texas vice chancellor for health; Food and Drug Administration commissioner Arthur Hayes, former professor of pharmacology at Pennsylvania State University; and assistant secretary for planning and evaluation Robert J. Rubin, former assistant dean at Tufts Medical School.

According to the standards the committee is using, the candidate must have a record of excellence in research, leadership in the biomedical community, experience to administer a complex organization and talent for choosing capable colleagues and inspiring them. The White House agrees with the criteria and is maintaining a hands-off approach until Schweiker makes his recommendations to the White House, according to Denis Prager, an associate director in the Office of Science and Technology Policy. Ultimately, the NIH appointment must be made by the President and then approved by the Senate.

One significant problem in attracting candidates is that many scientists outside government may be unwilling to take the considerable salary cut that comes with the NIH directorship, according to John Sherman, a vice president of the Association of American Medical Colleges. At most, the post pays about \$70,000 a year. Many medical school deans and high-level scientists in industry hold salaries ranging from \$90,000 to \$150,000, Sherman estimated.

With several top-level positions at NIH vacant, the biomedical community has also been uneasy about the attack earlier this summer on the National Cancer Institute and its director Vincent DeVita by Senator Orrin Hatch (R-Utah). Prager went out of his way to emphasize that DeVita "has the full support of the Administration." He said that there seems to be "some misunderstanding" that DeVita needs to be reappointed by the new Administration. When a person is already a presidential appointment, "it's not necessary for the White House to send up a notice that a person is reappointed."

"There's a broad consensus that DeVita is doing a superb job," Prager said. "He's a pleasure to work with."—**Marjorie Sun**