

Texas A&M The Battalion

Vol. 82 No. 213 USPS 045360 10 pages

College Station, Texas

Monday, September 22, 1986



Photo by Dean Saito

Coming Through

Texas A&M's Matt Gurley (38) gets wrapped up by North Texas State's Mike Rhone (13) after gaining nine yards on this run during the Aggies' 48-28 home-opening victory over the Eagles on Saturday. Gurley had 35 yards on 13 carries and scored one touchdown.

the Aggies' 48-28 home-opening victory over the Eagles on Saturday. Gurley had 35 yards on 13 carries and scored one touchdown.

Daniloff case could affect summit plans

Shultz calls meeting 'unlikely' unless Soviets free journalist

WASHINGTON (AP) — Secretary of State George Shultz continued Sunday to press the Soviet Union to let American journalist Nicholas Daniloff leave Moscow, saying a superpower summit was "most unlikely" until the case is resolved.

Meanwhile, members of Congress supported the Reagan administration's position to hold a firm line with the Soviets until Daniloff is freed.

"I think it is most unlikely that you could have a fruitful meeting in the conditions that we have today," Shultz said on ABC's "This Week With David Brinkley," reiterating remarks he made Saturday evening after he concluded two days of talks with Soviet Foreign Minister Eduard Shevardnadze.

"It seems to me that what we must do is get this case settled before really you have an atmosphere that you can make some progress on the things people want to talk about," Shultz said during the broadcast.

At separate news conferences after their meetings ended Saturday, Shultz and Shevardnadze reported they had made some progress in preparing for a second meeting between Reagan and Gorbachev.

But Shultz said the Soviet spy charges against Daniloff were a stumbling block and Shevardnadze cited the American expulsion of 25 persons from the Soviet U.N. mission as an obstacle.

Soviet Foreign Ministry spokesman Gennadi Gerasimov, appearing Sunday on CBS' "Face the Nation," said resolution of the Daniloff case is "not a very big problem at all."

"Mr. Daniloff is under investigation, he is charged and usually he's going to be put to trial, but because we don't want this particular case to be an obstacle in our relations, we can find some kind of solution and let him free," he said.

Gerasimov said "there are several ideas in air" to resolve the Daniloff case. "They were discussed and they can continue to be discussed," he said, but he declined to disclose specifics of the ideas.

Rep. Jack Kemp, R-N.Y., also appearing on the CBS program, said that while he agrees on the need for a summit meeting, the United States must set preconditions "lest we walk in and simply talk and build up hopes and have those hopes dashed in front of the world where the Soviets can take advantage of that propaganda forum that we give them."

Daniloff, the Moscow correspondent for *U.S. News & World Report*, was arrested Aug. 30 by the KGB on suspicion of spying. He was released Sept. 12 to the custody of the U.S. Embassy in Moscow.

Zakharov, an employee of the Soviet mission to the United Nations who is charged with espionage, was turned over to the custody of the Soviet mission in New York pending further court proceedings.

Texas leaders fight for research funding

AUSTIN (AP) — When Texas leaders decided they wanted the state to have a reputation as a national center for research and high technology, legislators treated the notion more as a measure of pride than need.

So when 16 "high-technology" bills promoted by Gov. Mark White went to lawmakers in 1985, the Legislature passed only one requiring new money.

But supporters argue now the status of the technology bills has changed.

In the wake of the oil-price drop that has left the Legislature battling a projected \$2.8 billion deficit, business and university leaders throughout Texas are arguing that the state must invest in diversifying its economy.

Bike Powers, formerly a state representative and now an attorney with Fulbright &

Jaworski in Austin, said, "Business as usual is out of business; it is imperative that the state develop the technologies needed to make it competitive."

During the next two months, two key state groups — the Select Committee on Higher Education and the governor's Texas Science and Technology Council — will map strategy for how the Legislature should support research and technology during the regular session in January.

A draft report of the governor's Science and Technology Council says, "Advanced technologies combined with the traditional entrepreneurial abilities of Texans will form the base for a new Texas economy."

The council proposes three five-year plans

for raising the state to national prominence in science and technology.

But policy leaders admit today that Texas has done little compared to other states such as North Carolina and Pennsylvania, which spent more than a decade developing their research and technology to boost their economies.

Jurgen Schmandt, a political scientist at the LBJ School of Public Affairs at the University of Texas, said "In every single respect you can think of, we're coming from behind."

Gerhard Fonken, vice president of UT, said "We've not only had to fight tooth and nail with Harvard and MIT, we've had to fight with our own Legislature, which still views research with suspicion."

Last week, a task force of the select committee

presented recommendations to ask the Legislature to spend \$80 million more on research during 1988 and 1989, bringing the total state research spending to nearly \$300 million over the two-year period.

The 28-member Texas Science and Technology Council debated its draft report, which will recommend similar increases, on Thursday. The plan seeks increases of at least \$15 million in research and a \$5 million plan for a new state organization to coordinate entrepreneurial activities.

Some gains are being made. Earlier this month, UT-Dallas received a \$10 million grant from the Department of Defense to support research on a gamma-ray laser.

CS awaiting response from GSU on rate hike

By Craig Renfro
Staff Writer

College Station officials are awaiting Gulf State Utilities' response to a proposed 7 percent rate increase for wholesale electric customers, Mayor Larry Ringer said Sunday.

North Bardell, Lone Star Municipal Power Agency executive director, said College Station residents will pay less for electricity than they did two years ago if the proposal is accepted.

Under the proposal, the city will buy large bulks of electricity at reduced rates and pass the savings on to the consumer, he said.

Bardell said the LSMPA proposed the increase after their wholesale customers complained about the possibility of a 40 percent increase.

The Federal Energy Regulatory Commission, which regulates wholesale rates, granted GSU an interim 40 percent rate increase Aug. 25. If the increase had taken effect, College Station would have had the highest electricity bills in the state, Bardell said.

He said he hopes the proposal will be accepted by GSU.

"GSU doesn't want to be the bad guy," he said.

College Station and three other cities — Caldwell, Newton and Kirbyville — buy electricity wholesale from GSU, then resell it to their residents.

After GSU's customers complained, GSU proposed a 24 percent rate increase Sept. 8, Bardell said. The College Station City Council held a special session Sept. 11 to discuss GSU's latest offer.

Under that proposal GSU would supply power to College Station through July 1, 1987, he said. However, the proposal would allow GSU to cancel the contract with a 30-day notice, Bardell said.

Bardell said city officials wanted the same option to back out of the contract as GSU had. Under the new proposal the city has the same option to cancel the contract as GSU, he said.

"Under the new proposal each side has the right to decide when they want to get out," Bardell said. "This new proposal is much fairer."

Tax reform to restrict bond sales

By Dawn Butz
Staff Writer

Federal tax reform would cripple the Texas Water Plan by placing new restrictions on the sale of tax-exempt municipal bonds, a Texas Water Alliance official says.

The new water plan, approved in November 1985 by about 72 percent of Texas voters, authorized the sale of \$980 million in municipal bonds to aid in water project development.

Steve Stagner, executive director for the Texas Water Alliance, said in an interview last week he believes the proposed legislation will increase water development costs at the local level, putting the financial burden on water users.

The tax bill puts a limit on the amount of tax-exempt private activity bonds that can be sold in a state in a given year. By 1988, the state will be limited to \$800 million in these bonds.

Previously, private activity bonds were categorized as such if more than 25 percent of the proceeds were used by a trade or business. The tax bill would re-

duce the maximum percentage to 10 percent.

This means that an estimated one-quarter to one-half of all water and sewer projects would fall into this category, amounting to over \$300 million per year by volume, Stagner says.

Also squeezed under this cap are bonds for multi-family rental housing, single family housing, student loans, redevelopment, and gas and electric systems — all involved with private activity bonds.

An indication of the severity of this limitation is the Texas 1984 total private activity bond sales of \$2.3 billion. Meeting this \$800 million cap will mean a 66 percent decrease from the 1984 volume, Stagner says.

Several categories of bonds can be issued without limit, including bonds for tax-exempt entities such as hospitals and universities. Thus, cities will be left to compete with single family housing and student loans for private activity bonds to build a water plant.

The tax bill also places new restrictions on issuance costs — all

costs leading up to the issuing of the bonds — limiting them to 2 percent of the total cost of the project. Stagner says this constraint will make some projects, especially the smaller ones, impossible.

Stagner says he feels government reform has gone too far, and that traditional governmental activities should have been protected.

Two other water programs affected by the tax reform bond issue are the federal government's construction grant program, under which local governments can receive federal grants to build needed sewage treatment facilities, and the state's loan program for sewer and water supply projects, whereby local governments can borrow money from the state to finance such projects.

Through the federal construction grants program, eligible political entities can receive grants to pay for up to 55 percent of the cost of new projects to meet current wastewater treatment needs.

Eligible local governments submit plans and given a priority

ranking with cities in the same population group.

Congress has not yet appropriated money for the federal fiscal year beginning Oct. 1, 1987. The amount allotted will determine how many grants are issued.

In Texas the program is administered by the Texas Water Development Board for the Environmental Protection Agency. The board also administers the Texas loan program for sewer and water supply projects.

Both programs will be hurt by the new tax reform, a TWDB official says, but implementation of the loan program will be greatly affected because of the procedure used in offering the loans.

Ray Grasshoff, information officer for the board, said in an interview last week that the loans are made when the state buys the bonds the local government issues.

"If those aren't tax deductible, they cost more and the interest rates are higher," Grasshoff says.

Motorcycle accident kills A&M student

Funeral services were to be held today for one Texas A&M student while another student remained in a Houston intensive care unit following a Thursday traffic accident.

Services for Mark Allan Childress, 20, were scheduled for 10 a.m. at the Klein Funeral Home chapel in Tomball.

Childress, of Houston, was killed Thursday afternoon near Navasota when the motorcycle he was riding collided head-on with a pickup truck, a Bryan Department of Public Safety spokeswoman said.

Childress, who was not wearing a safety helmet, was pronounced dead at Grimes County Hospital at 4:23 p.m.

The driver of the motorcycle, Stephen Robert Johnson, 19, from Pasadena, was flown by LifeFlight helicopter from Grimes County Hospital to St. Luke's Hospital in Houston. Johnson, who was wearing a safety helmet, was still in intensive care Sunday night with internal chest injuries, but a hospital spokeswoman reported he was in good condition.

DPS said the accident occurred about nine miles east of Navasota when a truck traveling south on FM 405 collided with the north-bound motorcycle.

Cargo ships transport nuclear weapons

WASHINGTON (AP) — The Navy uses at least two cargo ships sailed by civilian crews to transport nuclear missiles across the Atlantic, according to public documents and sources.

The ships, assigned to the Military Sealift Command, have been given the job of ferrying ballistic missiles of the type deployed on submarines to and from various sub bases — primarily Charleston, S.C., King's Bay, Ga., and Holy Loch, Scotland.

Defense analysts who specialize in the study of nuclear weapons say such movements are not unusual be-

cause of the United States' emphasis on frequent inspections to ensure safety and reliability.

The role of the Military Sealift Command in such transport work, however, is largely unknown and belies the common perception that nuclear weapons assigned to the Navy are handled only by active-duty personnel.

And unlike the cargo ships or ammunition ships that are accompanied by Navy battle groups, MSC ships frequently ply the oceans without escort by armed warships.

William Arkin, an analyst with the Institute for Policy Studies, a liberal Washington think tank, said, "Most people don't realize how often we move nuclear weapons. It's a daily event because of maintenance requirements, safety checks, upgrades and replacements with new weaponry."

Navy officials who requested anonymity said missiles such as the Trident deployed on Ohio-class submarines and the Poseidon on older subs are too large to make aerial transport feasible.

Navy literature states the cargo ships always carry a small detail of seven to 10 active-duty sailors responsible for communications and security. Navy sources say the vessels also rely on the anonymity that accompanies their outward appearance as standard cargo ships and the Navy's policy of never confirming nor denying the presence of nuclear weapons.

The vessels are carefully tracked during their voyages and are in constant communication with Navy facilities.