

from an unrelated business. According to staff sources, the legislators' underlying rationale was a belief that journal publishers would find a way to disseminate the "reader-ship content" anyway, a belief that the publishers are likely to dispute.

The law on unrelated business income tax dates from 1950. It was explicitly designed to deny an unfair advantage to nonprofit organizations that use their tax-exempt status to compete with businesses required to pay taxes; a whole UBIT canon has been constructed over the years.

The standard from the start has been the "relatedness" of these activities to a nonprofit's tax-exempt purposes. This test survived attempts during the review to change it to "inherently commercial," a change that would have sharply narrowed the range of permissible activities. According to an analysis of the draft report by Walter B. Slocombe, a Washington tax attorney whose firm represents nonprofits, "the current 'substantially related' test would stand but Congress would impose tax on certain defined activities that are not taxable under current law."

Just which of the defined activities are likely to be made taxable is far from clear. Small business has obviously made inroads by arguing that nonprofits, particularly hospitals, museums, and universities, have crossed the line into unfair competition with taxpaying businesses. Hospital laundries, museum merchandising of art and artifacts, and university computer sales are frequently cited. Observers say that the current odds favor a tightening of UBIT rules.

Congressman Pickle, however, is said to have aimed at sending a finished set of proposals to the full committee before the political conventions. A vote was apparently held up because of differences within the committee, mainly along party lines, so that getting the bipartisan bill that the chairman wishes is expected to require significant modifications of the draft recommendations.

The emerging strategy of the nonprofits is to urge Congress to use caution in dismantling the carefully balanced UBIT structure built up over nearly four decades and to respond to complaints of unfair competition by making sure that abusers of the tax-exemption privilege are dealt with sternly.

Invoking the public benefits of their tax-exempt operations, the nonprofits have been lining up support, with the universities apparently the most active. Until the challenge to UBIT is put into concrete legislative form, however, the posture of many nonprofits will be what one staff member manning a scientific society's outpost in Washington called "nervous watching."

■ JOHN WALSH

## NSF and Antarctic Wastes

The Antarctica research stations run by the National Science Foundation (NSF) are polluting the pristine environment there with polychlorinated biphenyls (PCBs), raw sewage, used fuel, and emissions from burning waste, the Environmental Defense Fund asserts in a new report released this week.

Jack Talmadge, head of polar coordination and information at NSF, acknowledged that NSF activities have contributed pollution to the area, but argued that the agency "has made extensive efforts to clean up there." He noted that he had not yet seen the report. Talmadge said that a management plan to control pollution has been extensively discussed and is expected to be approved "shortly."

Bruce S. Manheim, the author of the report, "On Thin Ice," and an attorney at the environmental group, said that NSF has fallen short of complying with the letter and spirit of international agreements related to environmental protection of Antarctica and federal pollution regulations. While other countries have drawn up plans to manage pollution by their own research stations there, the United States still has not, he says.

Manheim concedes that at present it is unclear whether the pollution has significantly harmed fauna or flora in Antarctica, which includes penguins, seals, krill, lichens, and plankton. But this uncertainty, he says, stems from NSF's own failure to establish a monitoring and enforcement program to track the pollution created by research activities and analyze its potential impact.

The most compelling example of pollution by NSF activities, Manheim says, is the high concentrations of PCBs in McMurdo Bay, where the largest of several NSF research stations in Antarctica is located. As many as 1300 researchers and staff work there during the austral summer. Manheim says that an NSF-funded study by Raytheon Service Company showed that PCB concentrations in McMurdo Bay ranged from 18 to 340 parts per billion (ppb) as measured by conservative measurement techniques. By comparison, a recent National Oceanic and Atmospheric Administration study showed that Galveston Bay registered no PCB concentration and Oakland Bay averaged 70 ppb, he says. Talmadge asserts that Raytheon's PCB measurements might not be reliable.

Manheim reports that raw sewage is routinely dumped without treatment into the Antarctic environment at McMurdo Bay. The station has a dump even though landfills are barred by a voluntary international code, Manheim says. Solid waste is burned in a large open pit with no emission controls. In addition, there are no accounting procedures in place for monitoring the disposal of toxic wastes. Scrap metal and old vehicles are junked in the area rather than being hauled out by ship, he says. The report also criticizes NSF for not requiring scientists in their research proposals to provide an environmental impact evaluation of their activities, such as blasting with dynamite.

Talmadge concedes that raw sewage is released into the Bay, but contends that it does not need treatment. He said that some agency scientists are concerned that chlorinated waste would cause more ecological harm there. He said that the landfill does exist and that open burning has been allowed. These activities "have gone on in the past, but we're trying to correct it," he said. NSF "plans to cease" burning waste.

Talmadge said that it is "true" that scientists are not required to submit an environmental evaluation of their research proposals. But the primary responsibility for flagging potential ecological problems related to Antarctica rests with NSF program managers, he said.

Talmadge remarked that an NSF committee recently recommended that Congress make a one-time appropriation to fund the cleanup of McMurdo. (No specific amount was suggested.) "We're dealing with a 30-year accumulated problem," he commented.

Talmadge argues that while pollution has occurred, it should be kept in perspective in terms of the enormous size of the continent and the surrounding oceans. "It's a question of scale," he says.

Manheim says, "I don't agree with the 'dilution pollution' argument. NSF's behavior has excluded discussion with the public, which includes not only environmental groups, but EPA [the Environmental Protection Agency], and Congress."

■ MARJORIE SUN