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Subgroup/Office of Origin: Council on Environmental Quality
Series/Staff Member: Kathleen (Katie) McGinty
Subseries:

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Folder Title:
Chronological Files: Chronological File December 1993

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THE WHITE HOUSE

WASHINGTON

December 1, 1993

MEMORANDUM TO TOM O'DONNELL

FROM: Marc Chupka

cc: Katie McGinty

SUBJECT: Economic Report of the President

Thank you for giving us Chapter 5 for review; I have provided line edits in the draft. Its refreshing to read a chapter from the ERP that is not premised on mindless worship of laissez-faire ideology.

My primary comment is organizational. The Chapter starts out well by giving a rationale for government intervention that can "reduce costs to society, place goods and services into the hands of those who value them the most, and maximize the increase in social well being that derives from trade." This is a good general list -- why don't you use it (or a variant) to motivate the examples in the chapter? By the time the reader gets past regulatory review, the chapter degenerates into a laundry list of good microeconomic policy without harkening back to themes established on the first page. It would be better to establish the main themes (like the three listed above) then use those as subheadings for the remainder of the chapter, with the specific policies as examples. This would place the selected policies into context and make Administration policy appear less scattershot. As an alternative, you could have major headings in issue areas (environment, competition, income...) and label examples with the overall themes.

For example, discussing the Climate Change Action Plan as insurance would be "reduce costs to society" since the insurance function could be viewed in the context of least cost from an expected value/risk viewpoint. The parking cash-out, on the other hand, would be in "place goods and services into the hands that value them most" category, since removing the distortionary tax subsidy would cause commuters to find that they actually value the cash more than the employee provided perk. Allowing seasonal gas use as pollution control strategy that simultaneously reduces compliance costs and cuts CO₂ would be an example of "reduced costs to society" (this policy could be featured more prominently in the chapter.)

Unfortunately, the section on joint implementation is so badly mangled and so "off message" from the politics of the Climate Change Action Plan, that it must be completely excised or else substantially rewritten. My preference is to drop it altogether -- joint implementation is a great concept, but we are taking it slow from a policy standpoint and highlighting such a tentative step in the ERP might not be justified. If you believe that it merits inclusion in the ERP, I would gladly provide a rewrite, or else work closely with your staff on acceptable text.

As we discussed, I would like to peek at Chapter I, and would like to follow up on the discussion that Laura Tyson had with the VP. Also, a brief discussion or box on Green GDP could help put some of the macroeconomic picture in perspective; I know that the VP would like to see some mention of this, and Tyson's letter to Panetta supported the Green GDP project at BEA. Some environmental themes could be woven into general economic discussions, and the Clinton Administration's first ERP provides a good opportunity to distance ourselves from our predecessors. We'd like to help.

Call me at x6551 if you have any questions.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM
December 2, 1993

To: Bo Cutter
From: Katie McGinty
Re: Agenda for Superfund Principles meeting

Bo--
Please look this over and let Linda Breggin (x6224) know if you want any changes made, including changes in who is making presentations.

Thanks.

AGENDA

Brief opening McGinty and Cutter (10 minutes)

Issue #1 Remedy Selection
McGinty opens (3 minutes)
EPA presentation (5 minutes)
NEC presentation (5 minutes)
Deliberations (25 minutes)

Issue #2 Liability
Cutter opens (3 minutes)
Treasury presentation (5 minutes)
EPA presentation (5 minutes)
Deliberations (25 minutes)

Issue #3 Municipal Liability
McGinty (3 minutes)
EPA (5 minutes)
CEA (5 minutes)
Deliberations (15 minutes)

cc: Heather Ross
Peter Yu

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: Doug Hall
Kate Kimball
Randy Hardy
Steve Wright
Ed Dickey
Lois Schiffer
Betsy Reike
David Cottingham
Bob Davisson

FR: Will Stelle 
Office on Environmental Policy

RE: Preliminary Meeting on Salmon Issues

DATE: 2 December 1993

I would like to meet with you or your designee on Monday, December 6th from 11:30 to 1:00 in room 5804 of the Department of Commerce. The purpose of the meeting is to discuss in a smaller group several of the issues that we will also be addressing on Wednesday in the larger Pacific Salmon Working Group. They include issues relating to the pending litigation and the mechanics of the upcoming consultations.

cc. K. McGinty

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: Ricki Seidman

FR: Will Stelle 
OEP

RE: San Francisco Dredging

DATE: 2 December 1993

Katie McGinty and Tom Epstein asked me to send you the following suggestions on announcing the successful conclusion of an agreement on the dredging project for the Port of Oakland.

Substance. As you may recall, the President promised last August in his visit to the Naval Supply Center to break the gridlock on this project and make it happen. In fact, it is two projects, one that dredges the harbor for the Port (jobs, economic growth, etc) and the other a wetlands restoration project (using the dredged materials) that will make the enviros happy and get them to support the overall effort. (Basic message: jobs/ environmental protection/ I promised and I delivered/ the sounds of gridlock breaking.)

Since August, we have been working to work things out, and we now have an agreement among the Federal and state agencies on the regulatory side that will allow this project to proceed. On the funding side, we have also gotten the Nature Conservancy to serve as the wetlands project sponsor, the Port to contribute \$2 million for the local share of the wetlands project, and the remainder of the local funding to come from the state and other sources. Dellums' office has been instrumental on the funding side. We are ready to announce that it's a go.

Roll-out. This is a big deal locally and we should play it up. Dellums is very enthusiastic that we've worked it out and both he and Senator Feinstein might want to participate in an announcement. The Administration should ideally also be represented because it's a winner and our participation adds more throw-weight to the announcement. We thought that announcing it before the end of the year is best, and in the event the President's can't schedule it, then Secretary Brown could join with Dellums in a joint announcement. There is also the possibility of a satellite hookup with the PODUS during the event.

Lorraine is speaking with Dellums office about this, but I do not know of Secretary Brown's schedule.

Please advise if you need more.

cc. K. McGinty, T. Epstein, L. Miller

your copy

THE WHITE HOUSE
WASHINGTON

December 2, 1993

MEMORANDUM FOR SECRETARY MIKE ESPY
DEPARTMENT OF AGRICULTURE

FROM: KATIE MCGINTY
OFFICE ON ENVIRONMENTAL POLICY

SUBJECT: NORTHWEST TIMBER SALES

I want to ask your assistance in accelerating progress in completing the biological assessments that need to be completed in order for the timber sales we negotiated with the environmental plaintiffs in the Pacific Northwest to proceed. My understanding is that the analysis has been completed on approximately half of the sales, but the remainder will not be completed for several months.

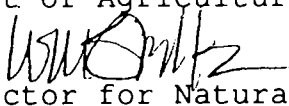
As you know, the President has made a strong commitment to move on these timber sales as expeditiously as possible. Any help you could provide in freeing the resources necessary to accomplish this goal would be greatly appreciated. Thank you for all your assistance to date, and I appreciate any additional assistance you can offer.

cc: Jim Lyons

bcc: Tom Collier

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: Keith Collins
Acting Assistance Secretary for Economics
U.S. Department of Agriculture

FR: William Stelle 
Associate Director for Natural Resources
Office on Environmental Policy

RE: Representation of USDA on Floodplain
Management Committee

DATE: 3 December 1993

In the wake of the 1993 midwest floods, the Administration has convened an Interagency Task Force on Floodplain Management which is chaired by this office, USDA and the Office of Management and Budget. The Task Force is convening a core group of seasoned staff from each of the participating agencies (Army, DOI, EPA, FEMA and the USDA) to undertake an intensive review of floodplain management issues on the Upper Mississippi River Basin, and each of the agencies have by and large made their assignments. The expectation is that this core group will begin full time work on the review at the beginning of January, and that it will be completed by May 1st. A longer description of the effort is attached for your review.

We request that you assign Ms. Margriet Caswell of the Economic Research Service to serve as one of the representatives of the USDA in this core group. The Council on Economic Advisors here in the White House is leading the effort to assemble a small group of economists to serve on the core group, and they have highly recommended Ms. Caswell. The complicated valuation issues that arise in floodplain management go to the heart of many of the major policy issues that we will be addressing, and her participation will be greatly appreciated.

I had earlier sent this request to Mr. Jim Lyons in his capacity as the co-chair of the Task Force. My apologies for the error in not directing it to you simultaneously.

I look forward to hearing from you and want to thank you in advance for your cooperation.

cc. K. McGinty
TJ Glauthier
J. Lyons
E. Lichtenberg

THE WHITE HOUSE

WASHINGTON

December 3, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FROM: KATIE MCGINTY *ms*

SUBJECT: Encouragement of Russian Actions Against Tiger Poaching and Trade

In preparation for your upcoming meetings with Russian officials, I have developed the following talking points for you to use to encourage Russian efforts to halt illegal wildlife trade and protect the Siberian tiger.

Background

Information from Russian and American scientists that there may be no more than 250 Siberian tigers remaining in the wild have raised grave concerns with the World Wildlife Fund and other groups. The CITES Standing Committee has urged all parties to consider a number of strong actions, including the use of trade sanctions, against tiger-consuming countries. In a November 22 report to Congress, the President addressed the poaching of tigers fueled by demand for tiger bone in Chinese and Taiwanese medicine markets and stated that unless China and Taiwan "demonstrate measurable, verifiable and substantial progress by March 1994" toward eliminating the trade, import prohibition will be necessary. However, it is unclear whether this alone will halt the extinction of the Siberian tiger unless Russian authorities also act to stop the poaching.

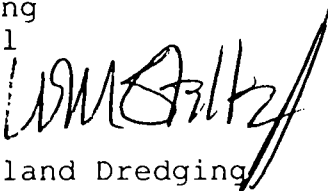
Talking Points

- o Recent calls for action directed by the CITES Standing Committee and the US at nations that consume tiger parts are critical, but they may not be enough to save your dwindling tiger population unless it is accompanied by a crackdown on poachers in Siberia. Scientists and conservationists warn that the remaining Siberian tiger population could be dealt a blow this winter from which it might never be able to recover.
- o We strongly support any efforts which your government and the provincial authorities can make to prevent another slaughter of tigers this winter. If there is any way in which the US government or non-governmental organizations might be able to assist you in these efforts, please let us know.

[Prepared by: Daniel Blank]

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: Morgan Rees
Russ Earnest
Chantale Wong
Kate Kimball

FR: Will Stelle 

RE: Port of Oakland Dredging

DATE: 3 December 1993

I am writing to ask that you convey to your regional people our thanks for all their efforts to resolve successfully the regulatory and financial issues associated with the dredging project and the Sonoma Baylands project. The President today wrote to Dellums on it, and we have received several notes from him as we have progressed. He is very happy with the outcome, and asked that we convey to the regional people our thanks for their good works.

cc. K. McGinty
C. Zoi
Melinda Yee

THE WHITE HOUSE
WASHINGTON
December 3, 1993

Dear Mr. Chairman:

Several months ago I pledged to you and the people of northern California that I would do everything possible to achieve a final resolution of the maze of issues that have for too long tied up the dredging project of the Port of Oakland -- a project that is so vital to the long-term economic wellbeing of the region. I am very pleased to inform you that after several months of hard work, we have now successfully concluded just such an agreement, and I want personally to thank you for all you have done to make this possible.

This agreement represents the best of government and local communities working to create jobs, foster solid economic growth and enhance the protection of the environment. Since the early 1970s, the need for expansion of the harbor was widely recognized as a cornerstone of growth for the region. Yet for years the effort has been tied up in a web of red tape and gridlock. We have now solved the unanswered regulatory issues and devised a creative financing package that will allow us to expand access to the Port and undertake a major wetlands enhancement project.

The people of California, the Port of Oakland, and all of the local participants have achieved a remarkable success for which they deserve great credit. It is model of cooperative problem solving that marries jobs and environmental enhancement and that should stand as a model for our future efforts. And once again, I want particularly to thank you for all your efforts in making this such a success.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bill", with a stylized, cursive flourish.

The Honorable Ronald V. Dellums
Chairman
Committee on Armed Services
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

December 4, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY *Katie McGinty for*
CC: THOMAS MCLARTY
SUBJECT: OEP WEEKLY REPORT

PORT OF OAKLAND DREDGING

OEP completed its efforts to reach an agreement among the agencies that would allow the Port of Oakland project to go forward with dredging and wetlands enhancement by the end of next year. The agreement consists of resolving the outstanding regulatory issues (how to conduct the environmental reviews in time and settle certain disputes on mitigation issues). It also contains a highly attractive solution to the local cost-sharing funding problem with a cooperative financing scheme between the environmental community, the Port of Oakland and the state. Congressman Dellums is extremely pleased with your success and announced it at a Chamber of Commerce speech this morning (Friday).

FINANCIAL TIMES ARTICLE

"One in Four Farm Animal Breeds in Danger of Extinction" -- Over a quarter of the 4,000 breeds of animals used for food and agriculture are in danger of becoming extinct, warns a report by the Food and Agriculture Organization (FAO) of the United Nations. If only 5 percent of the breeds are being lost every year says the FAO, "the average loss could be about one breed a week." The most endangered species are in Europe, and a large number of these breeds are under threat because of their perceived lack of economic competitiveness. While in Asia and the Pacific, the report details 51 breeds at risk, the breeds at risk in Northern America include Florida Cracker cattle and Imperial Sheep. Animal production contributes about 30 percent to the total value of food and agriculture, and diversity of farm animals is vital for food production for future generations.

FEDERAL FLEET CONVERSION TASK FORCE

The Federal Fleet Conversion Task Force report will be presented to you in a ceremony December 9. Secretary O'Leary and Gary Mauro will make remarks, and the Vice President may introduce you. OEP, with OMB and DOE input, is developing a program to implement the Task Force recommendations.

SUPERFUND

A meeting of the principals was held this week to discuss two Superfund reauthorization issues that the interagency policy committee has not resolved: 1) the role of cost in setting cleanup standards; and 2) the reform of the liability scheme. The principals reached a tentative agreement on the approach that the Administration should take to reduce the cost of cleanups at Superfund sites. Up to an additional two weeks will be needed, however, to fully develop the proposals that are under consideration for reforming the Superfund liability scheme. As soon as the proposals on liability reform are complete, you will be provided with a decision memorandum.

DIRECTOR'S MEETINGS

THIS WEEK

- 11/29 Meeting with the Consortium for International Earth Science Information on environmental technologies.
- 11/29 Intra-White House meeting on ethanol.
- 11/30 Environmental Science and Technology; press interview on current status of Administration's environmental policy.
- 11/30 Greenwire; press interview on general environmental issues.
- 11/30 Interagency meeting on current status of Forest Plan strategy.
- 12/1 Chaired Interagency Taskforce on Environmental Flood Recovery.
- 12/1 Briefing for industry representatives and staff of Senator Baucus and Congressman McDermott on environmental technology export proposal for the Pacific Northwest.

NEXT WEEK

- 12/6 Business Week; press interview regarding Superfund Reauthorization.
- 12/6 Meeting with American Petroleum Institute representatives regarding ethanol and reformulated gas.
- 12/7 Luncheon speech to the Chemical Manufacturing Association in New York City.
- 12/8 Luncheon speech to World Wide Network on women, development and population issues.

THE WHITE HOUSE
WASHINGTON

December 5, 1993

MEMORANDUM FOR KATIE MCGINTY

FROM: TREY LINDSETH 
SUBJECT: CORRESPONDENCE REPORT

From Friday, October 29, through Thursday, December 2, we received the following letters:

	PRO	CON
President's Forest Management Plan -- enviro (permanent reserves), industry	85	0
Recycling Info	4	0
Strengthen pesticides regulations	1	0
Ethanol -- include in RFG Program	4	0
Animal Damage Control program	0	7
Ward Valley -- enviro, industry	3	0
Solid Waste Interstate Transport	2	0
CAFE -- higher standards	0	1
Grazing, land reform	5	0
Superfund -- enviro, industry	0	5
Montana Wilderness Act	0	1
Pacific NW Salmon -- enviro, not enviro	0	3
Strengthen chlorine regulations	1	0
Wetlands policy	0	2
US Forest Service Chief political appointee	0	2
Lori Bodi, regional NMFS appointment	2	0
Environmental Technology		1
Information requests		2
Thanks info/article		11
Miscellaneous topics		10
TOTAL:	152	

In the past several weeks, we received the following calls:

145 calls in support of ethanol's inclusion in the RFG program

1 call in opposition to ethanol's inclusion in RFG program

2 calls in opposition to sufficiency language - Forest Plan

2 calls in support of high CAFE standards

1 call in support of NAFTA

2 calls in support of the Chlorine Free Discharge Act

3 calls in support of HR 2866 - Headwaters Forest Bill

8 calls in opposition to HR 2866 - Headwaters Forest Bill

I have sent out:

129 letters of thanks for help w/ CCAP

96 letters regarding the Forest Management Plan

37 letters from the VP to VIPs

13 letters of thanks for help w/ Recycling EO

5 letters of thanks for help w/ Poltn Prevention EO

6 letters regarding Federal Environmental Executive
applicants

6 letters regarding the FS Chief political appointee

15 letters regarding pesticide reform

13 letters of thanks for resume

5 letters regarding ADC

5 letters regarding Superfund

4 letters regarding Ward Valley

7 letters regarding ITTA

8 letters regarding recycling

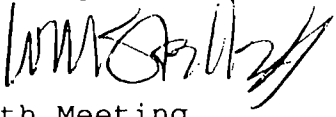
2 letters regarding ethanol

5 letters thanks for the info

78 letters on miscellaneous topics

434 TOTAL

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: Floodplain Management Committee
FROM: Will Stelle 
SUBJ: December 10th Meeting
DATE: 6 December 1993

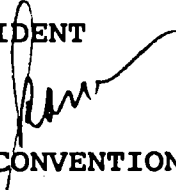
I would like to invite you to a meeting on December 10th from 11:00 to 1:00 pm in the conference room at 722 Jackson Place. The principle purpose of this meeting is to review the work plans for river flows and the SAST, and to discuss organizational issues.

THE WHITE HOUSE

WASHINGTON

December 6, 1993

MEMORANDUM FOR THE PRESIDENT
THE VICE PRESIDENT

FROM: KATIE MCGINTY 
SUBJECT: BIODIVERSITY CONVENTION RESPONSE

I wanted you to be aware of the very positive response we have gotten from industry regarding your actions on the Biodiversity Convention (see attached). The biotechnology industry greatly appreciated your understanding that the future of the industry depends on protection of biological resources. The Bush Administration wrongly assumed that environmental protection and economic growth were inimical to one another and therefore proceeded to scuttle the Climate and Biodiversity Treaties in Rio. As we know, this short sightedness won for the Bush Administration the disdain of the global environmental community. What has been less clear, however, is that industry also was critical of Bush's actions in this regard. As is apparent from the enthusiastic response of so many businesses to your Climate and Biodiversity actions, a vital natural resource base is the prerequisite for economic progress.

I believe our approach of bringing all parties together is working. We are realizing environmental gains while positioning ourselves to seize economic opportunities.

cc: Tony Lake
Bob Rubin

Environment**BIOTECHNOLOGY INDUSTRY ENDORSES
ADMINISTRATION INTERPRETATION OF TREATY**

The Clinton administration appears to have addressed all the concerns of the U.S. biotechnology industry in its interpretation of the biodiversity treaty, a trade association official told BNA Nov. 24.

Richard Godown, senior vice president of the Biotechnology Industry Organization (BIO), said the industry group will encourage the Senate to give consent for U.S. ratification of accord.

Godown said he was favorably impressed upon first examination of Treaty Document 103-20. Sent by President Clinton Nov. 19, the document describes the United Nations Framework Convention on Biological Diversity and how the United States interprets the treaty. It also asks the Senate for its advice and consent to U.S. ratification of this accord.

A coalition of environmental groups also endorsed U.S. ratification of the treaty. David Downes, a member of the executive committee of the coalition — the Biodiversity Action Network (BIONET) — told BNA that environmental groups are pleased that the Clinton administration is working toward ratification of the pact.

Downes, an attorney with the Center for International Environmental Law, said environmentalists are still studying the treaty document and would offer comments at a later date.

The Senate must give its consent before the administration officially may ratify the pact, which U.S. officials signed in June. The 1992 treaty is designed to protect the diversity of the Earth's organisms.

Patent Protections

Godown lauded the State Department, which drew up the administration's document, and the White House for recognizing what he called vital interests of the U.S. biotechnology and pharmaceutical industries.

These industries have expressed concern that the treaty is too vague on protection of patent rights. But they encouraged President Clinton to sign the treaty — former President Bush refused to do so — while calling for a strong U.S. stance on intellectual property rights.

Godown said he was "heartened to see a strong, forthright statement of our government" in the treaty document concerning the need for biotechnology patent protection under the treaty. In its missive, the Clinton administration stressed that a company has exclusive rights to the technology it owns.

"The government has stepped up to the plate on this issue," Godown said.

Other Provisions

Godown said the administration document also addresses four issues besides intellectual property rights that are of concern to the U.S. biotechnology industry.

First, the administration makes it clear that the treaty is not retroactive, he said. This means that deals which allow a biotech company to use genetic material from organisms found within a country's boundary that were struck before the accord enters into force are not affected by the convention.

Two other issues concern transfer of technology, Godown continued. They are compulsory licensing of biotechnology products and the forced transfer of technology to other countries, both of which the biotechnology and pharmaceutical industries vehemently oppose.

The Clinton administration said it interprets the treaty as indicating any transfer of technology must be voluntary by all involved and must take into account companies' exclusive rights to the technology they own. This view is shared by BIO, Godown said.

A fourth issue concerns the convention's call for treaty partners to consider the need for a biosafety protocol, Godown said.

The Clinton administration stated it did not believe a protocol — an addition to a treaty — on the safe handling of biotechnology products was needed. But, the administration's document continued, if treaty partners want to negotiate such a protocol, the United States would work closely with its domestic biotechnology industry in doing so.

Ideally, BIO would have a statement that the United States would not participate in talks on a biosafety protocol, Godown said. However, he continued, the group is generally satisfied with the administration's pledge to work closely with industry should such negotiations take place. □

native - Fy1
(Donig has copy)

THE WHITE HOUSE
WASHINGTON

December 6, 1993

MEMORANDUM FOR THOMAS McLARTY

FROM: KATIE MCGINTY

SUBJECT: REQUEST FOR TELEPHONE CALL

Action:

This is to request that you place a call to Frank Shrontz, Chairman and CEO of the Boeing Company, regarding his involvement with a group that has been organizing a campaign in opposition to the President's Forest Plan in the Pacific Northwest.

Background:

Tom Epstein, Doris Matsui and I met last week to discuss a campaign being developed by a group calling itself the "Citizens to Protect the Northwest Economy". The group is funded by the timber industry and its purpose is to undermine the President's Forest Plan. The group has somehow convinced The Boeing Company, among others (see attached), to join the effort. It is our recommendation that you call Mr. Shrontz as soon as possible about this situation. He should understand (if he does not already), that he is taking the Administration on regarding an issue in which the President is heavily invested. We feel strongly that the message should be conveyed to him that, in light of our solid relationship with Boeing, we find this situation intolerable.

We have no good idea why Boeing would involve itself in this. We do know however, that the timber industry has been conducting an intense misinformation campaign -- attempting to promote the notion that the President's forest plan is unbalanced (leaning towards the environmental side), and that the administration is doing nothing to sustain the economy of the region. Both of these claims are untrue. We suggest that the following points be made clear to Mr. Shrontz:

1. The purpose of our entire effort here is to end the stalemate that has blocked a resolution of this issue over the years and has left the timber sale program absolutely dead in the water.
2. The best thing for the northwest economy is to get this issue resolved, and we are doing everything possible to do that. Frankly, our objective is to comply with the law, but beyond that, to do everything possible to get the timber sale program back on its feet.

3. We are making real progress.

a. We are working through over 100,000 comments on the President's plan.

b. As the President promised, we have made major progress in getting a big appropriations package for community assistance and worker retraining, and the money is going to begin to flow within the month. Without the President's plan, this money would have been cut off because the timber program would have ceased.

c. As the President promised, we are about to issue a rule that will free up a couple of million board feet of timber on private lands -- and have negotiated a voluntary agreement with major timber companies to keep it all of this timber at home for domestic jobs. Again, nothing forces the President to do this. He is simply doing his all for the people of the Pacific Northwest.

d. We are working with the states and the private timber companies for voluntary conservation plans for salmon and other species to try and get ahead of the endangered species curve.

e. We have achieved literally unprecedented cooperation among the agencies -- after years of destructive trench warfare.

4. The worst thing for the northwest -- and for the President -- is for our efforts to fail, and for the gridlock to continue. The effort you are engaged in presents just that kind of threat.

5. A success is important for the region and for the President.

Please let me know if you would like to discuss this matter. I do feel that it is of the utmost importance for you to place the call promptly and thereby help diffuse this effort.

Attachment

THE WHITE HOUSE
WASHINGTON

MEMORANDUM
December 7, 1993

To: Distribution
From: Keith Laughlin
Re: 404(f) meeting

There will be a meeting of the 404(f) working group on Monday, December 13 from 12:00 to 2:00 PM at 722 Jackson Place. We will be having a presentation by the American Forest and Paper Association.

Please let Tobin know if you, or a substitute from your office, will not be able to attend (202-456-6224).

Distribution:
Brad Smith, USDA
Greg Peck, EPA
Gary Frazer, DOI
Nancy Stoner, DOJ
Mike Davis, ASA/CW

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: Howard Paster
Barbara Chow
Marcia Hale
Tom Epstein

FR: Will Stelle 

RE: Proposed Actions on Spotted Owls

DATE: 7 December 1993

At Katie McGinty's request, I am forwarding to you this memorandum to let you know that the Department of Interior and the Department of Justice are planning on Wednesday or Thursday of this week to take several actions related to the spotted owl that will prove press-worthy and controversial within the northwest. These actions are solid, correct and necessary to fulfill commitments made by the President in July. We are working closely with both Departments on this, but wanted to alert you in advance to them.

The three actions are:

1. SCOPING NOTICE ON STATE AND PRIVATE LANDS. DOI will issue a scoping notice under the ESA informing the public that we are preparing a new rule under the ESA that will articulate where non-Federal timber harvesting activities can proceed in owl country without running afoul of the ESA. The notice will also state that we intend to enter into a voluntary, multi-species conservation planning effort to afford landowners with an early opportunity to develop habitat plans that will minimize the impacts of the ESA on them.

This notice is an important initiative in the NW and fulfills a commitment made by the President that with his new forest plan for Federal lands he would provide relief from existing restrictions on non-Federal lands by eliminating "owl circles" where they are not necessary.

The politics of this rule are mixed but overall beneficial. The big timber companies who will get significant relief will praise it and commit openly to the voluntary approach. They will also commit to keeping all of the timber released by the rule in domestic production -- a voluntary ban on exports -- also honoring a Presidential commitment to seek such a ban.

The enviros will not like this and object that we are giving the timber companies the green light to harvest habitat. They are right, but we believe that it is biologically justifiable.

The states response will be mixed. Governor Lowry and Lands Commissioner Belcher may offer only muted support because the rule is not green enough. Oregon Governor Roberts will also be lukewarm because it is not brown enough -- because it does not provide enough relief for Oregon companies. California will be positive due to the fact that the scoping notice will suggest that California state requirements may be enough.

The Washington delegation will strongly support (Dicks, Senator Murray and Unsoeld in particular). Oregon is more mixed, with DeFazio likely to criticize it (but the Senate race muddles predictions.) California delegation members are largely not directly involved.

2. ENFORCEMENT ACTION. The second action is notification to a timber company on the Olympic Peninsula (WA) that the FWS and Justice will commence an enforcement action against it if it proceeds with its planned harvesting of old growth in spotted owl habitat in violation of the ESA. The backdrop on this is that components of the timber industry are arguing that the relief provided by item 1, above, is nonexistent since there are, in fact, no restrictions on private lands. Testing our enforcement mettle, this company has informed the FWS that it will go ahead unless it receives notice that we will take them to court. A strong enforcement action by Justice is necessary on its own here and a perfect set-up for item 1 -- and hence the packaging together.

3. REVOCATION OF BUSH ADMINISTRATION MEMO. The third item is in fact a housecleaning detail that is driven by the first two and that will reinforce the signal that we mean business on enforcement and owl protections (and that relief we are providing in item 1 is real.) DOI will formally revoke the "Hayden Memo" that was issued two years ago. That memo stated that any harvesting activities outside a 500 acre circle surrounding active nesting sites is OK and won't violate the "taking" prohibitions of the ESA. This 500 acre rule is not biologically supportable, and we will revoke it as a part of clearing up who can do what and where on state and private forestry.

Please let us know if you want more information on this and we will get it to you as soon as possible. We have urged DOI to pursue an aggressive communications strategy as part of the announcement.

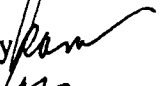
cc. K. McGinty

THE WHITE HOUSE

WASHINGTON

December 8, 1993

MEMORANDUM TO THE PRESIDENT

FROM: Katie McGinty 
Marc Chupka 
SUBJECT: Federal Fleet Conversion Task Force

Tomorrow you will accept the report of the Federal Fleet Conversion Task Force, which you established by Executive Order on Earth Day and which was chaired by Garry Mauro. This memorandum provides background for the issue and context for the event.

I. Summary

E.O. 12844 increased the federal purchase of alternative fueled vehicles and established the Federal Fleet Conversion Task Force (FFCTF), chaired by Garry Mauro. The FFCTF made two major recommendations:

- o Prioritize federal alternative fuel vehicle purchases in cities where air quality benefits are highest and where existing and emerging infrastructure and local programs can magnify the federal effort to build markets for alternative fuels. The FFCTF agreed on 38 cities and regions that merit initial federal funding.
- o Establish a Presidential "Clean Cities" Initiative to coordinate federal purchases of alternative fueled vehicles, and to complement local alternative fuel programs with federal programs.

The FFCTF selected 38 cities for three rounds of alternative fuel vehicle purchases in FY94, FY95, and FY96. This recommendation is being adopted by the relevant agencies. The Presidential "Clean Cities" initiative is being structured and coordinated with an existing DOE "Clean Cities" program while the operational role of White House is under consideration. Therefore, you will accept the Task Force recommendation to elevate the issue to the level of a Presidential initiative, but the details of the program are still under development. The Office on Environmental Policy will take the lead in implementing the FFCTF recommendations, sharing oversight and monitoring with OMB and delegating management to an interagency group led primarily by DOE.

II. Background

The Federal government owns about 200,000 cars and light trucks, and the U.S. Postal

Service owns about 150,000 vehicles. Worldwide, the U.S. Government owns about 500,000 vehicles of all types.

The Energy Policy Act of 1992 requires the Federal Government to purchase increasing numbers of alternative fuel vehicles (AFVs). As defined by the Act, AFVs can run on methanol, ethanol, propane, natural gas, electricity, and other fuels, and can be dual-fuel vehicles that can also run on conventional gasoline.

Use of domestically produced alternative fuels can displace imported oil and create jobs. Alternative fuels burn cleaner than gasoline, which reduces air pollution. Although AFVs cost more to purchase than conventional vehicles, alternative fuels are typically cheaper than gasoline and AFVs are more economic to operate. However, these advantages are currently offset by lack of fueling infrastructure that inhibits market growth.

Executive Order 12844 increased AFV purchases by 50% in the first three years of the Energy Policy Act mandate, or a total of 11,250 extra vehicles between FY93 and FY95. The extra cost of AFVs are funded through the DOE budget. The table shows the Energy Policy Act requirements and the effect of E.O. 12844:

<u>Year</u>	<u>AFV Purchases</u>		
	<u>Energy Policy Act</u>	<u>E.O. 12844</u>	<u>Increase</u>
FY 1993	5,000 vehicles	7,500 vehicles	+ 2,500
FY 1994	7,500 vehicles	11,250 vehicles	+ 3,750
FY 1995	<u>10,000 vehicles</u>	<u>15,000 vehicles</u>	<u>+ 5,000</u>
TOTAL FY93-FY95	22,500 vehicles	33,750 vehicles	+ 11,500
FY 1996	25% of acquisitions		
FY 1997	33% of acquisitions		
FY 1998	50% of acquisitions		
FY 1999	75% of acquisitions		

In addition to mandating accelerated purchases of AFVs, the E.O. also charged the Task Force with recommending an alternative fuel strategy. The Task Force prioritized cities for federal investment based on criteria such as air quality, fueling infrastructure, state and local programs, and geographic diversity. Thus, the Task Force proposes to concentrate federal fleet conversion efforts in areas with the greatest potential for market expansion of vehicles and fueling infrastructure. While selecting the candidate cities, the Task Force also recommends that local input guide the selection of federal vehicles and fuel combinations. By focusing the initial federal program in areas where benefits are greatest and where markets are most likely to develop, the program can help reduce the future costs of increased AFV purchase mandates that will soon apply to state, local, and some private fleets.

III. Political Analysis

The politics of alternative fuels are very contentious. Although current markets are small, all fuel interests anticipate an overall market expansion and realize that not all fuels will reap the rewards. Each fuel has market, regulatory, environmental, tax, and political advantages and disadvantages.

While fuel interests jockey for advantage, automobile manufacturers resist committing to specific technologies in small batches. Thus, markets have been slow in developing. State and local governments, as well as private sector fleets interested in alternative fuels, have been frustrated by the pace of progress.

In the Energy Policy Act, Congress insisted that Federal alternative fuel policy take a "fuel neutral" approach and not favor specific fuels in fleet purchases. In *Putting People First*, you suggested converting the entire federal fleet to natural gas, following the lead of Texas. This ran contrary to the statutory requirements. In particular, Chairman Dingell is a vigorous and vigilant defender of fuel neutrality.

To his credit, Garry Mauro has managed to produce a consensus "fuel neutral" report while continuing to support publicly natural gas vehicles. However, the Task Force could not agree on proposals that would have favored natural gas by imposing emission requirements for some portion of federal AFV purchases. These issues remain on the table.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: Togo D. West
Secretary of the Army
U.S. Army

FR: Katie McGinty, Director
Office on Environmental Quality *KMG*
The White House

TJ Glauthier, Associate Director for Natural
Resources, Energy and Science *JG*
Office of Management and Budget

James Lyons, Assistant Secretary for Natural *WLFN*
Resources and Environment
U.S. Department of Agriculture *WLF*

RE: Brigadier General Gerald E. Galloway

DATE: 8 December 1993

We are writing to request that you make available Brigadier General Gerald Galloway to serve as the Executive Director of the Interagency Floodplain Management Committee that we are currently forming to undertake a comprehensive review of floodplain management issues in the Upper Mississippi River Basin.

This Interagency Committee, which will report to the Interagency Task Force on Floodplain Management, which we chair, will be formally constituted in January, 1994 and will continue its work through May 15, 1994. Its purpose is to undertake a review of floodplain management policies and practices in the Upper Mississippi River Basin and to prepare a report to the Task Force on recommendations for modifications in Federal policies and programs to improve long-term floodplain management in the region. Attached is a draft mission statement for the Committee, which is now undergoing an informal public review.

General Galloway would be an excellent Executive Director for the Committee. He is well qualified by experience and training, and he enjoys broad support as a leading expert in the field of floodplain management and water resource policy. We believe he would be an invaluable addition to this important effort, and we look forward to your response.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: Tom Collier
FR: Will Stelle 
RE: Takings
DATE: 8 December 1993

I would like to request an opportunity to meet with you and a small group of your best and brightest to discuss the development of our position and strategy on the subject of takings and private property. I thought that devoting a portion of a Tuesday morning policy meeting to the subject might be appropriate, but I will leave the timing and forum to you.

The takings subject is clearly ripening on Capital Hill, and we anticipate several legislative initiatives in the early spring to which takings amendments will be germane. We are therefore actively exploring the options that may be available to the Administration to speak to this issue.

The Secretary has obviously been closest to the flame on this one over the last months, and I thought it would be useful to have a general discussion with his advisors on what they perceive is the profile of this issue and how best to approach it. I would anticipate several people from the White House complex participating.

Give me a call on this when you have a chance.

THE WHITE HOUSE

WASHINGTON

December 8, 1993

MEMORANDUM TO THE VICE PRESIDENT

FROM: Katie McGinty *MC for KM*
SUBJECT: Ethanol Issues

Several points regarding ethanol and reformulated gasoline rule:

1. During the campaign, Governor Clinton did promise to support ethanol, but that doesn't mean we have to gut EPA's rule. There are other approaches and policies that we could pursue outside of this rulemaking to promote ethanol use, enhance markets for corn, or encourage energy crops. These include legislation to grant tax preferences or guaranteed markets for ETBE, energy crop initiatives, Conservation Reserve Program reforms that would incorporate biomass fuel incentives, etc.
2. During the campaign, Clinton also spoke strongly against Bush for destroying the reg-neg (see attached press release). The President will be blasted if we do the same.
3. The process reeks. We have just established a process to handle these issues in the regulatory review Executive Order. That process is being ignored here while EPA and DOJ are being asked to do something that they consider to be illegal.
4. Meanwhile, as I understand it, on every other issue we are not accommodating Carol Mosely-Braun and Paul Simon because of their actions with regard to the Balanced Budget. Why are we going so far to accommodate them on this issue?



FOR IMMEDIATE RELEASE
October 1, 1992

CONTACT: GEORGE STEPHANOPOULOS
501/399-3900

Bush Ethanol Proposal Too Late

[Statement of George Stephanopoulos, Communications Director]

After years of inaction, George Bush's cynical attempt to buy the votes of corn growers one month before the election undercuts real efforts to promote long-term beneficial use of ethanol. In fact, Bush's "creative solution" may hurt the ethanol industry by destroying the delicate Clean Air Act compromise and tying up resolution of the ethanol issue in the courts.

Bush has planted the seeds of lawsuits and delays in a naked attempt to reap votes.

George Bush's proposal damages the traditional alliance between farm and ethanol interests and the environmental community. It also undermines any new alliance between those communities and the oil industry that could have led to the expeditious implementation of the Clean Air Act — an effort George Bush himself praised as "extraordinary."

Bill Clinton has been a consistent supporter of the Governor's Ethanol Coalition proposal, which will increase the use of ethanol and create new jobs.

In a Clinton/Gore Administration, ethanol will be a part of an honest and consistent strategy to increase the use of renewable fuels, not a manipulative and unreliable campaign promise.

Bill Clinton and Al Gore will bring the Environmental Protection Agency (EPA), the Department of Agriculture, farmers, environmentalists, and all the interested parties together to develop a real ethanol compromise. A Clinton/Gore Administration will expand the use of ethanol, to increase American jobs, reduce our dependence on foreign oil, and improve the environment.

Once again George Bush's failure to lead has turned what should have been a "win-win" situation for all into an acrimonious and bitter battle. Instead of moving us two steps forward in meeting our pressing economic, environmental, and national security needs, Bush has dragged us one step back on all fronts.

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: San Francisco Dredging Working Group
FR: Will Stelle 
RE: Meeting on Oakland Project
DATE: 8 December 1993

I would like to convene a meeting of our working group for Monday, December 13th from 12:30 to 2:00 pm in room 180 of the Old Executive Office Building. The purpose of the meeting is to discuss several remaining matters relating to the Oakland dredging project.

Please contact Mr. Michael Goergen at 202-456-6224 to confirm your attendance and he will clear you through security.

cc. K. McGinty
T. Epstein
L. Miller

THE WHITE HOUSE
WASHINGTON

MEMORANDUM
December 8, 1993

To: Distribution
From: Keith Laughlin
Re: Cancellation of wetlands interagency meeting

Due to scheduling conflicts, the wetlands interagency workgroup meeting on December 16 has been cancelled. It will be rescheduled early in January 1994.

DISTRIBUTION:

Bob Wayland, EPA/OW/OWOW
Greg Peck, EPA
Gary Frazer, DOI
Bob Davison, DOI
Michael Davis, ASA/CW
Jim Burgess, NMFS/NOAA
Dail Brown, NMFS/NOAA
Ralph Lopez, NMFS/NOAA
Nancy Stoner, DOJ/ENRD
Steve Samuels, DOJ
John Pisani, DOT/MA
Francis Mardula, DOT/MARAD
Bonnie Harper-Lore, DOT/FHWA
Mike Spear, FWS
David Densmore, FWS
Ed Nelson, USDA/SCS
Warren M. Lee, USDA/SCS
Billy Teels, USDA/SCS
Scott Cameron, OMB
Ed Watts, DOE

THE WHITE HOUSE

WASHINGTON

December 8, 1993

MEETING WITH FEDERAL FLEET CONVERSION TASK FORCE

DATE: December 9, 1993

LOCATION: Room 450 OEOB

TIME: 11:15 AM

From: Katie McGinty *MC for KM*

I. PURPOSE

You will accept the Report of the Federal Fleet Conversion Task Force (FFCTF), express support for alternative fuels and endorse the Task Force recommendations.

II. BACKGROUND

You signed Executive Order 12844 in April, committing the Administration to exceed the mandated alternative fuel vehicle (AFV) purchase requirements in the Energy Policy Act of 1992 by 50% during 1993 - 1995, based on economic, energy and environmental benefits. The E.O. also established the FFCTF to advise the project. The Task Force recommended that the Federal government focus the AFV purchases in cities where environmental benefits are highest and where local participation will enhance the prospects for widespread AFV use. The FFCTF recommended that a Presidential initiative help guide the process. The Office on Environmental Policy is developing the initiative with OMB and DOE.

III. PARTICIPANTS

The Vice President, Commissioner Mauro and Secretary O'Leary. The audience is composed of the members and staff of the Federal Fleet Conversion Task Force.

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

- o You meet Vice President Gore, Commissioner Mauro, and Secretary O'Leary in the holding room.
- o You, Vice President Gore, Secretary O'Leary and Commissioner Mauro will be announced into the room.
- o Vice President Gore makes opening remarks and introduces Garry Mauro.

- o Commissioner Mauro makes remarks and presents the Federal Fleet Conversion Task Force Report to you and Secretary O'Leary.
- o Secretary O'Leary makes brief remarks (1-2 min).
- o You make remarks. Following your remarks you greet guests and depart.

VI. REMARKS

Provided by Speechwriters.

THE WHITE HOUSE
WASHINGTON

December 9, 1993

MEMORANDUM FOR RAFE POMERANCE

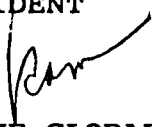
FROM: KATIE MCGINTY 

At approximately 3:10 p.m. this afternoon, I was apprised by the Vice President's Office that Secretary Bentsen has consented to a United States commitment of \$100 million to the Global Environmental Facility. The money will be provided as part of the Department of Treasury's FY '95 appropriations. Consequently, our negotiators in Cartagena are authorized to make this commitment on behalf of the United States.

THE WHITE HOUSE
WASHINGTON

December 9, 1993

MEMORANDUM FOR THE VICE PRESIDENT

FROM: KATIE MCGINTY 

SUBJECT: FUNDING FOR THE GLOBAL ENVIRONMENT FACILITY

In exchange for Secretary Bentsen's commitment of \$100 million to the GEF, he understands you are to "fight like hell" for sufficient moneys in the Administration's budget required for the Department of Treasury to fulfill our obligations to the multilateral development institutions (approximately 200 to 300 million).

THE WHITE HOUSE

WASHINGTON

December 10, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY *Tracy Lindbeck for*
CC: THOMAS MCLARTY
SUBJECT: OEP WEEKLY REPORT

FOREST PLAN FOR SUSTAINABLE ECONOMY AND ENVIRONMENT

To get a year-end read on support for your plan, staff met with Senator Murray, Congresswomen Unsoeld and Furse, and Congressmen Swift, Dicks, Wyden, DeFazio, Miller and Hamburg, as well as Senator Hatfield's staff. With the exception of Senator Hatfield, and to a much lesser extent Congressman DeFazio, members are still on board if not publicly endorsing the plan. However, they are very concerned about the forest product industry's new coalition of non-timber leaders in business, academia, clergy, and publishing who are lending their names to an effort to overturn the plan. We expect that many of the regional leaders who have lent their names to this new organization do not know its agenda, and we are working with Senator Murray and Representatives Unsoeld and Dicks to defuse it. Also, I have asked Mack to call Boeing's CEO Frank Schrontz to encourage him to withdraw his support. As a result of these meetings and this new coalition, we are stepping up our communications strategy in the region. In addition, the regional economic (bi-partisan, multi-governmental) assistance team met last week to review a draft implementation plan and is working out their differences relatively well, despite high expectations and tensions. We expect the first grants to be delivered in January. Congressman Wyden will have a friendly hearing in the region on small business and secondary manufacturing next week, at which Tom Tuchmann will testify on behalf of the Administration and announce the formation of a small business study group as promised in the plan.

NORTHWEST FORESTRY

OEP and the Interior Department took a major step forward on implementing your forest plan by issuing a "scoping notice" on developing a rule under the Endangered Species Act that will provide significant relief from existing restrictions on state and private forestry. This is fulfilling one of your major commitments during the forest conference to try and provide relief to private landowners given your new forest plan. The design of the rule is complicated, and we expect that the reaction will be mixed: some of the big timber companies will praise the effort as the beginning of badly needed cooperation; others will criticize it as not enough; and the environmentalists will be strongly opposed. The Washington delegation will be with us; the Oregon delegation will be mixed, with Defazio sharply critical but others more supportive. Also, we will announce that we have brought suit against a timber company in Washington to block them from logging in critical owl habitat - to show that we are going to stand tough on what we say are the new rules: leniency where we can afford it, but tough, clear enforcement where necessary.

WETLANDS POLICY

On Monday OEP chaired a meeting of the Interagency Wetlands Working Group to review EPA's implementation of a section of the Clean Water Act concerning wetlands protection and silviculture. A representative of the Environmental Defense Fund made a presentation before the group on the conversion of bottomland hardwood areas to pine plantations in the Southeast. The American Forest and Paper Association will appear before the group next week to discuss the same subject. This is the only issue that was left unresolved during the interagency process that developed the Administration's wetlands policy last summer.

MIDWEST FLOODS

OEP and OMB continue to set up an interagency team that will develop a report for you by mid-spring on how to improve floodplain management in the midwest. We expect to publicly announce it in early January, and we also expect a high level of interest within the Congressional delegation and in the region generally. Extensive public outreach is planned as we proceed.

FEDERAL FLEET CONVERSION TASK FORCE

OEP coordinated Task Force event and comments, and we continue to work with Garry Mauro, DOE, and OMB on clean cities alternative fuel vehicle initiative. The event went smoothly and reaction has been extremely positive. Your recovery from the lame joke in the speech ("the converted"; "the converters") was particularly impressive.

OIL POLLUTION ACT

OEP is working with CEA and OMB to determine the proper role of economic damage assessments in the Oil Pollution Act regulations. In particular, the role of "contingent valuation" (CV) methods are being discussed. CV is a controversial economic analysis technique that elicits peoples' perceptions regarding natural resource damages, such as in the Exxon Valdez disaster. This information can be used to assign damages to responsible parties.

CALIFORNIA WATER -- BAY/DELTA WATER QUALITY RULE

OEP is working with EPA and DOI to ensure a smooth announcement next week of a major set of proposed water quality standards under the Clean Water Act to protect water quality in the Bay/Delta region. These new standards will result in restrictions in the amount of water that can be withdrawn from the Sacramento River to protect water quality and several endangered species of fish, and they will have a potentially significant impact on the long-term water allocation process in California, with huge stakes for urban, environmental and agricultural constituencies. The proposed rules are well prepared and well-situated politically, with the major interests urging us to adopt a non-partisan technical approach, working with the state. We anticipate some fireworks, but largely muted because all parties want to continue working constructively with the implementation process.

SUPERFUND

The Interagency Policy Committee will continue its efforts this week to reach closure on its proposals for reforming the Superfund liability scheme. The Committee has now reached consensus on all other components of the Superfund reform package. If necessary, a second principals meeting will be held during the week of December 20th to discuss liability issues. A memorandum will be sent to you before Christmas that outlines the Committee's recommendations and any liability issues that have not been resolved.

WTI INCINERATOR -- EAST LIVERPOOL, OHIO

Several protesters who oppose the WTI incinerator in East Liverpool, Ohio were arrested outside of the White House last week. In response to numerous requests for a meeting with Administration officials, I met with opponents of the incinerator who voiced their strong belief that the incinerator should be closed because it poses serious health threats to local residents and school children. A new risk assessment will be released shortly that should help the Administration assess whether the incinerator should be permitted to operate.

PRESIDENT'S COUNCIL ON SUSTAINABLE DEVELOPMENT

The Council Task Force on Principles, Goals and Definitions met for the third time and has generated since its inception six drafts of sustainable development principles. Comments have been encouraged as this will form the backbone of the Council's work. In addition, Molly Olson, the PCSD Executive Director, met with communities in rural Maine and New Hampshire regarding the local sustainable development initiatives of each of these communities, and everyone was very energized by the visit. It was a poignant reminder of how important engaging these communities will be for the success of the Council. Staff has also been meeting with various business, environmental and citizens groups to discuss how interested parties can contribute to the work of the PCSD. Staff is currently in Seattle, Washington laying the groundwork for the upcoming full-Council meeting January 13-14.

DIRECTOR'S MEETINGS

PAST WEEK

- 12/6 Business Week; press interview regarding Superfund Reauthorization.
- 12/6 Meeting with American Petroleum Institute representatives regarding ethanol and reformulated gas.
- 12/6 Meeting with White House staff regarding the Northwest Office on Forestry and Economic Development.
- 12/7 Luncheon speech to the Chemical Manufacturing Association, New York, NY.
- 12/8 Luncheon speech to World Wide Network on women, development and population issues.
- 12/8 Meeting with Doug Hall and NOAA staff regarding OPA contingent valuation.
- 12/9 Meeting with you, the Vice President, and Bruce Lindsey regarding ethanol and reformulated gas.
- 12/9 New York Times: press interview with Rick Berke on profile of Al Gore.
- 12/9 Federal Fleet Conversion Task Force Report Ceremony.
- 12/9 Meeting with Terri Swearingen and other community activists regarding WTI.
- 12/9 Meeting with the Vice President and the Bolivian Vice President regarding issues related to the region.
- 12/9 Meeting with Newfoundland Premier Clyde Wells regarding groundfish and other regional issues.
- 12/9 Meeting with Senator Stevens regarding wood products plant in Alaska and environmental technologies.

THIS WEEK

- 12/12- Delegation to Russia.
- 12/18

THE WHITE HOUSE
WASHINGTON

MEMORANDUM
December 10, 1993

To: Distribution
From: Keith Laughlin
Re: meetings on Alaska

There will be a meeting on Monday, **December 13 from 2:00-3:00** at 722 Jackson Place, directly following the 404(f) meeting. We will be reviewing recommendations for regulating Alaskan wetlands.

We will be meeting with the Alaska Congressional delegation on **Tuesday, December 14 from 9:00-10:00 AM**, also to be held at 722 Jackson Place.

Distribution:
Greg Peck, EPA
Gary Frazer, DOI
Nancy Stoner, DOJ
Mike Davis, ASA/CW

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: Bob Nash
Wayne Fawbush

FR: William Stelle 

RE: Comments on RCERT Plan

DATE: 13 December 1993

The proposed RCERT plan appears to be a thorough and solid proposal for which I commend you.

My only comment relates to the coordination of the activities of the RCERT within the overall set of activities of regional Federal officials in implementing the community assistance and forest plan components of the President's initiative. I strongly recommend that you incorporate here some reference to the need to coordinate the activities of the RCERT with the other activities of the Federal agencies in the region who are implementing the forest plan side of the President's overall initiative. This coordination is particularly necessary in the area of communications, press relations and public events involving Federal officials. The primary mechanism for ensure the necessary coordination is the newly established Office of Forestry and Economic Development, directed by Mr. Tom Tuchmann.

From a communications perspective, it is vital that we ensure that all possible announcements and public events associated with the activities of the RCERT are properly integrated into an overall communications strategy. For instance, we announced last week a large proposal involving the forest plan side of the overall effort. Now, there is considerable interest here within the White House of organizing a very high profile event in the coming weeks with senior elected officials around some announcements involving the community assistance program -- to ensure that the public at large is well aware of the full scope of the Federal undertakings in implementing the plan.

I noted a complicated communications strategy in an earlier draft. At this juncture, the principal coordination mechanism for communications at the regional level will be the Office of Forestry and Economic Development. We are working with the White House press operations to ensure that a coordinated communications strategy is developed for the overall Federal effort, and the activities of the RCERT and MAC should certainly be a major component of that strategy.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: V. Nightingale

FROM: Will Stelle



SUBJ: Correspondence on the Voyageurs National Park
Wilderness Designation from Congressman James L.
Oberstar

DATE: 13 December 1993

I am requesting that you provide me with information in response to the Congressman's letter sent along with this memo. I would like to know where the wilderness designation report now lies procedurally? Is the Park Service planning on doing something differently? What is the situation?

Please respond to this request by fax at (202) 456-2710 by the week of December 20th.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: Virginia Donohue
FR: Will Stelle
Office on Environmental Policy
RE: Press Release for Bay/Delta
DATE: 13 December 1993



I have only one observation for the press release and statement drafted for Felicia Marcus. We may want to speak positively about working with the state authorities on implementation. We only briefly mention them, and they are very important for implementation. Again, I am not educated on the nuances with this effort, but it strikes me that a more overt and positive reference and invitation to the state authorities might be appropriate. Several of the major constituencies want us to be relatively a-political in our statements, and this would help.

Overall, I want to commend you, your office and the interagency communications team for a very sophisticated and complete communications strategy.

cc. K. McGinty
T. Epstein

THE WHITE HOUSE

WASHINGTON

December 13, 1993

MEMORANDUM FOR SUSAN NADLER

FROM: CHRISTIAN MARSH 
OFFICE ON ENVIRONMENTAL POLICY

SUBJECT: ENVIRONMENTAL ORGANIZATIONS IN TENNESSEE

The following is a list of environmental organizations, compiled by Jeannie Nelson and Katie McGinty, that have done outstanding work locally in Tennessee.

- 1) The Tennessee Environmental Council
1700 Hayes Street, Suite 101
Nashville, TN 37203
615/321-5075
- 2) The Tennessee Scenic Rivers Association
- 3) Environmental Action Fund Coalition
P.O. Box 22421
Nashville, TN 37202
615/385-4389
- 4) Tennessee chapter of the Sierra Club
- 5) Southern Environmental Law Center
- 6) Citizens for Wilderness Planning
130 Tabor Road
Oak Ridge, TN 37830
615/482-2153
- 7) Southern Apalachian Highlands Conservancy

THE WHITE HOUSE

WASHINGTON

December 14, 1993

MEMORANDUM TO: John Deutch
Under Secretary of Defense for Acquisition and Technology

FROM: Kathleen McGinty *for* *Marianne Chapman*
Deputy Assistant to the President
Director, White House Office on Environmental Policy

SUBJECT: Procurement of Halon Reserves

On January 1, 1994, a \$43.50 tax will be levied on all newly produced halon intended for resell, including vapor heels of tanks and other excess quantities. Because the tax is several times higher than current market price, this halon may be of little commercial value after January 1, 1994. EPA is concerned that this situation could lead to unnecessary venting of halon. I believe that the Defense Logistics Agency (DLA) has an important role to play in managing the Department of Defense supply of halon for future mission-critical needs. It is the view of this office that in executing this role, DLA should take steps to help avoid any adverse environmental consequences of unnecessary use or venting of halon to the atmosphere. Specific steps that DLA could take include:

1. Make the necessary arrangements prior to the end of this year to procure existing inventories of pure halon and vapor heels in tanks which could be vented following the onset of the halon tax on January 1, 1994.
2. Allow and encourage procurement of supplies of recycled halon in small batches and allow future delivery as halon is removed from fire protection systems in order to supply the maximum feasible portion of DOD's needs from recycled halon.
3. Honor and execute the military services' stated preference for procuring recycled halon even in the case where it is initially more costly than newly-produced halon, except in extenuating circumstances. This will ensure access to supplies of recycled halon over the long run to meet DOD's mission-critical needs.

While current procurement rules may create management challenges to achieving specific goals, I propose that DLA consider in this context the use of emergency procedures, such as waiving solicitation requirements that are traditionally used in other cases of national emergencies.

These actions will have the benefit of providing an additional source for filling DOD's halon requirements consistent with reducing unwanted venting of halon and minimizing the consequent destruction to the ozone layer. Thank you for your help in this matter.

cc: Sherri Wasserman Goodman, Office of the Deputy Under Secretary of Defense for Environmental Security

Admiral Edward Straw, Director, Defense Logistics Agency

Carol Browner, Administrator, Environmental Protection Agency

THE WHITE HOUSE

WASHINGTON

December 14, 1993

MEMORANDUM TO: Admiral Edward Straw
Director, Defense Logistics Agency

FROM: Kathleen McGinty *for [signature]*
Deputy Assistant to the President
Director, White House Office on Environmental Policy

SUBJECT: Procurement of Halon Reserves

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cc: Sherri Wasserman Goodman, Office of the Deputy Under Secretary of Defense for
Environmental Security

John Deutch
Under Secretary of Defense for Acquisition and Technology

Carol Browner, Administrator, Environmental Protection Agency

THE WHITE HOUSE
WASHINGTON

December 15, 1993

MEMORANDUM FOR ANNE STOCK
SOCIAL SECRETARY

FROM: KATIE MCGINTY *cmf*
DIRECTOR, OFFICE ON ENVIRONMENTAL POLICY

SUBJECT: HOLIDAY RECEPTIONS

First of all, I would like to thank you for all of your work in coordinating the upcoming White House holiday receptions.

Because of my office's close ties with the Vice President's Office, everyone on my staff has been invited to the holiday reception at the Vice President's residence on December 20. Unfortunately, we received invitations for the President's reception on Monday, December 20, as well. I would like to request that our office attend the December 21st Presidential reception, instead.

I certainly appreciate your assistance in this matter. Our updated staff list is attached for your convenience.

Staff List

Office on Environmental Policy

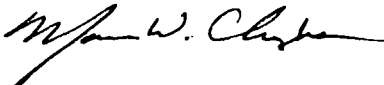
Katie McGinty.....	Deputy Assistant to the President & Director
Cathy Zoi.....	Deputy Director & Chief of Staff
Dan Blank.....	Associate Director for International Trade and Development
Linda Breggin.....	Associate Director for Solid & Toxic Waste, Education and Equity
Marc Chupka.....	Associate Director for Air, Energy & Transportation
David Doniger.....	Associate Director for the Global Environment
Brian Johnson.....	Special Assistant for Environmental Technologies and Procurement
Keith Laughlin.....	Associate Director for Sustainable Development
Trey Lindseth.....	Staff Assistant for Correspondence
Christian Marsh.....	Staff Assistant for Scheduling
Will Stelle.....	Associate Director for Natural Resources
Kurt Zwally.....	Staff Assistant for Administration and Research

THE WHITE HOUSE

WASHINGTON

December 15, 1993

MEMORANDUM FOR: DISTRIBUTION

FROM: MARC CHUPKA 

SUBJECT: DEC. 17 CLIMATE CHANGE ACTION PLAN
IMPLEMENTATION MEETING

Many of you are already hard at work on implementing the various pieces of the Climate Change Action Plan, and have generated a lot of enthusiasm for these initiatives. To ensure effective coordination among agencies, we need to set up a framework for communicating with each other on progress and pitfalls as we proceed. The first step in this organizational process will be a meeting **this Friday, December 17, from 9:30AM to 11:00AM, in Room 476, Old Executive Office Building**, at which we will discuss the items listed below. As you know, the Spring Conference in April 1994 is our first big milestone, and we want to have good progress to report on the programs for this public event. Please call Jessica Hirst (456-6456) with your date of birth so we can insure access to the OEOB.

Agenda:

1. Present and discuss draft organizational structure
 - committees and working groups
 - Steering Committee to meet each month
2. Progress reports from agencies (brief 5-10 minute update)
 - budget
 - programs
 - personnel
 - legislative activities
 - politics
3. Spring Conference

Distribution:

Mary Nichols
Christine Ervin
Sue Tierney
Jim Lyons
Rafe Pomerance
Alicia Munnell
Karl Hausker
Peter Fox-Penner
Alan Krupnick
Eileen Claussen
Brian Burke

T.J. Glauthier
Mortimer Downey
Heather Ross
Bob Watson

THE WHITE HOUSE
WASHINGTON

December 16, 1993

MEMORANDUM FOR Thomas McLarty

FROM: Cathy Zoi, Deputy Director 
Office on Environmental Policy

SUBJECT: Bennett Johnston's Letter regarding Ward Valley

The purpose of this memo is to provide you with some immediate background on the Administration's position on **delaying the transfer of federal land to the State of California** for construction of a low-level nuclear waste site in Ward Valley, CA.

- o You received a 12/13/93 letter from Senator Johnston strongly opposing recent Administration actions (attached).
- o In a nutshell, the Administration delayed a decision on the transfer of the federal land until a lawsuit challenging the licensing of the facility is worked out in the state. DOI, OEP and the White House Office of Political Affairs worked closely with Bruce Lindsey in developing this position.
- o Ward Valley pits some very important Administration constituencies against one another: the biotechnology industry wants the federal land transfer to go ahead; the Southern California-based environmental community -- including key players from the entertainment industry -- are opposed. Barbara Boxer is also opposed.
- o Recent editorials in the L.A. Times and an article in Business Week (attached) imply that siting the facility remains hotly contested.
- o In his letter, Senator Johnston appears to be *most* concerned about the ultimate outcome: that is, will the site eventually get built? Working with DOI, we will draft a response to his letter reassuring him that we will move expeditiously once the litigation is settled in California, as we, too, are eager to have this matter settled. We will get the draft to you for review next week.

Please do not hesitate to contact me if you have questions or want to offer additional guidance. I'm sure Bruce Lindsey could provide you with a sense of these issues as well.

cc: Tom Epstein
Bruce Lindsey
Jack Quinn

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR Phil Lader

FR: Cathy Zoi *CZ*
Will Stelle *WS*

RE: Florida Everglades

DATE: 17 December 1993

This memorandum provides you with brief background information on the subject of the Everglades negotiations. Attached for your information is a memorandum from the Interior staff with further background on this subject. The Washington Post story is correct that the negotiations have broken off due to a last minute demand from the sugar industry for a blanket commitment in the settlement that the Federal or state governments would not seek additional requirements from sugar for the next 20 years.

Many believe that this is by no means over, and that the sugar industry is testing whether the Administration is willing to let this agreement fail rather than cave to their demands. The next several weeks will be crucial because pressure against sugar will grow in the press, and several major events in mid-January are scheduled to occur which may force sugar's hand.

Our recommendation at this juncture is for the White House to say or do little on this and let the current situation play out. The subject is very complicated both politically and substantively, and we are generally well-positioned with the state of Florida. As a general matter, restoring the everglades is embraced by everyone in Florida (Jeb Bush may run to our left on this issue), and the sugar industry is generally regarded by the public very negatively. We have struck a middle ground position, working with the industry to solve the problem outside the courtroom, but we do not want to be perceived as caving to the industry demands.

THE PLAYERS

The key players in this equation are the Feds, the state of Florida (who is our close ally), the sugar industry (with U.S. Sugar taking the hardest line and others more flexible), and the environmentalists (who are generally supportive, but some of the groups will attack us for not being tough enough).

CURRENT INTERIOR and STATE OF FLORIDA POSITION

1. Stick to our position on the substance. The demand for an across-the-board hold-harmless commitment is not reasonable.
2. Hold open the door to resuming negotiations if sugar decides to return to the table.
3. Say or do nothing that will poison the atmosphere further, but make it clear that our position remains firm.
4. Rapidly undertake an effort with the state to develop an alternative remedial program that picks up as many pieces of the proposed settlement as possible.
5. Have the state institute permitting proceedings against the sugar farmers under the state clean water act to force them through that avenue to assume some responsibility for cleaning up their discharges.

COMMUNICATIONS STRATEGY

Maintain our low-keyed but responsible position and let others go on the attack -- which they will. We expect the editorial boards and press to weigh in heavily.

UPCOMING EVENTS

Several events will occur in mid January that may force sugar's hand.

a. Court hearing. The Federal court has scheduled a hearing on the question of bifurcating the case into two parts: the issue of sugar's liability, and then the issue of damages and restoration requirements. Sugar will be very strongly opposed to this, because proceeding quickly on the liability question could seriously undermine their position generally (although I have doubts about how quickly that issue might be settled.)

b. Meeting of the South Florida Water Board. This will be a very public forum for attacking sugar for walking away.

c. Meeting of the Everglades Coalition. Again, a big public meeting of the environmental coalition that could be a donny brook from a public relations perspective for sugar.

Please let us know if additional information would be useful.

RE: EVERGLADES NEGOTIATIONS

On Friday December 17, 1993, the Mediator in the Everglades negotiations informed a Florida state administrative judge that the Everglades negotiations had reached an impasse. The stalemate centers on a new demand issued by some sugar industry parties in the last 24 hours to limit governmental regulatory authority beyond the scope of the settlement negotiations. Lt. Governor Buddy McKay for the State of Florida, Valerie Boyd for the South Florida Water Management District, and Assistant Secretaries Bonnie Cohen and George Frampton for the Department of the Interior have agreed to continue working together to develop a clean-up plan for the Everglades.

BACKGROUND

In mid-July, representatives of the South Florida agricultural industry and the Federal and Florida State governments entered into an agreement, known as the Statement of Principles, to negotiate a comprehensive settlement for the funding, construction and implementation of a Technical Plan that would improve water quality and water quantity problems in the Everglades ecosystem, which is in critically endangered health. The water quality problems are primarily caused by pollution runoff from the agricultural industry. Although the issues to be negotiated were numerous and complex, the Statement of Principles set forth major elements of agreement among the parties like funding obligations and the scope of the settlement. Under this mandate, the cumbersome but hopeful process began.

The parties to the Statement of Principles and others (such as environmental groups, municipalities, Indian tribes, and small farmers) spent the last six months hammering out the details of the agreement. Given the breadth of the issues and the widely divergent interests represented, the negotiation process was slow and somewhat painful but it was productive. These six months did produce several hundred pages of agreement on critical elements of the settlement such as the following:

- a detailed fourteen year schedule of construction, research and related State regulatory actions that are designed to achieve compliance with State water standards
- a 200 plus page Technical Plan for the construction and operation of the treatment mechanism for water quality improvement and hydroperiod restoration in the Everglades

- complex financial documents under which the agricultural industry would pay \$322 million over 20 years and the State and Federal governments (namely the Department of the Interior and the Army Corps of Engineers) each agreed to seek approximately \$248 million and \$87 million respectively to fund the Technical Plan

Despite this progress, these negotiations reached an impasse on Thursday (December 16) evening when some sugar industry representatives issued demands for (1) a 20 year moratorium on any form of governmental regulation of their agricultural practices and (2) a federal policy to insure the economic viability of the industry. The impasse materialized when Federal negotiators made it clear that they could not agree to such concessions.

STRATEGY

The Federal and State representatives are going to begin immediately a planning process to:

- develop a joint alternative plan for cleaning up the Everglades
- pursue all legal options against the polluters
- initiate other South Florida environmental restoration efforts (e.g. in Florida Bay)

All of the government parties strongly believe that the proposed Technical Plan and financial settlement contemplated by the stalled negotiations is still the best alternative. However, none of the government parties are or should be willing to make this deal according to the over-reaching demands made by some of the sugar industry representatives.

Thus, it is important over the next few weeks for the Federal and State governments to leave the door open for the agricultural parties to return to the negotiation table with more realistic and appropriate objectives. The next few weeks will be tenuous as the pressure among the parties plays out and as other third party issues run their course. For instance, there exists a wild card in this matter in the form a current drive to amend the Florida State constitution (commonly known as the Barley Amendment) to impose a tax on the sugar industry to finance Everglades restoration. In addition, the environmental community is likely to be very vocal. Although the environmentalists do have an important interest in the Everglades negotiations, they should not be allowed to derail the stalled talks.

THE WHITE HOUSE
WASHINGTON

December 17, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY
CC: THOMAS MCLARTY
SUBJECT: OEP WEEKLY REPORT



WETLANDS POLICY

The Administration wetlands policy that was announced in August promised a review of the regulatory program in Alaska. Four meetings were held in the state in October and November that included representatives of all stakeholders. In the wake of those meeting, agency officials in Alaska compiled a package of proposed recommendations for improvements in the wetlands regulatory program in the state. This package will be publicly released in Alaska on December 17, and another series of public meetings will be held in early January to solicit comment on the proposed recommendations. The Interagency Working Group on Wetlands Policy, which OEP chairs, briefed the staff of Senator Stevens, Representative Young, and Governor Hickel on the recommendations on Tuesday (12/14). Their initial reaction was very positive.

GATT AND THE ENVIRONMENT

While it was widely recognized that the most significant work to "green the GATT" could only occur after the Uruguay Round, the U.S. had a few important environmental objectives to achieve before its completion. Although the negotiators did not achieve all of our environmental objectives, there are some important gains for the environment that can be highlighted. These include changes to texts of the Sanitary and Phytosanitary (SPS) section to protect U.S. laws, improvements in the dispute settlement process to promote greater transparency and public participation, and some assurance that the greater environmental issues will be addressed after the completion of the Uruguay Round, including in the Multilateral Trade Organization (MTO). However, we can nonetheless expect unified opposition from the environmental community against the agreement as not being as "green" as the NAFTA. At best, in their criticisms the environmental NGOs and Congresspeople might acknowledge that the U.S. negotiators fought the good fight for the environment and constructively look toward the future work to address the biggest problems.

SUPERFUND

The Interagency Policy Committee will complete its proposals on Superfund reform this week. A memorandum will be sent to you before Christmas that outlines our recommendations and any issues that we have not been able to resolve. Substantial progress was made this past week on reaching a consensus on reform of the Superfund liability scheme.

FEDERAL FACILITIES POLICY COMMITTEE

The Interagency Policy Committee on federal facilities that I co-chair with Alice Rivlin will meet for the first time on December 21, 1993. The mission of the Committee is to develop a comprehensive approach to the Federal government's complex waste management and cleanup problems.

FOREST PLAN FOR SUSTAINABLE ECONOMY AND ENVIRONMENT

The Fish and Wildlife Service released an advanced notice of rulemaking to fulfill your commitment to look at ways to lift timber harvest restrictions on private lands. This action set in place an eight month process to finalize the rule. A memo under Roy Neel's signature announced the creation of an interagency Office of Forestry and Economic Development to oversee the implementation of your plan. Tom Tuchmann, who co-chaired your transition team effort on forestry issues, will serve as director of this new office which will be located in Portland, Oregon. Congressman Wyden held a hearing on small business in Portland at which Tuchmann announced the creation of a small business study group to fulfill your commitment to help small business through this difficult transition. All three announcements have received good press. Next week we plan to announce the formation of the worker and community assistance teams.

COUNCIL ON SUSTAINABLE DEVELOPMENT

All liaisons to the PCSD are meeting today (12/17) in Washington, D.C. to coordinate the work of Council task forces and to prepare for the full Council meeting scheduled for January 13-14 in Seattle, Washington. The Sustainable Communities, Eco-Efficiency, and Natural Resources task forces will hold meetings, and there are currently plans to hold public fora and roundtable discussions between task force members and individuals from the Pacific Northwest. Next week Council staff will hold a briefing for all agencies within the Department of Commerce to familiarize them with both the PCSD and its mission.

TAKINGS AND PRIVATE PROPERTY

OEP continued its meetings with several agencies to discuss the development of an Administration position on the touchy issue of private property rights, takings, and the wise use movement that is growing in the west and southeast. The issue will surely arise in the legislative context early next session, and it is important that we develop a position on the subject that is politically correct and sensitive to all the substantive nuances.

MIDWEST FLOODS

OEP traveled to Rock Island, Illinois to meet for a day with farmers and environmentalists on the subject of floodplain restoration and levee repairs. The meeting revealed a surprising degree of agreement on a number of substantive issues, and also revealed that some thought the Feds were making too much out of the flood -- which we took as a very positive sign that our sustained concern over a thorough response is indeed noted. Overkill is far preferable to indifference.

ESA REAUTHORIZATION

OEP, working with Legislative Affairs, chaired an interagency meeting to begin the process to formulate an Administration position on the controversial issue of the reauthorization of the Endangered Species Act. Attending as well were the senior democratic staff from the House and Senate authorizing committees. We expect to have recommendations on a legislative and political strategy for you by late January.

DIRECTOR'S MEETINGS

PAST WEEK

12/13- Chair of environmental committee to Russia; Gore-Chernomyrdin Commission.
12/17

THIS WEEK

12/20 Interagency meeting on continued Pacific Northwest Forest communications strategy.
12/20 CEA, OSTP, and OEP briefing on policy-research links for greenhouse gas mitigation.
12/21 Chair principals meeting on CERCLA Reauthorization.
12/21 Chair Interagency Working Group; Federal Facilities Clean-up.
12/22 Meeting with Dr. James Baker (NOAA) and NSC staff regarding follow-up to Norwegian whaling.

THE WHITE HOUSE
WASHINGTON

MEMORANDUM
December 20, 1993

To: Distribution
From: Katie McGinty, Director, Office on Environmental Policy
Re: Rescheduling of Wetlands enforcement meeting

Because wetlands enforcement is so important to the President's programs for wetlands protection, the Interagency Working Group on Wetlands Policy which is chaired by the Office on Environmental Policy will be hosting a meeting to discuss ways to strengthen our programs for enforcing wetlands protection statutes and regulations. The meeting will take place on **January 18 from 10:00-12:00** in room 472 in the Old Executive Office Building.

This meeting will replace the meeting on this topic previously scheduled to occur at the Department of Justice on January 13. We will use the agenda previously prepared by the Department of Justice, a copy of which is attached to this memorandum.

If you have any questions concerning this meeting, please call Nancy Stoner at (202) 514-1442 or Keith Laughlin at (202) 456-6224.

Please call and leave a message for Tobin Freid by COB January 13 at (202) 456-6457 with your date of birth to be cleared into the building.

Distribution:

Dr. Edward Dickey	Mike Spear
Lloyd Pike	John Leshy
Earl Stockdale	Bob Baum
Martin Cohen	Jim Lyons
Mike Davis	Paul Johnson
Bob Perciasepe	Dr. Nancy Foster
Bob Wayland	Greg Groves
Jean Nelson	Randy Rathburn
Steve Herman	Lois Shiffer
Earl Devaney	Gerald Torres
Anne Williams	Nancy Stoner
Ann Nutt	Letty Grishaw
Marcia Mulkey	Neil Carusciello
George Frampton	
Bob Davison	

THE WHITE HOUSE

WASHINGTON

December 20, 1993

MEMORANDUM FOR Phil Lader

FROM: Cathy Zoi, Deputy Director
Office on Environmental Policy

SUBJECT: Deputies Meetings and White House Operations

Based on your request at last Monday's Deputies meeting, here are some quick thoughts on needs that the White House Deputies Group could help address:

o better understanding of each "department's" missions and functions

- what does each group do?
- how do the staff there spend their time?

suggestion: have each deputy develop a one-pager describing mission, staff size, portfolio, and several "products" for which the department is responsible (distribute to other deputies).

o better communication between departments

- each deputy needs to ask: "What things is my department working on that others need to know about?"
- "On what issues could other departments be of assistance?" and
- "What should I communicate back to my team about what others are doing, either because it is directly relevant or because it is an issue that is critically important to the President?"

suggestion: weekly 2-minute updates on hot and pressing issues at Deputies meetings (keeping them short and engaging requires discipline -- but can be critically useful).

o systematizing operations

- would this White House benefit from a more structured "hierarchy"? (loaded question...)
- what White House-wide databases need to be available (on OASIS) to enable each department to more effectively serve its customers/constituents (e.g. recent visitors/invitees...)?

suggestion: in the near future, devote 30 minutes of a Deputies meeting to these needs, with an "assignment" ahead of time for everyone to give this some thought.

o worker morale/team building

- what can this White House do to ensure that employees get the positive feedback they deserve for working so hard (ranging from having staff take uninterrupted 3-day weekends every other month to notes of thanks from the POTUS to invitations to public send-offs)?
- what can the deputies do to ensure that each and every employee feels a part of the team, not only to enhance morale, but to instill loyalty and, frankly, to reduce leaks?

suggestion: have deputies provide you with lists of ideas they have that might keep the morale of their staffs high and enhance the feeling from top-to-bottom of belonging to the whole. You can then figure out what is sensible/do-able and pass it back to us for help or individual action.

THE WHITE HOUSE
WASHINGTON

December 22, 1993

MEMORANDUM FOR BETTY UBBENS

FROM: KURT ZWALLY

SUBJECT: PARKING PASS REASSIGNMENT

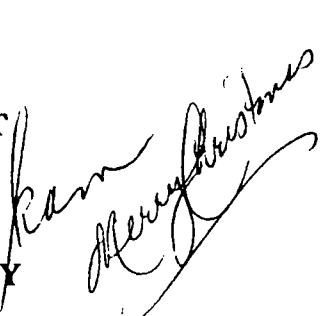
Enclosed is a parking change form requesting John Shafer's parking permit at Jackson Place be reassigned to Marc Chupka. I have contacted Mr. Shafer and he indicates he returned the pass but your office has no record of this. Please issue a new pass to Marc Chupka. Thank you for your assistance and have a happy holidays.

THE WHITE HOUSE
WASHINGTON

December 22, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY
CC: THOMAS MCLARTY
SUBJECT: OEP WEEKLY REPORT



HAZARDOUS WASTE

On December 24, EPA will file suit against a hazardous merchandise distribution operation run by an itinerant philanthropist who fills childrens' stockings with unknown and potentially dangerous materials. The business employs hundreds of elves in a facility called the "Workshop." However, one of the animals kept on site has been observed with a rare disorder - a huge red nose that some say actually glows -- evidence of serious contamination.

STRATOSPHERIC OZONE DEPLETION

While the yuletide holiday has been enjoyed for centuries, only recently have the severe environmental costs been recognized. Scientists now believe that the sleigh ride from the North Pole disrupts the ozone layer, pointing to a huge arctic ozone hole that occurs every December 24. The Vice President is especially alarmed by the new data, and has aimed the telescope of the Naval Observatory toward the North Pole in order to monitor the situation.

CLIMATE CHANGE

Although the sleigh in question is pulled by only eight reindeer, scientists are concerned that animals capable of hypersonic flight may emit large quantities of methane gas and disrupt the delicate climate system. NASA proposes to test these hypotheses by strapping solid rocket boosters to deer carcasses and launching them into the arctic region, causing what they call the "rain deer effect." Critics of the program assert that the NASA team -- lead by Dr. M.L.E. Latella -- misunderstood the problem when they designed the experiment.

FORESTRY

Devotees of the yuletide celebration also cause significant deforestation each December. OEP recommends that you convene another timber summit, er, I mean, forest conference, to break the logjam, uh, I mean the gridlock, on this issue.

ENFORCEMENT

EPA is seeking an injunction to ground this flagrant violator on December 24 in order to protect health and safety. OEP believes that adverse political fallout may occur (the so-called "Grinch factor"). We are negotiating an acceptable compromise, whereby Mr. Claus skips "naughty" children but still delivers presents to those who have been "nice." He apparently keeps extensive data on "lists" which are checked twice for accuracy. We believe that this compromise will achieve political support.

THE WHITE HOUSE
WASHINGTON

December 23, 1993

MEMORANDUM FOR AMBASSADOR ROMERO

FROM: KATIE MCGINTY 
SUBJECT: CONTRACTORS FOR BIOLOGICAL ASSESSMENT

Per our conversation of 12/22/93, I have made several inquiries concerning the contractors you mentioned. Little is known of them by those I have contacted. It has been strongly recommended to me, however, that Dr. Jerome Stallings, the director of AID's SUBIR project in the Ecuador Amazon, would be the ideal person to contact on this and, indeed, that SUBIR should seriously be considered to undertake this work. Dr. Stallings is very highly regarded.

Please let me know if I can be of further assistance. I remain committed to contributing to this effort in any way that would be useful, and I certainly appreciate you time and attention.

Best wishes for a happy holiday season.



THE WHITE HOUSE
WASHINGTON

December 23, 1993 DEC 23 P7:57

MEMORANDUM FOR THE PRESIDENT

FROM: Katie McGinty & Bo Cutler
SUBJECT: Administration Proposal for
the Reauthorization of Superfund

Look good -
Does VP agree -
If so, go forward
If not, tell him
position - B

This memorandum sets forth for your approval a proposed Administration position on reauthorization of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)--commonly known as "Superfund." While this memorandum represents a consensus among the many agencies concerned with Superfund, that consensus will inevitably be revised and amended in response to the concerns of Congress and interested groups. In short, this memorandum sets forth our *initial* position in what will be a complex legislative negotiation.

I. ACTION-FORCING EVENT

CERCLA expires at the end of this fiscal year; the Superfund taxes on the oil and chemical industries expire a year later. Virtually all interested parties agree that it is imperative that CERCLA be reauthorized in this Congress. Our goal is to introduce a new CERCLA bill, with the support of Congressional leaders, in February 1994.

II. BACKGROUND

CERCLA was enacted in 1980 in response to widespread concerns that improperly disposed wastes threatened human health and valuable natural resources, such as groundwater aquifers. Under CERCLA, 200 disposal sites have been fully restored and 3,500 actions to remove wastes have been completed.

The costs of CERCLA have been underestimated since the program's inception. When enacted in 1980, CERCLA was widely regarded as a program of modest size: most believed that the Act would involve several hundred waste sites and less than \$2 billion in federal funds. By 1992, however, 1,300 sites had been placed on CERCLA's National Priorities List (NPL) for Superfund cleanup and annual costs to the economy of the program totaled almost \$7 billion, including:

- \$1.6 billion in Superfund costs;
- \$3.2 billion in CERCLA-mandated cleanups by other federal agencies (primarily DoD and DoE); and
- \$2.0 billion in costs to private parties, which directly perform cleanups at 70 percent of the sites.

While estimates vary widely, the total costs of cleaning up the 3,000 sites projected to be included in the NPL over the next 30-40 years will likely total \$130-150 billion. Cleanup costs for federal facilities will likely total an additional \$200-300 billion.

Government officials, business leaders, environmentalists, academics, and others have sharply criticized CERCLA. In particular, these criticisms have focused on:

- Unnecessarily expensive cleanups--The average cost of remediation at an NPL site is \$27-29 million.
- Excessive transaction costs--CERCLA has generated massive amounts of litigation--enforcement litigation, contribution litigation, and insurance litigation. A widely-cited RAND study found that transaction costs total 19-27 percent of all CERCLA costs.
- Unfair liability rules--The broad reach of CERCLA's retroactive, strict, joint and several liability scheme has been criticized as unfair and inefficient.
- Inadequate community involvement--CERCLA has been criticized for providing inadequate opportunity for input from those most likely to be affected, namely, the local community.

Our proposed plan to reform CERCLA, set forth below, addresses all of these concerns.

III. PROPOSED INITIAL ADMINISTRATION POSITION ON CERCLA REAUTHORIZATION

Given the complexity of the CERCLA regime--with its impact on everything from federal facilities management to abandoned mines, from insurance law to cancer-risk assessment--our consensus package is intricate. This memorandum focuses on the two most contentious and fiscally most significant areas of reform: the process for assigning and financing liability under CERCLA, and the standards and processes governing the cleanup of NPL sites.

A. Reforming the Liability and Allocation Systems: Reducing Transaction Costs While Enhancing Fairness

The Status Quo. In general, CERCLA currently involves three classes of litigation:

- enforcement litigation, in which EPA pursues the major potentially responsible party (PRP) or parties;
- contribution litigation, in which the initial potentially responsible party seeks partial recoveries from other PRPs; and finally,
- insurance litigation, in which each PRP seeks to recover from its insurer.

In each class of litigation, there is substantial uncertainty--about both the facts and the law; accordingly, litigation costs tend to be large.

The Proposed Reform of the Allocation System. We propose reforms that would essentially bring together the first two classes of litigation into a single process and, at the same time, enhance the fairness of the current regime. The highlights of this system include:

- Parties that contributed very small amounts of waste would either be exempted from liability or offered early settlements.
- The remaining parties would then participate in an "allocation proceeding" in which a neutral third party would assign each PRP a share of liability based on several factors including the quantity and toxicity of its wastes.
- The allocation decision would then serve as the basis of a settlement offer by EPA to each PRP.
- Any settling PRP would both surrender its right to pursue contribution litigation and receive protection from contribution litigation. More importantly, the settling PRP would, subject to certain conditions, be offered protection from future liability for newly discovered harms.
- As an additional incentive to settlement, the Government would pay for the "orphan share"--the share of liability attributed to an identified but insolvent party--when the other parties at a site settle.
- The Government could sue any non-settling party under the rule of joint and several liability, rendering that party potentially liable for part or all of the "orphan share."

We believe this scheme will significantly reduce contribution litigation and related transaction costs, while at the same time enhancing the actual and perceived fairness of CERCLA.

The Proposed Reform of the Insurance-Litigation System. We also propose replacing the current insurance-litigation system with a settlement fund, financed through a tax or fee on property and casualty insurers.¹ (The idea of such a tax was originally suggested by the insurance industry.) Under this system,

- A tax would be imposed on insurers in order to establish a new Insurance Settlement Fund.
- The statutory objectives of the Fund would be (i) to ensure settlement of insurance claims by at least 95% of all PRPs who have CERCLA liability and who participate in the new allocation process, and (ii) to ensure substantial interstate equity in such settlements.
- The Fund would offer to settle insurance claims with PRPs at an established rate (e.g.,

¹ We currently estimate that the tax would be \$500 million per year; however this may be an underestimate, as natural resource damages and other factors have not yet been taken into account.

50 cents on the dollar).²

- Any party accepting this settlement would waive its insurance claims; any non-settling party could sue its insurers, with the Fund reimbursing the insurer for up to the amount of the original offer.

In part because insurance litigation is governed by state law, insurer liability is highly uncertain. These uncertainties--and the insurers' obligations to reinsurance companies--fuel extraordinary transaction costs: studies estimate that more than 80% of all insurer CERCLA costs are attorneys' fees. Our proposed reform seeks to take advantage of that situation by settling claims at a level higher than most PRPs would receive through litigation, but at a cost less than or equal to insurers' current expenditures. Accordingly, we believe that this proposed reform will not only reduce transaction costs, it will also redirect monies that are currently being spent for attorneys' fees toward the cleanup of hazardous wastes.

Views of Interested Groups. Comprehensive Superfund reform recommendations have been issued by two groups: the National Commission on Superfund (Commission) which includes CEOs from manufacturing, chemical, petroleum, insurance, and banking industries, as well as environmental, scientific, community, and labor leaders, and the National Advisory Council on Environmental Policy and Technology (NACEPT), which was convened by EPA and involves a wide range of interested parties. The recommendations of these groups provide a strong indication of where the political center exists on Superfund reform issues.

With regard to reform of the allocation process, the Commission and NACEPT, as well as some PRP groups, favor a more formal, binding, and elaborate administrative--adjudication system, most likely because such a scheme would function as a proportional liability system that would reduce their liability. We believe such a scheme would both be more expensive to administer and increase Superfund's liability. Congressional leaders are likely to view the proposed reforms of the allocation system as generally positive, but be somewhat skeptical of the budgetary impacts of a federally funded "orphan share."

With regard to reform of the insurance--litigation system, the Commission has not endorsed the concept but has indicated its willingness to pursue it. With respect to our specific proposal, the insurance companies have generally supported this approach, but urge several revisions, most designed to encourage settlement and reduce the level of settlement offers. Reactions by individual PRPs have been mixed, reflecting the varying strength of the PRPs' claims against their insurance carriers. Obviously, the appropriate level of settlement offers (and the total amount of the tax) is a matter of great sensitivity. With your approval, we will discuss these issues further with both insurers and PRPs. Our goal would be for the insurers and the major PRPs to negotiate these issues and propose to us acceptable numbers. Several major

² Our initial position is that the amount that the Fund would offer to PRPs in settlement of insurance claims would be capped at 80% of a PRP's total costs.

players have indicated their interest in this kind of approach. Finally, Congress and environmental groups are likely to respond favorably to this solution, so long as this reform reduces neither the speed of, nor the monies available for, cleanups.

The principal issue presented by this proposal concerns its financing. Our proposal, we believe, offers a plausible resolution of insurance-litigation problems, but requires a tax or fee on the insurance industry. Some on Capitol Hill and in the industry may well criticize this, however, as "yet another tax." While we could hope to secure significant industry support for this proposal, we will not be able completely to avoid this criticism because it is nearly certain that not *all* of industry will be supportive.

B. Reforming the Remedy Selection Process:
Protecting Human Health and the Environment While Reducing Costs

The Status Quo. In general, the cost of cleaning up sites is viewed as unnecessarily high for the following reasons:

- The statute does not specify a standard national level of cleanup and instead establishes a complex framework based on other state and federal standards, as well as other factors, which sometimes leads to excessive cleanup requirements, protracted site-by-site evaluation and debate over goals.
- CERCLA establishes a preference for treating, as opposed to containing, contaminated materials at all sites.
- There is no mechanism for weighing future land use in cleanup decisions at individual sites, which has meant that almost all sites are cleaned up to very protective residential standards.

The Proposed Reform of the Remedy Selection Process. We propose reforms that would protect human health and the environment while at the same time substantially reducing cleanup costs and inefficiencies. Highlights of our proposed reforms include:

- EPA would develop national health standards in the form of a range of protectiveness for cancer risks and for other health effects.
- EPA would develop national cleanup levels for the most common contaminants found at sites. The levels would fall within the protective range of the national health standards and would be developed using several factors including cost.
- Realistic, as opposed to overly conservative, assumptions and practices concerning risk would be used to establish the national standards and cleanup levels.
- Cleanup levels and remedies would be based on post-cleanup land uses (*e.g.*, residential or industrial) that would be determined with substantial community input.
- The current complex framework of state and federal standards ("applicable, relevant, and appropriate requirements") would be eliminated in favor of uniform national health standards.

- At each site, a comparison of the benefits and costs of alternative remedies would be a factor in choosing the appropriate remedy, consistent with the approach of your Executive Order on Regulatory Planning and Review.
- The preference for waste treatment and permanence as a requirement in selecting remedies would be replaced with long-term reliability as one of several balancing factors in making such selections.

Views of Interested Groups. Most groups generally agree that costs should be recognized more explicitly in cleanup decisions. The Commission and NACEPT have not, however, recommended using cost as a factor in setting national cleanup levels, which they believe should be strictly health based. The public health community and some members of Congress agree. In short, we will be criticized by some groups for "placing a price on lives." While we recognize the potential for this criticism, the agencies participating in this process agreed that the high cost of the Superfund program requires that cost be included when decisions are made concerning the level of risk that will be tolerated.

Instead of weighing cost as factor in setting national cleanup levels, NACEPT and the Commission would include cost as a factor in selecting remedies at individual sites. However, they have not gone so far as to state that costs and benefits should be compared.

The Commission recommends that 10^{-6} (a one-in-a-million added risk of contracting cancer) should be the health protection goal in remedy selection. This is at the most stringent end of EPA's current range for cancer risk of 10^{-4} to 10^{-6} for Superfund. Our proposal is to retain the flexibility of a range for cancer risk and to introduce a range for other health effects. Because setting a range for other health effects is not current practice, we will face a hurdle, both technical and political, in adopting it.

There is general agreement that the current statutory preference for permanence and treatment should be modified, but replacing it with long term reliability as a factor in remedy selection may be controversial. The Commission and NACEPT propose limiting the preference for treatment to "hot spots" or areas with high levels of contamination. Some Congressional staff would prefer to keep the preference for permanence in some form to ensure EPA requires treatment in circumstances they consider appropriate. We believe that our proposal will protect human health and the environment but allow EPA the discretion to use other than treatment remedies where appropriate. Elimination of applicable state standards in favor of uniform national standards (unless states fund the incremental cost) will be controversial with states and some members of Congress.

IV. COST IMPLICATIONS AND BUDGET IMPACT OF THE PROPOSED REFORMS

Final cost data on the proposed reforms are currently not available. At this time, however, OMB estimates that the proposed reform of the allocation and remedy selection systems would reduce public and private costs at NPL sites by 9 to 14 percent per year, including:

- a reduction in private costs of \$600 to \$730 million per year (a reduction of 27% to 33%);
- an *increase* in public costs (due primarily to orphan share funding) of \$180 to \$250 million per year (an increase of 10% to 14%).

In addition, NEC staff estimate that the proposed reform of the insurance-litigation system would reduce total costs by an additional 4 to 5 percent (by reducing private transactions costs by \$150 to \$200 million). We also anticipate proportional reductions in the costs to other federal agencies charged with cleaning up federal facilities (better estimates of these savings will be completed in the next few weeks).

Overall, this proposal would be budget- and deficit-neutral, as increases in public expenditures would be offset by increases in tax revenues (generated by reduced corporate deductions for cleanup costs).

V. RECOMMENDATION

We recommend that you authorize us to present this package as the Administration's initial position in the reauthorization of CERCLA. We are establishing a process for managing continuing negotiations with Congress and with other interested parties.

 Agree

 Disagree

 Need to Discuss

THE WHITE HOUSE
WASHINGTON

DECEMBER 28, 1993

MEMORANDUM TO T.J. GLAUTHIER

FROM: KATIE MCGINTY

SUBJECT: FUNDING FOR GLOBAL ENVIRONMENTAL EDUCATION
INITIATIVE--THE GLOBE PROGRAM

With your help, we have secured funding commitments of \$7 million and \$5 million, respectively, in NOAA's and NASA's FY 1995 budget for the Vice President's Global Environmental Education Initiative. The EPA and NSF will also need to play major roles in The GLOBE Program, however. The GLOBE Program is in need of an additional \$4 million. Is there any possibility of securing these funds for the EPA and NSF at this point in the process? Thank you for your assistance.

THE WHITE HOUSE

WASHINGTON

December 29, 1993

MEMORANDUM FOR Phil Lader
FROM: Cathy Zoi *uf*
SUBJECT: OEP's Agenda Setting Process

OEP has been engaged in an agenda-setting process for the past couple of months. We hope to bring this process to a close and have something for your review during the next couple of weeks.

As background, I have attached a staff list and the general portfolios of each staff member. Organizationally, we have divided up the environmental landscape into 7 "distinct" subject portfolios, each managed by an Associate Director¹. Each Associate Director has some issues that are *legislative* in nature and some that are *administrative*; some that are very political, some that are largely substantive (and *less* political); some that require significant policy development, and some that simply require monitoring.

For your information I have also attached two internal OEP memoranda that have offered the staff members guidance as they construct their draft agendas for their specific pieces of the environmental portfolio. The second of these two memos will give you some context about why the agenda-setting process is so critical for OEP right now -- the environmental winds that are blowing are **challenging**, to say the least. At the risk of sounding melodramatic, what we at the White House choose to take on in 1994 can chart an environmental course for the Administration that gets us on the high road (where it will then be pretty easy to stay), or one in which we are being eaten alive in the trenches (a position we will have a difficult time climbing out of). I am confident that we can chart the right course and look forward to your input.

Let me know if I can provide you with any additional information between now and when our 1994 proposed agenda is ready for your review in a week or so.

¹ (with the exception of one being managed by a more junior staff member who is a Special Assistant)

THE WHITE HOUSE

WASHINGTON

December 30, 1993

MEMORANDUM FOR THE PRESIDENT

FROM: KATIE MCGINTY *af*
SUBJECT: Letter from James Spotila regarding Leatherback
Turtles in Costa Rica

You sent a note yesterday asking me to review the issues raised in a letter from James Spotila of Drexel University regarding an initiative to protect leatherback turtles in Costa Rica.

In order to follow-up adequately, I have forwarded copies of the letter to USAID and the Department of Interior, with the aim of responding to Mr. Spotila's letter by the end of next week.

[Prepared by: Daniel Blank]

THE WHITE HOUSE
WASHINGTON

December 30, 1993

MEMORANDUM FOR Mack McLarty
Phil Lader

FROM: Cathy Zoi *cf*
Deputy Director, Office on Environmental Policy

SUBJECT: Action on the Chair of CEQ

The purpose of this memo is to outline some options the White House has for fulfilling the statutory responsibilities with which CEQ is charged. **Your input on these issues is required this week**, as some courses of action have fairly significant lead times.

Background: The Administration proposed elimination of CEQ last February when we established the Office on Environmental Policy. At that time, we also proposed that the statutory responsibilities associated with implementing the National Environmental Policy Act (NEPA), one of CEQ's primary functions historically, be transferred to a "new" cabinet-level EPA. This proposal was supported by the Senate in their legislation that passed last summer.

The House did not support moving the NEPA functions to the EPA, and instead has proposed replacing CEQ with a small, focused "Office of NEPA Compliance" that would remain within the Executive Office of the President. While this legislation has not yet been voted on, it has moved out of Committee and will be ready for a vote by mid-February (if all else goes well). The Administration is on record as supporting the House proposal as well. Our position has been that we are not wedded to a *particular* organizational structure, as long as the overall stature of environmental policy making is elevated throughout the Administration.

In the meantime, CEQ had a number of statutory obligations to fulfill that could not be addressed without anybody at the helm. As a stopgap, the Administration appointed Dr. James Baker, the Senate-confirmed Administrator of NOAA, as *Acting* Chair of the CEQ. His temporary appointment of 120 days runs out on February 14, 1994 and cannot be extended.

Current Situation: The Administration needs to identify a replacement for Jim Baker to head CEQ or its successor, the Office of NEPA Compliance. It is unclear whether the EPA Cabinet Bill (and associated Office of NEPA Compliance legislation) will be voted on before Dr. Baker's tenure runs out. Even if it does, the Administration will be required to appoint a senate-confirmable director of the Office of NEPA Compliance in short order.

Options

- (1) Appoint a new "Acting Chair" of CEQ until the legislation moves. Acting chairs must be senate-confirmed Presidential appointees and may serve a maximum of 120 days.
- (2) Appoint Katie McGinty as Chair of CEQ and send her name up to the Hill for confirmation. If the EPA Cabinet Bill moves and the Office of NEPA Compliance is created, she could simply be redesignated as the Director of that Office (also a senate-confirmable position).
- (3) Let the appointment lapse. There are currently 3 full time employees over at CEQ, none of whom is allowed by law to carry out parts of NEPA or associated statutes. This work would simply have to wait.

Action

Obviously there are benefits and drawbacks of each of these options. **I will set up an appointment** with Phil and Jack Quinn (with whom I consulted in preparing this memo and whose involvement with the EPA Cabinet legislation and the CEQ predates mine) **for this week** to get your guidance on how to proceed. As I mentioned above, I need your guidance **soon** so that the lead time to avoid potential train wrecks is available and so the Administration is positioned in the most positive light.

cc: Jack Quinn