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WHORM Category Name: Alphabetical File

Document Number:

Alpha File Name: Dingell, John

BILL, (2)
ASAP—
TX,
M

REQUEST FOR PHOTO/MAILING

(PLEASE TYPE)

March 7, 1989

(Date)

TO: MARY INGALS

CORRESPONDENCE OFFICE, Room 94, OEOB, Ext. 7610

FROM: Mary Gabriel Harpring Room 112 EW Ext. 7766

Description of photograph or photo number
WH photo #P396-25

ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT

TO: CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916

PHOTO TO BE SIGNED BY: President and Mrs. Bush

☒ Return to originating office. Type name & address of recipient below

☐ Photograph is to be mailed.

Attach mailing label, any correspondence and include typed address here:

NAME: The Honorable John Dingell
ORGANIZATION: U.S. House of Representatives
STREET: Washington, D.C. 20515
CITY/STATE:

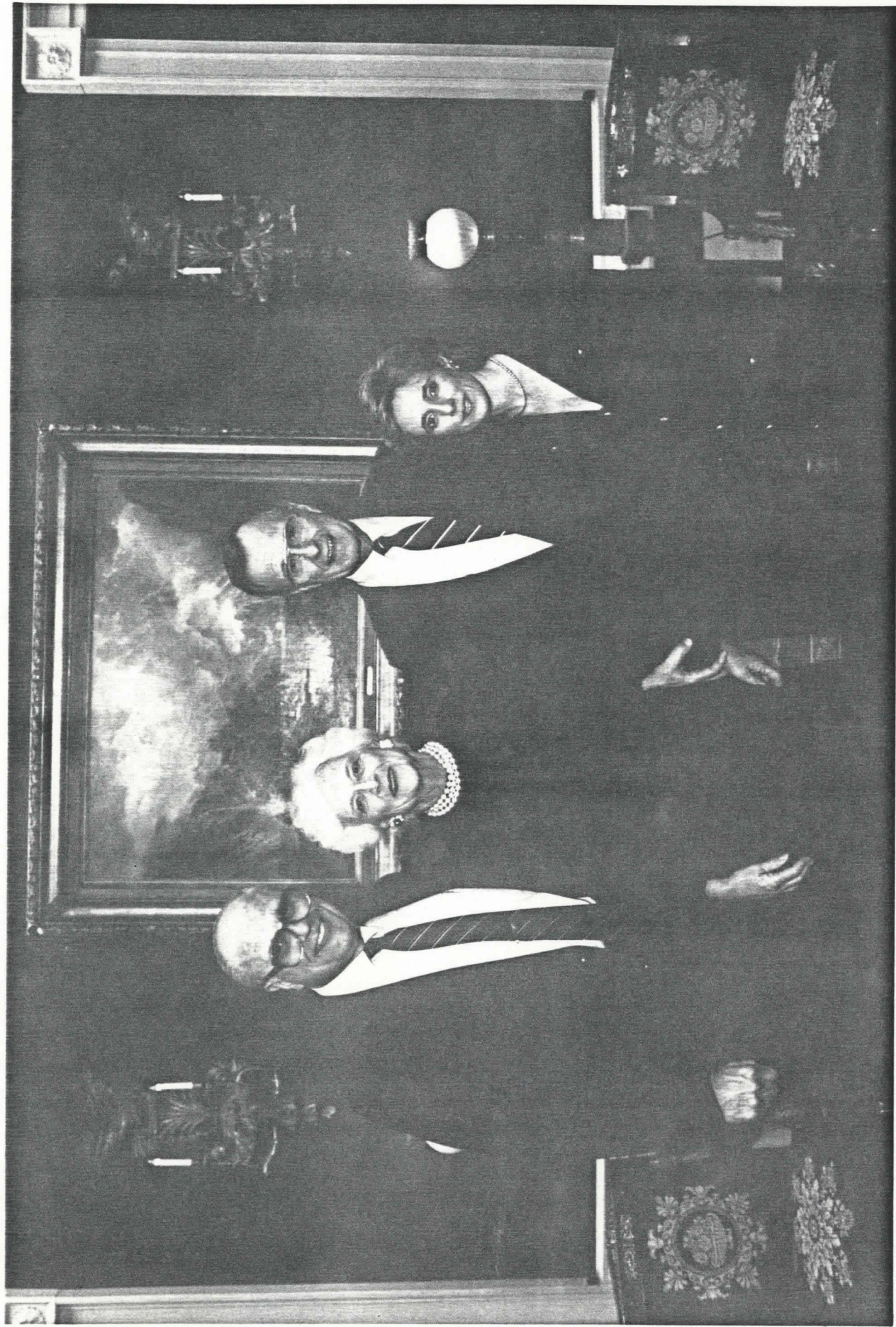
INSCRIBE TO: John Dingell

MESSAGE SHOULD READ:

☒ With best wishes

☐ Congratulations and best wishes

DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.



To John Dingell
with best wishes, Ag Bush Barbree Bush

JOHN D. DINGELL, MICHIGAN, CHAIRMAN

JAMES H. SCHEUER, NEW YORK
 HENRY A. WAXMAN, CALIFORNIA
 PHILIP R. SHARP, INDIANA
 JAMES J. FLORIO, NEW JERSEY
 EDWARD J. MARKEY, MASSACHUSETTS
 THOMAS A. LUKEN, OHIO
 DOUG WALGREN, PENNSYLVANIA
 AL SWIFT, WASHINGTON
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 CARLIS COLLINS, ILLINOIS
 MIKE SYNAR, OKLAHOMA
 W.J. "BILLY" TAUZIN, LOUISIANA
 RON WYDEN, OREGON
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 MICHAEL BILIRAKIS, FLORIDA
 DAN SCHAEFER, COLORADO
 JOE BARTON, TEXAS
 SONNY CALLAHAN, ALABAMA
 ALEX McMILLAN, NORTH CAROLINA

WM. MICHAEL KITZMILLER, STAFF DIRECTOR

U.S. House of Representatives
 Committee on Energy and Commerce
 Room 2125, Rayburn House Office Building
 Washington, DC 20515

March 10, 1989

The Honorable David S. Ruder
 Chairman
 Securities and Exchange Commission
 450 Fifth Street, N. W.
 Washington, D. C. 20549

Dear Chairman Ruder:

This is with reference to H.R. 1278, the Financial Institutions Reform, Recovery and Enforcement Act of 1989 which was introduced by request on March 6 by Representatives Gonzalez and Wylie and others, and referred solely to the Committee on Banking.

Pursuant to this Committee's jurisdiction over "securities and exchanges" under Rule X, cl.1(h)(13) of the Rules of the House of Representatives, and our continuing oversight of the securities markets pursuant to Rule XI, I am requesting the analysis and views of the Securities and Exchange Commission on certain provisions which appear to impact negatively the Commission's administration and enforcement of the federal securities laws.

Subtitle A, section 501 amends the Federal Home Loan Bank Act by inserting a new section 21a to establish a Resolution Trust Company to provide assistance to or liquidate or otherwise resolve cases involving thrift institutions whose accounts were insured by FSLIC prior to enactment of H.R. 1278 and for which a receiver or liquidating conservator has been appointed or is appointed within three years following date of enactment. Subtitle B, section 502 amends the Federal Home Loan Bank Act by inserting a new section 21b to create a Resolution Funding Corporation (REFCO) to provide funds to the Resolution Trust Corporation in order for that corporation to carry out its purposes.

REFCO is empowered in new section 21b(d), among other things, to issue nonvoting capital stock to the Federal Home Loan Banks and to issue debentures, bonds, or other obligations. New section 21b(f) authorizes REFCO to issue bonds, notes, debentures, and similar obligations, in an aggregate amount not to exceed \$50 billion.

These instruments are securities under the definitions in section 2(1) of the Securities Act of 1933 and section 3(a)(10) of the Securities Exchange Act of 1934. The proceeds of any such obligations issued by REFCO are to be used to purchase the capital certificates issued by the Resolution Trust Corporation under section 21a(i) or to refund certain previously issued obligations the net proceeds of which are to be used to liquidate insolvent thrifts and build a solvent insurance fund.

The legislation provides in section 21b(f)(8) (attachment) that these REFCO obligations will be exempt securities to the same extent as securities which are direct obligations of the United States or are guaranteed as to principal or interest by the United States, notwithstanding subparagraph (10) which says that they are not obligations of, or guaranteed as to principal by, the United States or any agency or instrumentality thereof although the Secretary of the Treasury is obligated to pay interest on such obligations as required pursuant to subsection (f).

The Federal securities laws are designed to protect the public by ensuring full and fair disclosure. Given the crisis conditions in the thrift industry and the constantly worsening estimates of the dimensions and costs of the problem (see attached WSJ article), this disclosure is particularly important in the context of REFCO obligations.

As drafted (and identical to original language on Farmer Mac securities in the Farm Credit legislation before amendment), the bill appears to accord special treatment under the Federal securities laws to REFCO obligations: REFCO obligations would not be subject to the registration and reporting requirements of the federal securities laws. Section 3(a)(2) of the Securities Act exempts from registration "[a]ny security issued or guaranteed by the United States * * * or by any person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States." Please advise whether our understanding is correct.

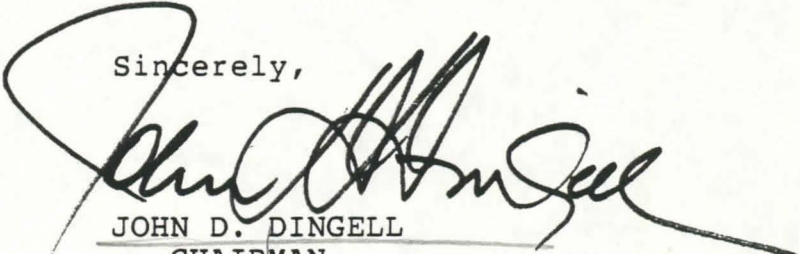
It is unclear whether those acting as brokers and dealers in these securities would be regulated under the Government Securities Act of 1986 (section 15C of the Exchange Act), under the regular broker-dealer provisions of the Exchange Act, or in some other manner. Please provide us with the Commission's views on this. Furthermore, the legislation appears to authorize entities, who would not otherwise be authorized to do so, to underwrite REFCO obligations (see new subparagraph (6)). Please advise what additional classes of persons are thereby authorized to "invest in, sell, underwrite [in particular], purchase for their own accounts, accept as security, or otherwise deal in" these obligations, and whether they would be able to do so without being subject to the federal securities laws and Commission regulation and oversight.

The Honorable David S. Ruder
March 10, 1989
Page 3

Since this legislation is a priority matter, we must request that you provide your response to us no later than the close of business on Thursday, March 23, 1989.

Thank you for your cooperation and attention to this matter.

Sincerely,



JOHN D. DINGELL
CHAIRMAN

Enclosures

cc: ✓ President George Bush
The Honorable Nicholas Brady
The Honorable Jim Wright
The Honorable Edward J. Markey
The Honorable Norman F. Lent
The Honorable Matthew J. Rinaldo

"(A) purchase the capital certificates issued by the Resolution Trust Corporation under section 21a of this Act; or

"(B) refund any previously issued obligation the net proceeds of which were invested in the manner described in subparagraph (A).

"(5) Investment of United States Funds in Obligations. Obligations issued under this section by the Funding Corporation, with the approval of the Oversight Board shall be lawful investments, and may be accepted as security, for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer of the United States.

"(6) Market for Obligations. All persons having the power to invest in, sell, underwrite, purchase for their own accounts, accept as security, or otherwise deal in obligations of the Federal Home Loan Banks shall also have the power to do so with respect to obligations of the Funding Corporation.

"(7) Tax Exempt Status.

"(A) In General. Except as provided in subparagraph (B), obligations of the Funding Corporation shall be exempt from

tax both as to principal and interest to the same extent as any obligation of a Federal Home Loan Bank is exempt from tax under section 13 of this Act (12 U.S.C. 1433).

"(B) Exception. The Funding Corporation, like the Federal Home Loan Banks, shall be treated as an agency of the United States for purposes of the first sentence of section 3124(b) of title 31, United States Code (relating to determination of tax status of interest on obligations).

"(8) Obligations Are Exempt Securities. Notwithstanding paragraph (10) below, obligations of the Funding Corporation shall be deemed to be exempt securities (within the meaning of the laws administered by the Securities and Exchange Commission) to the same extent as securities which are direct obligations of the United States or are guaranteed as to principal or interest by the United States.

"(9) Minority Participation in Public Offerings. The Oversight Board and the Directorate shall ensure that minority owned or controlled commercial banks, investment banking firms, underwriters, and bond counsels throughout the United States have an opportunity to participate to a significant degree in any public offering of obligations issued under this section.

"(10) No Full Faith and Credit of the United States.

Obligations of the Funding Corporation shall not be obligations of, or guaranteed as to principal by, the Federal Home Loan Bank System, the Federal Home Loan Banks, the United States, or the Resolution Trust Corporation and the obligations shall so plainly state. The Secretary of the Treasury shall pay interest on such obligations as required pursuant to subsection (f).

"(g) USE AND DISPOSITION OF ASSETS OF THE FUNDING CORPORATION NOT INVESTED IN RESOLUTION TRUST CORPORATION.

"(1) In General. Subject to such regulations, restrictions, and limitations as may be prescribed by the Oversight Board, assets of the Funding Corporation, which are not invested in capital certificates issued by the Resolution Trust Corporation under section 21a of this Act and which are not needed for current interest payments, shall be invested in -

"(A) direct obligations of the United States;

"(B) obligations, participations, or other instruments of, or issued by, the Federal National Mortgage Association or the Government National Mortgage Association;

"(C) mortgages, obligations, or other securities for sale by, or which have been disposed of by, the Federal Home Loan Mortgage Corporation under section 305 or 306 of the Federal

WALL STREET JOURNAL, MONDAY, MARCH 6, 1989

Cost of S&L Bailout Plan Far Exceeds Bush's Estimate, Congress Office Says

By PAUL DUKE JR.

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Extending a spiral that seems to go ever higher, the Congressional Budget Office said the government could be called on to pay as much as \$110 billion in the first 10 years of the Bush administration's savings and loan bailout plan, rather than the \$40 billion the administration has projected.

The estimate, in testimony before the Senate Banking Committee, raised even more questions about the calculations put out by the administration. Though President Bush has urged Congress to enact the plan quickly, it is being held up partly by concern that the administration's estimate of the drain from the public purse is overly optimistic and hides certain costs.

The CBO's view followed an admission last week by Richard Darman, director of the White House Office of Management and Budget, that the economic assumptions of the plan are "on the optimistic side." And individual congressmen have released estimates at odds with those of the administration.

"It's important to get to the bottom of what the cost to the taxpayer will be," said Sen. Donald Riegle (D., Mich.), chairman of the committee.

Senators were also concerned over comments by CBO officials that the Bush plan is essentially an "open-ended" commitment by the government to clean up insolvencies in the S&L industry, even if the cost climbs by tens of billions of dollars from current estimates.

While the administration's \$40 billion figure accurately reflects costs recorded on the federal budget, cutting through the accounting to find how much cash the Treasury will actually spend produces a higher figure, the CBO officials said.

The administration already concedes, for instance, that \$20 billion of the cost is hidden by the Bush plan's higher bank insurance premiums, which are counted in the budget as revenue but can't be used for anything other than bank rescues.

James Blum, CBO acting director, also said the Bush figures don't include \$9 billion in notes already sold to finance thrift bailouts. The notes will be paid off in the late 1990s and thus represent cash the Treasury will have to raise, the CBO said. Because the \$9 billion was counted against previous budgets, the CBO said, it isn't included in the administration's estimates.

The CBO also said the cost of the plan should include \$16 billion in interest the Treasury will have to pay to raise the money to cover the government's portion of the bailout cost. Under the plan, the government pays the interest on \$50 billion of bonds, on which the S&L industry would pay the principal.

Those figures total about \$84 billion, in comparison to the administration's \$40 billion figure. But the CBO said the 10-year cost would rise to \$110 billion if its own economic assumptions were used instead of those that Mr. Darman conceded were optimistic. The \$110 billion figure also reflects a 4% estimated growth in S&L deposits, on which insurance premiums that go toward the cost of the bailout are based. The administration estimated 7%, a figure that has been criticized as unrealistic.

REQUEST FOR PHOTO/MAILING

(PLEASE TYPE)

June 6, 1989

(Date)

TO: MARY INGALS
CORRESPONDENCE OFFICE, Room 94, OEOB, Ext. 7610

FROM: Mary Gabriel Harpring Room 112 EW Ext. 7766

Description of photograph or photo number
WH photo #P2173-10

ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT

TO: CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916

PHOTO TO BE SIGNED BY: Personally signed by President Bush

XXXXXX
☐ **Return to originating office. Type name & address of recipient below**

☐ **Photograph is to be mailed.**

Attach mailing label, any correspondence and include typed address here:

NAME:

ORGANIZATION:

Congressman John Dingell

STREET:

CITY/STATE:

INSCRIBE TO:

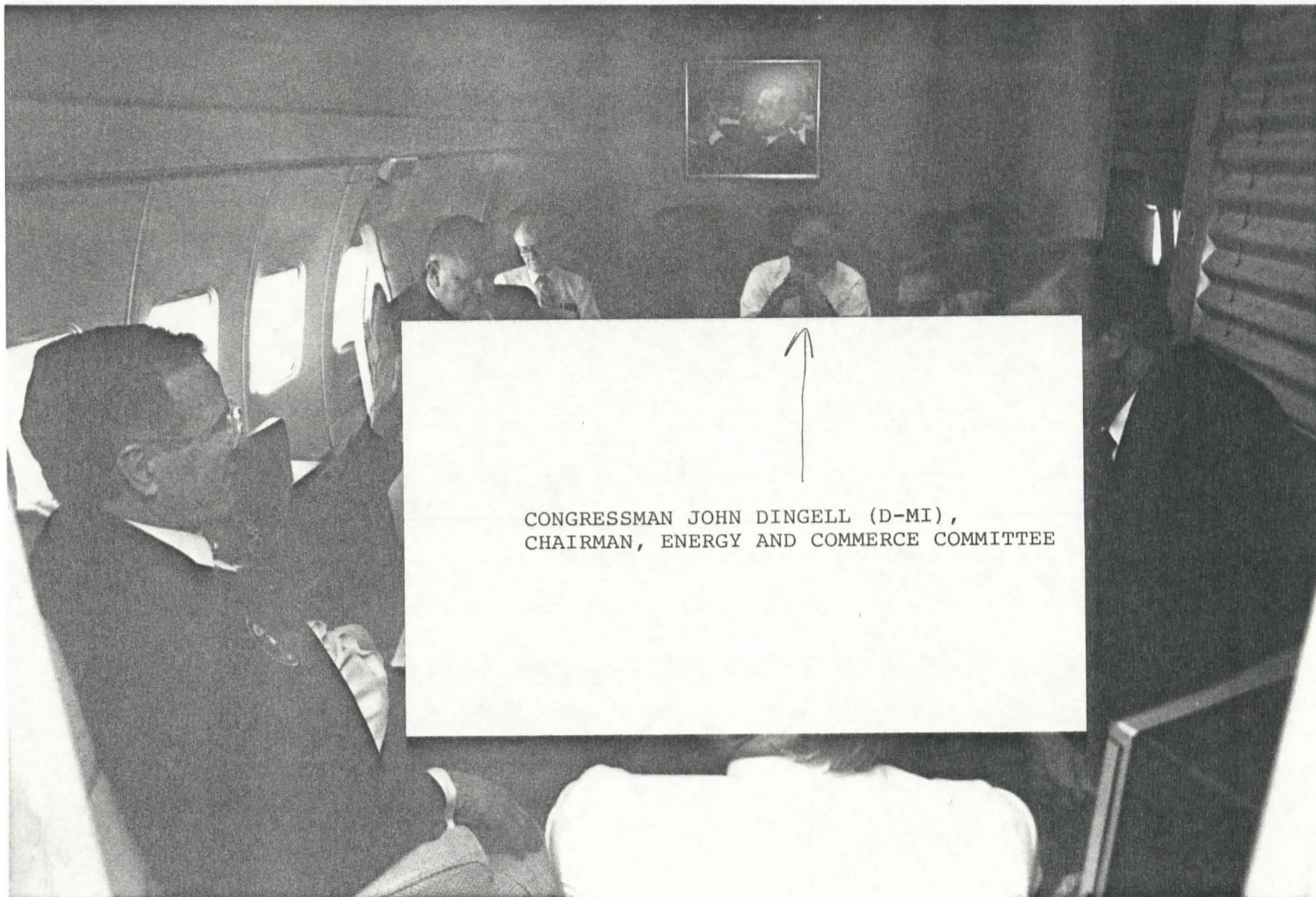
JOHN DINGELL

MESSAGE SHOULD READ:

☒ **With best wishes**

☐ **Congratulations and best wishes**

DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.



CONGRESSMAN JOHN DINGELL (D-MI),
CHAIRMAN, ENERGY AND COMMERCE COMMITTEE

To John Dingell
With best wishes, Cy Bush

THE WHITE HOUSE
WASHINGTON

Date June 6, 1989

TO: Mary Ingals

FROM: MARY GABRIEL HARPRING
Office of Legislative Affairs



The enclosed two photographs were taken aboard Air Force One en route Hamtramack, Michigan in April.

Both Chairman Dingell and Gary Andres (of our staff) would like to have them personally signed by the President.

Please let me know if this poses a problem, and thank you for your help.

THE WHITE HOUSE
WASHINGTON

August 23, 1989

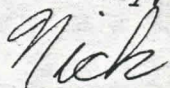
Dear Mr. Chairman:

Photographs taken at the White House
Congressional barbecue on August 1
are enclosed.

I hope you enjoyed the evening.

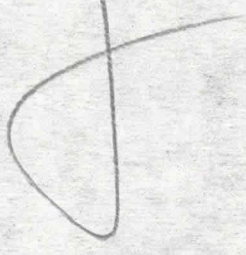
Best regards.

Sincerely,



Nicholas E. Calio
Deputy Assistant to the President

The Honorable John D. Dingell
House of Representatives
Washington, D.C. 20515



REQUEST FOR PHOTO/MAILING

(PLEASE TYPE)

10-5-89

(Date)

TO: MARY INGALS
CORRESPONDENCE OFFICE, Room 94, OEOB, Ext. 7610

FROM: S. Pleasant Room 112 EW Ext. 7542

Description of photograph or photo number
enclosed

ATTACH PHOTO IF OTHER THAN OFFICIAL PORTRAIT

TO: CORRESPONDENCE REVIEW SECTION, Room 76, Ext. 2916

PHOTO TO BE SIGNED BY: GB

- ☐ Return to originating office. Type name & address of recipient below
- ☐ Photograph is to be mailed.
Attach mailing label, any correspondence and include typed address here:

NAME:

ORGANIZATION: Cong. Dingell

STREET:

CITY/STATE:

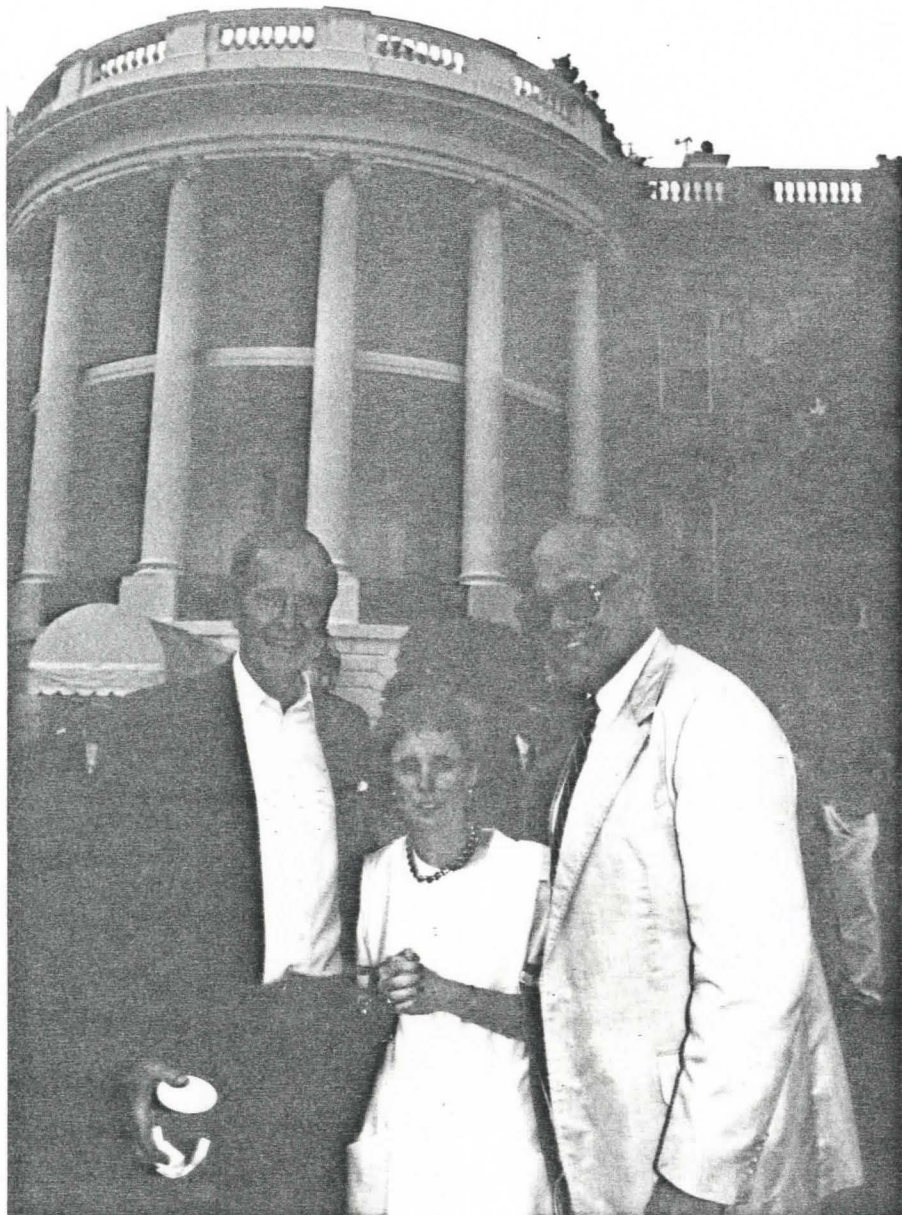
Debbie and John Dingell
INSCRIBE TO:

MESSAGE SHOULD READ:

☒ With best wishes
xxx

☐ Congratulations and best wishes

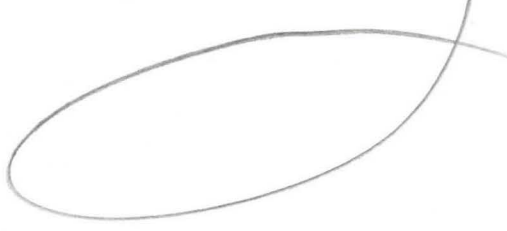
DO NOT PACKAGE PHOTO. DO NOT SEND IT TO THE MAIL ROOM.



*To Debbie and John Dingell
With best wishes,*

Cy Bush

RETURN THIS RECEIPT IMMEDIATELY TO	REGISTRY NO.
NSC/IPD	89D-718
UNCLASSIFIED DESCRIPTION (Serial No., File No., Subject)	DATE
21309 Add-on	11/9/89
	INCLOSURES
ADDRESSEE	
The Honorable John D. Dingell Chairman Subcommittee on Oversight and Investigation U. S. House of Representatives	
Receipt for communication(s) described above is hereby acknowledged by:	
ADDRESSEE'S SIGNATURE	DATE RECEIVED
<i>Jeffrey L. Hodges</i>	Nov. 14, 1989
TO BE RETURNED TO THE WHITE HOUSE OFFICE	
CLASSIFIED MATERIAL RECEIPT	



U.S. HOUSE OF REPRESENTATIVES

COMMITTEE ON ENERGY AND COMMERCE

SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS

WASHINGTON, DC 20515

OFFICIAL BUSINESS

RECEIVED

1989 NOV 17 PM 1:58

WHITE HOUSE MAIL ROOM 45 0020

John Dingell
M.C.

The White House

1600 Pennsylvania Avenue, N. W.

Washington, D. C. 20500

see
encl.
NSC IP+SR

2

Representative Paul B. Henry
Washington, D.C. 20515
Page 2 - Cont'd

March 22, 1990

I will appreciate your vote against a ban of MCF before
comparable replacement materials can be developed.

Sincerely,

John W. Barrows
President

cc: Chairman John D. Dingell
Committee on Energy and Commerce
U.S. House of Representatives
Washington, D.C. 20515

Roger B. Porter
The White House
Office of the Domestic Policy Council
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

JWB/jel

THE WHITE HOUSE
WASHINGTON

June 8, 1990

Dear Mr. Chairman:

I am happy to enclose an autographed photograph of the President that you recently requested for Wyandotte Public Schools.

Please let me know if there is anything else you would like me to do.

Best regards.

Sincerely,



Nicholas E. Calio
Deputy Assistant to the President

The Honorable John Dingell
House of Representatives
Washington, D.C. 20515

✓Enclosure: 26

JOHN D. DINGELL
16TH DISTRICT, MICHIGAN

WASHINGTON OFFICE:
ROOM 2221
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4071

DISTRICT OFFICES:
5461 SCHAEFER ROAD
DEARBORN, MI 48126
(313) 846-1276
214 EAST ELM AVENUE
SUITE 105
MONROE, MI 48161
(313) 243-1849

Congress of the United States
House of Representatives
Washington, DC 20515

May 8, 1990

COMMITTEES:
CHAIRMAN
COMMITTEE ON ENERGY AND
COMMERCE
CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS
OFFICE OF TECHNOLOGY
ASSESSMENT
MIGRATORY BIRD
CONSERVATION COMMISSION

Mr. Nicholas E. Calio
Deputy Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

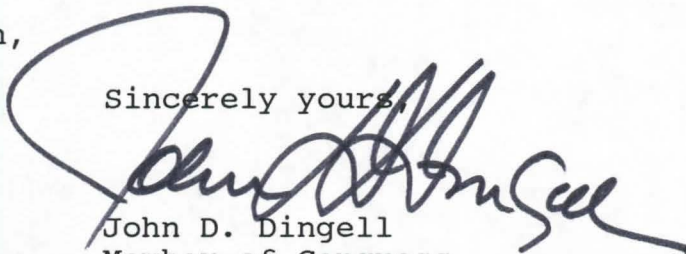
Dear Mr. Calio:

Would your office please send a picture of President Bush to Ms. Phyllis Biundo, Wyandotte Public Schools, 639 Oak Street, Wyandotte, Michigan 48192. The Superintendent of schools in Wyandotte is putting up several pictures in his office and requested my assistance in obtaining this one.

Thank you in advance for your prompt attention to this request.

With every good wish,

Sincerely yours,


John D. Dingell
Member of Congress

p1

THE WHITE HOUSE
WASHINGTON

June 5, 1990

Dear Mr. Chairman:

Thank you for your recent correspondence requesting a message from the President upon the retirement of Don N. Wood after 38 years of service to the Lincoln Park School System.

I am directing your request to the appropriate White House office for prompt attention and consideration. Let me know if there is anything else you would like me to do.

Best regards.

Sincerely,



Nicholas E. Calio
Deputy Assistant to the President

The Honorable John^X Dingell
House of Representatives
Washington, D.C. 20515

*Please get out
ASAP*

JUN 22 REC'D

*Note to files:
No incoming attached.*

THE WHITE HOUSE
WASHINGTON

July 11, 1990

Dear Mr. Chairman:

Thank you for your letter requesting the enclosed photo taken during the State Dinner for the Prime Minister of Poland.

Please let me know if there is anything else you would like me to do.

Best regards.

Sincerely,



Nicholas E. Calio,
Deputy Assistant to the President

The Honorable John D. Dingell
House of Representatives
Washington, D.C. 20515



JOHN D. DINGELL

16TH DISTRICT, MICHIGAN

WASHINGTON OFFICE:
ROOM 2221
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4071

DISTRICT OFFICES:
5461 SCHAEFER ROAD
DEARBORN, MI 48126
(313) 846-1276

214 EAST ELM AVENUE
SUITE 105
MONROE, MI 48161
(313) 243-1849

Congress of the United States
House of Representatives
Washington, DC 20515

June 15, 1990

COMMITTEES:

CHAIRMAN

COMMITTEE ON ENERGY AND
COMMERCE

CHAIRMAN

SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS

OFFICE OF TECHNOLOGY
ASSESSMENT

MIGRATORY BIRD
CONSERVATION COMMISSION

The Honorable Nicholas Calio
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

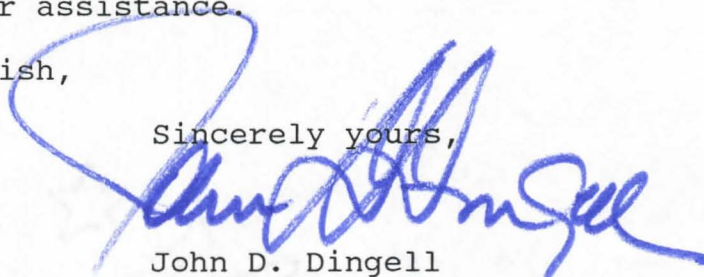
Dear Mr. Nick Calio:

I would appreciate it if you could please send me a duplicate of a photograph I received at the office which is dated March 21, 1990, number P11140-04 SB.

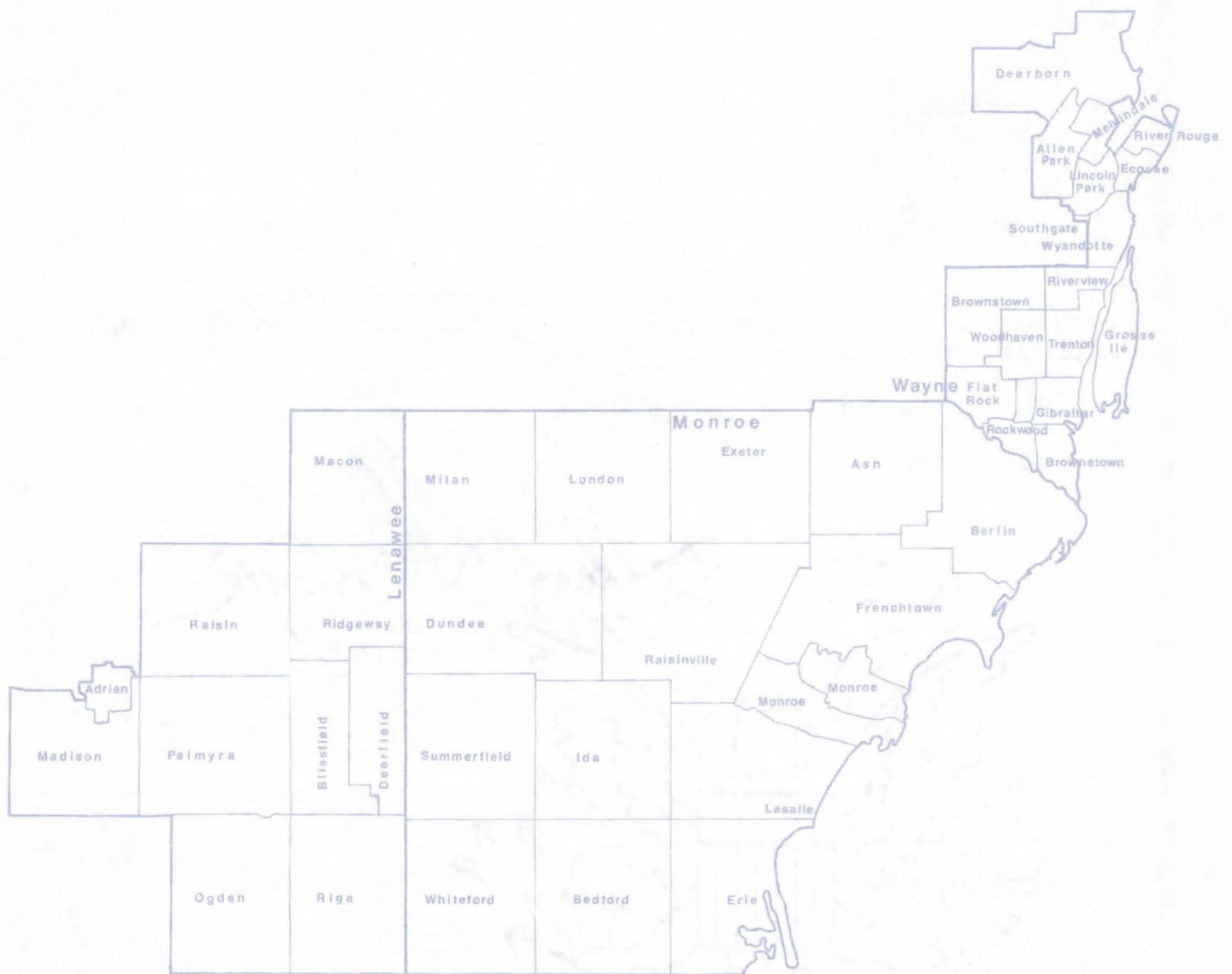
Thank you for your assistance.

With every good wish,

Sincerely yours,


John D. Dingell
Member of Congress

km



16th Congressional District

THE WHITE HOUSE
WASHINGTON

July 16, 1990

Dear Mr. Chairman:

I thought you might enjoy these photos
from your recent visit to the White House.

Best regards.

Sincerely,



Nicholas E. Calio
Deputy Assistant to the President

The Honorable John Dingell
House of Representatives
Washington, D.C. 20515



THE SECRETARY OF COMMERCE
Washington, D.C. 20230

JUN 26 1990

Honorable John D. Dingell
Chairman, Committee on Energy
and Commerce
House of Representatives
Washington, D.C. 20515-6115

Dear Mr. Chairman:

We are writing to inform you of the Administration's views on cable legislation currently pending in the House.

As already indicated in our letters to Senators Hollings and Danforth dated June 6, 1990, the Administration opposes current legislative proposals to re-regulate the cable industry. It has been the consistent position of the Administration that competition, rather than regulation, creates the most substantial benefits for consumers and the greatest opportunities for American industry. The current proposals under consideration in the House do not sufficiently emphasize competitive principles.

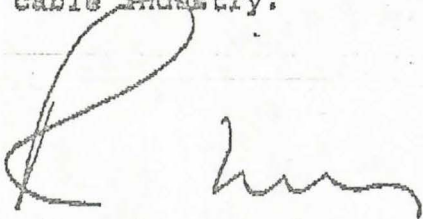
The Administration is particularly concerned about the treatment of the following issues in the various pending bills:

Rate regulation: The Administration opposes rate regulation of cable as proposed in the bills, including comprehensive rate regulation of the basic service tier, i.e., re-transmission of over-the-air broadcast signals.

Access to programming: The Administration opposes requirements that cable programmers that are owned by cable systems must sell to other, competitive video delivery services. If competitive problems emerge in this area, they can and should be addressed under the existing antitrust laws.

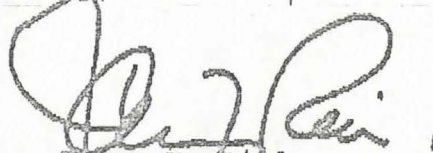
Entry: The Administration supports removing barriers to entry by new competitors into the video services marketplace. For instance, the Administration believes Congress should consider removing the current legislative prohibitions on telephone company entry found in the 1984 Cable Act. Most of the pending legislative proposals do not adequately address barriers to competition.

In sum, the Administration continues to believe that the cable industry's rapid development since the 1984 Cable Act has brought substantial benefits to the American consumer. Those benefits can be best preserved and enhanced by promoting additional competition, rather than seeking to re-regulate the cable industry.



Robert A. Mosbacher
Secretary of Commerce

Sincerely,



James F. Rill
Assistant Attorney General,
Antitrust Division
Department of Justice

THE WHITE HOUSE
WASHINGTON

August 24, 1990

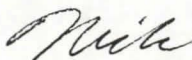
Dear Mr. Chairman:

I am happy to enclose a photograph taken with the President that you requested to have signed for your wife Debbie.

Please let me know if there is anything else you would like me to do.

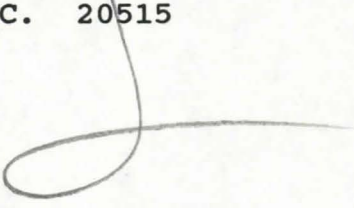
Best regards.

Sincerely,



Nicholas E. Calio,
Deputy Assistant to the President

The Honorable John Dingell
House of Representatives
Washington, D.C. 20515



JOHN D. DINGELL
16TH DISTRICT, MICHIGAN

WASHINGTON OFFICE:
ROOM 2221
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4071

DISTRICT OFFICES:
5461 SCHAEFER ROAD
DEARBORN, MI 48126
(313) 846-1276
214 EAST ELM AVENUE
SUITE 105
MONROE, MI 48161
(313) 243-1849

Congress of the United States
House of Representatives
Washington, DC 20515

July 26, 1990

COMMITTEES:
CHAIRMAN
COMMITTEE ON ENERGY AND
COMMERCE
CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS
OFFICE OF TECHNOLOGY
ASSESSMENT
MIGRATORY BIRD
CONSERVATION COMMISSION

Mr. Nicholas E. Calio
Deputy Assistant to the President
The White House
Washington, D. C. 20500

Dear Nick:

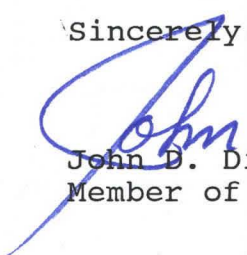
Thank you for providing me with the photographs taken during the barbecue at the White House.

I would be most appreciative if you would have the enclosed picture of Debbie and President Bush autographed to Debbie.

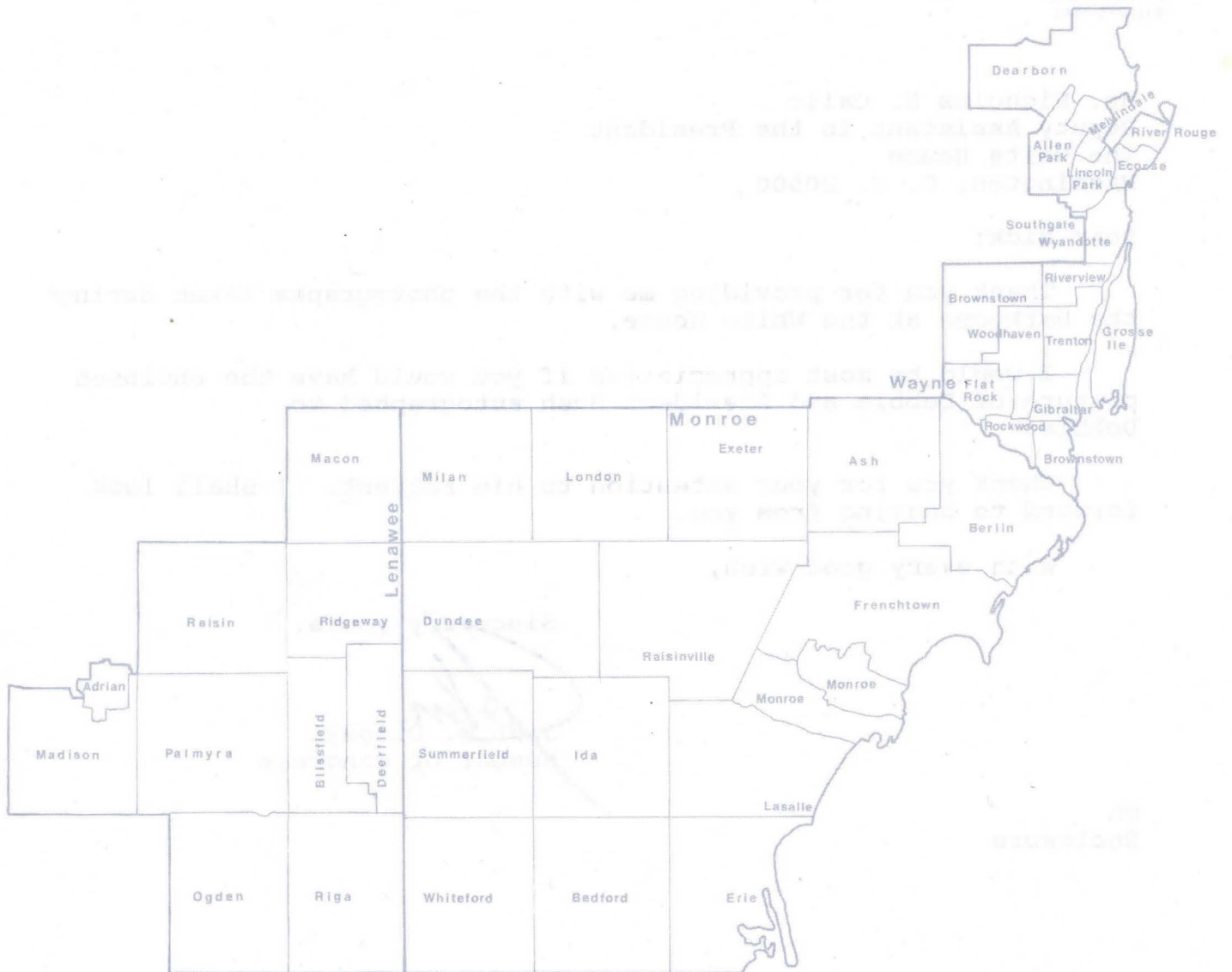
Thank you for your attention to his request. I shall look forward to hearing from you.

With every good wish,

Sincerely yours,


John D. Dingell
Member of Congress

sh
Enclosure



16th Congressional District

JOHN D. DINGELL, MICHIGAN, CHAIRMAN

JAMES L. SCHEUER, NEW YORK
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 ALEX McMILLAN, NORTH CAROLINA

JOHN S. ORLANDO, CHIEF OF STAFF
 JOHN M. CLOUGH, JR., STAFF DIRECTOR

U.S. House of Representatives
 Committee on Energy and Commerce
 Room 2125, Rayburn House Office Building
 Washington, DC 20515

October 11, 1989

Rec'd COS
 OCT 17 1989
 (given to J. Maloley
 to deliver)

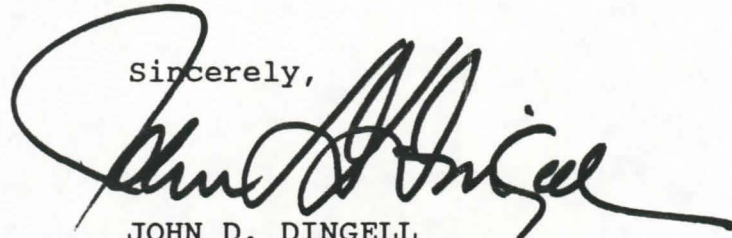
The Honorable John H. Sununu
 Chief of Staff
 Executive Office of the President
 1600 Pennsylvania Avenue, N.W.
 Washington, D.C. 20500

Dear Governor Sununu:

Enclosed are copies of letters that were provided to you by Detroit Edison and the American Petroleum Institute about the President's bill. They raise significant concerns. I would appreciate receiving a copy of your response.

With best wishes.

Sincerely,



JOHN D. DINGELL
 CHAIRMAN

cc: The Honorable Norman F. Lent, Ranking Minority Member
 Committee on Energy and Commerce

Mr. Robert J. Horn, Asst. V.P. and Manager - Federal Affairs
 Detroit Edison

Mr. Charles J. DiBona, Chief Executive Officer
 American Petroleum Institute

Response to Mr. Horn is
 attached. No response ever
 sent to Mr. DiBona

file

THE WHITE HOUSE
WASHINGTON

DATE: October 19, 1989

TO: Roger Porter

FROM: GOVERNOR JOHN H. SUNUNU

Please have someone get back to Dingell verbally on this, indicating letters were follow-up to our request for additional input. No response really necessary.

Thanks.

THE WHITE HOUSE
WASHINGTON

October 9, 1990

Dear Mr. Chairman:

I am pleased to enclose a photo of you
with President Bush from your recent
visit to the White House.

Best regards.

Sincerely,

Nick

Nicholas E. Calio
Deputy Assistant to the President

The Honorable John Dingell
House of Representatives
Washington, D.C. 20515

*I'll drop by and pick it up if
you'd like it signed.*

JOHN D. DINGELL, MICHIGAN, CHAIRMAN

JAMES H. SCHEUER, NEW YORK
HENRY A. WAXMAN, CALIFORNIA
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RALPH M. HALL, TEXAS
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MATTHEW J. RINALDO, NEW JERSEY
WILLIAM E. DANNEMEYER, CALIFORNIA
BOB WHITTAKER, KANSAS
THOMAS J. TAUKE, IOWA
DON RITTER, PENNSYLVANIA
THOMAS J. BLILEY, JR., VIRGINIA
JACK FIELDS, TEXAS
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MICHAEL BILIRAKIS, FLORIDA
DAN SCHAEFER, COLORADO
JOE BARTON, TEXAS
SONNY CALLAHAN, ALABAMA
ALEX MCMILLAN, NORTH CAROLINA

JOHN S. ORLANDO, CHIEF OF STAFF
JOHN M. CLOUGH, JR., STAFF DIRECTOR

U.S. House of Representatives
Committee on Energy and Commerce
Room 2125, Rayburn House Office Building
Washington, DC 20515

October 12, 1989

*Rec'd COS
OCT 17 1989
(given to N. Maloley
to deliver)*

The Honorable William K. Reilly
Administrator
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Governor John H. Sununu
Chief of Staff to the President
The White House Office
1600 Pennsylvania Avenue
Washington, D.C. 20500

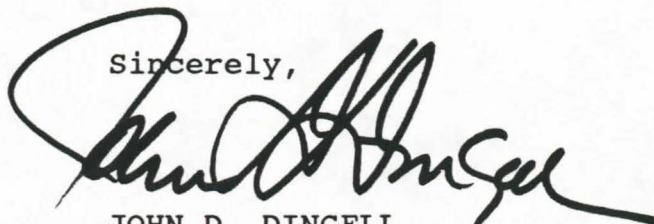
Dear Mr. Reilly and Governor Sununu:

As you know, when I introduced H.R. 3030 with Congressman Lent, I expressed grave concern about some features of the bill, particularly the acid rain portions.

Enclosed is a letter I received from the Legislative Department of the AFL-CIO and two letters from Congressman Charles E. Bennett who encloses a letter from the Public Service Commission of Florida and a letter from the Jacksonville Electric Authority. Also enclosed is a letter from several utilities and a letter from an Illinois Board of Commissioners and a letter from the Industrial Union of the AFL-CIO. These letters are critical of H.R. 3030's acid rain provisions. They raise many concerns similar to my own and those of other Members. Yet I have a strong feeling that the Environmental Protection Agency (EPA) particularly may not be listening fully to such legitimate concerns. I urge both of you to do so. I request your response to these letters by the end of October.

With best wishes.

Sincerely,



JOHN D. DINGELL
CHAIRMAN

THE WHITE HOUSE
WASHINGTON

file

DATE: October 19, 1989

TO: Roger Porter

FROM: GOVERNOR JOHN H. SUNUNU

Please have this acknowledged.

Thanks.

THE WHITE HOUSE

WASHINGTON

January 23, 1991

Dear Mr. Chairman:

I thought you might like to have these photos of you with the President and Mrs. Bush from the Christmas Ball at the White House.

Best regards.

Sincerely,



Nicholas E. Calio
Deputy Assistant to the President
for Legislative Affairs

The Honorable John Dingell
House of Representatives
Washington, D.C. 20515

*Let me know if you'd
like it signed, Mr. Chairman.*

THE WHITE HOUSE
WASHINGTON

March 20, 1991

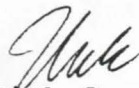
Dear Mr. Chairman:

I am happy to enclose the photograph taken with the President that you requested to have autographed.

Please let me know if there is anything else you would like me to do.

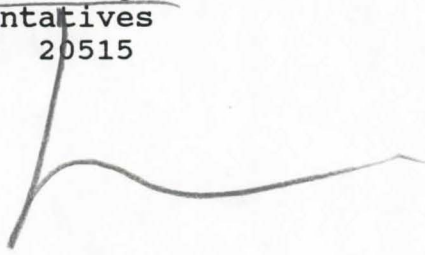
Best regards.

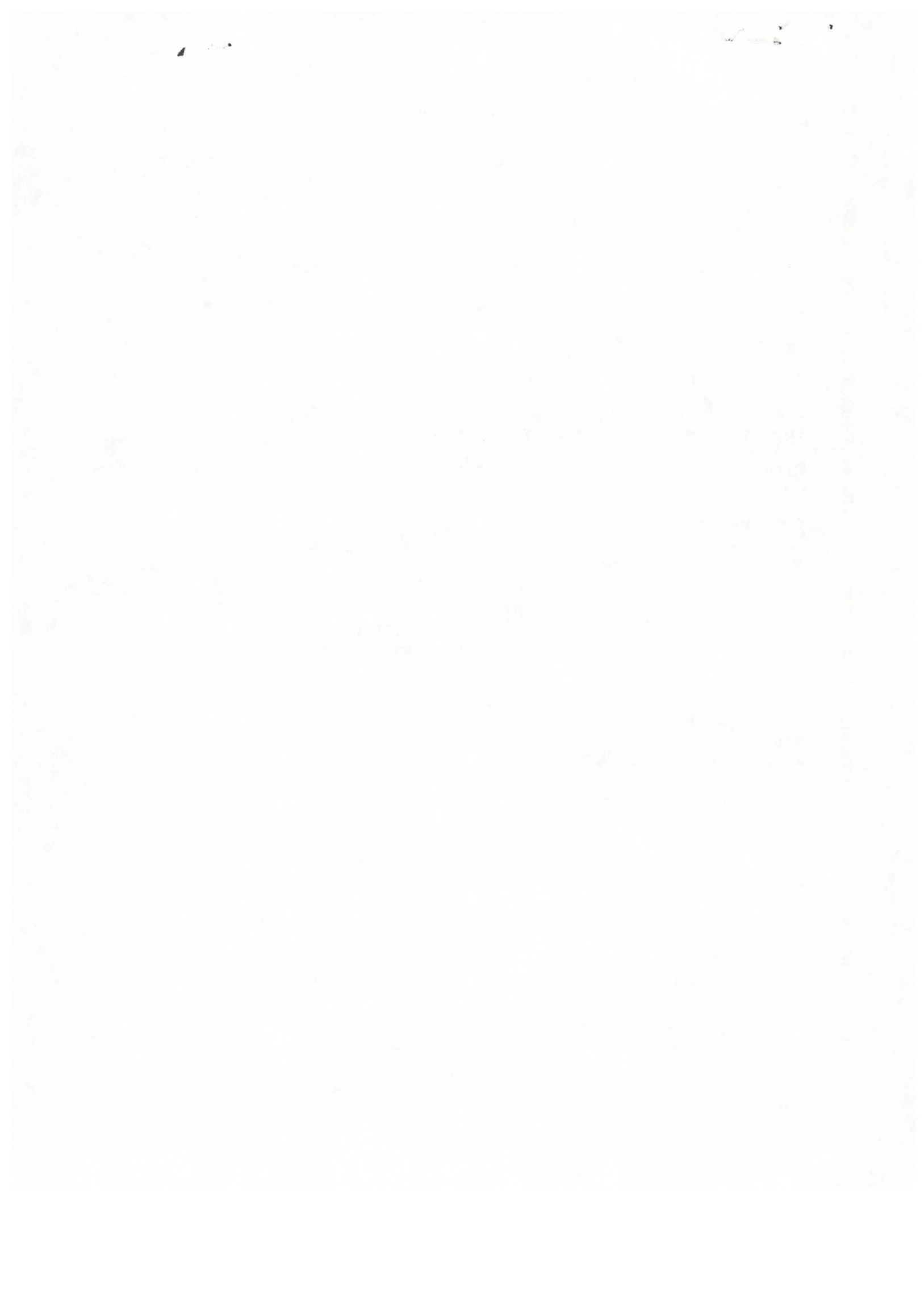
Sincerely,



Nicholas E. Calio
Deputy Assistant to the President

The Honorable John Dingell
House of Representatives
Washington, D.C. 20515





JOHN D. DINGELL
16TH DISTRICT, MICHIGAN

WASHINGTON OFFICE:
ROOM 2221
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4071

DISTRICT OFFICES:
5461 SCHAEFER ROAD
DEARBORN, MI 48126
(313) 846-1276
214 EAST ELM AVENUE
SUITE 105
MONROE, MI 48161
(313) 243-1849

Congress of the United States
House of Representatives
Washington, DC 20515

February 1, 1991

COMMITTEES:
CHAIRMAN
COMMITTEE ON ENERGY AND
COMMERCE
CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS
OFFICE OF TECHNOLOGY
ASSESSMENT
MIGRATORY BIRD
CONSERVATION COMMISSION

Mr. Nicholas E. Calio
Deputy Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

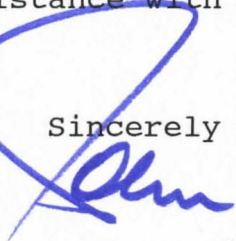
Dear Nick:

Thank you for sending me the photos from the Christmas Ball at the White House. If you would have each signed to Debbie and John Dingell, it would be greatly appreciated.

Thank you for your assistance with this matter.

With every good wish,

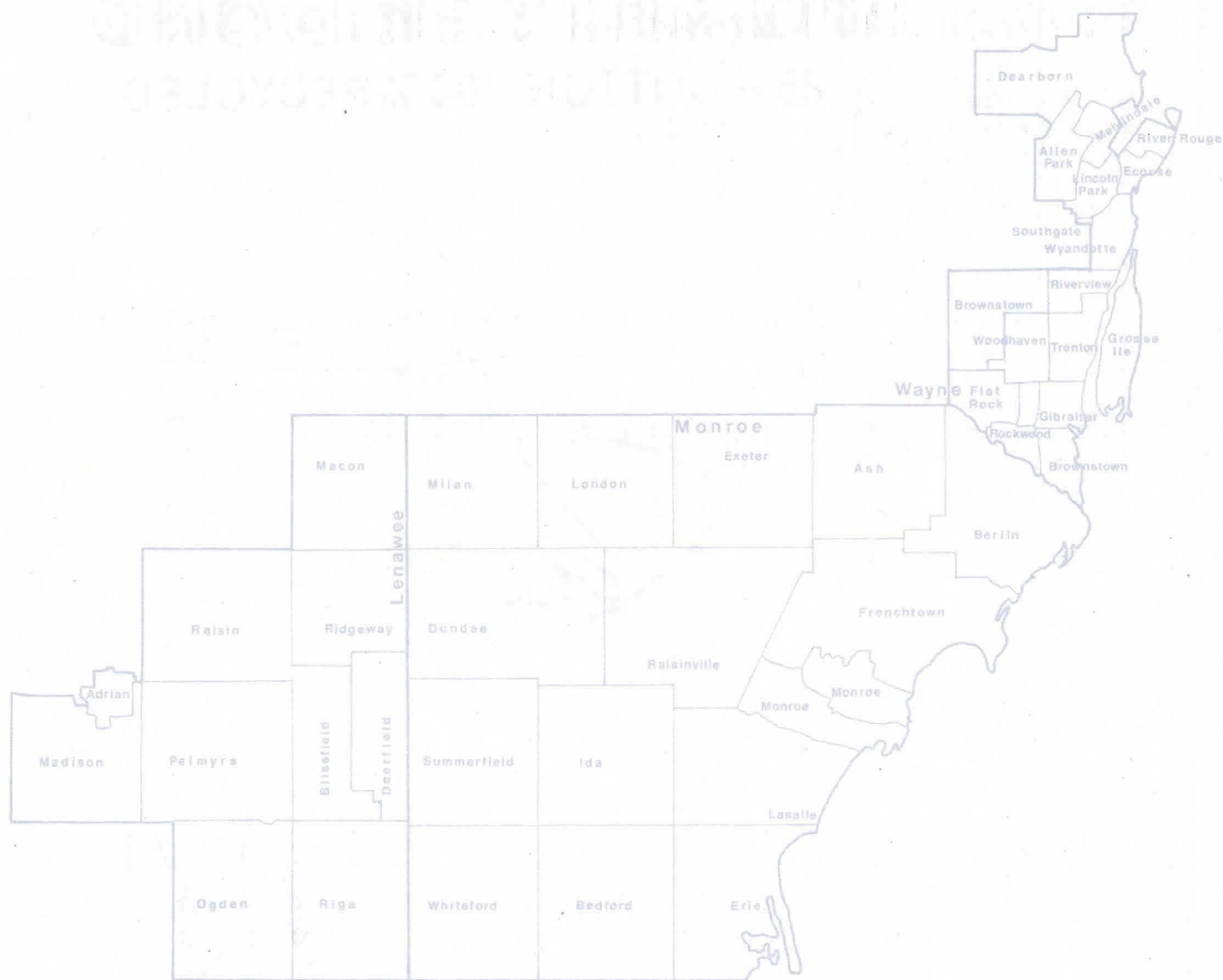
Sincerely yours,



John D. Dingell
Member of Congress

cf





16th Congressional District

January 28, 1991

Dear Congressman Dingell,

Your thoughtful letter to Mrs. Bush requesting a meeting on behalf of Donald Thurber of D'Nealian Handwriting, Sanman Associates, is greatly appreciated.

Although the upcoming official schedule will not permit Mrs. Bush to personally meet with Mr. Thurber to discuss his learning techniques, I know she would want me to convey her deep gratitude for your thoughtfulness and her warmest wishes.

Thank you again for your kind letter and with all best wishes,

Sincerely,

Ann Brock
Director of Scheduling
for Mrs. Bush

The Honorable John D. Dingell
U.S. House of Representatives
Washington, D.C. 20515

✓ cc Legislative Affairs fyi

AB/ab

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1-8-90

Julie Open

WKA

JOHN D. DINGELL
16TH DISTRICT, MICHIGAN

WASHINGTON OFFICE:
ROOM 2221

RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
(202) 225-4071

DISTRICT OFFICES:

5461 SCHAEFER ROAD
DEARBORN, MI 48126
(313) 846-1276

214 EAST ELM AVENUE
SUITE 105
MONROE, MI 48161
(313) 243-1849

Congress of the United States
House of Representatives
Washington, DC 20515

COMMITTEES:
CHAIRMAN
COMMITTEE ON ENERGY AND
COMMERCE
CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS
OFFICE OF TECHNOLOGY
ASSESSMENT
MIGRATORY BIRD
CONSERVATION COMMISSION

November 30, 1990

Schee

Mrs. Barbara Bush, First Lady
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20500

Dear Mrs. Bush:

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I am writing on behalf of Donald N. Thurber, D'Nealian Handwriting, Sanman Associates, 12674 N. Lakeshore, LaSalle, Michigan 48145. As you will note from the enclosed correspondence and newspaper clippings, Mr. Thurber has created a new, innovative print system which has proven successful in assisting individuals in learning to write.

Mr. Thurber is a retired elementary school principal and teacher who has developed a common sense approach to reading and writing skills. Throughout his many years of teaching experience, Mr. Thurber has carefully observed the difficulties in learning reading and writing skills. He has sought to address these difficulties through simple, creative, and effective techniques. Mr. Thurber's D'Nealian handwriting system, has generated widespread praise from schools throughout the Nation and around the world who have chosen to adopt the concept.

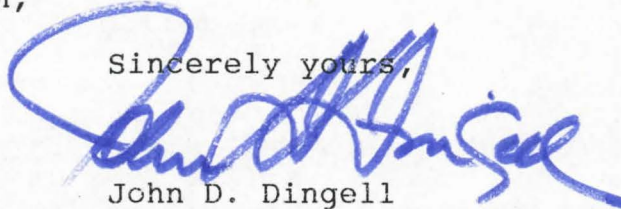
Mr. Thurber is a thoughtful man who has many ideas for assisting individuals in learning the basic educational skills which serve as a foundation for opportunity in our society.

✓

I believe that Mr. Thurber has much to offer to a discussion of literacy reform, and would be deeply appreciative if you could find an opportunity to meet with him.

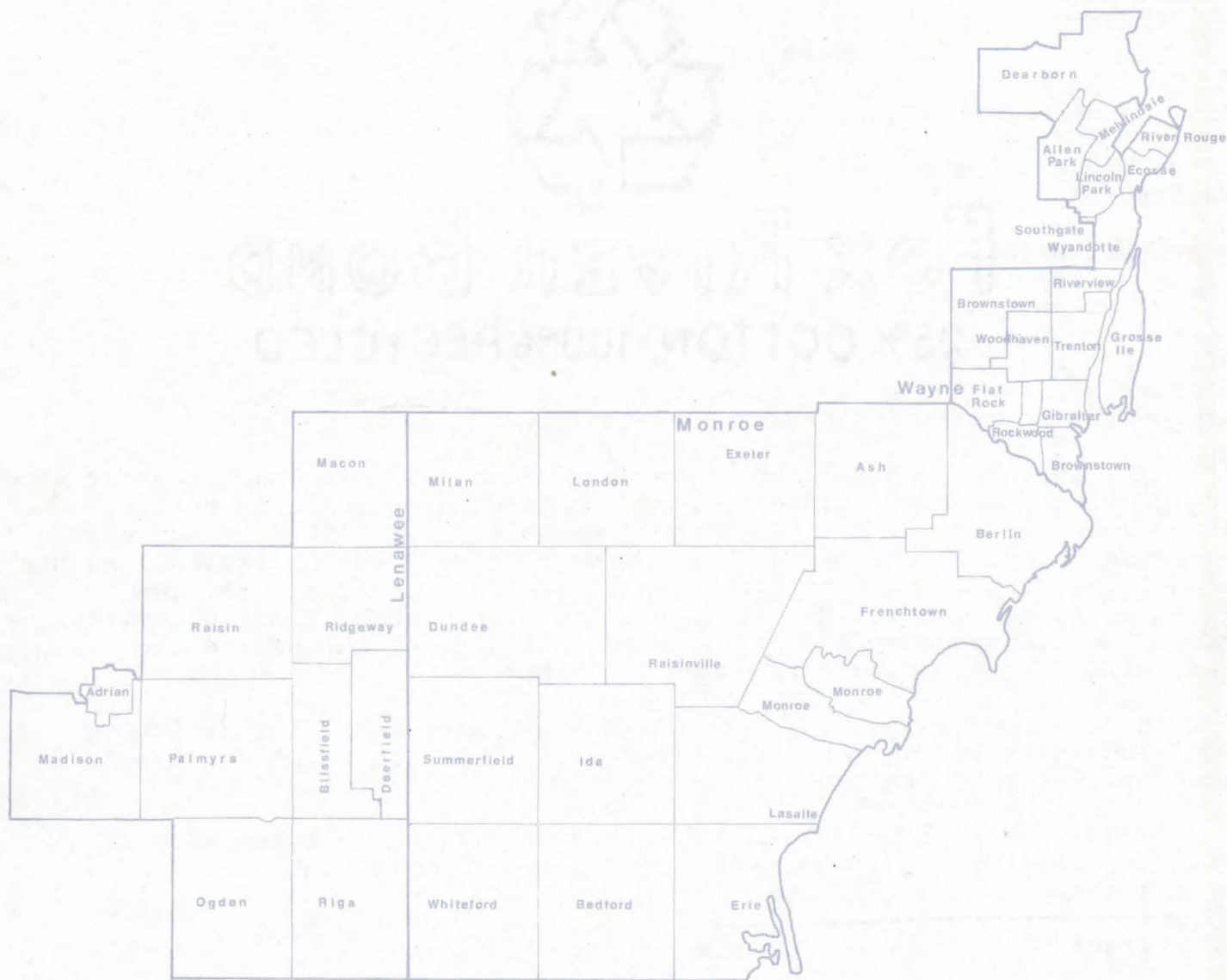
Thank you for your attention to this request.

With every good wish,

Sincerely yours,

John D. Dingell
Member of Congress

CC: Ms. Benita Somerfield, Executive Director, Barbara Bush
Foundation for Family Literacy

ja
Enclosures



16th Congressional District

Back 3-11-94

THE WHITE HOUSE
WASHINGTON

June 10, 1991

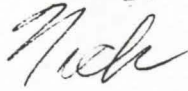
Dear Congressman Dingell:

Thank you for your letter requesting that the enclosed photo be autographed by the President for Lois Smith.

Please let me know if there is anything else you would like me to do.

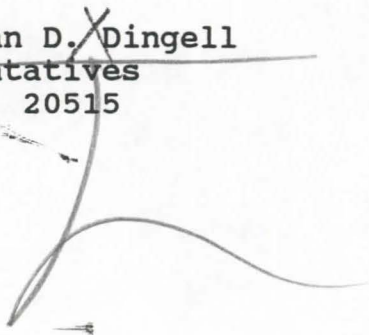
Best regards.

Sincerely,



Nicholas E. Calio,
Deputy Assistant to the President

The Honorable John D. ~~X~~ Dingell
House of Representatives
Washington, D.C. 20515



THE WHITE HOUSE
WASHINGTON

July 3, 1991

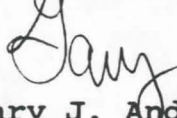
Dear Mr. Chairman:

Thank you for your letter requesting that the enclosed photo be autographed by the President for W. J. Cunningham and Lori Alexander.

Please let me know if there is anything else you would like me to do.

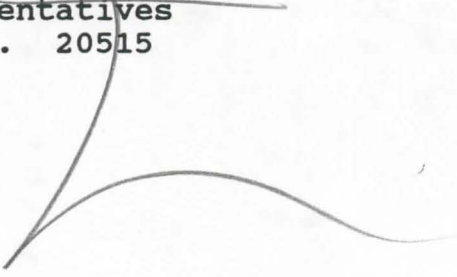
Best regards.

Sincerely,



Gary J. Andres,
Deputy Assistant to the President

The Honorable John D. ~~X~~ Dingell
House of Representatives
Washington, D.C. 20515



JOHN D. DINGELL, MICHIGAN, CHAIRMAN

J. ROY ROWLAND, GEORGIA
RON WYDEN, OREGON
DENNIS E. ECKART, OHIO
JIM SLATTERY, KANSAS
GERRY SIKORSKI, MINNESOTA
JOHN BRYANT, TEXASTHOMAS J. BLILEY, JR., VIRGINIA
NORMAN F. LENT, NEW YORK
DAN SCHAEFER, COLORADO
FRED UPTON, MICHIGANREID P.F. STUNTZ, STAFF DIRECTOR/CHIEF COUNSEL
STEPHEN F. SIMS, DEPUTY STAFF DIRECTOR

U.S. House of Representatives
Subcommittee on Oversight and Investigations
of the
Committee on Energy and Commerce
Washington, DC 20515

July 23, 1991

The Honorable William K. Reilly
Administrator
Environmental Protection Agency
401 M Street, S.W.
Washington, D.C. 20460

Dear Administrator Reilly:

As you know, this Subcommittee has had an exchange of correspondence with you concerning the adequacy of funding by the Environmental Protection Agency (EPA) of the air toxics provisions of the Clean Air Act, as amended. I last wrote to you on April 11, 1991 and I have not yet received a reply. However, since then I have received the enclosed report (B-236358.3) of the General Accounting Office (GAO) which is dated June 26, 1991 and is entitled "Air Pollution -- EPA's Strategy and Resources May Be Inadequate to Control Air Toxics." It clearly calls into question EPA funding for toxics and squarely puts the blame on the EPA headquarters, not the Office of Management and Budget (OMB), because the EPA headquarters did not seek the funds.

The report identifies two of EPA offices "primarily responsible for planning and overseeing the air toxics provisions of the Act" as the Office of Research and Development (ORD) and the Office of Air and Radiation (OAR). ORD is the research office and OAR develops the regulations and oversees implementation and enforcement. As to the funding issue, the GAO states:

EPA has not requested sufficient resources to carry out the air toxics provisions of the act within the act's mandated time frames. In fiscal year 1991 EPA sought less than \$3 million, or 11 percent, of the approximately \$25 million ORD needed for the air toxics research that provides the scientific basis for developing standards. Similarly, EPA requested less than \$15 million, or 30 percent, of the approximately \$49 million OAR needed to plan, administer, and implement air toxics program activities. EPA's estimates of the funds needed reflect EPA air program and research managers' best estimates of the amount required to fully implement title III as

C.F.

described in the President's proposal, including salaries and expenses, contracts, and grants. According to one EPA budget briefing document, the above estimates "have been scrubbed by both ORD and OAR" to ensure that the work is needed, the estimate costs is reasonable, and any duplication of effort has been precluded.

EPA officials have acknowledged a shortfall in resources for both fiscal years 1991 and 1992, but told us that they planned to focus all available resources on near-term objectives of the act and that they believed the agency, by utilizing existing research, could meet the 1994 mandate that MACT standards be developed for at least 25 percent of all source categories. They said that while first-year underfunding may delay some milestones, they believed these delays could be partially offset by large future increases. An EPA estimate in January 1991 showed that the agency will have to more than triple its funding of air toxics activities by 1994.

Additionally, EPA officials said these estimates were conservative, in that they were developed in 1990 prior to the amendments' passage, and do not reflect the added costs of implementing the additional requirements subsequently added by the Congress during the amendments' development. According to a February 1991 EPA fact sheet, additional air program resources are needed because many of the act's deadlines are very short and many of the provisions are more complex than anticipated. This fact sheet also points out that the air toxics program alone needs an additional \$6.3 million, or 25 percent more funds than the agency requested in fiscal year 1992. Without such funding increases, EPA's fact sheet points out that

There are requirements in the Act that cannot be fully accomplished within FY 1992 resource levels. the effects of the FY 1992 resource shortfall will be either missed deadlines or products without the full range of technical completeness. The impact of the shortfall on our ability to meet deadlines due after FY 1992 could be significant.

(Underlining supplied.)

I have repeatedly pointed out that the EPA has more than 60 regulations to issue in the two years after enactment of the 1990 amendments, plus many more guidances and studies:

- the deadlines for many of the actions after November 15, 1990 are short;

- the vast majority of those deadlines were established by the Administration, not the Congress solely, in its comprehensive legislative proposal of July 1989, presumably with an eye on its resource capabilities and needs; and
- it is the interest of the regulated entities, the public, the Congress, and the Administration for the EPA to meet all, not some, of the deadlines rather than having some judge establish them with no Congressional input.

According to the GAO, EPA Headquarters officials told us the "lower amounts had been requested because they did not believe OMB would approve higher levels in austere budget times and, as noted previously, in their opinion higher levels could result in inefficient use of resources."

As to the first point, I can only say that the President, all through the consideration of the legislation, gave it and its implementation high priority. He wanted it enacted. He encouraged its enactment. The President, OMB, and EPA knew of its enactment well before the budget for FY 1992 was submitted to Congress. If EPA is too timid to ask OMB for all or most of the resources needed -- assuming they are well-justified and not gold-plated -- EPA will never know if OMB would act favorably or not. As the saying goes "nothing ventured, nothing gained."

As to the second concern, GAO adds:

Furthermore they believe that seeking more rapid growth could result in inefficient use of resources. For example, they are concerned about their ability to hire, train, house, and effectively use more staff than they have requested. Also, in their opinion, contract funds may be ineffectively used unless sufficient numbers of properly trained staff are available to monitor contractor performance.

Both explanations seem weak. Further, I am not sure how many full-time equivalents would be needed and whether the bulk of the funds are for contract. I note that EPA has over 14,000 people. Surely some of the experienced people at EPA could have stepped in temporarily until others were hired and trained.

Table 3.1 of the GAO report shows the ORD and OAR requests ("amount needed") for FY 1991 and 1992. What was the basis for these requests? What was their purpose? What portion of these funds for each office was for contracts (i.e., umbrella contracts and task orders) and what portion for FTEs? Is all the work to be carried out by contracts? What is the role of the FTEs? When OAR and ORD prepared these requests did they consider and address their

FTE needs or were they merely making the requests and ignoring that potential problem? Please explain. What is your expectation, based on experience, that OMB and Congress will approve a tripling of funding of "air toxics activities by 1994"?

Chapter 2 of the GAO report states:

In January 1991 EPA issued a revised implementation strategy that provides a general description of the act's air toxics provisions, summarizes the time frames for achieving selected requirements, and recognizes that some implementation issues remain unresolved.

However, EPA's strategy does not discuss the actions, activities, tasks, or even the definitions of key terms and concepts necessary to ensure the agency's success in achieving the act's air toxics objectives. As a result, the agency may not capitalize on its opportunity to make major gains because it has not developed a clear, comprehensive strategy for implementing the act's air toxics provisions. For example, EPA's strategy does not describe how the agency plans to acquire the scientific data to make phase two residual risk decisions on whether controls over and above the MACT standards may be need for public health reasons.

* * * *

According to some officials, a clear and comprehensive strategy -- a "roadmap" of where EPA is going and how it intends to get there -- is essential to this process. However, EPA's strategy does not provide such guidance, as it lacks details and leaves key questions unaddressed.

One strategy that EPA has recently employed in its regulatory efforts involves "early consultation and consensus building" which has, in my opinion, been helpful, workable, and largely successful, although not necessarily perfect. I applaud EPA for that effort. It has expedited the process.

As to its "internal regulatory" strategy, EPA states:

According to EPA officials, in the past, staff were expected to resolve all problems before sending a proposed regulation to EPA management for review. These officials said this process was often slow because it required obtaining substantial amounts of information to resolve conflicts and support proposed standards. The new process, they said, will be a significant departure from prior practices, requiring almost a cultural change within EPA because, if problems cannot be readily resolved at

lower levels, they are to be quickly elevated to higher management for resolution. Some EPA staff told us they were skeptical about this effort, since such streamlining efforts had met with limited success in the past.

As part of its regulatory streamlining initiative, EPA officials said decisions will have to be based on less scientific information and technical data than before. In the past, EPA managers wanted as much information as possible on the health and environmental effects of toxic air pollutants to ensure they set standards at the appropriate level. Consequently, according to ORD officials, assessing the health and environmental effects of individual toxic substances generally required from 3 to 5 years of research. EPA, NRDC, and the STAPPA/ALAPCO Executive Director generally agreed that EPA will have to base its phase one MACT decisions on less research. However, opinions vary as to how much research will be required to make phase two residual risk decisions, and EPA staff said much depends on future studies of EPA's risk assessment studies must recommend changes by November 1996. According to National Academy of Sciences officials, EPA's risk assessment methodology could be improved, but they were uncertain of their future study's impact on regulatory and scientific data needs.
(Underlining supplied.)

Again the Subcommittee has questioned EPA's extensive delegations to staff and lower officials and the failure of top management, particularly the policymakers who are Presidential appointees, including the Administrator, to get involved early in the process, not after the staff has resolved "all problems" and made all the "policy calls." This new strategy appears welcome, although I am concerned about anyone at EPA making decisions "based on less scientific and technical data," particularly in light of the above discussed budgetary problems. I request more information about this "less research" approach and an explanation of what research will be lacking and its effect.

The GAO points out that "in establishing MACT standards," the Clean Air Act "directs EPA to consider cost and energy factors." The GAO states:

...However, EPA's strategy does not address how the agency will approach cost and energy determinations, which may adversely impact EPA's efforts to hold meaningful consultations with industry and environmental groups and could also hamper EPA staff in implementing the act's objectives.

These determinations are important because industry must bear the cost of installing and operating control devices, as well as the cost of other emission reduction efforts, such as changing the raw materials used or the manufacturing process itself. Also, control devices and other changes can have substantial impacts on the type and amount of energy used. For example, thermal treatment devices may require large amounts of natural gas to achieve the high temperatures needed to destroy toxic emissions. Decisions on the controls required may have far-reaching implications for national energy usage. Nonetheless, EPA's strategy does not discuss how the agency plans to deal with these factors. EPA officials cited insufficient costs and energy data and difficulties with OMB's historical practice of limiting proposed regulations that exceed predetermined costs limits as reasons they had not addressed these factors in their strategy. Further complicating EPA's efforts to develop a strategy for considering cost and energy factors in its MACT requirements are differing opinions of industry and environmental groups as to the approach EPA should take.

Please explain how EPA plans to consider these factors. Please comment on the three approaches to the cost issue discussed by the GAO and explain their advantages and disadvantages. What are the problems? Are there others? The GAO states:

NRDC's Chief of Air Pollution said his organization and other environmental groups would prefer that EPA require industry to install any controls needed to protect public health and the environment, as long as most of the companies in the affected industry group could afford to do so without being forced out of business. In their opinion, sources should control their toxic emissions to the best of their financial ability, a concept known as the affordability approach to controlling air toxics. This concept is represented by point "B" in figure 2.1, depicting the point at which facilities would control their emissions to the maximum extent possible. Both the Executive Director of STAPPA/ALAPCO and NRDC's Chief of Air Pollution are concerned, however, that cost and energy considerations may unduly weaken air toxic controls under the new act. Because EPA's strategic plan does not address cost and energy matters, these officials must turn to other indicators for gauging EPA's intentions. As such, the Executive Director of STAPPA/ALAPCO cites an OAR fact sheet that briefly states EPA's overall policy for implementing the new act. According to this document, EPA's overall policy is to "achieve and maintain a healthy environment, while supporting strong and sustainable economic growth and sound energy policy."

What is the effect of the NRDC preferred approach? What is its advantages and disadvantages? How does anyone determine whether any particular controls would "force" an entity out of business? Is it more likely that these controls and other factors could have that result, particularly in a recession, then the controls alone? Why does anyone want to require controls that could even raise this specter of being "forced" out of business? What is the effect and impact of "EPA's overall policy"? What does it mean? What happens if industry does not do so?

The GAO states the EPA "hopes" to use "generic measurement methods." GAO indicates that ORD "has questioned the effectiveness of this approach" which apparently "has not been tested in court cases." According to GAO, EPA officials hope that industry will accept compliance determinations based on "generic measurements" as opposed to "validated individual methods." What happens if industry does not "accept" such determinations? What are the advantages and disadvantages of this approach?

The GAO also discusses the issue of the use of categories and subcategories. The GAO shows some concern from the States and the environmentalists. However, industry comments are lacking. I note that the statute and the conference report do not restrict EPA on this issue. The GAO points out that EPA plans to establish more than 750 categories and observes that "EPA officials pointed out that the Congress, in their opinion, was aware at the time of the 1990 amendments' passage that EPA was planning to establish over 400 categories and subcategories." While I am, at the moment, uncertain whether more or less categories or subcategories are appropriate, I do not recall, at this moment, EPA ever addressing this issue in the House. Please explain when and how this information was conveyed to Congress. What are the advantages and disadvantages of more or less categories and subcategories? What is the effect or impact? Please explain how and to what extent this issue could "only validate the status quo and not result in meaningful reductions in toxic emissions."

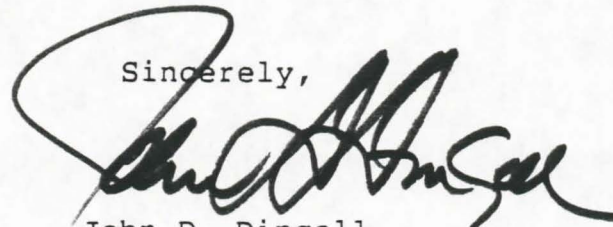
I consider this report and the issues therein very important. Thus, the Subcommittee plans a hearing on it after the Labor Day recess, during the last week of September or the first week of October. I will advise you of the date soon. The hearing will also cover the status of EPA's regulatory, study, and guidance actions for the first two years after enactment, including any delays and reasons for them, all advisory committee issues, including those covered in our letters of April 19 and April 25, 1991, all other matters under section 112, including those related to risk assessment, and issues affecting EPA budgeting in the GAO's report (B-242813) of June 18, 1991 to the Congress entitled "Environmental Protection -- Meeting Public Expectations with Limited Resources." I request that you testify, along with the GAO and possibly the Energy Department, and that you be accompanied by the Assistant Administrator for Air and Research. However, I

request your reply to this letter not later than September 10, 1991.

I am providing a copy of this letter to industry, the Natural Resources Defense Council, and the State Air Administrators for their information and review. I will also welcome their comments and views by September 10.

With best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Dingell", written over the word "Sincerely,".

John D. Dingell
Chairman
Subcommittee on
Oversight and Investigations

Enclosure

cc: Members of the Subcommittee on Oversight and Investigations

The Honorable James D. Watkins, Secretary
Department of Energy

The Honorable Michael J. Boskin, Chairman
Council of Economic Advisers

The Honorable Richard G. Darman, Director
Office of Management and Budget

Mr. Roger Porter, Assistant to the President
for Economic and Domestic Policy
The White House

The Honorable Charles A. Bowsher, Comptroller General
General Accounting Office

The Honorable F. Henry Habicht, Deputy Administrator
Environmental Protection Agency

The Honorable William G. Rosenberg, Assistant Administrator
for Air and Radiation
Environmental Protection Agency

The Honorable Eric W. Bretthauer, Assistant Administrator
for Research and Development
Environmental Protection Agency

Mr. Bradley Beckam, Chairman
State and Territorial Air
Pollution Program Administrators

Mr. Robert A. Roland, President
Chemical Manufacturers Association

Mr. Thomas Hanna, President
Motor Vehicle Manufacturers Association

Mr. Charles J. DiBona, Chief Executive Officer
American Petroleum Institute

Mr. David Doniger, Senior Attorney
Natural Resources Defense Council

Ms. Teresa Pugh, Director of Environmental Quality
National Association of Manufacturers

THE WHITE HOUSE
WASHINGTON

December 20, 1991

Dear John,

Thank you for your kind note.

For the past three years, my position as Chief of Staff offered me the unique opportunity to be a firsthand participant and witness to some of the most incredible times in our history. I was fortunate to have had this opportunity and fortunate to be in a position to contribute and have fun at the same time.

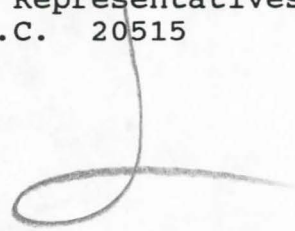
Again, thank you for taking the time to write. Nancy joins me in wishing you and your family a wonderful holiday season.

Sincerely,



John H. Sununu
Counsellor to the President

The Honorable John Dingell
U.S. House of Representatives
Washington, D.C. 20515





JOHN D. DINGELL

John —

Deborah joins me in
sending you our good
wishes at what we know
are difficult times for you.

We remain your
friends — John

iv/mi

January 27, 1992

Dear Congressman Dingell:

Your kind letter encouraging the invitation extended to Mrs. Bush by Traffic Safety Now, Inc. is greatly appreciated. X Although it is not possible for Mrs. Bush to attend, I have been in touch directly with the group to convey her gratitude for their thoughtful letter.

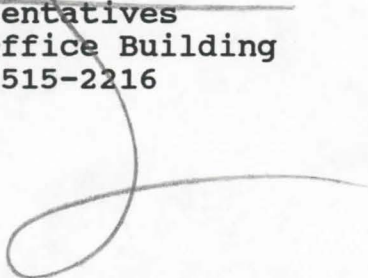
With gratitude for your interest and thoughtfulness in writing, and all best wishes,

Sincerely,

Ann Brock
Director of Scheduling
for Mrs. Bush

The Honorable John D. X Dingell
U.S. House of Representatives
2328 Rayburn House Office Building
Washington, D.C. 20515-2216

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AB-14A.pf



THE WHITE HOUSE
WASHINGTON

February 6, 1992

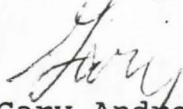
Dear John:

Thank you for your letter requesting the enclosed photograph to be signed by the President and Mrs. Bush.

Please do not hesitate to contact my office if there is ever anything else I can do for you.

Best regards.

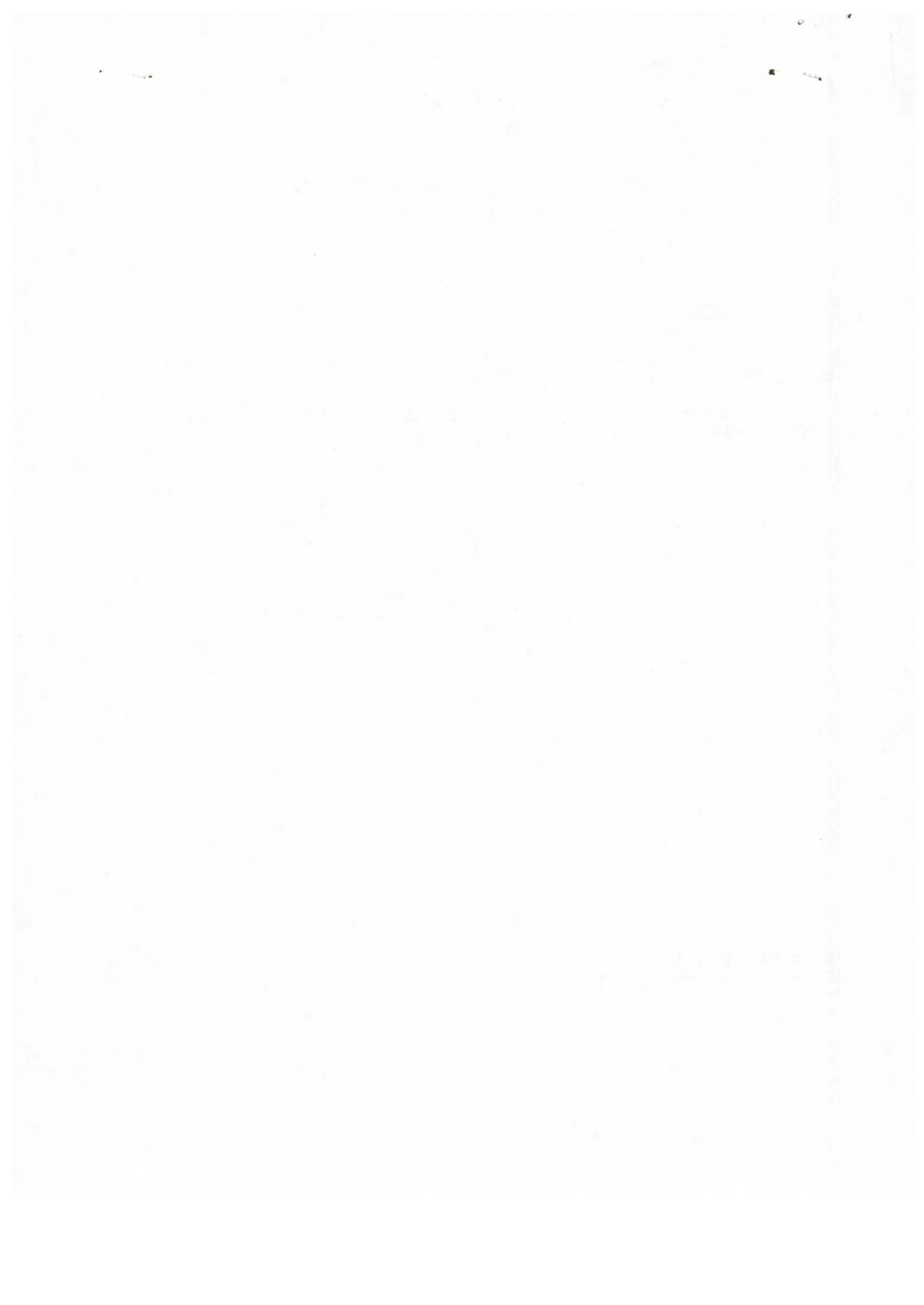
Sincerely,



Gary Andres,
Deputy Assistant to the President

Honorable John Dingell
House of Representatives
Washington, D.C. 20515





JOHN D. DINGELL
16TH DISTRICT, MICHIGAN

COMMITTEES:
CHAIRMAN
COMMITTEE ON ENERGY AND
COMMERCE
CHAIRMAN
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS
OFFICE OF TECHNOLOGY
ASSESSMENT
MIGRATORY BIRD
CONSERVATION COMMISSION

Congress of the United States
House of Representatives
Washington, DC 20515-2216

January 22, 1992

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ROOM 2328
RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-2216
(202) 225-4071

DISTRICT OFFICES:
5465 SCHAEFER ROAD
DEARBORN, MI 48126
(313) 846-1276
214 EAST ELM AVENUE
SUITE 105
MONROE, MI 48161
(313) 243-1849
IN LENAWEE DIAL
263-2422

Mr. Gary J. Andres
Deputy Assistant to the President
for Legislative Affairs
The White House
Washington, D.C. 20500

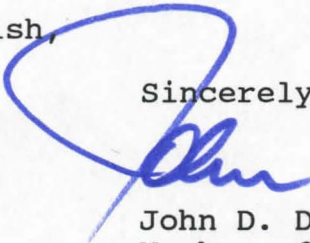
Dear Gary:

Thank you for sending me the photo from the White House Congressional Ball. If you would have it signed to Debbie and John Dingell, it would be greatly appreciated.

Thank you for your assistance with this matter. Deborah joins me in sending our warmest wishes for the new year!

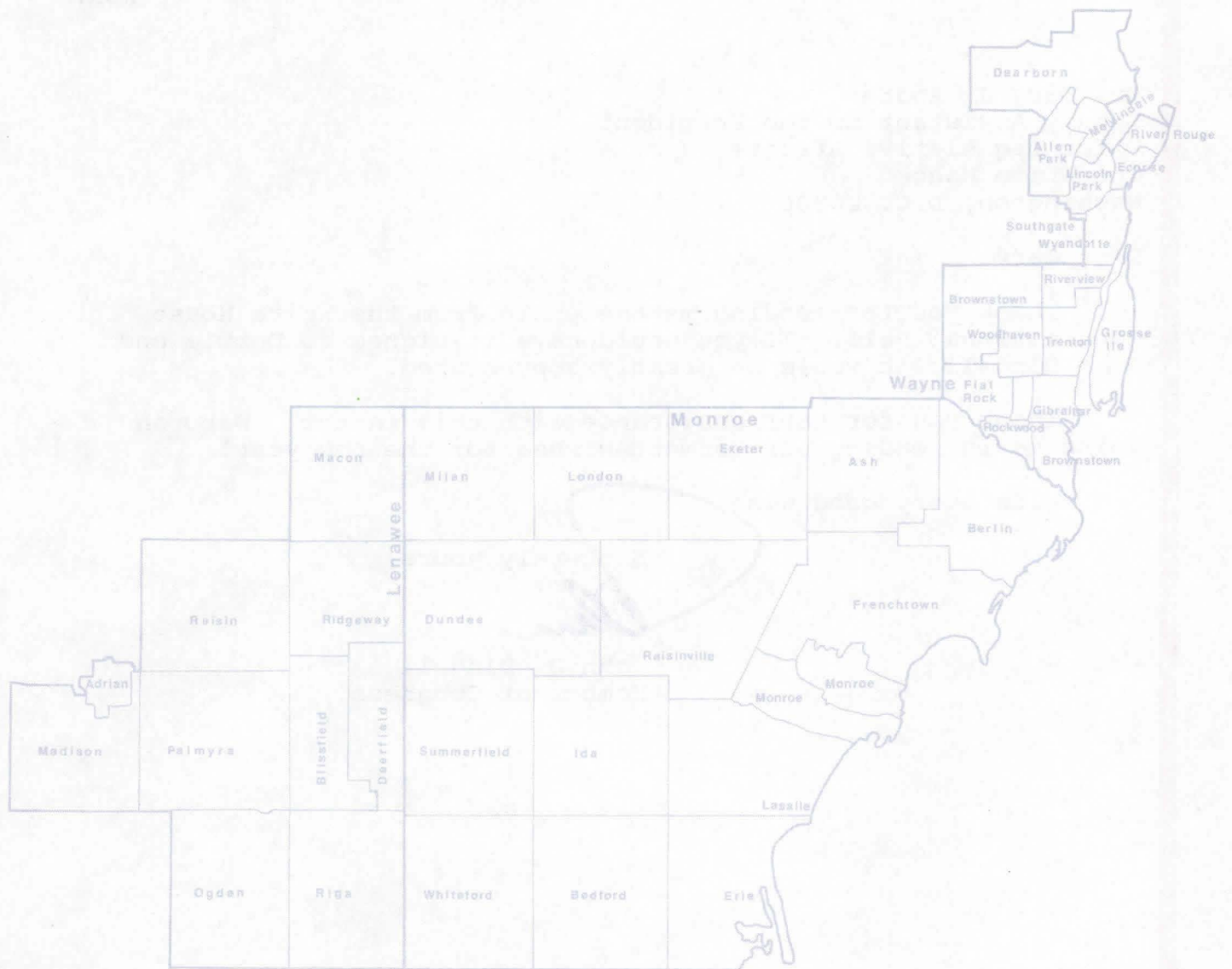
With every good wish,

Sincerely yours,



John D. Dingell
Member of Congress

cf



16th Congressional District

JOHN D. DINGELL, MICHIGAN, CHAIRMAN

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FRED UPTON, MICHIGAN

JOHN S. ORLANDO, CHIEF OF STAFF
ALAN J. ROTH, CHIEF COUNSEL

U.S. House of Representatives
Committee on Energy and Commerce
Room 2125, Rayburn House Office Building
Washington, DC 20515-6115

March 16, 1992

copies: M. Deland
A. Bromley
R. Porter
C. Kolb
T. Gorman

The Honorable James A. Baker III
Secretary
Department of State
2201 C Street, N.W.
Washington, D.C. 20520

The Honorable James D. Watkins
Secretary
Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Secretaries Baker and Watkins:

Enclosed is an exchange with several environmental organizations.

Please note the study cited by the four environmental groups. I request your views and comments on that summary and on the basis for it. To what extent do you agree or disagree?

Finally, enclosed is an amendment circulated by Congressman Henry Waxman for H.R. 776, as reported by the Energy and Power Subcommittee. While it was not offered in the full Committee markup of the bill, Mr. Waxman said he planned to offer it or another version, possibly without a 20% reduction requirement, in the House when the reported energy bill is considered. I request your view on such a proposal with and without the 20% reduction. In responding, please consider the definition and your understanding of its meaning. Could regulations be proposed and promulgated within the specified timeframe? Does the amendment provide new direction and authority for regulations? What is the meaning and effect of the phrase using "existing statutory authorities" on all the agencies of the referenced Council? Does this refer to procedural or substantive authorities, or both, or



The Honorable James A. Baker III
The Honorable James D. Watkins
Page 2

this refer to procedural or substantive authorities, or both, or does it merely mean that no new authority is granted and that these authorities, to the extent applicable, provide the sole basis for action? What is the impact of subsection (b), particularly the last sentence, and subsection (c)?

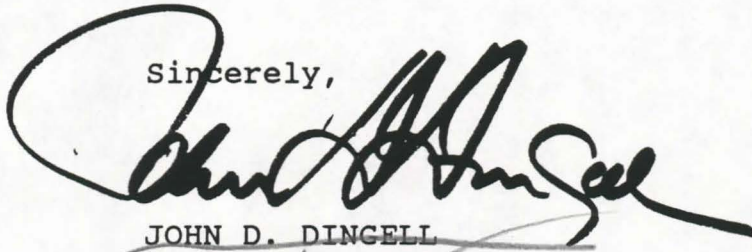
Please note in the enclosed correspondence my discussion of the term "stabilization" and explain your understanding of that term, assuming a 1990 baseline, on various economic sectors.

I request your reply by April 20, 1992. In replying, please consult with the Secretaries of Commerce, Agriculture, Treasury, and Transportation and the Environmental Protection Agency.

I welcome the comments of others from labor and industry as well.

With best wishes.

Sincerely,



JOHN D. DINGELL
CHAIRMAN

Enclosure

cc: The Honorable Norman F. Lent, Ranking Minority Member
Committee on Energy and Commerce

The Honorable Philip R. Sharp, Chairman
Subcommittee on Energy and Power

The Honorable Carlos J. Moorhead, Ranking Minority Member
Subcommittee on Energy and Power

The Honorable Henry A. Waxman, Chairman
Subcommittee on Health and the Environment

The Honorable Andrew H. Card, Jr., Secretary
Department of Transportation

The Honorable Barbara H. Franklin, Secretary
Department of Commerce

The Honorable James A. Baker III
The Honorable James D. Watkins
Page 3

The Honorable Nicholas F. Brady, Secretary
Department of the Treasury

The Honorable Lynn Martin, Secretary
Department of Labor

The Honorable Edward R. Madigan, Secretary
Department of Agriculture

The Honorable William K. Reilly, Administrator
Environmental Protection Agency

The Honorable Clayton Yeutter
Counsellor to the President for Domestic Policy

JOHN D. DINGELL, MICHIGAN, CHAIRMAN

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CLYDE C. HOLLOWAY, LOUISIANA
FRED UPTON, MICHIGAN

U.S. House of Representatives
Committee on Energy and Commerce
Room 2125, Rayburn House Office Building
Washington, DC 20515-6115

March 16, 1992

JOHN S. ORLANDO, CHIEF OF STAFF
ALAN J. ROTH, CHIEF COUNSEL

Mr. David D. Doniger, Senior Attorney
Natural Resources Defense Council
1350 New York Avenue, N.W., Suite 300
Washington, D.C. 20005

Mr. Alden M. Meyer, Director
Climate Change and Energy Program
Union of Concerned Scientists
1616 P Street, N.W., Suite 310
Washington, D.C. 20036

Mr. Daniel F. Becker, Director
Global Warming and Energy Program
Sierra Club
408 C Street, N.E.
Washington, D.C. 20002

Mr. Scott A. Hajost, International Counsel
Environmental Defense Fund
1875 Connecticut Avenue, N.W., Suite 1016
Washington, D.C. 20009

Dear Messrs. Doniger, Meyer, Becker, and Hajost:

Thank you for your jointly signed letter concerning my statement at the March 3, 1992 hearing of the Energy and Power Subcommittee on climate matters. I note that you sent a copy of your letter to all Members of the Energy and Commerce Committee. Since not all of them attended the Subcommittee hearing, I am providing them with a copy of my complete statement.

The opening paragraph of your letter quotes my statement in part. The full text of the pertinent paragraphs of my statement are as follows:

I am also concerned that some important countries, like South Korea and India, are not parties to the Montreal Protocol and the London amendments to that Protocol. It is even more important that the developing countries, which includes such large nations as China, India, Brazil, Argentina, and South Korea, become signatories to any climate agreement. Indeed, I think there is a question whether the U.S. should even consider signing such an agreement until such countries also agree to be parties to the convention. At the moment, I do not believe there is a real commitment on the part of these countries to reach agreement or to sign.

* * * *

Subject to those concerns, I thought this financial proposal by the Administration was both timely and helpful towards meeting the concerns of the developing countries and reaching agreement on a global climate convention. However, I note that the day after the announcement, the Washington Post quoted one developing country negotiator as saying that it is merely "a good PR exercise."

I find that statement quite offensive and firmly believe that the group of 77 developing countries with their three conditions for an agreement are more interested in scuttling these negotiations than in trying to achieve, in good faith, a reasonable and sound agreement. I am particularly appalled that they do not want any commitments now or in the future to control greenhouse gases. Many of the studies that I have seen indicate that the most growth of greenhouse gases will come from these countries. Unless developing countries control emissions, reductions by industrialized countries will have limited effect. In taking this position developing countries seem to want to place the blame for a lack of agreement at our doorstep rather than their own.

These are still my views based on my observation of the progress of these negotiations since their initiation. However, I hope, in fact, that real progress in the negotiations prove my observations wrong. As I have said, I want to see that "a fair, reasonable, and flexible agreement" is achieved which will protect the environment and, at the same time, "will not adversely affect the U.S. economy and its workers." The agreement should, of course, include timely commitments by the developing countries, including the "Central Planned Economies,"

that are expected, according to the Administration and others, to provide considerable growth in greenhouse gases in the future.

I appreciate your providing to me the United Nation's Press Release of February 28. It observes that the French Chairman of these U.N. negotiations said that time was short for agreement. He said agreement "is within our reach, though we have failed to grasp it so far." I believe that failure is due in part to the demands mentioned in my statement of the developing countries which have never modified.

Indeed, the December 19, 1991 edition of the environmental publication "ECO" noted:

Yesterday's session of the Intergovernmental Negotiating Committee on a Framework for Climate Change saw the developing countries 'Group of 77' disintegrate over the issue of commitments to action on climate, followed by the emergence of a 'Group of 24' lying between developing countries widely assumed to be in opposition to a Convention, and others wanting a Convention with strong commitments to cut greenhouse gases.

The Group of 24 includes Algeria, Bangladesh, Brazil, Cameroun, Chile, China, Colombia, Cuba, Gambia, Ghana, Guinea, India, Indonesia, Kenya, Malaysia, Namibia, Nigeria, Pakistan, Philippines, Sao Thome et Principe, Tanzania, Thailand, Uganda, and Zimbabwe.

It issued a 13-point statement ... calling for developing countries to 'consider taking feasible measures to address climate change', while awaiting commitments from developed countries on how they 'plan to address climate change.'

For the last week the Group of 77 (in fact 130 developing countries), which normally functions at the UN General Assembly, has been driven by internal disputes over how to handle the climate issue.

The Group was able to agree to a joint statement on general principles for a Convention only with extreme difficulty. Saudi Arabia for example, opposed 'the polluter pays' as a principle, one strongly favoured by the 35-country Alliance of Small Island States whose members face imminent threat from sea level rise.

Yesterday Mauritania, another oil producer, proved an obstacle in reaching G77 agreement, by insisting that the statement should include special demands regarding desertification.

* * * *

Observers believe that Brazil has entered the G24 to maintain 'South' momentum in the run up to the Earth Summit in Rio and counterbalance members such as China, which has raised many procedural obstacles to achieving an effective Convention.

As that article shows, China (which is a G-77 member) and other developing countries have "raised many procedural obstacles to achieving an effective Convention." The next day, the Environmental Defense Fund statement also noted delays by India and China and called them "inexcusable."

The U.N. Press release points out that a plan to limit the "buildup" of greenhouse gases "has still not been agreed by the major producers of these gases, the industrialized countries," including the U.S. It then states:

Many were ready to commit to adopting policies and measures aimed at stabilizing emissions of greenhouse gases, in particular CO₂, at around 1990 levels by the year 2000. Others opposed specific targets and timetables regarding greenhouse gas reductions.

As you point out, the U.N. Chairman believes that if there is a "breakthrough" from the industrialized countries, the "signals" from that "would, in turn, help overcome the resistance of many developing countries to participation," not in commitments, but in the "process of review of national programmes undertaken under the convention." That "resistance" against even a "review" of such programs is significant. Even so, I am glad to see that he believes that the next round of negotiations should put together the "essential components of an agreement." That is welcome news.

I note, however, your contention that there is "broad agreement," except for the U.S., "on the need for the industrial countries to agree at least to stabilize greenhouse emissions in an initial climate treaty." I am not sure, based on my understandings, that the U.S. is the only nation that may have reservations. I believe that the State Department's chief negotiator has noted at the Energy and Power hearings that other

nations have "quietly," at least, said that their initial commitments are under review. (Please note the enclosed Journal of Commerce article.)

I am not certain what it means to "stabilize," particularly in these recessionary times in the U.S. Clearly, the baseline is important and the extent of growth from the baseline is important. I understand that for some industries, like steel, stabilization could mean significant reductions that could have economic impacts. In the case of motor vehicles, if the emissions of on-the-road vehicles are counted with new vehicles, than the impact would be on new vehicles and that reduction could be great.

As to the publication "America's Energy Choices" which you cite, I have briefly reviewed the Executive Summary which provides three "alternative" scenarios, including the "Climate Stabilization" scenario "designed to achieve carbon dioxide emissions targets consistent with an effective international program to limit global warming (a 25% reduction in U.S. CO2 emissions by 2005 and at least a 50% reduction by 2030)." That is a somewhat different use of the term "stabilization."

I observe that the publication provides a "range of possible energy" policies, which include market incentives, tax credits, increases in gasoline taxes, pollution taxes, increased fuel economy standards, and other measures. There is, however, no discussion of the timeframe for adopting some or all of such policies or for implementing them or a discussion of the costs to various industries and jobs. Indeed the publication states:

It is up to the nation's energy policymakers, at all levels of government and in the private sector, to seize the opportunities outlined in this study so that our nation can realize a "win-win" energy future -- one that combines prosperity and environmental integrity. By choosing an energy future based on energy efficiency and renewable energy, we can take a giant step towards leaving our children a cleaner planet and a more sustainable way of life.

The policies needed to achieve such a future are by no means simple: they involve basic changes in the way we price energy, construct buildings, manufacture goods, and transport ourselves. Changes of this magnitude are never easy to make, but the consequences of not moving forward will be increased oil imports, increased carbon emissions, and ultimately higher costs of using energy.

Page 6

I agree they are not "simple." I am asking the Administration and others to review your document and to provide comments.

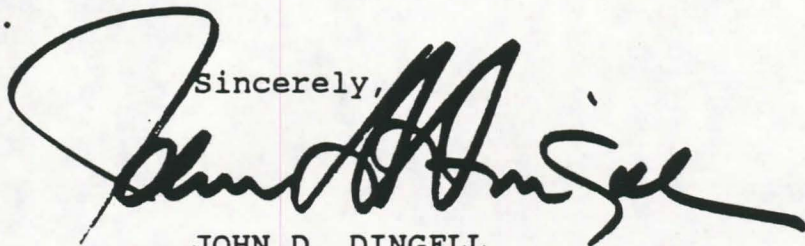
Again, I thank you for your comments. I certainly agree that both developed countries, including the U.S., and developing countries must negotiate to achieve an agreement we both can support.

At the same time, I think it important to understand carefully what all the parties to the negotiations who seek "stabilization" expect. I think the Congress and the public need a realistic assessment of both the benefits and costs of a stabilization agreement from the standpoint of the environment and the economy, including jobs.

Incidentally, I am glad to learn about South Korea's ratification of the Montreal Protocol last month. It occurs almost five years after the Protocol's signing by the U.S. -- better late than never.

With best wishes.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "John D. Dingell". The signature is fluid and cursive, with a large loop at the beginning and a long, sweeping tail.

JOHN D. DINGELL
CHAIRMAN

Enclosure

cc: Members of the Committee on Energy and Commerce

STATEMENT
BY
THE HONORABLE JOHN D. DINGELL
CHAIRMAN, COMMITTEE ON ENERGY AND COMMERCE
BEFORE
THE SUBCOMMITTEE ON ENERGY AND POWER
REGARDING
DOMESTIC AND INTERNATIONAL CLIMATE CHANGE

MARCH 3, 1992

MR. CHAIRMAN, I COMMEND YOU AND THIS SUBCOMMITTEE FOR YOUR LEADERSHIP IN THIS AREA OF DOMESTIC AND INTERNATIONAL CLIMATE CHANGE POLICY. I BELIEVE THE HEARING TODAY IS TIMELY AND WILL BE HELPFUL.

I ALSO WANT TO EXPRESS MY APPRECIATION FOR THE EFFORTS OF THE DEPUTY ASSISTANT SECRETARY OF STATE FOR ENVIRONMENT, HEALTH AND NATURAL RESOURCES, MR. ROBERT A. REINSTEIN, AND OTHERS OF THE U.S. DELEGATION WHO HAVE LABORED MIGHTILY OVER THE LAST YEAR IN AN EFFORT TO NEGOTIATE AN INTERNATIONAL AGREEMENT. YOU HAVE WORKED HARD AND WELL. I COMMEND ALL OF YOU.

CLEARLY, THIS CLIMATE CHANGE NEGOTIATION PROCESS IS A DIFFICULT ONE AND CERTAINLY NOT SIMILAR TO THE MONTREAL PROTOCOL NEGOTIATIONS INITIATED IN 1986 TO CONTROL CHLOROFLUOROCARBONS.

THE SUCCESS OF THAT ENDEAVOR CANNOT BE EASILY DUPLICATED IN THE DEVELOPMENT OF AN INTERNATIONAL AGREEMENT ON CLIMATE CHANGE.

AS THE CHAIRMAN KNOWS, I AM GENERALLY A SUPPORTER OF THE INTERNATIONAL NEGOTIATION PROCESS, ALTHOUGH MY SUPPORT IS NOT WITHOUT LIMITS. IN THE CASE OF THIS NEGOTIATION, I WANT TO SEE A FAIR, REASONABLE, AND FLEXIBLE AGREEMENT THAT WHILE PROTECTING THE ENVIRONMENT DOES NOT ADVERSELY AFFECT THE U.S. ECONOMY AND ITS WORKERS AND THAT APPLIES TO ALL COUNTRIES, NOT JUST THE INDUSTRIALIZED NATIONS.

I AM CONCERNED THAT THE EUROPEAN COMMUNITY AND OUR OTHER TRADING PARTNERS NOT BE ABLE TO TAKE ACTIONS THAT WILL HARM THE U.S. ECONOMICALLY.

I AM ALSO CONCERNED THAT SOME IMPORTANT COUNTRIES, LIKE SOUTH KOREA AND INDIA, ARE NOT PARTIES TO THE MONTREAL PROTOCOL AND THE LONDON AMENDMENTS TO THAT PROTOCOL. IT IS EVEN MORE IMPORTANT THAT THE DEVELOPING COUNTRIES, WHICH INCLUDES SUCH LARGE NATIONS AS CHINA, INDIA, BRAZIL, ARGENTINA, AND SOUTH KOREA, BECOME SIGNATORIES TO ANY CLIMATE AGREEMENT. INDEED, I THINK THERE IS A QUESTION WHETHER THE U.S. SHOULD EVEN CONSIDER SIGNING SUCH AN AGREEMENT UNTIL SUCH COUNTRIES ALSO AGREE TO BE PARTIES TO THE CONVENTION. AT THE MOMENT, I DO NOT BELIEVE THERE IS A REAL COMMITMENT ON THE PART OF THESE COUNTRIES TO REACH AGREEMENT OR TO SIGN.

I NOTE THAT OVER THE PAST YEAR THE GROUP OF 77 DEVELOPING COUNTRIES HAVE EMPHASIZED THAT --

- THE DEVELOPED COUNTRIES, SUCH AS THE U.S., THE EUROPEAN COMMUNITY, JAPAN, AUSTRALIA, AND THE NORDIC COUNTRIES, SHOULD CONTRIBUTE "NEW AND ADDITIONAL FUNDS" AMOUNTING TO BILLIONS OF DOLLARS TO AN INTERNATIONAL CLIMATE FUND, AS COMPENSATION FOR HELPING TO PROTECT THE WORLD'S ENVIRONMENT; THEY WANT TO CONTROL THE DISTRIBUTION OF THE MONEY INDEPENDENT OF EXISTING MECHANISMS;
- SUCH DEVELOPED COUNTRIES SHOULD PROVIDE "ACCESS TO TECHNOLOGIES AND KNOW-HOW REQUIRED FOR COMPLIANCE WITH THIS CONVENTION ON CONCESSIONAL, PREFERENTIAL, AND MOST FAVORABLE TERMS, TO DEVELOPING COUNTRIES"; AND
- THAT THE DEVELOPING COUNTRIES SHOULD NOT BE SUBJECT TO COMMITMENTS TO ADDRESS CLIMATE CHANGE, UNLESS THEIR INCREMENTAL COSTS ARE "MET" BY NEW, ADEQUATE, AND ADDITIONAL FINANCIAL RESOURCES BY THE DEVELOPING COUNTRIES. EVEN THEN THEY WANT MOST FAVORABLE TREATMENT.

LAST WEEK, THE ADMINISTRATION ANNOUNCED A TOTAL OF \$75 MILLION DOLLARS IN U.S. AID FOR DEVELOPING COUNTRIES. THAT IS A SUBSTANTIAL SUM, PARTICULARLY AT A TIME WHEN OUR NATION IS IN RECESSION AND OUR BUDGET DEFICIT IS ASTRONOMICAL AND WHEN MANY IN THIS COUNTRY ARE QUESTIONING OUR PRIORITIES IN PROVIDING ANY

FUNDS FOR OTHER NATIONS AT A TIME WHEN OUR DOMESTIC NEEDS ARE SO GREAT. INDEED, IT IS NOT CLEAR TO ME WHAT THE SOURCE OF THIS \$75 MILLION IS. ARE OTHER PROGRAMS GOING TO BE CUT TO PROVIDE THIS SUM? I CLEARLY WANT TO KNOW IF THERE WILL BE CUTS IN PROGRAMS OR AGENCIES UNDER THE JURISDICTION OF THIS COMMITTEE AND THE IMPACT ON THOSE PROGRAMS AND AGENCIES.

SUBJECT TO THOSE CONCERNS, I THOUGHT THIS FINANCIAL PROPOSAL BY THE ADMINISTRATION WAS BOTH TIMELY AND HELPFUL TOWARDS MEETING THE CONCERNS OF THE DEVELOPING COUNTRIES AND REACHING AGREEMENT ON A GLOBAL CLIMATE CONVENTION. HOWEVER, I NOTE THAT THE DAY AFTER THE ANNOUNCEMENT, THE WASHINGTON POST QUOTED ONE DEVELOPING COUNTRY NEGOTIATOR AS SAYING THAT IT IS MERELY "A GOOD PR EXERCISE."

I FIND THAT STATEMENT QUITE OFFENSIVE AND FIRMLY BELIEVE THAT THE GROUP OF 77 DEVELOPING COUNTRIES WITH THEIR THREE CONDITIONS FOR AN AGREEMENT ARE MORE INTERESTED IN SCUTTling THESE NEGOTIATIONS THAN IN TRYING TO ACHIEVE, IN GOOD FAITH, A REASONABLE AND SOUND AGREEMENT. I AM PARTICULARLY APPALLED THAT THEY DO NOT WANT ANY COMMITMENTS NOW OR IN THE FUTURE TO CONTROL GREENHOUSE GASES. MANY OF THE STUDIES THAT I HAVE SEEN INDICATE THAT THE MOST GROWTH OF GREENHOUSE GASES WILL COME FROM THESE COUNTRIES. UNLESS DEVELOPING COUNTRIES CONTROL EMISSIONS, REDUCTIONS BY INDUSTRIALIZED COUNTRIES WILL HAVE LIMITED EFFECT. IN TAKING THIS POSITION DEVELOPING COUNTRIES SEEM TO WANT TO

PLACE THE BLAME FOR A LACK OF AGREEMENT AT OUR DOORSTEP RATHER THAN THEIR OWN.

I HOPE THAT I AM WRONG AND THAT ALL OF THE COUNTRIES WILL WORK TOGETHER IN THE REMAINING FEW WEEKS TO RESOLVE THEIR DIFFERENCES AND REACH AGREEMENT ON A SOUND CONVENTION THAT WE CAN ALL BE PROUD OF. HOWEVER, I AM NOT OPTIMISTIC.

MOREOVER, I DO NOT WANT TO SEE THE ADMINISTRATION AND MR. REINSTEIN AGREEING MERELY TO GET AN AGREEMENT FOR AGREEMENT'S SAKE OR FOR POLITICAL REASONS. THE DEADLINE IS THE CONFERENCE IN RIO DE JANEIRO IN JUNE. HOWEVER, THAT IS AN ARTIFICIAL DEADLINE WHICH WAS SET BEFORE MOST UNDERSTOOD THE DIFFICULTIES AND COMPLEXITIES INVOLVED IN REACHING AN AGREEMENT.

H.R. 776

AMENDMENT

OFFERED BY MR. WAXMAN

Page 385, after line 11, insert:

1 SEC. 1107. STABILIZATION AND REDUCTION OF CO₂ EMIS-
2 SIONS.

3 (a) REGULATIONS.—Not later than 2 years after the
4 enactment of this Act, the President shall promulgate final
5 regulations that will achieve stabilization of CO₂ emissions
6 by January 1, 2000, and that will achieve a 20-percent
7 reduction in CO₂ emissions by January 1, 2005. The reg-
8 ulations shall, to the maximum extent practicable, use ex-
9 isting statutory and administrative authorities of the
10 members of the Interagency Coordinating Council to
11 achieve such stabilization and reduction. Such regulations
12 shall be proposed within 1 year after the enactment of this
13 Act.

14 (b) PROGRESS DETERMINATIONS.—Not later than 4
15 years after enactment of this Act and at 2-year intervals
16 thereafter, the Administrator of the Environmental Pro-
17 tection Agency shall conduct an evaluation of the progress
18 made pursuant to the regulations promulgated under this
19 section and submit a report to the Congress containing
20 the results of such evaluation. Each such evaluation shall

1 contain a determination whether such regulations will
2 achieve the stabilization and reduction required under sub-
3 section (a). If the Administrator determines that such reg-
4 ulations will not achieve such stabilization and reduction,
5 the President shall, within 1 year after such evaluation,
6 promulgate additional regulations that will achieve such
7 stabilization and reduction.

8 (c) CITIZEN ACTION.—Any person may bring an ac-
9 tion in the United States District Court for the District
10 of Columbia against any officer of the United States where
11 there is an alleged failure by such officer to perform any
12 act or duty under this section which is not discretionary
13 with such officer. The United States District Court for
14 the District of Columbia shall, without regard to the
15 amount in controversy or the citizenship of the parties,
16 issue such orders as may be necessary to assure that such
17 officer performs such act or duty.

18 (d) DEFINITIONS.—The term 'stabilization of CO2
19 emissions' means the achievement and maintenance of a
20 level of aggregate annual CO2 emissions from all anthro-
21 pogenic sources of such emissions in the United States at
22 a level which does not exceed the aggregate level of such
23 emissions in the United States from such sources in 1990.
24 The term "20 percent reduction in CO2 emissions" means
25 the achievement and maintenance of a level of aggregate

1 annual CO2 emissions from all anthropogenic sources of
2 such emissions in the United States at a level which does
3 not exceed 80 percent of the aggregate level of such emis-
4 sions in the United States from such sources in 1990.

EC Environmental Policy Draws Ire of Industry

CONTINUED FROM PAGE 1A

tested they simply can't afford costly environmental programs.

The most telling argument against higher fuel taxes has come from EC industry, which warns its competitiveness on world markets will be eroded unless Japan and the United States make similar efforts to curb carbon dioxide emissions.

Executives from three major chemical companies, Britain's ICI, Akzo of the Netherlands and Dow Europe, visited Brussels last week to warn the commission against levying a unilateral energy tax.

Quite apart from reducing Europe's ability to compete, unilaterally raising the basic cost of energy isn't an effective way to protect the environment, says the European Chemical Industry Council (Cefic).

The chemicals industry, meanwhile, is pressing the commission to stand firm in its bid to liberalize the EC's protected gas and electricity sectors.

EC energy ministers will discuss a commission proposal to gradually open the EC energy market at a meeting scheduled for April. Most governments have objected to parts of the plan.

Unlike the EC's green initiatives, this proposal, paving the way to free cross-border competition in energy, would drastically reduce industry's costs, by an estimated \$25 billion a year.

The commission appears to be having second thoughts about the

Aware that its policies are unraveling fast, the commission is applying psychological pressure on member states to stand up to their industrial lobbyists.

carbon tax. Reversing his earlier stance, Mr. Ripa di Meana has said it is likely to be introduced only if the United States and Japan take similar measures.

The commission earlier planned to ensure EC industry didn't suffer a competitive advantage through exemptions to energy-intensive sectors such as chemicals.

This has put a big question mark over the EC's ability to "go it alone."

Brussels' bid to boost the use of biofuels, made from farm products, also has drawn a skeptical response. The oil industry said the commission has underestimated the technical obstacles, while the green lobby claims it would entail intensive farming methods that would damage the environment.

Meanwhile, the EC's well-publicized commitment to the environment has been undermined by its inability to decide, after two years of debate, where to establish a planned European Environmental Agency.

France is blocking a decision until it gets iron-clad guarantees that Strasbourg will remain one of the EC's capitals along with Brussels and Luxembourg.

The commission's campaign to drive freight from the road hasn't impressed the transport industry either. Only 14.4% of all freight now moves by rail, down from 18.4% in 1984, while trucks move 78.5% of all goods, up from 69.1%. Only 9.1% of cargo moves via inland waterways.

Rival systems like rail and inland waterways lack the flexibility of trucking, say shippers. Moreover, Europe simply can't afford the massive infrastructure investments required to sharpen the challenge of barge and rail companies.

Directionless Market Leaves Dollar Trading Mostly Lower

Knight Ridder Financial

NEW YORK — The U.S. dollar was trading mostly lower early Monday afternoon in an almost directionless market with very little activity.



Basically, market participants were disappointed that Friday's February U.S. employment numbers were too mixed to push the dollar through resistance at 1.68 deutsche marks, despite three tries, dealers said.

At the start of a week with few economic reports, the dollar was trading "sideways" in a very quiet market Monday.

Dealers said there was demand for cheap dollars, enough to provide a base, but no strong force to provide the firm tone needed to extend the February rally.

Part of the timidity was due to Friday's dollar-selling intervention by the Swiss National Bank, which raised concern that central banks might sell the dollar again.

The Bank of Japan sold dollars repeatedly in mid-February, with help from the Federal Reserve.

The yen was also on the soft side because of expectations the Bank of Japan will lower interest rates soon to stimulate the Japanese economy and help the slumping Tokyo stock market.

Otherwise, dealers said the market was in slow-motion, and there was nothing on the horizon to speed it up.

"It's just lethargic, directionless," said Hugh Walsh, dealer at ABN-Amro Bank. "And there are no big numbers this week to influence trading, to get us out of this rut."

Thursday, February's U.S. retail sales report will be released. It's forecast to show a rise of 0.7%, which would be the third increase in as many months. Such a rise would be enough to suggest ongoing growth but not enough to lift the dollar, analysts said.

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Ford Motor Hopes to Land \$550 Million Export Pact

TORONTO — Ford Motor Co. has bid for a \$550 million deal to build 65,000 cars in Canada to be used as taxis in Argentina in what would be the largest export sale in Ford's history, a Ford Canada spokesman said Monday.

Ford's North American automotive operations unit made the bid, and Ford Canada's Oakville, Ontario, plant would supply the vehicles, James Hartford of Ford Motor Co. of Canada Ltd. said.

Mr. Hartford said discussions are under way for the sale of another 60,000 cars, which would bring the total order to more than \$1 billion.

The only thing missing from the deal, Mr. Hartford said, is the financing, which is being worked out

FOREIGN EXCHANGE

Quotations, provided by Citibank, New York, Foreign Exchange Desk, are offered rates of New York City banks relating to currency transfers of \$1 million or larger. Foreign currency values are expressed in terms of currency units per dollar unless otherwise noted. To obtain the comparable dollar value, for those rates not quoted in dollars, divide into one. For example, when one U.S. dollar buys 6.9675 French francs, one dollar divided by 6.9675 francs equals \$1.448 or 14.48 U.S. cents per franc.

Mon., March 8, 1988

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FACTS

Reports
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TODAY

CALF

Chemical industry expects to see a further decline in demand for methylene chloride as tougher controls on the chemical are implemented. 7A

ANCE

Supreme Court upheld a new law requiring employers to pay nearly \$25 million in damages that had been withheld from laid-off workers. 9A

TIME

International Maritime Carriers Association says that the Singapore bulk operator, is Singapore its operations, thanks to a new tax rate. 1B

Being proposed as the most-effective way to handling traffic across Puget Sound would strangle Port of Seattle's shipping traffic, one executive said. 5B

TRUCK

Truckers strike against the Interstate Rail Corp.'s intermodal terminals has yielded its casualty: the carrier's intermodal terminal. 3B

E

Arab officials want to open regional stock markets to Arab investors. The \$670 million Arabs hold overseas. 5A

MNS

and McLymont
Talk 5A

M. Nevier
utures Outlook 7A

DRIAL

Can devise a competition-based timber sales program that serves its goal of forest management. 8A

INDEX

See Page 2A

Petroleum Prices

See Page 2A

EC Industry Criticizes Environment Initiative

Competitiveness Loss Feared

By BRUCE BARNARD

Journal of Commerce Staff

BRUSSELS, Belgium — The European Community Commission's environmental policy is falling apart as it bids to wrest the "green" initiative from the United States and Japan.

The EC's executive is putting the final touches to its so-called green dossier before world leaders gather at the June "Earth Summit" in Rio de Janeiro.

The quest for credibility has resulted in three interrelated initiatives that have drawn fire from

ANALYSIS

European industry and a begrudging response from EC governments, which have the final say.

The most controversial move is a proposal for an EC energy tax that would be equivalent to a \$10 markup on the price of a barrel of crude oil by the year 2000.

The flanking measures are tax breaks to boost the production of environmentally friendly "biofuels" such as ethanol, and tax measures to drive freight from the roads to greener modes of transport like railroads and inland waterways.

Aware that its policies are unraveling fast, the commission is applying psychological pressure on member states to stand up to their industrial lobbyists, which fear that the application of such policies represents an additional cost that could cripple them in the international marketplace.

Carlo Ripa di Meana, EC environment commissioner, has threatened to boycott the Earth Summit unless the EC backs his \$10 a barrel energy tax and other proposals.

Jacques Delors, EC Commission president, is also considering withdrawing from the Rio meeting.

EC environment and energy ministers have conditionally supported Mr. Ripa di Meana's tax with its aim of restricting the community's carbon dioxide output at 1990 levels by the end of the century.

But ministers worry whether the planned compensatory tax cuts will be sufficient to limit the financial burden on EC industry.

The EC must also resolve the sensitive issue of how much flexibility should be granted to member states in sharing the burden. The poorer southern states have pro-

SEE EC, PAGE 2A

Proposed Single-Stage Orbit Vehicle

Cost:
\$58.9 million

Description:
A reusable orbital vehicle designed for vertical take-off and landing in a 50-foot area. Able to boost 20,000 pounds to low earth orbit. Fuel is liquid oxygen and liquid hydrogen.

Mission:
Low-cost transfer of people and cargo to and from space.



Prototype of Rocket Fires Up Northwest Air

By MARK MAGNIER

Journal of Commerce Staff

SINGAPORE — Northwest Airlines has expressed interest in a prototype rocket system that eventually could shuttle passengers and cargo between any two points on Earth in 40 minutes.

McDonnell Douglas Corp. is building the rocket system for the Strategic Defense Initiative.

As fantastic as the idea sounds, officials at the Pentagon's SDI office and McDonnell Douglas say major advances in composite materials and propulsion systems over the past decade could see the rocket flying within the next several years.

"The reason we're interested is, I suppose, as the longest-running carrier across the Pacific, we're intimately aware of the distances," said Jon Austin, a Northwest spokesman. "From Minneapolis to Narita, it's 14 or 15 hours for passengers, and that is a long time."

The new prototype rocket system, known as the MD-X military or the Delta Clipper commercially, probably would start out in more traditional roles transporting satellites or military payloads into orbit.

If Northwest did acquire the Delta Clipper, it probably would use it initially for passenger traffic because of its relatively small payload. Mr. Austin said. The Delta Clipper would carry up to only 20,000 pounds, compared with as much as 250,000 pounds for a Boeing 747 freighter.

But Mr. Austin also said the market for specialized, high-margin freight has surprised skeptics in the past.

"They said the same thing about Federal Express," he added. "Who is going to have something so important it has to be there overnight? We could easily be surprised by how large a market will develop."

The United States hopes eventually to bring down the cost of boosting a payload into orbit to about \$300 a pound from its current \$3,600.

McDonnell's Space Systems Division based in Huntington Beach, Calif., beat out Rockwell International Corp. and General Dynamics Corp. last August to snag the \$58.9 million contract for the Pentagon.

The contract calls for McDonnell to build a 40-foot-high demonstration model Delta Clipper within two years, said Lt. Col. Pat Ladner, manager of the Single Stage Rocket Technology program for the SDI office. The test is scheduled for the spring of 1993 at White Sands, N.M.

The prototype is expected to take off vertically, fly to 30,000 feet and

SEE PROTOTYPE, PAGE 10A

