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Folder Title:
[Miscellaneous Environmental Issues] [2]

Stack:	Row:	Section:	Shelf:	Position:
S	61	5	10	3

Groups

Ann Wexler
Clusters → mein? / policy grp?

new asst secy for gov't

short memo on this for Al

* ~~[illegible]~~ Under rather than Asst.

Barbara Blum
EPA under Carter. runs a women's bank (adams)

Bob Hattoy

~~Jeff George~~
~~State Energy Advisory Board~~

Jonathan

Carol
agency cluster leaders - final list
+ 9:30 Monday a.m.

* Buff Bohlen

CALL

is putting together all of intl enviro positions

Rick Middleton So. Envt'l Law Center
Dede Meyers / Charlie Moore
* [illegible] by board to bring industry together of concerns.
2 of 3 TVA appmts next ~~year~~
Harlan Matthews??
→ no interest in env't.

Eco-efficiency

* shift public opinion → why there no

Economists, Business leaders,

Altman, Reich, Rubin, [illegible] } → all rely on

Larry Summers.

FAX 501 399-7135

→ Performance
→ ITC
→ pollution taxes → address deficit reduction.

~~George Joy~~

Baumol - intl trade

Rudy Dornbusch - v. pro NAFTA MIT.
* doesn't buy any envtl critique on trade.
* labor not a problem in NAFTA either.
* some feel overrated as an economist
-analytic ability not so good.

Jorgenson
Am Council for Capital Formation - clean air reg. big drag on econ growth.

Norgaard biodiversity
not macroeconomist.
more like ecological economics

Paul Krugman - MIT Age of Diminished Expectations
- new trade theory. comparative adv. not as
fair economist. but clear view of world
pathbreaking trade theory.
"New int'l trade theory"
Old - comparative adv.
but new - trade happens w/ countries w/ same
comparative adv. → ∴ economies of scale - opens
the door to gov't policy.
+ would crush them on earth.

Larry Summers
→ anti-earth.
→ Congressional Black Caucus → v. him racist.

macroeconomic policy → deficit, fiscal policy, investment
Baumol - + competitiveness not as bleak as
reported. We doing better than other
industrialized countries.
but, need infrastructure, industrial
policy? & quicker adoption of foreign technologies

* concerned re: minorities & pushing
income gap

Rivlin - Brookings, HEW (Johnson), CBO, Brookings
in Wilderness Society Bd.

* key focus now on devolving f's onto states (education,
housing, development) by raising common taxes
(gas, VAT) & flexibility back on per capita basis.

11/15/92

Wed. 10 cluster ldrs selected
?= deputees?? not sure.

USDA

Berkley Bedell
Tom Harkin
Carol Tucker Forman Consumer Fed Am. Beef Boycotts.
?? Mike Espy
Leo McCarthy Lt. Gov. Cal. leggest ag state
Harriet Woods St. Louis

Marc Albright
George Roy.

Int'l Trade / Economic Policy

Sanford Greenberg blind. PhD intl econ. entrepreneur, law degree
Pres Com Budget Cntl. Allan Brandeis.

Commerce - ~~Scott Harris~~ member of team. (partner Wms Connelly Trade Commerce

AID

Dick Werthleimer - fmr Gen'l Counsel
Dr. David Western
Bob Repetto WRI.

Peace Corps Jim Kohlmoos

Treasury

Need Jack.

McGee Grigsby (he) LA intl tax lawyer. Latham, grown up & lived in DC
Kathy Wallman
Ken Levine Wunder Diefenderfer

John Sherinson — Tennessee Envt Council.

SEC Ben Vandegrift Partner. Securities, Pillsbury

Chadbourne Amy Bondurant

DOT David Frank
Air Policy Dir. NY State Thruway
Bill Roberts
John Briervo — Wunder, Diefenderfer partner. Fmr. asst gen'l counsel DOT
Mitchell Berger
Jeff Mongrasse
Steve Palmer.

FCC Nancy Hendry Gen'l Counsel PBS.
Mike Allard

NSF Mike Nelson
Barry Gold (House Sci).

DOE Charlie Curtis fmr Chief Counsel Comm partner Van Ness Feldman
fmr. Chm. FERC

Wolpe
Keith Laughlin — Staff Dir. for Wolpe.
— was " — NE/Midwest Cong.
Bill Bumpers — Harvey Simon
Carl Hunsicker —
David Harwood
Phil Novak — Public Power.
Bryan Danner — Gen'l Counsel So. Cal Edison
Meredith Jones Black female atty Bechtel, FOB.
David Roe — EDF, Rhodes Scholar, Clinton

forced to put Behler in for DOF. → ? were raised abt his being able to do. As ~~current~~ agency cel, probably can't.

John Podesta
Cowley Brinley fmr. Ag.
Marshall Matz.

(EPA) Barbara Chow - Senate
Jim ~~Ad~~ Aidala - Synar.
~~Rick~~
Dick Hanlsen
Greg Webrone
Seth Moves

[Ed] Ruth Shine NY Law School teacher. Yale Law grad. Pat Wald clerk.

~~Mitch Berger, Tim Gillette,~~ Kahlvons
efficiency implications

William Baumol → 212-998-8943
market incentives don't solve all problems
strong pressures

Allen Blinder & Pat Moynihan
Shorter & longer-term policy → stimulate productivity.
any earth component?
results rather than instruments much more promising from pt of view of productivity growth
advisable to cut down emissions by 50%.
inflexible in decreasing

macro-economic indicators

in short run - recession - policy stimulus by accelerating demand for export for energy. that helps meet envt'l stds. efficiently.

longer run — cases are exceptions.

but in deeper sense * social costs → envirl costs if

residual cost / hen. avol. a crude.
* std works w/ c/barrel.
but no doubt that many envt'l problems

Carry out a residual c/b but interpret results loosely

David Reed → no idea of sustainable development
(off) 778-9602 → key away from 3rd world
(h) 301-585-8558

Chad Dobson
Asia Bank → Bill Thomson govt
Treasury trying to name him again as V.P.

Brooks
Wade Greene
counsellor to Rockefeller
Alida Rockefeller
biggest single soft-money contributor
to campaign.

ITC

infrastructure
Water project funding
transportation funding
find criteria – maintenance rather than new start on (hiking)

new capacity in areas where have a regional estuary
Long Island Sound. Great Lakes

energy efficiency investments
accelerated weatherization program
spends $ quickly / jobs creation

federal purchase of efficient
federal bldgs fed

natural resource subsidies.
* below cost timber sales.
* extraction subsidies (tax subsidy for raw logs)

Ralph Degenerro

oppy to consider infrastructure more broadly.

promotion of green programs.

Repetto + Roger — carbon. congestion. solid waste
toxic release inventory. pesticide,
charges. don't deal w/ externalities
of driving

economy better off
① lowest cost pollu control
② econ benef – less pollu.
avoid raising → ③ income taxes, payroll taxes, tax on capital

technology initiatives. ↑avail
*ITC ~~Bruce Smart~~. Roger.
better for it to focus on new investment
Keep it generic.

subsidies / spending on "bad" ~~things~~ → clean coal techs.

revenue → as a first step, distortly way around -- ex.
BTU tax -- not as perfect as carbon tax,
but can get revenues

EPA looking @ whole range of polln
*Civilian Conservation Corps.

Tom Tietenberg (sounds young, inexperienced)
- marketable permits.
- drag of envtl policy on the economy. many cases not a drag but a stimulus. take example of P&G → open mkts.

* Michael ~~Richard~~ Porter hypothesis. → first mover advs.

* not alot of empirical support

* have envtl policy that is protective → offshore → not much evidence → some * shift for toxic production pesticide

very clean tech. is being transferred.
David Wheeler
* shareholder scrutiny

547-2600

~~to extent~~ global → antrijadin

plenty of win/win circumstances to be exploited.

correct inefficiencies
WB 1992 report

* remove subsidies that make a difference
- ex. Water subsidies in the west.

amt. of pollu is a f of industrial structure
* high-tech
* replace old factories w/ new → inevitably
~~are~~

* automatic thing - CAA new sources more stringent than repair

? = Water.

Michael O'Connell - responsible lawyer
RCRA working grp. Chamber of Commerce
but this group dolon & [illegible] anything.

Dennis Whittlesley = enforcement; his wife = Tipper's chief of staff in Pears.

Solow - recent stuff anti-sustainable development.

215 925-7168

create jobs/econ.growth/ new technologies

ITC - looks like there will be one.
? - any way to target it ?
tax credit for investment in ~~equip~~. rather than plant
key cost driver. biggest growth
bang for buck.
how keep it from going to non-productive.
jewelry / horses.
special interest cottage industries.

Kantor
Michael Silverstein
Frank ~~Popoff~~
- good choice

big winners in terms of bottom line is $\boxed{3M}$ pulp paper mining mineral
600 mill since 75.
diff. mtls. less waste.

Businesses for Social responsibility - well-known corporate
* Joel Hyatt Stride-Rite Shoes Boston.
Mike Levett DC. 202-872-5206
→ receptive

Macroeconomic policy
→ take enviro bus. ldrs. to Mexico as finish NAFTA
- 27% dec. this yr. in enviro funding

→ green educational → weakest at bschool level.
Harvard - Theresa Heinz - 13 mill.

→ convening mtg. of small bus. active in env't
employ 73,000 just in Mass ~~X~~ bill per yr.

65-70,000 small green
regeneration of Mass economy.

Ringer - Minn. lgst maker organic lawn & garden.
Min trade office & envt
Karen Nelson → 612-297-4222

NETAC Pittsburg Applied Science Park.
nodes of Am. envt'l industry. Boston.
412-826-5511
*can name a sector of economy want to use.

envt'l economics - is not sorry the economy

GEMI - 21 of countries worst polluters going green.
DuPont Ed Woolard
→ greening for purely good economic reason.
202-296-7449

US Council for Int'l Bus / US C of C.
US equiv of Schmidheiny
Andrew Mastrandonas - project head

tax credits - backwards
*take away credits that pollute.
level playing field.
envt'lly & economically unsound.
most obvious → pulp & paper / forestry

Series of weekend retreats.

Set of alterior motives → false choices. good environmentalism is good economics.

housing, autos,
need different sector panels

defense of respect to all panels.
① → no bad actors
→ V. Al &/or book

if have autos → CAFE debate.
innovative/cutting edge

② make a few points as a sector
Mfging panel → autos co. / steel co @ labor union person.

capital formation, job training.

housing panel?
agriculture
* shorter rather than longer. → if longer rather

Main thing shld be about unemployment.

for enthusiasm for
earth infrastructure projects.

* taxes

time Lts. / what like out there /
suggest sectors, peoples

737-2355 615-292-0900

machine tool industry.

Bob Reich grp & its agenda
8-9 different task forces
one for earth & natl resources
looking at budget & gen stim pkg.

all this will end Jan 20th.

* want them to start thinking about earth issues.

* $ into Community Development Block Grant.

11/17/92 Hans Van Zeyst

* will bring up protocol @ INC.
2 2 Keenitein Abstract??
priority #1 → draft action plans
priority #2 → no tocol.
→ if don't get this on the agenda.

{ * have asked for brief outline of our plan
* Netherlands & Germans will have
try to ensure comparability & model for 3rd world

Dick Meltzer →

Mike Luf - cousin political w/ Stephanie

Staffing?

~~Dear Rueschbach~~

economic summit
need word prods under

Bud Ris

3 policy grps — Reich, From, Fader, Berger

possible Treasury.

health care — ~~tp~~ deficit reduction option — 81
pr. combined w/ economic.

topic areas
single person to coordinate

"Stage One" {
→ *short term stimulus/job growth. Roger Altman
→ *infrastructure & mil conversion Rob Shapiro
→ *education & training Al From
→ *technology & infrgrpl. Laura Tyson pol. econ/ Berkely.

→ enviro & nat res Reed

commercial Bank policy / S&L

→ commercial Banks & fin. instns Chris Edley or Larry Summers

Harvard Law issues dir, Duke

top priorities layout PPF policy.
→ pol. and art ed. policy.
→ other new ideas
→ non-budgetary items.
→ calendar policy issues.
→ agency & legislative issues inventy

→ *Housing & Urban Dev.
→ Labor Derek Shearer
→ *trade & intl invest Barry Carter
→ Health Judy Fader
→ *Deficit Reduction Ira Magaziner

Father = head United Negro College Fund.

Altman, Tyson, Shapiro, Magaziner
will be heavy hitters / less of conduits

Hometalk

next tues 11/24 DC - report on how did prev. week

1-2 pp. progress report.

progress report Thurs. Dec. 3

Finish Dec. 10

present. Dec 15

Dec. 15 - 19] Bill & Al review

Possible Decisions

@ intro a spend # 40 bill as FY '93 supplemental
→ Draft legis

ⓑ do @ on Jan 20 & by March 15, will produce a deficit reductn

1 pm Thurs. - Magaziner

Need a plan for outreach → Bipartisan All people who ought to be asked to comment.

w/ Gene Sperling

promote Mars mission

~~Tech~~ technology policy orchestrated here
→ get convenience from it

Roy

Walter Massey →
Sherry Rowland →
David Hamburg → psychiatrist
Mary Goode → Science ed specialist → enviro tech.
~~Juliet Malcolm~~ →
Carl Sagan →
Roy Vagelos → Merck → CEO of Merck
Linda Wilson Chen – Radcliffe

on 1st 20, not 1st 5.

Jack Gibbons
~~Kendall~~
Jeremy Knowles

George Whitesides – Chemist – Thomas Watson's #1 choice. Carnegie rec'd ~~broad based~~ sci/tech

Pare down to 5

*Leon Lederman Ltr

outreach letter announcement

well respected on
Abelson prize AAAS – public service by sci.

not a member of Academy
origins of solar system
*astrophysicist.

1954-79 ~~1st part of~~ Oak Ridge → origins of solar system research
collat. post @ U.T. → head energy & env't.

'73-'74

Slizer prize at Am. Inst. of Physics
→ last 4 yrs only non-Nobel Laureate to get

*v. well liked on Hill
Hollings / Dingell / George Brown.

15% caution || *politically naive sometimes // But can be very coachable

energy
aves - not anti. but reserved.
*conservation & renewables ignored.

"cowboy economy" → misguided to pt of criminal

→ oil resistance. but knows

pulled into Nixon White - of Alvin Weinberg. brought in for energy policy FEA
wife active Dem pol. - local
but believes Democratic!

*V concerned re: climate change

*sustainable development

ok. manager.
much loyalty

Massey - ran Argonne Natl Lab / physicist
commission to review mission of NSF
hasn't wowed people
impressed w/ how he's handled
did well there. ⊕ rxn.
good testify.

env4 Mary Good - Allied ~~Chemical~~ Signal
petrochem engineer or chemist
Excellent.
Jack Gibbons put her name in.
on all Bds NAS / AAAS.
*terrific communicator

Shirley Malcolm AAAS, sci ed
~~v. smart~~
manager? public policy?
stature??
Assoc. Dir. Ed at NSF

Jeremy Knowles & Linda Wilson

ind Roy Vajelos - Merck
~~v. well~~ revered in industry.

research links to appl leads to competitiveness
friend
* lots of vision

envt David Hamburg - psychologist
- head of Carnegie (entire)
- very enlightened
- very well respected
- sci advice panels
- close friend of (Kennedy ?!)
* can be a bit arrogant.

Carl Sagan → Spectacular
30-40% of sci community barf
→ don't consider serious scientist.

Discovery channel outreach
interesting

"* the back country."
Florida Bay → [illegible] islands.
[illegible] Nature Conservancy [illegible]
Mark Robertson 407 628 5887
Nature Conservancy/Orlando

Lovejoy
[illegible] down to 3"] Task Force very good

Golden → scientists
doesn't listen →
little
Tony Jensen

Jan 11 - low profile [illegible] on biodi
Exec Order Nat'l Center for Biological Diversity

Reich's Magazine '82 book
1973-'92 - real wages per capita have ↓

PPF
pro growth expenses should go up 50%
all other expenses should go ↓
Def reduced by ½ by 96

should be 3 budgets

~~past~~ interest payments
S&L

CURRENT operations (+ SS [illegible])

future expenditures [illegible] that will lead to

Last 20 yrs. future portion has gone down!

6T gross
1.4T gov't spend
1.0T taxes in

3T deficit → 50% of entire economy

goal - balance past & current ; but don't mind ↑ deficit for future expenses.

danger increase future investment but not to point where ↑ deficit ↓ private investment.

have growth @ 2 - 2.5%
⇒ status quo dec unemp.

3% or above = an → lower unemp ⇒ then increase wages.

Machines
capital
job
people

4 factors of productivity

mobile

US of A.

infrastructure

↑ spending 1% of GDP → ↑ growth by 1-1.5%, ⇒ growth to ~3% ⇒ unemp ↓

Goal of proposed programs – Revenue & Investment
– Real wage per cap ↑

VAT
bus transact tax
VOx SOx NOx
energy.

Stim term → til '93 supplemental
def red → secondly til '94 Budget.

Then health pkg.

500 B Income tax (40% person 100)

400 B payroll tax

Value added
revenue gain – purchased inputs
(exclusive of capital & labor)
doesn't distinguish betw capital & labor.
so doesn't distort choices.

[illegible] ~~[illegible]~~ subsidies.
pos.
expenditures

but gets passed ~~through~~ to consumer.

Consumption tax.
→ alternative of personal income tax
→ gross - what saved = consumption:
→ radical - complete restructuring.

Modified VAT → don't exempt all raw materials.
refiners / utility → your fossil input not
↓
important 'cause will encourage ~~efficiency~~ → straight VAT does not ~~[illegible]~~ raw mat's
~~items~~ reduce basis for tax

① Pollution taxes

② VAT & energy tax

③ PPF & EITB — compare legis props. syntheses

④ Envtl Infrastructure. { opportunities / defense

⑤ ~~①~~ Other "Revenue neutral" → legis → executive order
↓
w/ regard to ~~[illegible]~~ directive

⑥ D[illegible] [illegible] Subsidies

~~1:30 - Magazine~~

* Check w/ Al's schedule

mkt rates timber sales

↓ publicly financing superfund

Shapiro

↓ placement grants for waste water treatment plants.

↓ farm supports

phase out special depletion for nat'l resources

marc tax options

Bob Infrastructure

Nat'l resource subsidies

Rick envt technology

Calendar Katie

Agency & legis Darryl

Other Non-Budget Katie

Directive to Coordinators

I. Learn PPF

A. 3 scenarios for applying PPF

1. Best
2. Better
3. ~~Best~~ Good

II. Political Analysis.

who supports / opposes on Hill / interest groups

~~cong. call~~ Ir @
5 LOV.

III New Ideas.

IV. Non Budget items.

V. Calender / policy

0669

VI. Agency / legis. Inventory
bills likely to be introd.
agency decisions

VII. Other (non-budget).

Mike Nelson

UWash Gil Ohlman?
new commission on risk assessment / mgmt
college for Clean Air
due to be set up
was supposed to be set up bipartisan

Bush - ~~Barbara~~ Bancroff Austher @ Va
Morne ~~Alter~~ - 1st head of OSHA. V.
Orphanides

problem centrists & then some rt. wing.

~~John Ahearne~~ - asst secy defense Nixon & Ford
Ahearne from NRC
now exec dir. Sigma Xi
Undersecy @ DOE.

Marla / 415-928-6000 Sat-Mon
808-879-4900 Mon-Sat
Fax 808-879-6128.

Mary Beth → Subsidies work.

c/b analysis is not [illegible]
need to decide on basis of social [illegible]

*only have to preserve that which is irreplaceable.
*

Rafe → overall
Jessica → Infrastructure
Rhoda Schear PhD - Ox Ford [illegible] Daryl Banks → enviro technology.
Rob Repetto → subsidies
Roger Dower → green fees

$\boxed{57216}$ Dan Beard → House Interior Committee Staff Director.

Exec. Order that it be managed as wilderness.

2 highest priorities → job creation
→ Deficit reduction.
Miller → eliminate subsidies.
→ Youth Conservation Corps.

Senate budget cmte - Sasser brief
gist of Reisch - stimulus Jan 21.
then end of March - budget [illegible].

2951725 637-2201

their strong advise - he needs to send to Hill comprehensive pkg. FY '93 supplemental. budget '94 (sketchy) & a long term deficit red. pkg. in sketchy outline form.
- budget law
Budget ceiling needs to be lifted by Apr. 2

Bruce Babbitt
*Pat Moynihan = 26
*no public works that are just same, old non-productive

Laura Tyson
Infrastructure / technology / small business
4/8 yrs. planning horizon
*issues & people & politics where controversy, where coming from.

National Labs
export promotion
joint venture
investment tax credit
R&D tax credit
Civilian Defense

② # of Hollings Centers.
what is current plan.
expectation in terms of cost.
any expectation political controversies
*flesh out / cost estimates.

process technologies

*Set idea to organize econ council
Mike Nevill as forte to home
→ GAO / Hill / CBO to information

*CAlander

① shift DoD budget to civilian
8 bill → ACRAPA.
→ Adv. tech @ NIST.

DRA technology papers.

did Δ ATR
SBIR allocate } exactly where we are.

Defense
Space
Envt,

* get list of Dems & R's.
* items those were authorized (eg. not of Lieberman / Bingaman pkg).
* items that were appropriated but held by Admin - tp. DARPA - dual use - admin opposed.

1990 Budget agreement.
14 bill approp in DoD that was (some smaller under budget predicts) last yr.

11/ Charles (Chip) // Gary Tuchman // — Hebert.
Shields Rural Development
Derby

Forest Service

- instill a stewardship ethic

Below cost timber - farmers / ranchers

Fed v. State & private land
technical assist
encourage

pol. volatile → heal, repeals.

timber sales → the real proposal is clear

grazing fees → compromise not really here.

Forest Service has a new budget proposal
[illegible]

* Tom → get investment in State & private land

→ Stewardship K's
contracting timber sales

restructure Ag. bring it to undersec
level - (with the ...)

Soil Conserv. Service
natural guid service
? - regulating compress

~~John~~ Wirth
Conference of EPA in mid Feb
~~guidelines~~ for corp. around world
ministers

~~mid~~ Feb.

Confidence bldg.
recommendations

?? ~~AL~~ to do key note??

No.
Am..
Substitute

~~Our~~ economy 27X bigger than Davis.

Senate Budget

Matt Greenwald Chuck

Lobby at green fees / carbon taxes.
shift R&D from defense to domestic
→ could only do game of this
immediately.
→ too much at out there too
soon.

NSF → some infrastructure
DoE → advanced battery

ATP - great program ~ ½ bill. now → old Arnold expansion guided

* defense conversion

* electric car → should be expanded. 2.5 bill over 10 yrs.

* national labs
Council on Congress
10% of budget - tech transfer.
not more $.

Ready - = defense person

export potential

* We should send all of our proposals to them!

* they will send proposals to me

Jonathan fort → 301-320-4444 - rep sue

* By Monday - our thoughts on econ. summit re: issues.

presentations & those there to respond.

\+ observers rather than

Sat. Lunch w/ Shapiro
Monday 4:00 - Conference call — summary sheets

Monday 5:00 - mtg w/ ~~Atlantic~~ Magazine

Laura Tyson - Nov. 3 Mon. → next mtg

Robert Stowe.

Water / waste water trmt -

CBO - major expenditure

Third of projects w/subsidy are
Clean Water Revolving;

Bob ↑

Harwood - CBO Deficit Reduction Option
March / May '97.

→ C³ mean ~~Peter~~ Kortmayer
54276

→ E-mail note

→ Bill Roberts 387-0070
X 35

→ CRS & EESC → calendar

→ Suzanne [illegible] Mem. [illegible]

Geoff Peterson — waste water consultant — EPA.

non-point sources — attn in CWA reauthorizing.

by 2015 — 115 bill in sewage treat — - absent CSO.
CWA alternative.

*By beginning Dec Paul will have calendar.

Energy — will focus on natl gas — ~~FERC~~ Trans order 636

+ Karl

KCRS & EESC

Robert Stowe

Ass't Secy of F&W
Steve McCormick — heads

Mark Robertson → TNC Key West

Ben Reid
Away — 15th of Dec.

Wales Jones → (W) 212-649-5615
(H) 212-989-6423

305-872-
9301

Larry Summers
→ Cash Local Stimulations
$700! Jun-68.

→ no market power for all ITC but maybe
advantage certain cleanup technologies

Cluster leaders

Econ/anti trade
Strike

Frank Raynes
Fraga
O. Payne
Sally Ride
Gov
Donna Schala
Tom Downey
Tom Williamson

all have 3 assistants
policy personnel budget

Tom Gormley
Michael Silverstein
Dick Clark (if Brazzan presenting)
~~Paul O'Neill Alcoa~~ — 3M.
Ed Woolard Du Pont.
Alden Meyer UCS
Ralph Poirecanci WRI
Roger Dower WRI
Bob ~~Repetto~~ WRI
Michael Porter Harvard
Charles Yeager Anderson/KCU
Bill Nitze Alliance.
Mike McCloskey Sierra
[illegible] Krupp EDF

John Adams NRDC.
George Frampton Wilderness
Tony Hall TNC.

monday

Jonathan

Sanibel Health & Spa

813-466-2156

• Russ Story
• Greg Webster
• ~~Bonnie~~ Cooper Winston

501-374-7474 315

4

262-5737

363-9725 662-2556

637-2212

Vt. and Heights 973-1196 Bob Reich

11/30/92 NPDS -> under CWA. Point Source

permit supposed to be renewed every 5 yrs.

(1) * phase them in

Biological oxygen demand -> water quality indicator.

who hit??

~~the~~ publicly owned treatment works.

can't tax them.

* States largely administer these programs.

90% * would have to give ~~feds~~ states a piece of pie.

chemical
paper & pulp
Petroleum
+ (i. metals processing)

direct discharges.

* if can't get public -- then are worth it.

either treat it or send it to public treat works.

denomination of any tax there -- they will send to state.

[illegible]
[illegible] call

Arkansas has a BOD charge.

States may like -- standard federal fee - w/ revenue sharing

X? = [illegible] conflict w/ [illegible] efforts here

③ ② Ag chems. — Non-point source
"only" sector w/ no polluter pays.

(? = tradeable permits under CWA??
non-point source!?)

ag chem lobby
some farmers.!

? = a tradeable permit scheme here?
→ Can't do & exclude nonpoint thousands of farmers.

→ might set an offset system - by co offsets by paying farmers x & [illegible]

→ ? = cld be a point source pesticide permit.

+ EARMARK FUNDS for WATER QUALITY.

? = [illegible] [illegible]
Germany Korea fee?

② TRI.

$3/ton → 5 bill.

→ no other reason.

→ Repetto argues cld go for 20 bill → wld yield abatement.

~~Chemicals & oil cos.~~

any rptg facility w/ 25000 16 of 300 chemicals

24000 facilities currently report.

alot of ?s currently re: abatement avoidance.

?s → if are ramping up these fees → better know have the system for covere & that have the worst chems in them.

would want to link groups of pests

air & water emissions

→ 51 [illegible] of 1.

either this or corporate income tax..

④ additional revenues on ~~CFCs~~

include HCFCs & CH_3Br.

?s = energy bill ally

1 bill over 5 yrs.

not falling here abt more on CFCs - than done - energy bill's

1 = oil import fee ??

* Wash Post – grazing fees, etc.

(5) auto emission fee.
way to pay for cash for clunkers?

permit to where have enhanced I&M.
= avoid problem where people have to
drive long distances.

(6) tax NOx / VOCs.
VOCs } ⇒ getting O_3
NOx →
→ auto generators

Ozone & human health

getting there thru TRI already

Energy / Carbon Tax

Energy all for 20 billion.
start of broad based BTU then add on a
Carbon component.

1¢/gal of gas → 1 bill

Below Cost timber Sales

30 million + this looks only a 3 worst
areas + ex 7-1 loss.

? = need legis or just Δ Forest Service
agency to [illegible]?

C → look at pmassconcive ?? **

Eliminate Tax preferences for Nat'l Resource.
① expensing of drilling, exploration & development
percentage → this v. joking. com?
write off in one yr. instead of

Jus → Spoke to Al this a.m.
11/25

Russ Peterson
United Earth   Klaus Nobel
award of Maurice Strong   Dec 8th @ Kennedy Center
Tolba
Draper
on board
black tie / dinner for 300 @ KC afterwards.

Susan Davis Co. → organizer.

Jonathan, Peter, Greg, Leon.
economic policy
economic retreat
latest econ develop. & predict thinking among Resch grp.
energy options
technology policy options.

?. = Tom Tuchmann

David

expanded to offsetting AMT
900 mill - CBO # from last spring - - before expansion.

structural recommendation
move NOAA??
Hollings. ???

2nd & third level positions

* atty w/ transition team -> EPA continuing priority on pro't pesticide.

new pesticide prob.
federal facilities.

ECONOMIC SUMMIT

973-1038

20 hill

Jack, Peter, Leon, Greg, Jonathan, Al, Marla, Reed

Jack - ethics
top apptees refrain from lobbying their agencies.
never registered agents for foreign govts
trade reps.

Jonathan
↑ growth rate 1% short term stimulus.
budget deficit reduction.

real growth 2.4%
build up of inventories
inability } ⇒ 3.9%

2.5% annual growth keeps unemp. rt. where is now.

but no real ↓ in unemp. 'cause capital is replacing labor.

every 40 bill spend ⇒ 1% ↑ growth.
beneficial impact of stimulus not exhausted
" " " monetary policy probably is.

economic news better. risk of conjecture higher.
external portion of interest rates.
GATT
Maastricht
Japan
Latin America / CDCs

OMB
LGA

Acty
Director
EPA / 973-1420

* Single big envt'l pkg.

1st 100 days
econ pkg
education national service / student loan
political reform (campaign finance / motor voter)
Initio. health care

plus pkg of envt'l initiatives

Exec Orders.
D's in pol'l positions

Regulation Re' Recycling autos.
Regulations.

* Gas fleet.

* A Corp → timber issue??
forests??

Kostmayer
Ass't Secy for Fish, Wildlife &

House Budget
water treatment as opposed to water supply

capital intensive rather than
labor intensive

repair existing.

501-377-4723

If want to get into capital investment then structure

* removal of toxic waste materials
funds into CDBG - target
businesses won't locate there.

$\boxed{\text{*RTC}}$

Frank Destefano → HUD
Housing Subcmttee 5-7054

Brook Yeager

Sec. Ag., Interior, Commerce

Exxon settlement — federal trustee bd
re: how $ used

designee

release for land acquisition in SE Alaska.

Dec. 10th → Kurt McVee (interior)
appt Exec. dir. of settlement
→ not removable.

Mike Barton regional forester in AK
(had - had Tongass plan)

Steve Pennoyer dir NOAA AK.

* what the staff do
* who to contact re: other 1st 100 day

Dan Esty

Mexico → if NAFTA to be completed, need to pull together No Am Commission.
- get new team
  old team
→ get done.

will not accept a surrender of sovereignty

funding pkg that seriously addresses.

attend negs in Mexico City
2 weeks from today.

1st 100 day
* Alaska Wetlands regs pull back unissued

* U.S. Δ protocol t&t

* structure of OMB
~~Ex Order~~ 12291
Reg. Review process
dead Quayle council

* EPA → cabinet
NOAA ... maybe. but then study further re-org.

combine

* ~~Move~~ EPA to DA arc
GSA has given up on it being arc
pub. center.

→ in heart of Federal family.

* technology corp. export itty compensation

existing resources. Commerce / AID

* infrastructure project →
  ① expand definition
  ② how undertake CSO in ways that don't
  ③ riparian repair → invite youth corps.

* Bush Federal Recycling Exec Order → v. weak

draft of EPA's original recycling order

* Env'l Equity.

* US intention re: Green GATT

---

* Mark Gearan — list of agency people

Bob Reich — carbon taxes beyond our mandate.

- strongly in favor of extending our mandate

macroeconomic effects & also revenue parity impacts of various energy / BTU / carbon.

regressivity & ways to deal w/ political unwillingness! (predictability of winners & losers).

regulatory

12:00

"now is the time to do it"

options papers
suggested format
look at broad issue area
→ infrastructure
→ roads
→ option → smart highways

* several levels of options → including taxes
(a) slow down spending + then
program / delay / user fees, etc
(b) moderate budgetary increase
(c) full funding as has been conceived of

ea. option
@ ea. level
would be a page.
total → 3-400 pp
not also
backup materials

politics / winners / losers.
what likely to make it thru Cong.
what likely to be in form.

w/in framework of ↓ budget def & ↑ public
investment.

after 15th → suggest keeping to week.

Revenue Raising side - Heavily than spending cuts

By Dec 20th have access to OMB

Stimulation of conservation/pollution technology

& need to get magnitudes of public & private expenditures right.

options coupled w/ getting rid of payroll tax.
& short memos

12/2/92 Reed / Bob.

* for econ summit - addit issues to brief Al on

carbon tax possibility

30 mill don't have to pay income tax anymore - no payroll tax

overview of big
VAT / energy / TRANSFER

Regressivity & Recycling.
income tax reform
consumption tax rather than ~~[illegible]~~ income.
(mention Nunn/Domenici).

Bentsen getting pressure to push numbers
Solow - anti pressure accounting

* Quick Notice

AL → our conversation w/ Bob
→ modest carbon tax that wouldn't & behavior but that could be front in door.

$5/ton → 13% ↑ some work
1.25¢ per gal of gas

* memo to Reich → academic piece on the possible plus Al Gore version

Options
(1)
telling states to funnel more $ into metropolitan areas

? = not let $ work as is
road maintenance / congestion mitigation
2 bill

we do not get into debate of how $ allocated within key 4 other states.

~~suballocation~~
act requires some suballocation & metropolitan level not directing

interstate hwy maint
complete " "
surface transport programs. (Can be used transit)
bridges
mass ~~transit~~

18 bill in the act is among these
one option - spread across categories as outlined

∴ on transportation → 2 versions of ①; then have a AMTRAK / high speed rail / smart hwy fund.

but concerns – if add extra $.

Bob – wld not do this – wld just fully fund to authorized levels

Reed – need to write up both ways { allocation in bill ; telly v. new fund bldg as this does.

Interstate hwy system completed in 1955 but will still need extensive maintenance.

② goes beyond $STHEA – my interpretation is that campaign meant only

campaign proposal & described in a 4-p. ~~memo by~~ ~~[illegible]~~ speeding where he describes project that shld be funded.

↓ vehicle miles travelled per capita

are the projects really out there to absorb the $

* STILL NEED PROPOSAL for $ for Intercity Rail.
ex. fully support Amtrak.
R&D high speed rail.

WATER

③ by 2010 – added "$" bill nec. on sewage & wastewater
→ estimates of on-shelf that cld absorb

CSO??

tied up in reauthorization of CWA

if looking at near term should get wastewater & sewage treatment then

funds under CWA currently can't be used for CSO

plus don't have the answers yet on what types of projects necessary.

As opposed to v. detailed consideration in CWA of what POTW plants supposed to do

* problem there

?'s to be answered

% of water problems due to CSO as opposed to other plant problems??

Sewage & waste water treat also generate 1 bill → 57,000 jobs.

*in fact CSO won't generate jobs quickly since projects not as ready to go.

Governor's priorities here - green screen:

① upgrade existing facilities to comply w/ CWA reqs

② require local govt to develop a plan to conservation.

these progs not now on table.

50,000
25,000   25000

(4) ½ of $ will go to lead abatement.

Energy.

(5) SLAP.

*need #'s on investment returns & energy savings.

? on jobs - does job disappear @ end of year??

(6) ~~Efficiency~~ Energy Bill.

?= does this $ go to hiring staff @ DOE if not -> then clearly state.

problem -> favoring some titles of bill over others.

(7) FEMP

formula for 50,000 jobs. & what is the net effect on jobs.

?= where is HUD lead abatement.

Harwood

(8) nix.

973-
1515

Forest Summit Option Paper → illuminate issues. timing, method, scope → options

9 depletion allowance n.i.

10 Log export subsidies

?: CAMPAIGN PROMISE.

* should be summit but also in options book

11 Mining Law.

?: Better delineate character of losers.

12 Grazing fees.

Yes – in list of options

?: Spell out job loss.

13 below cost timber summit

14 Recreation fees on public lands.

* regressive

~~[illegible]~~

2318

Ned Potter

→ Japan & economics of ~~work~~ → ~~examples~~ of [illegible]

(15) Reduce Cap on Tax Exempt ~~[illegible]~~ Parking.
just set in energy bill.

Nix

(16) REA Subsidies.
Nix.

(17) Weight / axle Road wear
Reid wants to keep in
but needs to be done internationally 'cause
~~will~~ there is a movement to standardize trucks.
* probably can't do in a hurry

(18) Cash for Clunkers.
Reid will include now but many ?s.

cost. who do w/ them.

(19) Tree Planting
→ add to Earth & Ecosystem Restoration initiative

(20) Earth & Ecosystem Restoration.
* ~~contribute~~ to long-term econ health.
- strip mine, g'nd water contamination.
- acid mine drainage.

?s ~~[illegible]~~ each has to be individually fleshed out.

?s more revenue when [illegible].

* Keith Schnyder
Ken Smith -

Gus Speth
Dick Clark
Bryson
O'Neill

21 include w/20.

6:15 Conference Call

12/3/92

Action plan - Federal register notice - 90 day comment pd. period

Starts 7th - Monday

EPA wanted Chased
DOE - wanted out
DOI - not sure
State - wanted out

CEQ compromise will ~~table~~ but say it only proposed.

WWF comments - like the measures but need add'l to set target & also ensure

Bob Hattoy - calls re: Forest Summit.

Gene Sperling

~~Mike Punk~~

Global Env't Issues memo for Sandy.

vertical teams → into ea. agency.
1° responsibility for audit of programs.
budget / personnel & admin issues
and

horizontal → deal w/ cross-cutting policy issues.

papers on Russia, Haiti, Dev't Env't

do as an Options paper
I.D. issues.
immediate decisions that need to be made & then options w/ pros & cons.

plus overview

x 5 pages too short; 40 too long.

~~touch~~ touch base w/ agency people.

deadline - draft end next wk;
beg. wk of 14th.

Final Dec 19th

State Brian Atwood → 736-4510

NDB's → @ Cart IDA X

Defense Jeffrey Smith → 703-693-0664

AID Goler Butcher 703-860-0821
Eric Neusome
(Hillard)

~~NSA~~

Econ Bob Reich - 973 1197

Domestic Al From 1400

Steve Rolansky

of issues left for B-BG to decide
w/d. possibly tie

NGO's
power

Geneva – Lower profile & visibility of

Resolution hasn't been passed
5th committee → finance
2nd " → working grp that Razali worked on

NY / program of work cld be more clearly defined

Europeans advocating "segments" → look @ chapter
US & G77 – "cluster" → look across the board.

EC seems v. stuck on this ; SI thinks US & G77 position better.

Glaspie & Bob Ryan – US would prefer Geneva but not a sword issue -- but in discussions pushed v. hard.

NGO access -- seems people reasonably comfortable.
ECOSOC v. UNCED procedures
→ seems to be leaning here.

Level of secretariat & access to SG
this long -- reasonably good .. not nec. direct access but "strong links"

was effort to have an undersecy → US. pushed hard against.

work @ ministerial level ??
US watered down → high level w/ ministerial representation

43232 / * Leslie Black
~~* Sam Fowler~~

also ? re: what relie old have to the banks.

House Ag
$\boxed{\text{Jim Lyons}}$ → House Ag.

~~Energy~~
~~Dick Frange~~
ECRA & Superfund.

Rock – ok
Metz – probably ok
Glenn – ok
Byrd –

473-1435

* ISTEA

* C80 **

Bill Symms 303-444-9567
Together Foundation,

Bill Bruton 501-377-4723

John Fox 395-5750

Energy Foundation Bob Solow – on the board
4 months for : ACE

* EPA fish report.

45675

* on gen'l ~~sector~~ specific as well as the

12/4/92 Issues Review

David Roe - EDF / Oakland.
pesticides / chemicals / toxics.

Bill Reilly / Gordon Binder (chief of staff)

Ray Ludwiszewski (acting gen'l counsel).
* would like to stay on

Bob di Torasis (asst admin OSWER)

Issues

→ EO 12291 paper
→ Cabinet status legis draft. (last & prelim. incl. separate memo on int'l authorities).
→ Recycling E.O. * earlier EPA drafts.
→ pesticide reform / food safety
Policy Offices play on this
FIFRA a[illegible]
→ OPPE's Climate & nat'l action plan. ** ADDN'L POLICY OPTIONS. **
→ Circular 175 on NACE

Mexico

10 bill / 10 yr - bond program to clean up border.

Bargain new investment in infra (border & capacity bldg). U.S. guarantees. Mexicans pay.

② 5 mill - Pvt Corp. mandatory mmt.

* Rt. of suit

Study govt body. w/ public advisory body

also report + rec. govt response (A)
commission review

* implementing legis that failure to enforce 307
is unjust trade practice

* will have to redo

chameleon - approps process to set
support rebates + override
statewide -> got green
not as bad as Norm Dicks
" " "

Brock Adams
Jim McDermott - Seattle Congressman
Maria Cantwell - was a campaign mgr. of Adams
Eliz. Furse took AuCoin's seat also

new Lands Commissioner v. greener in Wash

would be a problem. old way of thinking
green down in campaign only smart
stuff.
expand
watershed.

reluctant to embrace a full scientific approach.

no growth in has worked in 3rd Q
Europe & Japan problem

fiscal stimulus assessed by the mkt.
$20-30 bill

worse deficit predictions for the future.

[can't be so big that irresponsible & can't be doing a persistent / long-term report.]

→ Stimulus needs to be clear // able to do now

no serious 8mb on deficit →
3/4 - 1% in growth.

only growth that wld significantly ↓ deficit is 4-5%.

Real Range $20-25
beyond 10-40 too many long term effects.

mkts want the 20 bill & will miss it even if 4th Q is good.

Altman

nonfiscal stim
do in monetary policy
treasury mgmt

fiscal stim
ITC - 10 bill
incentives for entrepreneurs } all spending.
EITC

keep headstart open.   400 mill → 50,000 jobs
300 " → 10,000

cash for clunkers & energy conservation!

$\boxed{\text{Potential Stimulus}}$

ITC	5–10	bill
Entrepreneur (tax cut idea)	1–2	
middle class	8–10	
EITC	2–5	
infrastructure	5–10	
children	1–3	
urban	?	
exit	?	
total		22 – 43 bill

Ken Thorpe – health report.
realists -- we will not be able to cut in 4 yrs
* need 50 bill off federal health care

decline of emerging.

$\boxed{\text{DRA MAGAZINER}}$

Camp. promise cut def in half by '97
Panetta.

$317 – ~~FY~~ '97
138 cuts
~~7~~60 taxes.
18 interest savings
1.01
⇒ Can spend 59

need to get down to 159
~~9~~ 26

59 bill defense cuts beyond what dem in '97
50 health care
21 income pursued in PPF

Scenario I

165 cost cuts
77 taxes
22 interest savings
⇒ deficit 52. frees up extra 50. → Cln
spend 101 bill

II

58 defense
50 health care
52 COLA
15 PPF
18 mgmt reform.
10 polluter taxes.

pres implement PPF:

42 cuts
32 taxes
6 interest savings.

237 = remaining def
-77 short of goal.

429-2670 // 703-693-9814 //

george Thompson

Dan Sakura

160-210

230

% of GDP

growth in income

hack out S&L

Majors · Infrastructure.

~~Jim Edwards - ICF~~

~~incumbent Contractor $500 mill. in Hanford.~~

~~5yr - they lost.~~

~~are re competing it.~~

Summers

Regressivity

competitiveness

all economists agree is beneficial

---

option ① fully fund ISTEA

SCRAP Cash for Clunkers - proposal ⑤

what do ol cars smaller scale only appropriate @ this time - but Fed. incentives to call & attendants.

↑ fed funds avail under EPA State Revolv. fund program to ↑ sewage treatment plants

FY'93 2.4 bill.

Have many of these project ready to go but still process of awarding K's etc., — $ is no stimulus in FY'93

add a user fee option
dollar for dollar of what had been put in

once feds capitalize revolving funds then user fees?
in theory Revolving fund goes away after FY'94
after
but w/ reauthorization Ad has the fund be recommended to continue & /or expand to do CSO / non-point source.

$\boxed{E}$ Rafe:
Jobs & Recreational.

one prem by Nat'l Park Service
Other " Board.

Tree Planting
Cool Communities — small
Am the Beautiful.

ENERGY EFFICIENCY

350 mill SEAP
20 mill FEMP

permit & tax -3? → not exactly
2

Cost effective way to permit appropriate fees for water quality

permit scheme not meeting water quality

permit fee a problem → no funds

Technology

3 proposals

① stimulate R, D & D.

② " commercializing in domestic

③ " " " export mkts.

expand EPA's green lights program
→ jobs creation → auditors

low interest revolving fund invest in recycling tech.

National Academy Engineering
FCCSET Center on Enviro Tech.

973-1515

2

Monday 12-2
* Gene Sperling.
* Bill Buxton.

- NAE → to formulate a strategy
18-24 mo. study → [illegible] the part of this pkg. → ~~[illegible]~~ Δ to ~~[illegible]~~ 6 mos.

- FCCSET → green tech

- Re-direct to focus on enviro tech

↑ NSF funding for univ research
new engineering research centers
NSF got a cut last yr. - if got more [illegible]

- bldg demonstrati.

- National labs
→ Tyson doing.

- pollu prevention for civilian agencies
→ Tyson.

12/5/92 Chris Dowall / Bob Hattoy / Stephanie Solein
Forest Summit

Gov-elect Lowry - got a grant → thinking of his own Summit

Barbara Roberts - biggest issue rt. now is to send signal that we're still in control of this.

Interfering [illegible] -
Gov. Sandner staff v. concerned that the $50K grant he rec'd from Bullit Foundation

Tim Grumbly 973-1151

→ [illegible] - [illegible] - v. good

makes them v. nervous
Gardner recs:
① Clinton put out a [illegible] to re-iterate control.
② we announce some point people from NW

Gardner's office — [Rick Napfleiger] → is an economist

Stephanie — whatever Washington.
DeFazio has written to Clinton.

Largest timber district in country.

worker re-training

Threat
labor, envir., industry, NW govs, Harvard arbitration, Redford Sundance grp.

outreach →
scoping document to Clinton.
then exactly how to proceed.

has taken a stand that is more antagonistic to forest protection than predecessor
[illegible] comes from a social progressive [illegible]

UNCED follow up
C.S.D. — SG-B.G. announced [illegible] Secretariat in NY.
— abolishing DESD
3 undersecs taking place.
→ one is dept for policy coord & sust. dev.

* ITTO

ECOSOC & CSD → joint secretariat
Nitin Desai will be the Undersecy.
Liz Dowdeswell will be nominated by BBG.
(Strong was before Tolba).

A/47/756 Agenda 16.C

Desert
Climate
Biodi
Treaty

IWC in May.
GEF
IDA X
Govt Sub on Trade & Envir
Eastern ~~Europe~~ & CIS.
Population Conference. [illegible]

Island States Conference
Highly Migratory
Montreal Protocol →
Antarctic Treaty. → Implementing legis.
London Dumping
So Pacific Regional Envir Program
CITIES - not sure anything
ITTO -
Driftnet moratorium
MDBs IMF → WWF & WRI
GEF & IDA

12/5/92 Bob Sussman
to receive federal contract.
implement a water conservation planning program
minimize throughput
→ rather than expanding capacity

Cont 2 || explicit limits on amt of funding can provide to specific state. Doesn't matter if has lots of worthwhile [illegible]

11:30

973-1632

Nominating write to Rudy couple weeks ago to ask for list of all ready to go projects

Response → should be ready in January

Letter
Any Endorsement { Treasury & OMB will be announced.
EPA

Dear
Dornbusch — Knows Salinas v. well.
They eager to proceed. tell what to do & we will.

*don't drift to fall recess next yr —
new Mexican President

Mark Green — NY.

973-
1685
Natl Bob
NAOA

Mitchell Berger

George Frampton → Water
Eileen Claussen →
Bonnie Cooper.
Tom Jorling
Skip [illegible]

Deputy
Congressional
Solid Waste
Intl
Genl Counsel

~~Bob Sussman — Deputy~~
John Bryson — Deputy
Susan Reiff — Fisheries
Len Billings — Solid.
Jim Maddy —
Scott Hajost → Intl
Bill Nitze → Intl
Dick Ayres → Air
Howard Lessick → Global air
Steve [illegible] → Intl.

New technologies & Econ growth

The Connection between New Technologies, Environ Protection & Econ Growth.

John Wiersma / Susan Bowden.
~~Joan~~ Brodersoff

~~State~~ → Steve Shimberg.

David Doniger. → OES.
Allen Miller. → OPPE

~~In Treasury~~
Office of Tax Policy.

OMB: ~~Bingo~~ (Budget)
Nat'l Security / Int'l Affs.

Kathryn Fuller →

IO. OES.

State 2001 report → Undersecy ~~for Econ~~ ~~[illegible]~~ Envir.

Gus Speth - as the Undersecy.

* need to upgrade.

Kathryn Cameron Porter

~47. Atty. Parents of ~~Justice~~ Dept.
@ WWF ~ 8 yrs.
Pres. since '89.
NAFTA - [illegible]

Bill Reilly?? // Madeline Kunin??

12/7/92 Roy, Jonathan, Greg, Peter, Reed, Jack, Al
re: Economic Summit

(FRI) [illegible] will say
* what tradeoffs
* what 2 p. to ask

He is [illegible]
in press
release
putting out
John
it

→ ed presenter
→ likely presentation
→ Q's
likely components / tradeoffs in the session

getting out of deficit
① growth
4-5% steady for next 6-7 yrs.

3-4% short of capacity in the economy.
by eld [illegible] the gap. [illegible] grant [illegible],
lower interest rates

full employment
→ another $250 bill. in econ.

② health care
- cost of Fed access will [illegible] cut

[illegible] → ca 5 bill in fed health care costs → [illegible]
all will be consumed.
no one else [illegible]

③ [illegible].

④ [illegible] entitlements
DM. [illegible] cut 97 budget def ~ ½.
320 — 160

big assumptions ① 50 bill from [illegible].
② Social Security COLAS
2% below CPI → [illegible]
[illegible]
③ ~~[illegible]~~ [illegible]
[illegible] on [illegible]. of [illegible]
85 - 68%

+ Robert giving CF & briefing
# votes @ table.

@ 10%. typ. pollu taxes.
→ but nothing here broad-based
business transfer tax.

bottom lines { universal coverage / investment plan / cut budget 50%

→ ? pivot → reframe the goal. want 6%. budget def. goal.

Magaziner — biggest problem facing us is cutting budget deficit

---

Reed on carbon tax:

NASA, NIH, NOAA, Communications

Alan → 399-9245 fax or 7678

Highway

Wilhelm → John Bryson
Dick Clark
Laura Tyson
Craig Fields.
Lynn Williams
John Sweeney.

20

3M
DOW

30 people around table.

(Mary Leslie) ~~ET~~ Econ Summit → 301-399-7007

Judy Armstrong — TI Techs
Dennis Bakke — Applied Energy
David Barlow — Apple
Carol Bartz — Autodesk
pream * John Bryson
Greg Carter — Re
* Richard Clark
* Craig Fields
Aly — Fla. Ag.
Lawrence Ellison — Oracle
John — B
John Clendenin — Bell So.
Sandy Greenberg
Kay Hammer — Evolutionary
Drew Lewis. — Union Pacific
Edward Lewis — Essence
Pam [redacted] Lawton — Pollution Solutions
Bruce Llewellyn — Coca Cola Bottling
Maryanne Mills — Gray Port Trading
Josh Moore — Intel
Paul O'Neill
Larry Perlman — Ceridian High Tech
~~Frank Pratt~~
Kurt Rohse — Genetech
Ed Ramiro — Advanced Sciences
Ian Rosen — Compaq Computer
~~David Shaw — Columbia~~

Kathleen Stafford — Treas. Armyn.
(union) * John Sweeney — SCIU
Jay Thompson — OK State Univ
Maria Elena Torrano — Meta

*Laura Tyson

Hall Wiley | Inc. NW Labs.

~~Lynn~~ Williams | Steel Workers.

Steve Wolf | United Airlines

Tom Kalil — 501-399-7045

12:15
1:45
1.5 hrs

Technology, Econ Growth & the Environment.

3 subdiscussions

30 min. on ea.

2-3 mins

① false choice betw econ growth & envt.
Bryson?
Clark?

② Gov't / Industry ~~partnership~~.
Craig Fields.

③ Labor — Lynn Williams.
technology build on / rather than replace work skills.
important

Al pose a ? + then ID

Erskine writing on this.

Mitch Berger - from Fla. - big fundraiser

Eric Newsom - in connection w/ AID.

Frank Popoff → Ben Woodhouse
secy Eileen - 317-636-1457

---

1. personal Mtg.
2. traditional views of a macroecon & acknowledges was very favorable to Govt. But last 18 mos - perverse outlook
3. condescends the ÷ between an elected Ldr. to make policy & appoint who wld
4. wld want a [illegible] person like Repetto in a key position
5. believes in [illegible] carbon tax

Summers + Repetto
draws staff people at ESC; NSC, DSC?
AP for envir?

Depty → Carol
Bus

Bob Sussman
Tom Grumbly
Tom Jorling

~~Phil Metzger~~
John Bryson

Staff → Jessica Mathews
Mitchell Wallerstein
Steve Polasky
Scott Hajost

Alden Meyer
Bill Martin
~~Bill [illegible]~~
Rebecca Horner
[illegible]

Bob Hatt
Sr.
Deputy director

Patricia Blue
Guest

Bill Long
Robert Stevlow
Dick Ayers → air.
Roberta Weisbrod

William Snyder
Richard Horner
Jeffrey Eren
Allen ~~Ott~~ Kriepler

Solid Waste

Howard Levasion
Tom Greenbly
Ben Chaney
Seth Morley
Bryonne Bryan
Richard Forkum
Lem Billings

Jeffrey James Shaw
John Sowers
Lenore Jodvic
Richard Hayes

Robert Bullard

Robert

Air & Radiation

Eileen Claussen
Lem Billings
Susan Ruffo
Dick Ayers
David Clanager
Mary Nichols - per Bob Hattoy
Greg Wetstone
Katie Kimball - Congress
Bob Sussman
Jessica Matthews
Bill Orthway

Jim Lentz
Ivan K Bergamini
Judith Espinosa
Beverly Brooks
~~[illegible]~~ Phil Barnett
Roberta Actenberg
Co. Supervisor

Bill Eichbaum

Kathy 639-6036

973
1461

Margaret
501-
399-
7045

~~Congress~~
Jay Barr
Bonnie Cooper
Kate Kimball
Bill Kleinfelter
David Strauss?
Brooks Yeager
~~Pamela Eaton~~
~~Felix~~
~~Dain Erlandson~~
~~Kirby~~
~~Mike Shields~~
~~David Klaus~~
~~Mike Evans~~
~~Greg~~
Rich Goodstein – Peter, Jack
~~Bill Ratchford~~

Stephanie Solien

Dan Glover → Gov. Gardner's Special [illegible]
Mega [illegible] BV
Salmon Summit

Norm Dix – his view – politically

Gene Sperling

environmental protection contributes to the bottom line

Technology, Econ Growth & the Environment

A. false choice – Bold investments that are pro environment
B. Industry of the future ?? Partnership
C. The New Workplace

40368

~~Jot~~ down low
see flow of discussion
Tom Kahlil

→ importance to Labor
→ International Competition

* Al → Dick Clark

Themes.
Questions shld address
Sticky ? that could come up.
~~Beyond~~
- campaign positions.
one page - summary of any recent reports.

Brustein
Justin - in Gov
Indonesia → envt'l consulting

Elisa Stern — (h) 301-229-4573
(w) ~~202-887~~-8723

Laurie Perrine 301-948-9118

Melanie Sharlett

Justin Ward
- NACB
- envt ministers getting together periodically
& nothing made

investigative powers. NGO representatives?

Mike Espy ~~----~~ USDA

12/1/92 $\boxed{\text{Econ Policy mtg}}$ - run by Rubin

4 big topics to address next wk:

① short term
ⓐ stimulus
ⓑ linkage for def. red.

* he said not yet heard

② PPF investment programs & how to implement.

③ deficit / budget tradeoffs
Dick tax rates a/ expenditures

Larry Summers - no miracle cures re def.
pull hard.

Rubin - experienced at fed - Tempest
Night

④ issues to ~~[illegible]~~ NAFTA, GATT,

increase real wages per capita

How policy grp will work w/ transition grps.
final form - Sunday. 2pp summaries

next mtg. 8pm Sunday. Little Rock.

12-12-92 OMB Review Gov Doug Costle, Tom Grumbly

Ron Lewis - doing for

below 18 - have SES. can be transferred
* on regulatory affs area - all
have to go

rotate budget people into agency
budget shops

I AP + CEQ

II CEQ

III AP + Office of Envir & Dev. ← prevailing CEQ
→ would head the Office
would have a seat in Cabinet

Recd by Carnegie by Christopher Chancel in Natl Comm on Govt report.

sci + econ expertise.

Catapory of Rubin for Envt

staffing @ CEQ
1/3 scientists.
1/3 economists
1/3 policy. political. vision.

office could be done — just being plan → plan
could also ~~be~~ shifted report for NEPA

NEPA – already shifted
EPA routinely reviews & grades proposed forms.

National Security Council must have a

Bill Drayton

OMB review — ltd. to save White House from getting too involved & go to courts.

OMB just coordinate.

choose people strategy — build new constituencies
field. pet. office. adm. – [illegible]

restructure tax system – [illegible] [illegible] [illegible] [illegible]
redefine AID / [illegible] [illegible]

for. agency build a capacity to engage in cross-cutting issues help slow growth of the ghetto. new directions // consultants.

Give ongoing day to day vs. project.

AFD – DDM { mainframe
2 pc.

80% of projects die as soon as AID & out
=> not connecting w/ real people.
or political patronage.

X projects not designed to be pattern-changing.

Convening
venture capital
some technical capability { depending on the issue
the skill

organizational // political
i.e. how far you
can leverage

12.14.92 Solow

Capital equip } keys to growth
education / skills

growing disparity in income is explained
earning power of bottom 20%.

John Skully
decentralized workplace
customized product
*small business key.

} new bus. agenda.
we were resource poor - natl resources
but we were resource poor.

Michael Porter
total degree
voluntary funded R&D

} lower in absolute terms
(not just % of GNP) - Japan out spends us

Arne Agerme
228-3121

Ira Magaziner – long term on policy dev
deputy dir. Program @ OMB.
wants some person.
Rubin – how many / what kind of staff??

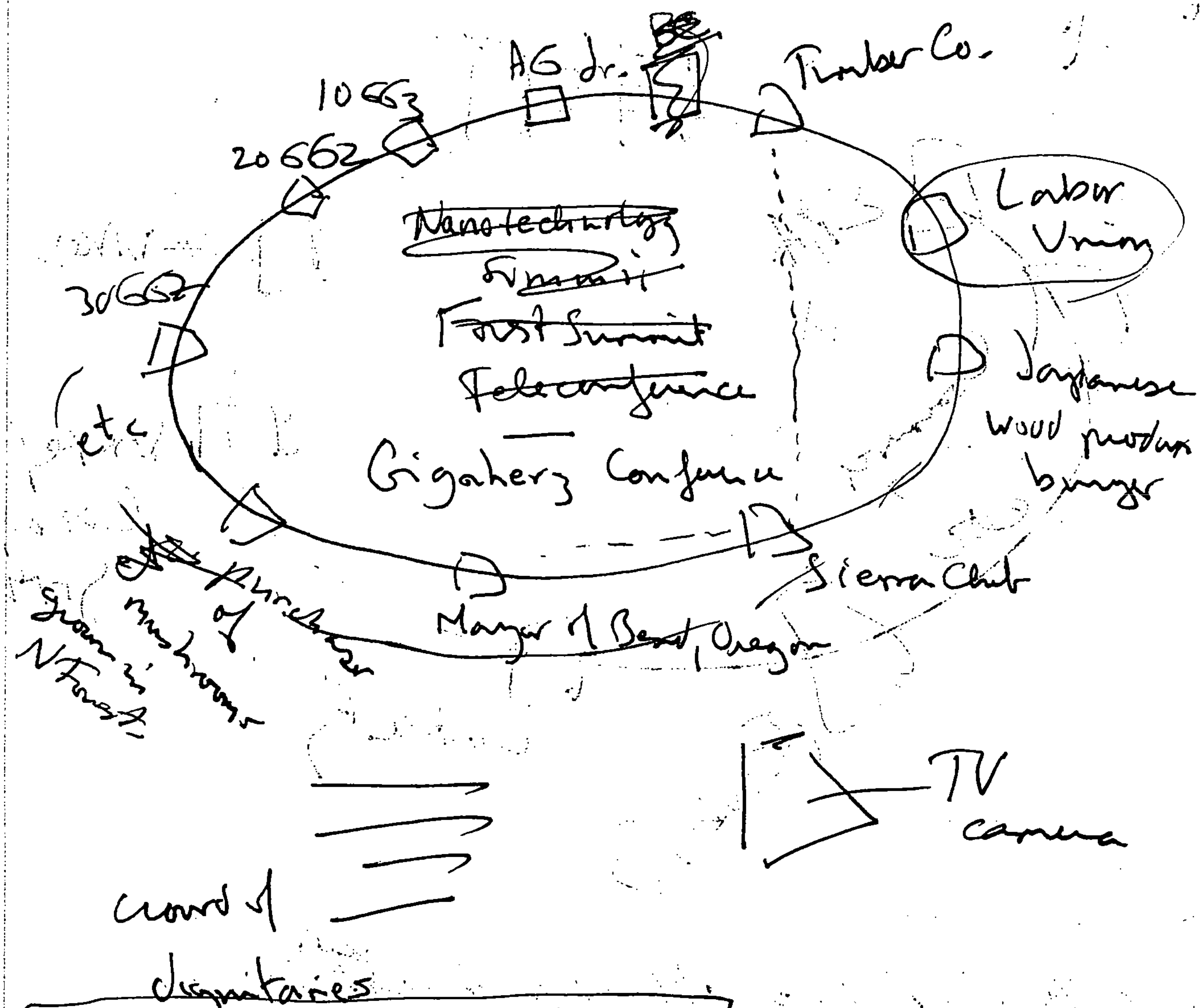
12.1 conf call Rafe, [redacted] possibly Reed, Karl

next Mon / Tues. policy discussion

Jessica Ben Chavez

Any ideas on ~~[illegible]~~.

12th floor — North side — go to Peter's office (next to Reilly's) — see Laura Segal — she'll find Mitchell Burger e? for you.

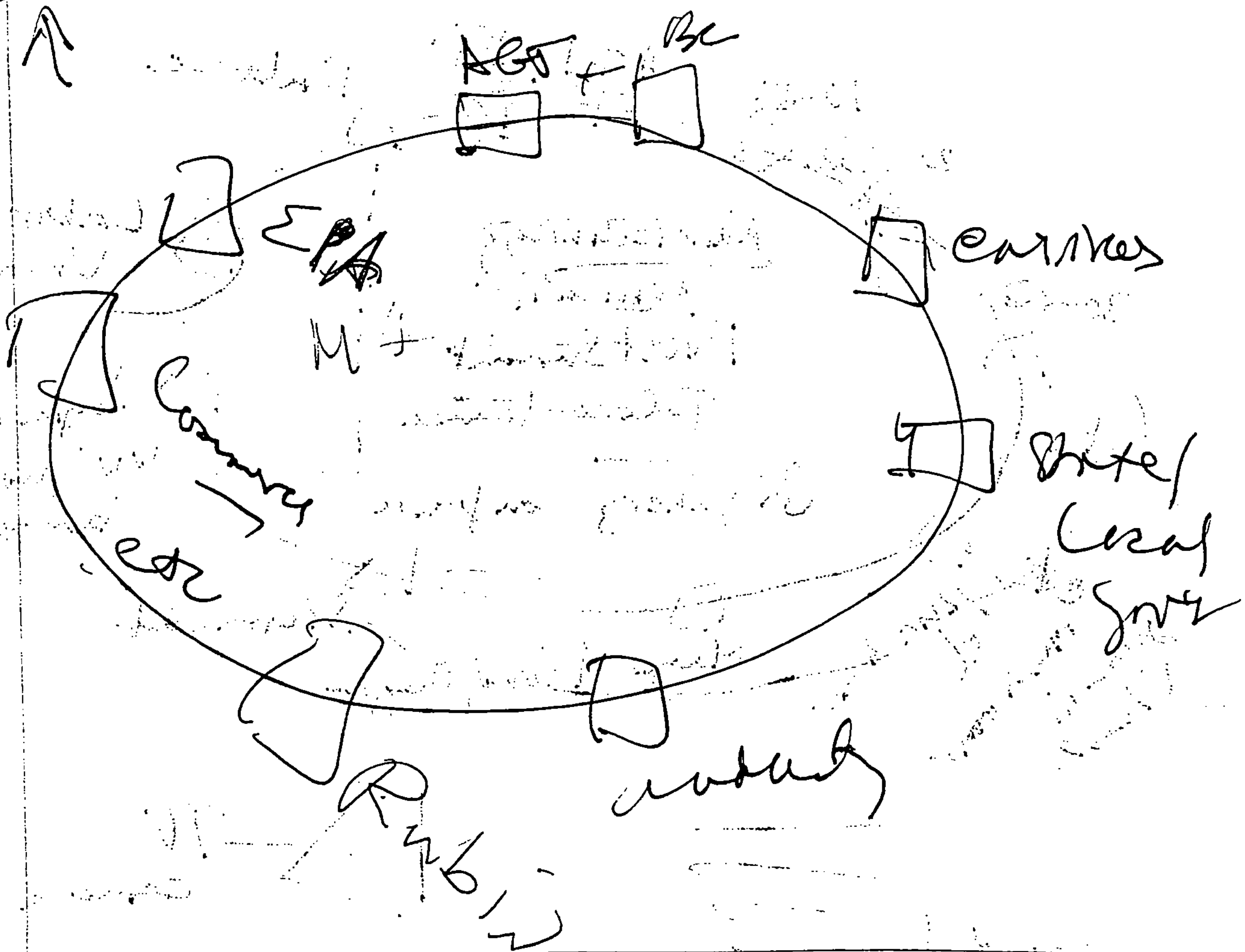


12.16.92 Western Governors Meeting
Cecil Andrus
intertribal clearing → BPA administrator.

Romer
health care costs are pre-empting growth.
infra
ed.
human resource level } 80-90% occurs @ state & local. → only way to improve country is to get states involved

• Mkt based
• trading envir.

CGQ



.: States struggling to downsize

medicaid → abt 90% of new state $ go here
prisons — ↑ing @ 20%/yr.
juvenile delinquency, etc

Gov't

4 states experiencing taxes ceiling leg.
CO, CA.

worth going cut Δ of consumption w/o [illegible] investment now

worried we won't take the heat early!!

★ Gas tax → health care costs

med folks radical. get pain gouch & radical

key piece of health care transition team.
tort reform

won't get there from cost-cutting. Need revenue raising.

Sullivan
① CSA - regional & local involvement always more effective than D.C.

→ Spotted owl.
no coord w/ states
fed agencies not coordinated.
getting groups w/
⟹ small communities

→ Columbia River salmon.
— did
irrigators, recommendations, fish & wildlife
feds stopped back
↳ resolution. shared pain.

→ Sullivan - desert tortoise
→ also ⓟ [illegible].

① fed govt needs a coordinated/consistent policy
admin of act + mitigation for impacted families

② [illegible] of regional/local

3 key role need to phase the pass.
link 158A to a policy for sustainable
pursuit development

Cecil
Pesonera issues w/ Jackson

Sullivan
forest Places Initiative
→ try to identify species @ risk.
take action before they are
threatened/endangered.

State / Tribal Relns

Andrus – ① people has licensed hydro.
facilities on partisan basis. →
on wild & scenic rivers
* 2-3 key appointments.

2 of these have expired

② waste mgmt. fed facilities and.
Miller & Andrus. about govs efforts to
deal w/ DOE.
+ good working rel

[So Carolina, Idaho of Washington
they have compacts. will handle

their own wastes. → innovative technologies nuclear waste.
DOE "Do It" committee.

Sullivan
Grazing fees
Mining Law
nuclear waste — western

Title 30 — Reclamation Act of 1902
control to Govt @ Western Water Issues
study / rec.
Western governors — to maximize use of 22 yrs.
" " — feel need more than use.

Nevada — 87% owned by fed govt.
N.M. — 50% " " "

Clean Air Act — major econ consequences.
some states choosing geophysical that

royalty receipts

Rich Hoppenjager
March 1st Gang of 4 — forest restoration
update. → 30 hs with the words.

April → Forest service good report on species.
Hatfield / Foley East side.

① paradigm of hist. & rural develop (preferential)

② paradigm for forest marginal regions and

③ just get it done.

But what to shoot for ①

ESA - w/in cabinet working projects.

June

① ESA constraints - what type can cut.

② ensure what can be cut (accountable)

③ exports - STATE ... (authority, amendment, repeal) ... tax

④ how many jobs have been lost

(a) forest products

(b) retaining ... TRADE ...

⑤ community development.

603-225-1700

take over-[illegible] ? & [illegible] as 1st step [illegible]
[illegible]
East Side / Sierra / Idaho
Eastern Washington & Oregon.

$ 100 mill in export [illegible]
+ ~70 " in export tax.

[illegible] McFadden w/ Harold [illegible] — setting up
[illegible] conformity.
political, [illegible], media, policy
Michael Berman — w/ Duberstein

Tom Deans — Manchester NH — Envt'l ~~Grant~~-Makers
envt'l grant makers assn & new admin
work together on [illegible]

works in NE

Janet [illegible] → Ford Foundation
rural poverty & resources program
Sustainable Communities.

* sustainable development

* believes w/o ? — substantial private foundation $ would

Green — publication — jobs v. envt.

* use of community foundations as honest neutral brokers

Tom Barren — Premium good Oxford Scholar
Prospect Grp — NY — venture capital
friend of Tim Wirth
" " Al

Bd. Wilderness.

writes childrens book.
The Ancient One.

---

3 rules

accelerated phaseout incl CH_3Br — all be that by 2000

non-covered Safe substitutes rule —

{ labelling rule (final) thought — many of these run our proposal.

only final

Frank Hotzel
OMB deputy

Kevin Fay & industry

Solicitor

Diana Josephson — Martin Marietta Co
V.P. Mktg
satellite work
NOAA administrator.

Oxford grad

headed ACLU

973-1728

12.17.92 David Brower

Marshall Plan
Horace Albright lecture 1981 → U Cal →

Economy
Earth Corps – Sally Rowe / Horace Stacy

WTI rdy

– locals be interviewed
early study GAO did not interview

EPA can't consider site unless is operated up

→ Why have corporate shell game.

→ who liable? → amer co offshore
co. has put up ~6 mill. – EPA thought it hard.

→ of such magnitude that permit ought to be revoked & re-issued

→ health ?'s
– SO_2, NOx, etc. → they say they will be

EPA fed to Ohio EPA 1987
letter → out of compliance of
CAA.

but by 1992 — ~~most~~ but all of a sudden, CAA is fulfilled.

AT agreed to ∆ mix of what they would burn!!

Spray dryer — that deals w/ water of [illegible] + dry metals, etc. act of

lead / mercury
USEPA concluded that ~~levels wld be higher than~~ they exceeded regulatory levels.

Class III modification process — Caused a 6-8 mo. delay.

fan broken

temporary operating permit — pending finalization of the ~~appeal~~ of the modification of permit allowed appeal

This allowed shakedown to proceed.
but then 3 of [illegible]
USEPA issued a 3008 seeking [illegible] & [illegible] [illegible]
[illegible] Unimed

Since W.Va TMD denied [illegible] GSPH [illegible]
allow shakedown to go
720 hrs to [illegible]
[illegible]
w/ added 720 hrs of [illegible]

before can do trial burn need to have
plan approved.
~~the~~ GSPH has had since [illegible] from [illegible]
Reilly [illegible] will action WTI

WTI desperate to get this

need to do shakedown last week. for problems.
before paid [illegible] & fix [illegible] later [illegible].
now

can still get trial burn plan
trial burn
post trial burn authority.

health [illegible]

12/28/92
~~Bella~~ Abzug
Reilly.

* Margaret [illegible]

vindictiveness | ~~temper~~ tantrums | masterful politician
no children - doesn't understand generational [illegible]

Bob Watson
John Houghton   mid-Jan. 1/or 12
* observing system.

do you think that it has a sign. between negotiations of climate policy.
divorce of policy that ∴ from policy negotiation/formulation.

nametagged disorder. NASA (coverage of shelby
→ try to get back alcohol & didn't get
NASA — rose
non-satellite earth sci research program

- delay antarctic ozone
- supersonic transport O_3 hearing?.

~~both rejected NASA's request for 15 mill.~~
~~from Edy~~   Bill accepted & gave to
~~Bob lost 21 mill to 12.~~ UARS.
→ still don't have Landsat.

~~A took~~ borrow 6 mill IV & V

Bob lost 21 mill.

Jerry → genius & phytosanitary stds → cooperation
w/ Kennet → Food safety inspection
fish's w/ Chile - fruit & veg
Australia -

→ Hog waste

Dave Osback 332-~~1840~~(w) ~~431-6523~~ 301-718-9765 (h)

1907 1911 375-5000

~~issues~~ re: membership.
money ?? + only analogies

Jim Maddy - // 703-534-0820.
765-8683

12/28 Rafe.
CEQ / Reinstein.
→ ~~so~~ quick + tough to change.
→ WG II of IPCC - Not so imp. ~~as if~~
Δ composition

Cynthia Rosenzweig - Ag delegation
Send Hoffman ship to energy work or someone
from Conserv. & renewable. @ DOE

NOT Greenspecht ; NOT J.R. Spradley.

Jack Gibbons

Dec 24th
~~Steve~~ Herman Dt. Justice Lands & Envtl Enforcement

Water & Science.

Art Ortenberg → ① Special Advisor on Envtl Issues.
→ coord. trade/
② * major: movement to subdividing
e.g. ranch-holdings - often assessed as RE holdings.

seat @ in information loop
but Chief of Staff is only one w/ this
strategy.

Plan A
→ Agencies in NEC
→ Special Ass't has a seat on all 3.
→ 1 or 2 of Rubin's staff slots.
+ cuts for Sharpey

augment the political performance
dimension of all other issues.

? = staff for special assts
/ detailees.

Read in
Rubin
memo

{ Lewis Kaden – Davis Polk
{ Jim Johnson – Chmn Fannie Mae
→ done @ Rubin's request
circulated under Rubin's sig.

cc
list
{ Rubin, Bentsen, Pen, Riv, Reisch, Mac
Tyson ??

Altman already said he commented that he
should chair.

→ weekly mtg suggested
→ not → Rubin does only @ briefing daily.

Membership → Energy, State, etc → Altman can't
remember what

(* Jeannie Nelson → enforcement ?

Eichbaum/Water
Ritter

John O'Leary
David Andrews

Clausen/
Alden/Sue Fletcher. Anne

Janet Smiley – Neil
Karl OPPE
Cornell

Kathy Prosser/Lennon
Grant

Brooks/Carter ?
Bobis Waller/Reif/
Barker

Rubin – Sperling memo done
Panetta – Attaching Sperling memo.

new 97 # = 375.
OMB
CBO – 340.

Mtg. w/ Rubin
what abt if Congress doesn't go along w/
deficit reduction.

Panetta/Rivlin – not interested in
stimulus pkg.

baseline wrong 299. Knew this @ least 320.

p. 21 – 50 b. expenditures PPE &
p. – promises 806. def reduct.

→ $\boxed{130\ b}$ in revenues needed.

error 10b. a 265 errors -- double - counting
+ other errors.

& Panetta/Rivlin did not their own memo/own agenda.

* No health care reform.

---

conf. call mtg.

① Carol schedule.
– come on Sunday to D.C. permanently.

~~→ Bonnie Casper - [illegible] do re org memo~~

Norden by Thurs noon

Jan 11th @ 10 am Conf. Reg.

Jan 8th - mock hearing. Hamilton off. Sindler & Berlin
start @ 10:
* Carol needs of. start by then.

other participant

Ken Berlin
me → more from left.
Kate
someone from Fla.

handling ? writing. as
? = someone to ask re-arg ? p.

[redacted]

Introductn. Charles?

next Monday.

Justin Ward

- ministers to reflect scope of earth concerns.
- NGO - subsidiary body to the Commission
  - opp'd unilaterally
- full-time staff.

202-973-1765

- Commissioners have equivalent authority
- & unilat advisory cmtee as have w/ Border Plan advisory cmtee
  - access/influence not good.
  → have not jurisdictions.

(Mexican lawyer Alberto Szekely)

activities/fp

regular inventory of ea. party's laws & enforcement
- own inventory but rely @ least in part on govt's own

development on envtl law & policy) strengths & weaknesses w/in ea. country & performance re: intl treaties.

did not try to invent any any

investigate - complaints
- more general fact-finding

entails inspections

+ maybe part of govt records.

Commission focus on trade-related envtl problems.
envtl damage ē trade & econ distortions.

NOT just to oversee NAFTA's envtl provisions

prescribe corrective measures where
~~sok~~ ste or failure to enforce causing a
ex inadvertent waste water pre-treat.

have a model for what can work &
a proposed schedule to achieve.

identify what the problem is

monitor envt'l conditions / trends vs. just legal
enforcement.
→ does econ growth really lead to
improved envt'l protection.

Wells Rink
College Park
~~BR~~ get on Kennelworth
Ave No.
past to East West Hwy
(Riverdale)
3/4 mile DC
Calvert Rd & signs for
Air port
left on Calvert.
& right across from airport
6:30

rebel incentives for 4 w/ & gas
national resource accounting
full cost pricing.

Rob Stavins

Bill Cline – links.

$\boxed{6:30}$ → Beltway No. to
Beltway. Belt West past
95 to Univ. Blvd.
No. toward Wheaton.

Turn interchange at
7 corners
light
3 more miles to Greenwood
turn Rt.
~~make~~ 1st left on Korth
next Rt on Nicholas.
2nd block — 11107
grey house.

Jean Grimmett

place obligations on the

§ 301 – failure to enforce envi stds
unreasonable trade practice.
* need a trade effect.
→ presumes trade effect.

Aid to trade related environmental infractions?

monitoring v. inspection

Carol, Mike Berman, etc.
Book

Forest Summit → Carol.

Swidler & Berlin 10 Am on Fri
3000 K St. 30th

Rafe, Goodstein, Berlin, Ford, Katie, Kate

tell Nestor by 9:00

Op Statement 5 min per Sen.
Leave questions

Mack & Graham

M & G M & D
Ed A Joe
J & M

Sherry Rowland

* talk abt sci pol. ~~AAAS~~ Feb 11-16
~~Boston~~
* Albequerque

[~~Research director DOE~~
Bill ~~Happer~~ ozone program.]
Happer & Jim Anderson
confrontation.

CBR
Hispanics.

[* Bugelli called?? & resume
* resume for Luis
* Alden

& intelligence on him

* John Sterling to write letter.
Al call publisher of NYT & other publications.
Check w/ Marla

Donna Nisi

Wor 973-1525

Joseph Stiglitz: Princeton
v. eminent. micro → broad
70s energy & energy taxes

George Stigler U Chicago

State Dept - Undersecy
task force recommend → take Counsellor job & turn
instead of

?: what abt the Undersecy for Democracy.

Global programs, economic.

+ get control of AID budget rather than
especially

Undersecy for Ag & Econ Affs.

export promotion
trade
energy
nat'l resource (food)
Telecommunications
sanctions.

IO → most security council

sugar, coffee, rubber, etc. (+)
export subsidies.

choice / Dirksen →
want v. quick/next elevati

ESB

* Rubin — task force on sust. dev. headed by Wirth.

Do you think it would NAS to make this old be more. than EPA?

* Check Fri COB Re: Trial Burn

* ~~Talk to Al Re: WTI~~

* ~~Sen~~ Hess Govt Ops.

* 106 Dirksen.

Read report on Man cars mtg

→ Altman & Summers
Stimulus pkg will be prepared
10 bill - ITC
10 bill - outlays

2 bill → Cont'l. tech
~~sewage~~
~~WWT~~
→ Cash for clunkers

BUF → estimates are 3-4 bill

3-5 bill infra — road ~~repair~~
mass trans ~~H. airports~~ → BUSES
block grants

outlays

~~no logic~~ to 20 bill.

⇒ a ~~B~~ does prolly want a stimulus pkg.

R

* Laura Tyson / Rivlin
re: energy tax

Panetta Can't do ITC for FY '93 - would go thru Finance - get all tied up.

Altman - if continue to say retroactive to Dec 4th -

cash for clunkers — Gramnick
page 77³ → $300.

Deficit
Panetta / Rivlin present
Bentsen reserved

Billy, Holly, Lloyd, Leon, Rubin

Bentsen
"After this mtg I assume 4 or 5 of us will get together
I want my staff to look @ your #s
Some people say I oppose gas tax. I suggested one. I went along."

① pick a def. tgt.
go heavy on invest / Lt def
" " def / " invest
moderate on both

? p will prove

② take defense down — %
take non - " — %

? in response - need to care abt. the line items.

③ Rev. Raisers
raise gas tax 27¢ FY '97

Great Lakes / Coastal

Mayor of Hawaii

JoAnne Yukimura

~~Pa Kau~~ Kauai

Ecotourism

4396 Rice St.
Lihue, Hawaii

~~Lawyer~~

Kelvin Taketa
TNC
1116 Smith St
Honolulu Haw 96817

Jim Cubie - Chief Counsel Ag Cmtee.
US
Kennedy, Leahy.

Stephanie Caswell / Milt Drucker.

production

EB? | Funding ? | CITES.

* commodity agreements.

Armitage - Russia work grp.

John vanderwalker.

Austrian Jegas ⇒ [illegible] of proposal timber

prior notify [illegible] GATT.
- they didn't do.

Dutch - will not import trop timber unless sust. dev by 1995.

Issues in re-neg of ITTA

yr 2000
all timber
link policies / projects
report
- tech. capability
project cycle
- follow up

if we fund, we can go in

80 mill in projects out there.

prob
all in same boat.

Swiss Sandoz
Brits DCI

5 Ratif. Canada only developed.

Europeans

4 experts panels
2 consensus
2 controv-5 Biosafety

Ger Swiss UK US
China Ind Mal Nigeria Mexico

Swiss → 15th Jan. paper making their concerns.

→ But part of Europeans
Biosafety protocol → we still be in
There so not dictated by these quality from
Europeans guards for trade.

We want to sign the convention but we have concerns

$\boxed{\text{Feb 1-4}}$ mtg → Swiss will

CEQ

- Patricia Bliss Guest ✓
- Janet Maughan ✓
- Kelvin Tekita. ✓
- Donna Wise ✓
- Molly Beattie
- JoAnne Ya Kimura
- Jim Cubie - Chief Council, Ag Center
- Dinah Bear.
- Sue Tierney
- Diane Dillon Ridgeley.

O'Leary →
Chupka →

Wirth

Env't, Pop'n, Democracy, Human Rights, Refs, Narcotics, Labor
[shared over IO] - Tarnoff?

Development agenda
fuzzy sust dev ??
earth experts ??

reorg of AID. alot of time.

Smthg happen w/ him & Christopher ?? → this was BULK of discussion

George Moose - talking abt ? of first have to get portfolio straightened
- he thought env't & dev all straightened
Democracy, etc. are in ?

OES ?? ~~Jessica~~
Gus
Scott Hajost
Adele Simmons.

Deputy ? → Rock

*LES GELB PIECE

* How proceed re: intl Env't & State EPA ?

→ Students

→ Communication/education

→ policy arm of global Δ research

* watch duplication;
ensure coordination of
program.

→ interagency process

→ continue the roundtables.

+ joint OSTP/CEQ enviro tech
summit
→ centerpiece in
presidential stmt.

600 Penn SE

Dr. Gibbons - OTA Penn 5th floor

Fri - 4:00 -

1). review ideas to OSTP

2). relat w/ OSTP and Gore

- review transition bk.

43695 - Barbara Murphy.

600 Penn Ave SE
5th floor

Commerce
DOE
EPA

NSC
CEA
NEC
council mtgs.

Al to chair FCCST
[illegible] seat on the Councils.
OMB - needs to cooperate.

Partnership w/ CEQ
enviro tech. sci education
FCCST - place of accountability. What achieved?

(a) continue to push the sci.
(b) ensure the interlinkage w/ policy.

TJ → Bordi -
Enviro technology not just

Assoc. Dirs.
Envir
Sci — life / phys/engin / social science
Pol
Technology // Economy
OSTP.

Mon @ 1:30 →
* Tues 9:00 Chrysler Reed, Jonathan.

- IPCC
- OSTP

20 bill → 28¢ /mmBTU
phased in to reach 20 by FY 97.

Reed · imp pt. abt this tax is [illegible] gets
lost in '92 from '92.

Could attempt deals. to 15%

@ a bare minimum we achieve.
→ danger of it being a ceiling
→ pass back to

as a first step

Guy Tringer → 973 1668

501-376-0097
374-7474

6:00 Call w/ Justin 624-9333

lobby @ 7:00
conf call @ 8:00
639-6030

4:45

→ * Bruzzelli

vetting & Clinton

McHugh

4:45

+ Stephanie Kinney

~~Bob~~ Armstrong — Texas → Sr. advisor Ann Richards

973-1632

don't give to an agen[cy]
process of action plan reviewed → CEO do.

Land Comm 70-82
62-89
2 percent
record by Jim Baca

Jessica →

~~Fish & Wildlife~~

Steve Wilson
Bill Bradbury

~~Wayne Millington~~ 717-296-2297
717 296-6952

Admin Careers w/ Am
QIL REV. NOV '91
Law of Investing
Occupation

- Eileen Claussen → time. ability is a less than full-time
- process for giving directive on pending issues
  - delegation
  - issues

me

participate in the meeting of each of the Council

~~Mary Morgan~~ 212-727-4496
647-4069

deputy's council mtg. on Jan 21
Sandy will chair

* Eileen 233 9140.
Amy Bodenbrant 973-1600

→ Eileen Claussen. // → [illegible] // David Freeman
→ Diana Josephson. //

?= call [illegible]

~~?? = Any ? re: [illegible] ??~~

→ econ cuty.

→ Mon. mtg. w/ Rubin re: [illegible]

→ Jan 22nd Exec Order

on WRI Board
[illegible] not [illegible] [illegible] for Law School
[illegible] w/ [illegible] & [illegible]
[illegible] of his [illegible]
not [illegible]

Energy [illegible]

Deputy Secy.

- Walsh
- John Dyson
- Hunsling -- was Deputy [illegible] Carter.

Putnam
[illegible]
Bartlett

Dave Freeman
Bayson

[illegible] views. Clinton likes.

John Dyson

1	Walsh → David
2	Dyson?
3	Hansling } ??

* Walsh - call David. * push Freeman
Susan [illegible]
- mgr.
- energy policy

then put Freeman forward.

Not [illegible] in any way. but
[illegible]
[illegible]

→ Bryson
Ulyz. → Tierney
call Bryson

Jeff Lerzo - Sen. Inouye
Phil Sixtus
Roy Kenney

Undersecty
@ Andrew Charles??
© David Freeman → our choice

Interior
Jensen

Conserv & Ren.
W. Tyze

Northaus, Sheila Hollis, _ Ward.

EPA
Deputy — Sansom
Bryson
Org — Hickamt
Water → Babcock
Air
Pesticides
Prel — Alden
Susan Reith → Pesticides

→ Bryson will good for Bank
→ Hunly t. Rod old civil engineer.
→ Tierney

Mark → Gray

* Human Rts Conf. 1994 ??

* Laura Tyson // * Michael Porter

* German, French, etc. ratified already Bud.

* GCF [illegible] mtg went well ??

* / '

* Mtg soon after 20th Re:

- Eileen reporting to me.
- Tim with me — policy formulation
- mass resignations → who in place to negotiate.

Jan 18. 2-4 Cabinet discussion
Jan 19 Scheduled mtg
22. NEC Deputies Mtg - Review draft decision memo
22. Decision Memo circulated
24. Decision memo & cabinet comment submitted to Pres.

~~* call Peter re NOAA~~

Joe Angel Dietterick -

comprehensive econ plan
① Stimulus
② longer term investment → '97
③ def. reduction plan → target '97

also health care

* will prop. be supplemental approp.
— but tax portion of this will be later.
* all tax together

* will also deal Somalia pkg.

Budget Resolution
then Reconciliation bill enforces BR.
— incl. savings & carrots
→ try to get all these before Aug. break.

Size → 20-25 b.
* need fast spending & job creation.
by summer this yr.

of long-term spending → investment.

PPF themes.
prioritize.

Laura Tyson
why stimulus ① X S capacity
output ~ 4% pts. below what could be.

② weak econ recovery. ... 2-3 trade ...

- clean water
- energy efficiency
- transportation infrastructure

→ clean water, 50,000 / mill

→ ~~Rails~~ roads / bridges / rail projects } Urban

jobs [skilled & unskilled]

→ weatherization — v. popular — unskilled jobs

② also recovery from predicted cuts [illegible]

end of '95 — econ should be at capacity
80 billion → still create jobs short term
— & mitigate '95 — demand & inflation

Bentsen

* Stimulus ~~can't~~ $\boxed{\text{can't}}$ have tax incentive in it
in [illegible]
— Blue-skipped → small in force.

① unemployment emergency benefits — expire Mar 7

2-8 b. ② temporary targeted revenue sharing.
Police
Education
Community development

③ ↑ funding for childhood immunization.
'93 — 664 mill
of 1st 600 mill + 85% to state w/ their matching fund of 75¢

* will have ITC in long-run that & introduction.

---

15 bill — if take ITC out

Criteria — job creation
quick "
for people hurting the most.
delivery system already exist.
[illegible]

Pena → shld be just one or 2 showpieces.

Panetta – agrees – if have cats & dogs, Hill will do the same

* & keep in mind need to call it an emergency.

1-19-93 OEOB

Southwest gate B4

Saturday 23rd morning – personnel mtg (11:00)

Fill out 171 form.

* check w/ (Lauren pul) tkts for swearing in.

2nd flr – East side

* Thursday @ 9:00 – VP Ofc mtg.

* Trey & Pam → Michaela.

456-1414

Marcia Hale 10-11:30] econ. forecasts stimulus

1-28-93. Telephone

guidance on size of delegation

& la-agree -- rules

[Strategic vision document for OMCOD

federal gov.

- CBS & ans qtrs.

Technology Corporation Corps.

~~Marty Dennessy~~

Mark Rentschler } GBF

---

* Al → Roxie / Alick

Mary & Phil

#5 Riverstone Circle

New Hope PA 18938

* Picture - w/ Al

Carol →

Bruce Babbitt →

Tues & Wed → mtg w/ mavericks

Boehner BTU tax can't get thru the Senate

Feb 17th or 18th
* find out from Leon Panetta
① stimulus pkg
② Constraint on their program

(Kahlil)

Sam Sessions → Treasury → John Leggett

Bill Draper has another jr. (But)
costly to step down & would
support you.

(521-7069)

ad valorem

primary energy tax vs. end use.
coal is lowest priced fuel on a dollar/BTU basis

On av % on price of coal at a much lower rate

this % coal relative to baseline

DRI model @ 206 wld see this fuel switch.

a. v. tax wd @ these levels -- risk of perverse

enviro ⊕
fuel (neutral) BTU tax - fuel neutral - will lead to CO_2 reductions
thru economy fuel use, reduction.

fuel ⊕
enviro (neutral) ad valorem - not fuel neutral -- moved
neutral

Retail ad valorem tax → fuel neutral

end use energy transactions -- gas @ pump, electricity @
meter.

home
heating oil, etc.

→ this would be fuel neutral, negligible
upstream fuel choice impacts. (BUT) administrative

at the following levels
① at 5-10-15-20-25-30-35-40

- effect in terms of fuel selection
- effect on ~ or all atmospheric emissions CO_2, SO_2, etc.

1/25/93 Chupka re: BTU/ad valorem
nat'l gas cheap / oil high. & under current prices nat'l gas is relatively speaking - really, all energy prices are

early 1980's - huge gas glut → still depresses the price
→ still working them take or pay K's

JEC #s re: relative impact
crude oil → 10.1%
coal → 29.7%
n.g. → 18.3%

Chupka → ~~phld~~ phase in 10-40
15→60 → could be a shock

have to tack on carbon component
BTU tax works like a C-tax → hits coal harder than other energy forms

Charles Bowsher CRN

617-495-6309 → Michael Porter

~~Tax reform~~ ~~Segments~~: ① Eliminate tax on dividends
② Eliminate ~~tax~~ on business

(Shelton?) Japanese Embassy - 939-6713
Energy

→ we will need to explore whether we want treaty to reach US and our migrant practices. Cautious approach here is to say no. But the decision should not be reached about

~~but~~ ~~tax~~ hell out of energy consumption

cuts - they don't care so much - even left - Say in same TP

alliance to save energy → ~~poll~~

Gene Sperling - political discussion of energy tax

Bentsen mentioned BTU tax - he - w/ VP) Concerned won't get there

① worth the pain
② will public think

Begala read off some talking points.

1·28·93 Hazel O'Leary / Leon Panetta.

JV session → Feb 17th

partial decisions next week.
Feb. 11th - all issues resolved
15th - document to GPO.

3 part econ program
① stimulus - ~ 15 bill. * 8 major afai cops in budget argument

tax credits | w/ a revenue element - but bundled in reconciliation

①WO emergency

②timing on tax portion

× supplemental

② long-term investment

③ deficit reduction
target - '97 baseline def 357 bill
goal. reduce 145 ⇒ 200-225 bill in '97.

stat budget workout pieces on 17th - implemented three reconciliation - summer.

Budget - March 12th outline

March 23rd. fuller

(A) stimulus / (B) investment / (C) def red.

(A) Spend-out
- how quickly
- take place (jobs) between now & summer

included an energy conserv. dem. program
20 m.

Hazel - no. do Federal & State Bldgs. Could also $ to states too.
- 17 or 18 states have rebate programs.

we've demonstrated it!!

& who can deliver it fastest.

(B) Long-term investment
- Conserv & Renew.

still between now & 97

- enforcement for FEMP / GSA problem
- nat'l gas R&D
- global Δ, biotech, math & sci.
- Advanced Neutron Source Oak Ridge.
- Fusion Princeton Physics Lab.

C. Deficit Reduction
① Power Mktg
Energy subsidies in lieu??
* stress a concession approach w/ PMA's
- utilities that buy from PMA's → to conserve → sell the savings
private concern.
Won't reduce the current rate subsidy. Lt. line amortization of remaining debt. - moving it up so St. line repayment
② Non-Commercial Nuclear Reactor Program
- terminate ELMC reactor program
200 m. { Breeder
Plutonium
Liquid metal
- nuclear waste fee
↑ by 25%
by 1995 - index it according to CPI
Hazel - NOT doable - utilities will sue
Panetta. OK
- enrichment
- Charge foreign purchasers so far free. Our guys pay for it
* need authorizing so legislation

- clean coal program
  - go ahead w/ Round 5
    then wind the program down.

Hazel ① near term. no viable replacement for coal.
natural gas?

rec. scale down level dne & call.
Doe + OMB will be as 6.
Energy Secy authorized round 6.

- Hazel - inclination is to target SSC.

Panetta - House tried to kill. But space sci - maybe get sma̲lly back
→ want to d annual cost in some way. → lettering
- ? PM Japanese participation

- Uranium Enrichment
  phase down activities - close a facility
  speed up acquisitions of HEU from Russia
whirly reduce sales of the corp.
  make more efficient - close its facility

Hazel - hear the challenge -

- OSO side - haven't talked w/ Aspin -
Don't know savings. ? staffs work together

- 100,000 reduction in force
  - can probably do thru attrition

- Hazel - contracts
  150,000 contractors. (only 20,000 perm emps).
  → no way can manage.
  → this is where she will look to cut.
- Hazel will clean out AA Admin & Mgmt.

Ben Cooper

~~Jim Maddy~~ – John Emerson

* Bruce wants Frampton in at A.S. → no

* PWS open. woman/scientist.

1-28-93 Carol Browner / Leon Panetta.

OMB staff

~~Summary~~

Cash for clunkers 350 m.

Ron —

Carol - not proper disposal
→ look to states. - states don't rec. - have the capacity.

Leon - give Carol ~~problem~~ flexibility to allow only some states that can

- Farmers Home - drinking & waste water.

Carol - SRF cld also be ready to go.
- need to remove the rule that currently prohibits Agency owned to pay Title 8.

- drinking water → move to long-term.

- Estuaries → Carol asked; function wanted to move to long-term.
§319 / §320 Nat'l estuaries program - slow - a nonstatutory process, etc
NPS - can fund NEP projects. immediate.
→ cld. waive 40% match. Carol cold not do that → need local participants.

Long-term

→ Drinking water.
→ need policy overhaul
→ Waste water Revolving loan fund.
→ Carol will provide a paper to delineate what cost for coverage.
don't fund this

→ NAFTA → ~~150~~ m

? = area
→ how long

- enviro technology 1.85 b.
double EPA effort in enviro R&D.
also pollution reduction.
catalyst to private sector

? = green Griffith

Carol - look hard @ national labs.
Alice + do they have the right people.

Deficit Red.
- privatize Superfund financing
@ 60% → take it to 70%

Carol - but this poses whole municipality issue.
- site containment shld be looked @.
Ron - think pollc...ed results & also pressure ? of federal $.

- none of the green taxes in the revenue pkg.

Alice → this is a good idea in principle & we shld work on making it work

10% red in force
Carol - EPA has serious contractor
18000 people / 4,000

either ↓ in force OR contractor

problem -

Regulations
- Ethanol - Jul pl go. Just going for comment @ this point.
32 held up.
→ all til few loose ends.

Dan Esty → Anya Schoolman (EPA) - trade & envt. 260-6935

Strategy mtg. Bob Berman ~~Interior~~ - Vs opposed CEA, CEQ, State Dept → were backing Berman.

[Shld NGOs be taken to OECD t & e talks.?
Make difficult for them to go.

→ meetings next week. OECD/GATT.

March 3-4

ICC - 21 people going.

~~Brooks~~ - construction programs - all have spend out over 4 yrs.
→ maintenance programs better.

urban parks → miserable spend out rate.
750m 25-30 m →

— Parks infrastructure
Indian "
Wetlands
BLM restoration

Out years → Interior a revenue pacer
mineral Royalties etc. → 95 Budget
grazing fees → repeal to
mining properties → screening &
park entrance fees - not much

* Pont don't want this pursued

* E.O. ~~[illegible]~~ stuff
Arctic - withdraw proposals
→ recommendation stemming from
1002 → no longer recommend
drill

Dick Clark
standing cmtees - Fork works to
take lead
food, narcotics, democracy, popn.

What PRD

Richard Rosenzweig 586-6210 Tsiang's Office
Kathy ——— DAS Energy OMB
NEOB 8001

→ ~~call Secretaries + Kahlil~~
→ ~~call Gibbons → NSC IPCC.~~
→ ~~memo to Al re: ad release~~
→ ~~moderation arrangement - gus~~
→ Michael Porter

~~Read memo Kahlil.~~

Leon's Deputy - Bill Wise 395-4213

Laura Tyson
~~395-6947 → fax @ CEA~~
395-5047 ✓

Sperling 2620

Sylvia Matthews - 2174

Stephanie → Bo Cutter's P.A.
6630

Tom Kahlil 6554

Sam Brown
Treas. of State of Co
Under Carter - head of Peace Corps then head of ACTION

703-354-3761 Leon fax

David Harwood 736-~~4585~~ / 736-4504 → Roxy
736-4509 fax
AL fax → 521-6029

John Hart Beyer 1-800-SKYGRAM
883-8303

Brooks - 208-~~5218~~ 3342

Pager - 262 - 5146
Virginia / Holly - 973-1526
Brett Halsey 675-7906 Annapolis
Tom Grumbly 973-1156 [redacted]

Barry Carter → 363-5045 (R)
265-4374 (W)
→ 973-1181 (pk)
973-1174 (fax)

Dicks
~~Foley~~
Draper
~~[illegible]~~
Hattoy - envirn

DeFazio

Chris Darvell 501-399 7680

~~410-267-4615~~
~~301 261 1587~~

Jason Solomon / Bob Bowstein - 501-399-7015
Carrie 973-1446
Charlotte 973-1860 beeper → 879-0537
Carol 973-1167 pli 973-1396
Monica 973-1597

Laura S.
501-399 7145
Roz Beeper 227-9705
Mike McMahon
Colleen 625-4830
501-399-7620 (h) 703-256-2450
7144 301-320-9211
Jonathan - 501-399-7113. Excelsior 375-5000
Gene Sperling 501-399-~~3978~~ 7000
Peter 973-1632 Beeper [redacted]
Florida
Carol beeper 879-0537 / (501) 399-7145 / 7153 FAX?
904-488-4885
904-222-9400
asst Susan McNay - ph - 501-399-7145
501-399-7135 fax.
call
487-4938
Beth 501-376-0097 262 5737 - beeper.
501-374-7474 Rm 315 fax 501-376-0292
501-376-0097
Amy Sley

Leon - ph. 973-1160 ; fax - 973-1173 beeper - 517-3306
Brad - 973-1161
7143?
Reed Hundt - 501-399-7071

Marla - 202-973-1575.

Jack Quinn - 501-399-7145
Greg - 973-1455 transition beeper 283-0172
12815
Bill Burton - 572-320-4862
501-377-4723 377-4603 fax
Karla

Bruce - 501-399-7036 7065?
Nancy Soderberg - 501-399-7031
Bob Sussman - 637-
Rick - 203-928-5744
wed - sat Thanksgiving 803-223-1804
301 525-0735

Dan Sakura 703-693-9814 or 693-4269

Bob Hattoy 973-1403 456-2533
703-683-1418
Alexandria
Kyle 973-1460
Mark Gearan - 973-1014 ; Nancy McFadden - 973-1508
Sandy Berger 973 1196 } 973 1171 fax

CALL OR I'LL CHECK-IN WITH YOU LATER!! THANKS, ROD.

Working for the Nature of Tomorrow.

NATIONAL WILDLIFE FEDERATION

1400 Sixteenth Street, N.W., Washington, D.C. 20036-2266 (202) 797-[redacted] 6600

FAX TRANSMITTAL

TO: KATY McGINTY - URGENT

FROM: RODRIGO PRUDENCIO 797.6603

DATE: JAN 25

NUMBER OF PAGES TO FOLLOW: 15

MESSAGE: WANTED TO GET YOU A DRAFT OF THIS ASAP. WE WANT TO RELEASE IT SOON BUT WILL WAIT FOR YOUR "OK" TO DO SO. COMMENTS PLEASE!! ALSO, PLEASE LET ME KNOW WHAT YOU THINK OF THE IDEA OF KEEPING THE WHITE HOUSE AT THE CENTER OF THE NEGOTIATING TEAM draft--(1/19/93)

THE NORTH AMERICAN COMMISSION ON ENVIRONMENT (NACE)

AND

SUPPLEMENTAL ENVIRONMENTAL AGREEMENTS

TO THE

NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA):

PREPARING THE SECOND PART OF THE NAFTA PACKAGE

Trade and Environment Program
National Wildlife Federation
1400 16th Street, NW
Washington, D.C.
(202) 797-6600

February 1, 1992

Summary

Now that the dust has settled from the recent U.S. Presidential election, a new landscape affecting consideration of the North American Free Trade Agreement (NAFTA) has emerged. On December 17, 1992, the NAFTA text was signed by Canadian Prime Minister Mulroney, Mexican President Salinas, and former U.S. President George Bush and, with the blessing of the Clinton Administration, it now seems certain that the underlying text will not be renegotiated.

Nevertheless, despite the progress made in dealing with environmental issues in the current text, concerns about the environmental consequences of the NAFTA still remain. President Clinton has announced that he will address these residual concerns through supplemental environmental agreements with Canada and Mexico, including the creation of a North American Commission on Environment (NACE).

These supplemental agreements, together with the NAFTA text and the NAFTA implementing legislation, constitute what might be referred to as the "NAFTA package," and it is the contents of this package, rather than the NAFTA text alone, which determines whether the U.S. Congress approves or rejects the NAFTA itself. While some non-governmental organizations continue to advocate renegotiation of the NAFTA text, the focus of the Clinton Administration and the Canadian and Mexican governments has shifted to the second part of the NAFTA package, consisting of supplemental agreements among the three NAFTA countries.

<u>Failure to negotiate comprehensive agreements on trade and environment in North America will lead to the defeat of NAFTA by the U.S. Congress. These supplemental environmental accords, building on the provisions already in the NAFTA text, will form an integral part of the NAFTA package that Congress expects as a condition of its support for the trade agreement with Canada and Mexico.</u>

[Final report will include chart or graph showing the NAFTA package with a magnified focus on the supplemental environmental agreements, including the NACE]

The purpose of this report is to provide some specific suggestions for what these supplemental agreements should contain, and what the U.S. Congress should expect from the second part of the NAFTA package. The report is divided into two parts. In the first, we describe the six essential elements of what should be negotiated as part of the supplemental environmental agreements to the NAFTA. Briefly stated, these six elements include:

> Creation of a North American Commission on Environment (NACE) that would handle environmental issues related to trade and the NAFTA in North America, encourage cooperative environmental ventures between the three NAFTA countries, and promote sustainable development and implementation of the Earth Summit's Agenda 21 in this region;
>
> Establishment of a timetable and process for the continued upward harmonization of environmental standards in North America, relating to products as well as production and process methods (PPMs);
>
> Establishment of criteria for the use of trade measures related to production and process methods (PPMs);

Creation of funding mechanisms to finance environmental infrastructure, and pollution prevention and remediation activities, related to trade activities in Canada, Mexico, and the U.S.;

Development of mechanisms for enhancing the adoption and more effective enforcement of national environmental laws, particularly those affecting trade; and,

Crafting of technical amendments and clarifications of existing NAFTA text in order for the agreement to more effectively realize its stated environmental objectives.

The second part of this report goes into more detail on exactly what the functions of the North American Commission on Environment should be, and how it should be constituted. In addition to promoting environmental cooperation among the NAFTA countries, and implementation of the Earth Summit's goals for sustainable development, the NACE should have an extensive mandate to deal with trade and environmental issues in North America. Key elements of NACE's mandate on trade would include the following:

Participate actively in the NAFTA dispute resolution process;

Investigate and report on environmental concerns related to implementation of the NAFTA, and trade in North America;

Enhance the adoption and enforcement of environmental laws and regulations in NAFTA countries, particularly laws and regulations that may affect trade;

Serve as the forum for any current and future negotiations on supplemental environmental agreements to the NAFTA;

Oversee implementation of NAFTA provisions dealing specifically with environmental concerns;

Participate in implementation of general NAFTA provisions that may affect the environment; and

Serve as the inquiry point for NAFTA environmental issues.

The supplemental environmental agreements, and creation of the NACE, are viewed with trepidation by those who believe that additional negotiations may somehow threaten Congressional passage of the NAFTA. In fact, negotiation of these supplemental agreements is the only way to assuage the outstanding concerns of the 103rd Congress. The Clinton Administration, together with the governments of Canada and Mexico, should move to conclude these agreements well before the NAFTA comes to a vote. To do otherwise will consign the NAFTA to almost certain defeat.

Supplemental Environmental Agreements to the NAFTA

Some of the residual environmental concerns associated with the NAFTA stem from issues which were not addressed adequately in the NAFTA text, such as the treatment of trade measures involving process and production methods (PPMs). Others relate to a much-needed clarification of NAFTA trade provisions, such as the so-called "necessary" test, which affects the treatment of environmental standards under the agreement. A final category of concerns is derived from the need for institutional follow-up on NAFTA environmental provisions, and trade in general in North America.

Outstanding environmental concerns can be dealt with as part of NAFTA supplemental agreements, assuming those agreements are comprehensive in scope and negotiated effectively, without opening the NAFTA text to substantive review. There are six elements essential to the supplemental agreements which form the second part of the NAFTA package:

o **Create a North American Commission on Environment (NACE) that will promote cooperative environmental ventures among the three NAFTA countries, deal with environmental issues related to the operations of the NAFTA and trade in North America, and promote sustainable development and implementation of the Earth Summit's Agenda 21 throughout this continent.**

The creation of the NACE is the lynchpin for implementation of most of the other elements of the NAFTA supplemental environmental agreements. The relationship of the NACE to these agreements is described in much greater detail in the second section of this report.

o **Establishment of a timetable and process for the continued upward harmonization of environmental standards in North America, relating to products as well as production and process methods (PPMs)**

NAFTA provisions affecting sanitary and phytosanitary standards, (e.g. food safety standards), and other more general standards-related measures, seek to "harmonize" or pursue some degree of "equivalence" in the establishment and maintenance of these kinds of measures. Though environmentalists raised concerns that this process would result in the adoption of the lowest possible standards existing in the NAFTA trade area, provisions in the NAFTA, such as Article 756 (1) dealing with sanitary and phytosanitary measures, and Article 906 (1) and (2), dealing with more general standards, suggest otherwise. Rather than seeking the lowest level, the NAFTA text will lead to an upward harmonization of standards in North America, in essence establishing a process where ever-higher floors, rather than too-low ceilings, will be adopted in the NAFTA trade area.

The interpretation of the NAFTA standards chapters remains controversial, but assuming that upward harmonization is called for, a critical deficiency remaining in the text is its failure to establish a timetable and process by which the upward movement of standards can occur.

This shortcoming is addressed in a recent analysis of the NAFTA undertaken by Gary Hufbauer and Jeffrey Schott of the Institute for International Economics (IIE).[footnote] To remedy the inadequacies of the NAFTA text, Hufbauer and Schott set out a timetable for the upward harmonization of standards among the three NAFTA countries. The timetable allows three years for standards to be harmonized; after that period of time, countries failing to meet these harmonized standards or enforce the standards effectively, may be subject to dispute resolution and trade sanctions. The threat of trade sanctions, which might be spelled out as well in U.S. implementing legislation for the NAFTA, may be an important means of keeping governments at the table during this process.

The proposal made by Hufbauer and Schott may not be the optimal way for dealing with harmonization issues, and could be strengthened by suggesting that this harmonization process reoccur on a periodic basis, i.e. perhaps every three to five years. Their proposal also should give greater emphasis to the harmonization of process and production methods (PPMs), which should be an important component of the NAFTA supplemental environmental agreements. Nevertheless, the suggestions made by Hufbauer and Schott demonstrate that a credible and effective process can be established for the upward harmonization of standards among the NAFTA countries.

o Establishment of criteria for the use of trade measures related to production and process methods (PPMs)

As opposed to the upward harmonization of national and subnational standards which affect products, and permission for countries to restrict the importation of products that do not meet these standards, the NAFTA text fails to deal with trade measures based on the way goods are produced or processed. By failing to establish criteria affecting the use of trade measures based on what are known as process and production methods (PPMs), the NAFTA does nothing to prevent the kind of kind of conflicts created by the GATT's recent treatment of the U.S. Marine Mammal Protection Act (MMPA).

This MMPA which, among other things, regulates the methods by which tuna are caught, (certain methods of fishing for tuna in the eastern tropical Pacific, for example, involve the incidental taking of dolphin), was held to be trade illegal by a recent GATT panel. The debate over GATT's treatment of the MMPA continues to this day, and has led to a great deal of criticism of the GATT's role in regulating the international trading system. NAFTA's failure to address this issue invites similar conflicts between trade and environment in North America.

To be sure, permitting the use of trade barriers based on PPMs can create a slippery slope of "green protectionism." At the same time, simply prohibiting the use of trade measures based on PPMs is bad politics and bad policy, and fails to acknowledge that the globalization of commerce will also lead countries to be concerned about natural resources beyond their own borders.

The Organisation for Economic Cooperation and Development (OECD) has for the last year been working on guidelines in this area, and these may prove useful to those negotiating supplemental agreements to the NAFTA. Trade measures based on PPMs are necessary to conserve natural resources in North America, and guidelines for their use should be established in NAFTA supplemental agreements.

o Creation of funding mechanisms to finance environmental infrastructure, and pollution prevention and remediation activities, related to trade activities in Canada, Mexico, and the U.S.

A recent Greenpeace report on the NAFTA suggests that the price tag for environmental clean-up caused by "trade-driven development in the U.S.-Mexico Border Region", and the financing of infrastructure necessary to prevent future environmental damage, begins at over US$9 billion, a figure which presumably does not account for NAFTA-driven growth in the interior of Mexico, or on the border between Canada and the U.S.

Finding ways to pay for even a portion of the environmental costs associated with free trade is a daunting task, made even more difficult by the budget constraints facing each of the NAFTA countries. Appropriated amounts will be difficult to obtain from the U.S. Congress for these purposes, and require an annual battle to maintain funding levels. A transaction tax, or a green investment fee, as NWF has proposed, may be effective alternatives, but are vigorously opposed by free traders as running counter to the goals of the NAFTA.

The NAFTA countries must recognize, however, that free trade is not cost free with respect to the environment. While economic growth inspired by the NAFTA may create funding sources--from tax revenues--in the future, there is no guarantee that governmental appropriations will be dedicated to trade-related environmental concerns. Moreover, waiting until the damage has already occurred is far more expensive than a pay-as-you-go system that meets these funding needs up-front.

As part of a supplemental agreement on funding for environmental concerns related to trade in North America, the NAFTA countries should develop an estimate of the environmental costs associated with environmental clean-up, and the prevention of environmental damage due to trade-related activities. Working backwards from such a price-tag, the governments should indicate the funds that they are willing to provide through annual appropriations over the next five years.

In addition, the NAFTA countries should agree to the establishment of a transaction tax, or a green investment fee, that would help generate funds for environmental programs through the trade activity generated by the NAFTA. These funds can complement the amounts provided through national appropriations, and the taxes or fees can be established at rates low enough to avoid any distortion of trade or investment activities.

Finally, ample consideration should be given to the establishment of a trilateral North American Development Bank (NADB)that would finance environmental infrastructure, such as water treatment plants, necessary to deal with the environmental wear and tear associated with increased trade. The Bank, as described by Raul Hinojosa and Albert Fishlow of the University of California-Berkeley, would finance itself through issuing bonds.

There are a number of attractive aspects to this proposal, not the least of which is that it represents a dedicated source of funding which avoids an annual fight over appropriations. A Bank of this kind would also involve all three of the NAFTA countries in setting funding priorities, an important process given the tight domestic budgets in North America.

Working together, the parties to the NAFTA should be able to come up with a funding strategy that can be included as part of a supplemental environmental agreement.

o **Development of mechanisms for enhancing the adoption and more effective enforcement of national environmental laws, particularly those affecting trade.**

During debate on the NAFTA much was heard about the lack of environmental laws and regulations in Mexico and, more importantly, the spotty record of that government in enforcing existing laws. Though the activities of the Competitiveness Council headed by former Vice President Quayle is a good example of how lax enforcement is not confined to any particular NAFTA country, concerns were raised that NAFTA-induced economic activity, combined with relaxed enforcement of environmental laws in Mexico, would intensify the degradation of that country's natural resources and its environment. Moreover, some argued that holes in the environmental safety net in Mexico would encourage the relocation of Canadian and U.S. businesses to take advantage of so-called "pollution havens."

By lowering standards, or failing to enforce them, governments can reduce costs for local producers thus creating a trade advantage with respect to their foreign competitors. This competitiveness concern, along with the direct environmental consequences of free trade unfettered by environmental protection, is dealt with only partially in the NAFTA text. Article 1114 (2) for example, commits the NAFTA countries to avoid creating pollution havens, but requires only consultation when this commitment is violated. While the provision creates an effective avenue for bringing public pressure and moral suasion to bear in order to discourage the creation of pollution havens, it may be more effective to tie it to the dispute resolution mechanisms already spelled out in the NAFTA text.

In addition, Article 1114 (2) deals only with situations where countries derogate from <u>existing</u> standards in order to attract or maintain investment, and it does nothing to deal with cases where the <u>lack</u> of existing standards might also lead to the creation of pollution havens.

An important element of the NAFTA supplemental environmental agreements will be mechanisms to assure greater coverage for environmental laws and regulations in all three of the NAFTA countries, an effort that will be given a boost by an agreed upon timetable and process for harmonizing both product and process standards. Nevertheless, the NAFTA governments should agree to analyze their national and state environmental laws and regulations and identify where gaps occur with respect to needed environmental protection measures not currently in place. Once these gaps are identified, countries should agree to establish or harmonize standards in accordance with the upward harmonization provisions mentioned above.

As a further means of addressing these concerns, negotiators should agree on a set of trade remedies that can be brought to bear in cases where lax enforcement, or the lack of environmental laws or regulations, creates unwarranted competitive advantages for local producers. This task will not be easy, as it requires a means of identifying where trade effects occur, and a listing of trade remedies most appropriate for resolving such cases.

The National Wildlife Federation strongly supports a role for the North American Commission on Environment (NACE) to help resolve disputes arising under Article 1114 (2). At a minimum, the NACE should have the authority to make recommendations for fines and other trade remedies in response to cases that it participates in. Another more far-reaching proposal would grant the NACE the power to levy fines directly in situations where governments do not enforce their environmental laws effectively, or where they lack environmental protection regimes altogether.

In whatever form they ultimately take, it is clear that NAFTA supplemental environmental agreements must address the need for better environmental laws, and enhanced enforcement, in the three NAFTA countries. One final means of doing so would be to act on a proposal made in President Clinton's October 4, 1992 campaign speech that,

"...permits citizens of each country to bring suit in their own courts when they believe their environmental protections and worker standards aren't being enforced."[footnote?p.15 of speech]

- **Provide technical amendments and clarifications of existing NAFTA text necessary for the agreement to more effectively realize its stated environmental objectives.**

The preamble of the NAFTA states that its provisions will be carried out, "...in a manner consistent with environmental protection and conservation," and that the agreement will, "Strengthen the development and enforcement of environmental laws and regulations." To assure these laudable objectives are realized, technical amendments and clarificiations of NAFTA text will need to be made in supplemental environmental agreements.

For example, one of the most significant provisions in the NAFTA, is Article 1114 (2) which says the NAFTA countries will, "not derogate from" existing standards. From what we know of the negotiations on this Article, that phrase is intended to refer to the relaxed enforcement of environmental laws and regulation, and not just a parlimentary or legislative change. Nevertheless, in order to ensure the provision is correctly interpreted, the definition of this phrase should be made explicit in a supplemental agreement to the NAFTA.

Article 104 (1) suggests that a NAFTA Party's obligations under international agreements will prevail in the case of an inconsistency with the NAFTA, "provided that where a Party has a choice among equally effective and reasonably available means of complying with such obligations, the Party chooses the alternative that is the least inconsistent with the other provisions of this Agreement."

This seems to imply a new burden on those seeking to negotiate or implement international environmental agreements, and creates license for attacking a country's obligations under international agreements. Rather than leave interpretation of this provision up to future dispute resolution panels, a supplemental environmental agreement to the NAFTA should define this provision clearly, in a way that does not present an undue burden on country's obligations under international environmental agreements.

Another area in need of clarification relates to provisions in the NAFTA employing what is known as the "necessary" test. Under this test, standards not deemed "necessary" are subject to increased scrutiny under NAFTA rules. While this so-called necessary test may seem innocuous, it is subject to wide interpretation, and could encourage NAFTA panels to rule against legitimate environmental standards. A more precise interpretation of what this test is supposed to mean, in practice, should be part of ensuing negotiations with Canada and Mexico.

One of the important aspects missing from the dispute settlement procedures in the NAFTA is any meaningful attempt to open the process to public participation. For example, Article 2012 (b) requires that a dispute panel's, "hearings, deliberations, an initial report, and all written submissions to and communications with the panel shall be confidential." While some confidentiality is required in the resolution of disputes, there is no reason to maintain the level of secrecy called for in this provision. An important technical amendment to the NAFTA should assure that a transcript of panel hearings and deliberations be made available to interested parties.

Furthermore, while Article 2017 (4) of the NAFTA suggests that the final report of a dispute resolution panel "shall be published 15 days after it is transmitted to the Commission" there is no guarantee this will occur since to do so requires unanimous approval by the Commission itself. Release to the public of these final reports should be automatic.

The North American Commission on the Environment (NACE)

A. Background

An important early step in addressing NAFTA environmental issues is to assure that negotiations on the North American Commission on the Environment (NACE) are on track, and the evolution of this new entity is important to keep in mind.

Initially, the National Wildlife Federation initially called for a NAFTA Committee on the Environment to follow through on trade and environmental issues in North America. In informal discussions, the Bush Administration responded by suggesting a trinational commission dealing exclusively with *environmental* issues in North America but would not have a role in following through on NAFTA concerns.

As negotiations on the NAFTA proceeded, and Congressional attention to the environment increased, the Administration's position changed, and became more favorable to the idea of a trinational commission that would deal, at least in part, with environmental concerns arising from the NAFTA. On September 9, 1992, NWF met with Ambassador Hills and shared with her an updated proposal for the North American Commission on Environment which included a trade mandate. In Canada, influential organizations like Pollution Probe pressured their government, and conservation organizations in Mexico proposed their own version of a North American Commission.

Subsequently, USTR and the Administration endorsed the NWF proposal, (somewhat different versions had also been proposed by groups in Mexico, and other organizations in the U.S.), and on September 17, 1992, Canada and Mexico joined the U.S. in calling for negotiations leading to the creation of the NACE.

The North American Commission on the Environment, as endorsed by the Bush Administration, would monitor the implementation of the environmental provisions of the NAFTA, and provide information on the extent to which NAFTA countries enforce their own domestic environmental laws. Where appropriate, the Commission would make recommendations to the NAFTA Parties on environmental issues related to trade, including future changes in NAFTA provisions that would better improve the environmental impact of the agreement.

As a complement to the trade and environment authority granted to the Commission, it would also be given the responsibility for promoting cooperative environmental activities within North America. While this part of the Commission's mandate does not deal directly with trade issues, by promoting cooperative efforts among the NAFTA countries, and a higher and more harmonized level of environmental protection among them, future trade and environmental conflicts can be avoided.

The Clinton Administration's earliest views on this Commission were spelled out in a speech delivered on the campaign trail on October 4, 1992. Though the speech does not provide a detailed view of what the Clinton Administration hopes to achieve through creation of the NACE, it is clear they intend to go beyond what has been proposed by the Bush Administration. Moreoever, Vice President Gore will be playing a lead role in articulating the Administration's position on the NACE, and will assure that negotiations with Canada and Mexico are on track.

Two preliminary meetings have taken place among representatives from the NAFTA countries, one in October and one in December, 1992, but official negotiations were put on hold until the Clinton Administration takes office. At this point, the most likely first step on the part of the Clinton Administration will be to revise the existing U.S. negotiating stance, which characterizes the NACE as more of an annual summit meeting, rather than a new institution capable of dealing with environmental and trade concerns in North America. The following description of the NACE role may be useful in developing a new and stronger position for the U.S. which respect to this new and vital institution.

B. Functions of the NACE

1. Environmental Cooperation

One important functional requirement of the NACE will be to promote and help facilitate environmental cooperative ventures among the three NAFTA countries. In this role, the NACE should be thought of as a laboratory in which new ideas for environmental cooperative ventures can be developed, including the facilitation of technical cooperation among NAFTA countries.

However, the NACE's role in this area should <u>not</u> be to supercede bilateral or trilateral arrangements among the NAFTA countries. For exampe, the NACE should not take over any of the existing functions of the International Joint Commission (IJC) between Canada and the U.S., though it might make recommendations about how the IJC can better accomplish its goals. Likewise, the operations of the International Boundary Waters Commission (IBWC) and implementation of the U.S.-Mexico Border Plan should not be taken under the NACE's wing, though the NACE might entertain ideas as to how both can be made more effective. Implementation of the Migratory Bird Treaty would also <u>not</u> be a function of the NACE, but the Commission could direct issues arising from the agreement to the appropriate national agencies.

Although a host of bilateral and trilateral environmental programs already exist in North America, the NACE can help monitor and coordinate their development, and implementation. However, the NACE should be more than just a clearinghouse for cooperative environmental ventures, or an annual summit meeting on environmental issues. A central role for the NACE must be to follow through on trade and environmental issues in North America. Removing this function from the NACE's mandate will seriously undermine Congressional support for the NAFTA itself.

2. The NACE and Trade

a. Participate actively in the NAFTA dispute resolution process.

There are three phases to the NAFTA dispute resolution process: consultation between parties; meeting of the NAFTA Trade Commission in cases where consultation fails to resolve a dispute; and convening of a NAFTA panel in the case where the Commission cannot resolve a dispute. It is important that a specific role be spelled out for the NACE at every step in this process, but the NACE should begin by helping to identify what is, or is not, an environmental dispute. This decision should not be left to NAFTA trade experts. Article 2005 (3) and (4) deal with whether a dispute is heard under GATT rules or NAFTA rules. The NACE must be able to assure that NAFTA rules are applied to environmental disputes.

In cases where a dispute involves environmental concerns, a role for the NACE should be spelled out in the consultation process. If that process fails to resolve a dispute, the NACE should be able to provide recommendations as part of the NAFTA Trade Commission deliberations.

If the dispute goes to a panel, the NACE should provide expertise either in the form of "friend-of-the-court" type briefs or in response to direct questions put to the NACE Secretariat by any of the disputing parties. Disputing Parties may, in this respect, call for the NACE to issue recommendations at any point in the dispute resolution process.

The NACE should maintain a roster of capable and impartial environmental experts, similar to the roster of trade experts created by the NAFTA Free Trade Commission. Panels formed to resolve environmental disputes under the NAFTA should include a majority of experts drawn from the NACE roster of environmental experts. The same conditions of impartiality guiding the selection of NAFTA trade roster members should apply to the selection of those added to the NACE environmental roster, i.e. no conflicts of interest on the part of NACE environmental roster members will be permitted.

Creating and maintaining this roster of environmental experts may be the most important means of assuring a role for the NACE as part of trade and environmental disputes. The Commission cannot be considered complete without this new body of experts.

As part of issuing recommendations or friend-of-the-court commentary as part of a dispute resolution proceeding, the NACE should take responsibility for coordinating public comments submitted with reference to a given dispute. This relates to the NACE's role as an inquiry point on environmental matters, as discussed in another section of this report.

Some thought should also be given to areas where the NACE, rather than the NAFTA Trade Commission, has the authority to resolve a dispute or question regarding NAFTA implementation. One example would be resolving questions about a NAFTA Party's obligations under a multilateral environmental agreement as compared to its NAFTA obligations.

b. Investigate and report on environmental concerns related to implementation of the NAFTA, and trade in North America.

There are three parts to the reporting requirements of the NACE with respect to trade and environment.

The first part of a NACE Annual Report should evaluate the implementation of NAFTA environmental provisions, looking particularly at where provisions have not been carried out effectively, and identifying problems and possible solutions related to their implementation. In preparing this and other sections of the Annual Report, the NACE

e. Oversee implementation of NAFTA provisions dealing specifically with environmental concerns.

As with many of the 14 Committees and Working Groups established under the NAFTA, the NACE should have a role in overseeing the implementation of NAFTA environmental provisions. Some examples:

o Clarifying the relationship between international environmental agreements and the NAFTA. Article 104 (2) outlines procedures by which challenges to such agreements can be waived. The NACE should be involved in this process.

o Assisting in the implementation of NAFTA provisions dealing with sanitary and phytosanitary (food safety) standards. Article 755 (5) discusses participation in international standardizing bodies, and Article 756 and Article 762 (technical cooperation) are relevant to the upward harmonization of standards among the three NAFTA countries. The NACE can play an important role in executing these and other provisions dealing with sanitary and phytosanitary standards.

o Assisting in the implementation of NAFTA provisions dealing with environmental measures, as described in the NAFTA chapter on Technical Barriers to Trade. Article 906 (1) and (2) commits the parties to work together to enhance environmental measures, and seek compatibility in measures. Article 913-A expresses the need, in the future, to set emissions and environmental pollution levels that would affect land transportation in North America. A list of responsibilities delegated to the NAFTA Committee on Standards-Related Measures in Article 913 suggests a number of areas in which the NACE should also be involved.

o Assuring an effective implementation of NAFTA investment provisions which discourage the creation of pollution havens. Article 1114 (2) commits the NAFTA countries to avoid lowering environmental standards or to fail to enforce environmental standards, as a means of attracting or maintaining investment. This will be a difficult provision to implement, since governments must prove that a lowering of standards or lax enforcement resulted in attracting or maintaining investment. The NACE, which should have an important investigatory and reporting role, can play an important part in carrying out this provision.

f. Participate in implementation of general NAFTA provisions that may affect the environment.

Two examples of such provisions include Article 2202, which outlines procedures by which amendments to the NAFTA can be made, and Article 2205, which sets the stage for other countries joining the NAFTA. The NACE should play a lead role in establishing the environmental criteria applied to those seeking to become party to the NAFTA.

g. Serve as the Inquiry Point for NAFTA Environmental Issues

The NACE can serve as an inquiry point by answering questions from NAFTA Parties and citizens interested in trade and environmental matters. The establishment of inquiry points is an important feature of several chapters of the NAFTA text, such as the standards chapter. Assigning this task to the NACE on environmental issues will increase should respond to and investigate complaints made by citizens and the private sector regarding the implementation of NAFTA environmental provisions.

A second part of the NACE Annual Report should identify areas where the NAFTA may need to be supplemented or amended to better assure it realizes its stated goal of protecting the environment and promoting sustainable development. For example, NAFTA provisions on energy might be modified to enhance the contribution these provisions can make to protecting the environment, especially in light of important domestic policy changes, such as the adoption of a higher energy tax in the U.S. and Canada.

A third part of the NACE Annual Report should provide an overview of the adoption and enforcement of general environmental laws in all three NAFTA countries with an eye to identifying areas where lack of environmental protection laws or market incentives, or lax enforcement, might lead to trade and environmental conflicts. An example might be undermining clean air legislation in an attempt to maintain investment in the U.S. and create a competitive advantage for U.S. industry based on <u>lowered or unenforced</u> standards. Identifying problems before they occur can help avoid future trade and environmental conflicts. This, and other sections of the Annual Report, should focus on a provincial and state level, as well as at the federal level.

c. Enhance the adoption and enforcement of environmental laws and regulations in NAFTA countries, particularly laws and regulations that may affect trade.

There are some different views on what the role of NACE in this area should be. As noted earlier in this report, the National Wildlife Federation strongly supports granting the NACE the authority to make recommendations for fines and other trade remedies in situations where a country has lowered its standards, or failed to enforce its environmental standards, in order to maintain or attract investment. A more sweeping proposal that also deserves consideration would grant the NACE the power to levy fines directly in situations where governments do not enforce their environmental laws effectively, or where they lack environmental protection regimes altogether.

In general, the supplemental environmental agreements should lead to the adoption of a system whereby trade sanctions can be employed to strengthen important provisions of the NAFTA, such as Article 1114 (2), and to promote a greater degree of environmental protection, related to trade, in all three NAFTA countries. The NACE should have an important role in the utilization of such sanctions.

d. Serve as the forum for negotiations on supplemental environmental agreements to the NAFTA.

The NACE should play a lead role in the negotiation of the NAFTA supplemental environmental agreements. Thus, the establishment of an effective NACE, one charged with a mandate to deal with trade and environmental issues, is a critical short-term priority. Over the long-term, the NACE should be responsible for any future changes to the NAFTA necessary to deal with environmental concerns not now envisioned. An explicit authority for the NACE to initiate such negotiations should be made part of NAFTA supplemental agreements.

public participation and enhance the openness with which NAFTA environmental issues are engaged.

Openness and public participation will help assure a more effective realization of NAFTA's environmental and sustainable development goals.

3. Sustainable Development

Sustainable development, a concept embraced by the family of nations meeting at the 1992 Earth Summit, is a vital concern in North America but lacks an institutional mechanism for promotion regionally. A new and additional function of the NACE should be to chart a course for sustainable development in North America, and build on the national, regional, and local initiatives now underway in Canada, Mexico, and the United States.

For example, in Canada the province of Manitoba and the national government have created Institute for Sustainable Development, an organization which is examining potential sustainable development strategies that can be employed locally, nationally, or globally. In the United States, individual states such as Kentucky, Washington, and Vermont, have engaged in economic planning efforts which embrace sustainable development. Likewise, the Mexican government is exploring new ways of integrating ecological concepts and development planning.

The NACE should not intrude on any of these national or local initiatives but can help coordinate the promotion of sustainable development on a regional basis. Using documents, such as Agenda 21, which were adopted at the Earth Summit, the NACE should develop a work plan harnessing economic policies within North America to further the goals of sustainable development.

C. Structure of the NACE

The NACE should be chaired by the environmental ministers in the three NAFTA countries, with the Administrator of EPA representating the United States. Given that the NACE will in some respects serve as a counterweight to the North American Free Trade Commission, the presence of national environmental ministers on the NACE is essential.

The work of the NACE Commissioners should be complemented by the establishment of a permanent NACE Secretariat. Each government will contribute an equal number of staff to the NACE Secretariat to enable the Commission to carry out its mandate. The daily operations of the Secretariat will be governed by a three-person directorate comprised of one nominee from each NAFTA country.

Notwithstanding that the NAFTA <u>Trade</u> Commission envisions the creation of a permanent Secretariat, architects of the current U.S. negotiating position have argued <u>against</u> the creation of a permanent Secretariat for the NACE. However, the lack of support for a NACE staff undermines the commitment of the U.S. to a fully-functioning Commission and suggests instead that the NACE will be nothing more than an annual meeting of environmental ministers. **Again, this kind of NACE is not adequate to garner needed support in the U.S. Congress for the NAFTA package.**

The establishment of a citizens' advisory board is a necessary complement to the NACE Secretariat, and the NACE Commissioners, and should be thought of as an entirely independent body. National governments will each appoint four members of the board, and the board itself will choose the other three. National governments will provide the resources for the Board to convene on a quarterly basis.

The Citizens' Advisory Board will be responsible for coordinating citizen input to the NACE Secretariat, especially related to the NACE's involvement in environmental disputes arising under the NAFTA. Working with the NACE Secretariat, the Board can help increase public participation in implementation of the NAFTA as well as in cooperative environmental ventures among the three NAFTA countries. In addition to these responsibilities, the Citizens' Advisory Board will be charged with issuing its own annual report on the operations of the NACE, including suggestions for how the NACE can be improved.

The NACE cannot achieve its goals without full and meaningful citizen participation. The Citizen Advisory Board will be an important mechanism for accomplishing this objective.

While more work needs to be done to spell out the exact relationship between the NACE Commissioners, the Secretariat, and the Citizens' Advisory Board, the Commissioners might be thought of as the Board of Governors of the NACE. As members of the Board, the Commissioners will meet as needed, but at least twice annually, to review the day to day operations of the Commission and make other decisions related to its mandate. The Secretariat will be responsible for the daily operations of the NACE and carry out most of the work charged to this new entity. The Citizens Advisory Board will help facilitate citizen participation in the operations of the NACE, and review the NACE itself on an annual basis.

Conclusion

While some continue to debate whether the NAFTA text addresses environmental concerns adequately, the most likely scenario unfolding over the next several months will be a concerted effort on the part of the NAFTA governments to negotiate supplemental environmental agreements related to, but not requiring major surgery on the NAFTA itself.

These supplemental agreements will be critical in determining whether or not Congress approves the NAFTA. If the agreements are negotiated according to the blueprint presented in this report, they will go a long way toward satisfying Congressional expectations. If not, the NAFTA itself may be endangered.

PHOTOCOPY
PRESERVATION

8982-122

They – Thanksgiving – seeing friends. fanfare.
– 2 classes
– cancel Stephanie 'til Fri?

Michael Kane 202-362-4310

296-2777
395-3110
395-5750
501-377-4603

Longworth 1710.

→ Norm Dicks
→ Sen Summit
→ Stephanie Solien
→ Steve Kenninger
→ Dan Sakura

* Call [illegible] @ home after 8:00.

325 [illegible]
4:00

Jan Jensen
3/26

PHOTOCOPY
PRESERVATION

February 16, 1993

M E M O R A N D U M

TO: Marc Chutka

FROM: Kathy Peroff, Energy and Science Division
395-3404/4817 FAX

SUBJECT: Earth-Friendly stimulus and investment

Appended is a listing of the Earth-friendly stimulus and investment proposals from the Energy and Science Division, as you requested yesterday.

EARTH-FRIENDLY STIMULUS PACKAGE

Proposals from the Energy and Science Division, OMB

DEPARTMENT OF ENERGY

Increase Weatherization Assistance Program
This proposal would increase funds by $47 million in FY93 BA to States to help pay for home weatherization improvements for low-income citizens. Matching funds (at least 1:1) will be required from States or utilities. This will encourage State weatherization programs to take advantage of utilities' demand-side management (rebate and discount) programs, and will ensure that the funds go to States that demonstrate a serious commitment to low-income weatherization activities.

Increasing the energy efficiency of Federal buildings and facilities
Both Administration policy and the Energy Policy Act of 1992 require that Federal agencies reduce their energy consumption per square foot of facilities by 20 percent by the year 2000, relative to their consumption in 1985. This stimulus initiative ($19 million in FY93 BA), when combined with the investment of $1.3 billion above the baseline in the outyears, moves quickly to meet this goal.

Not all of the funds will go to the Department of Energy. Direct appropriations are requested for the top four energy-using agencies (the Departments of Defense, Energy, and Veterans' Affairs, and the General Services Administration) roughly in proportion to how much energy each one uses. A fund will be set up at DOE to help finance improvements in other agencies.

Provide increased funds for acquisition of alternative-fuel vehicles for the Federal fleet
The Energy Policy Act of 1992 mandates the acquisition of increasing numbers of alternatively fueled vehicles, reaching 33 percent of new light-duty vehicle purchases in FY 1997 and 75 percent in FY 1999. This initiative provides $28 million in FY93 for the acquisition of alternative-fueled vehicles. This expands upon the Alternative Motor Fuels Act (AMFA) purchases currently funded by appropriations to the Department of Energy. DOE pays the extra cost of alternative fuel vehicles over the normal cost of the same vehicle in a conventional-fuel design. Any agency that purchases Federal fleet vehicles (DOD, GSA, etc.) is eligible to receive such assistance.

Industrial and Building Conservation "Model Projects"
There are many energy conservation technologies that are just entering the market, or have recently entered it, that are not being adopted as quickly as one would expect based on their cost-effectiveness. This is particularly true in the building industry and in the adoption of more efficient equipment and processes by industry. This one-time solicitation will provide $19 million in cost-shared funding (50 percent) for "model projects" that demonstrate or accelerate the commercial acceptance of such advanced technologies and products. A major goal in selecting projects will be to choose ones which, when they demonstrate that they are successful, will inspire others to make the same investment without Federal support. This will lead to the creation of permanent rather than temporary jobs, and will contribute to economic competitiveness in general.

EARTH-FRIENDLY INVESTMENTS

Proposals from the Energy and Science Division, OMB

DEPARTMENT OF ENERGY

Cleanup of Defense and Non-Defense Sites and Uranium Enrichment Facilities

The Department of Energy is responsible for the management and disposal of a wide variety of radioactive and hazardous wastes resulting from over forty years of activities conducted in the Government's atomic weapons program and from the Department of Energy's research and enriched uranium activities. The investment supported by this Administration reflects the emphasis that it places on reversing the imbalance in priorities between weapons production and the environment. It proposes to fund all clean-up activities at 3 percent above the baseline in 1994 through 1998. Total funding in FY94 is $6.5 billion and $36.2 billion over the FY94 - FY98 period.

Increase Weatherization Assistance Program

This proposal would increase funds to States to help pay for home weatherization improvements for low-income citizens. Matching funds (at least 1:1) will be required from States or utilities. This will encourage State weatherization programs to take advantage of utilities' demand-side management (rebate and discount) programs, and will ensure that the funds go to States that demonstrate a serious commitment to low-income weatherization activities. The proposal increases funding above the baseline by $60 million BA in FY94 and by $100 million per year thereafter.

Increasing the energy efficiency of Federal buildings and facilities

Both Administration policy and the Energy Policy Act of 1992 require that Federal agencies reduce their energy consumption per square foot of facilities by 20 percent by the year 2000, relative to their consumption in 1985. Current Federal investment in such improvements is running around $150 million per year government-wide.

Not all of the funds will go to the Department of Energy. Direct appropriations are requested for the top four energy-using agencies (the Departments of Defense, Energy, and Veterans' Affairs, and the General Services Administration) roughly in proportion to how much energy each one uses. A fund will be set up at DOE to help finance improvements in other agencies. DOE's support activities will also be increased, with 720 energy managers trained and 600 site energy audits performed in 1994 and a total of more than 9,000 energy managers trained and 4,600 sites audited in 1994-1998.

This proposal increases funding above the baseline by $94 million BA in FY94, and $1.4 billion over FY94 - FY98.

Increase funding for renewable energy and energy conservation programs
The Energy Policy Act of 1992 contains numerous new responsibilities for the Department of Energy. This initiative ramps up funding in these areas, starting with $200 million over the baseline in FY94, rising to $600 million in FY98, for a five-year total increase over baseline of $1.9 billion in BA.

The increased funding will be distributed roughly equally among four major program areas: solar and renewable energy, and industrial, transportation, and buildings conservation R&D. The funds will not only accelerate development of cost-effective technologies in each of those areas, but will also promote the commercialization of technologies now becoming available, and will promote increased exports of these technologies as well. The largest increases will go to technology transfer and commercialization, biofuels development, advanced materials (especially ceramics), industrial wastes and materials processing, electric and hybrid vehicles, and modeling of building systems interactions.

Increase natural gas utilization R&D
The Administration is committed to expanding the use of natural gas because it is one of the most environmentally-friendly fuels. This proposal will double Research and Development on gas utilization by focusing, for example, on fuel cells and advanced utility-scale turbines. This initiative will increase spending on natural gas utilization above the baseline projection by $13 million in FY 1994, ramping up to $119 million per year in FY97 and FY98, for a total of $381 million in additional spending over this five-year period.

Provide increased funds for acquisition of alternative-fuel vehicles for the Federal fleet
The Energy Policy Act of 1992 mandates the acquisition of increasing numbers of alternatively fueled vehicles, reaching 33 percent of new light-duty vehicle purchases in FY 1997 and 75 percent in FY 1999.

This initiative carries on the effort begun in the stimulus package; it provides $18 million in 1994 and $30 million per year from 1995 through 1998 for the acquisition of alternative-fueled vehicles. This expands upon the Alternative Motor Fuels Act (AMFA) purchases currently funded by appropriations to the Department of Energy. DOE pays the extra cost of alternative fuel vehicles over the normal cost of the same vehicle in a conventional-fuel design. Any agency that purchases Federal fleet vehicles (DOD, GSA, etc.) is eligible to receive such assistance.

Federal Coordinating Council for Science, Engineering and Technology (FCCSET), including NASA and NSF

U.S. Global Climate Change Research

Improving our understanding of the climate system is one of the six initiatives being addressed by the Federal Coordinating Council for Science, Engineering, and Technology (FCCSET). The climate initiative coordinates the research done on this topic at over a dozen different Federal agencies. It is focused on understanding the processes involved in climate change and a key component of the U.S. action plan at the recent "Earth Summit" negotiations. Total funding for FY 94 is $1.5 billion. Over the five years from FY94 through FY98, funding will total $10.5 billion.

OFFICE OF ECONOMIC POLICY
725 17th Street, N.W.
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FAX SHEET

DATE: 2/16/93

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Heather Ross, Richard Rosenzweig, Katie McGinty, Norm Richter

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COMMENTS: Groups expressing views on energy taxes. Some of these groups should probably be included in the liason meetings.

Groups in Favor of Appropriate Energy Tax:

American Biofuels Assn.
American Council for an Energy-Efficient Economy
American Solar Energy Society
American Wind Energy Assn.
CONCERN, Inc.
Environmental and Energy Study Institute
Friends of the Earth
Greenhouse Crisis Foundation
Natural Resources Defense Council
Nuclear Information and Resource Service
Public Citizen
Safe Energy Communication Council
Solar Energy Industries Assn.

Groups Against a Broad-Based Energy Tax:

American Council for Capital Formation
American Gas Assn.
American Iron and Steel Institute
American Petroleum Institute
Council of Industrial Boiler Owners
Edison Electric Institute
Electricity Consumers Resource Council
National Assn. of Manufacturers
National Coal Assn.
Rubber Manufacturers Assn.
U.S. Chamber of Commerce
National Consumer League

Groups Against a Gasoline Tax:

National Assn. of Manufacturers
American Trucking Assn. (Ken Simonson, V.P. & Chief Economist
703-838-1798/202-544-6245)
National Consumers League
National Grange
National American Wholesale Grocers Assn.
American Automobile Assn.
Travel and Tourism Government Affairs Council
Citizens for Tax Justice

TAXATION, BUDGET AND ACCOUNTING

Energy

ENVIRONMENTAL GROUPS URGE CLINTON TO ADD 'APPROPRIATE' ENERGY TAX TO STIMULUS PLAN

A coalition of 15 environmental, consumer, and sustainable energy organizations Feb. 12 urged President Clinton to include an "appropriately-designed" energy tax in his economic stimulus package.

Clean renewable energy technologies — such as solar, wind, and biofuels — should be exempted from any energy tax in order to discourage reliance on energy sources that pollute the environment, the groups said in a letter to Clinton.

While that exemption would cause a "very small" revenue loss for the government, it would be more than offset by the environmental benefits, substantial job potential, and economic opportunities afforded by renewable energy technologies, according to the letter.

Moreover, the groups said the overall package must contain changes in other tax and expenditure programs to ensure the tax is not regressive.

Available options include phasing in the energy tax, reducing payroll taxes, increasing the earned income tax credit, expanding and modifying food stamp benefits, and raising the low-income home energy assistance and weatherization programs, the letter said.

Finally, to fully realize the environmental goals of a pollution-fighting energy tax, it must be coupled with a "major redirection" of federal programs toward improving energy efficiency and expanding the use of renewable energy resources, the letter said.

That spending would include greater support for local and state programs designed to facilitate deployment and commercial development of these technologies, it said.

The letter suggested that a portion of revenues from any energy tax be dedicated toward spending on improved energy efficiency and expanded renewable energy sources. It urged that this spending be complemented by reducing or withdrawing the "overwhelming tax subsidies" now received by "mature, conventional" energy supply technologies such as coal, oil, and nuclear power.

The signatories were: the American Biofuels Association, the American Council for an Energy-Efficient Economy, the American Solar Energy Society, the American Wind Energy Association, CONCERN Inc., the Environmental and Energy Study Institute, Friends of the Earth, the Greenhouse Crisis Foundation, the Natural Resources Defense Council, the Nuclear Information and Resource Service, Public Citizen, the Safe Energy Communication Council, and the Solar Energy Industries Association.☐

International Taxes

EC TO POSTPONE APPROVAL OF SEVENTH VAT DIRECTIVE

BRUSSELS—The approval of the seventh value-added tax directive which would impose VAT on works of art, jewelry, and used cars, among other items, will be postponed for at least one month, European Community Council press spokesman Peter Schwaiger announced Feb. 12.

The directive, which was listed as a priority by the EC Commission in its 1993-94 action plan published last week (26 DTR G-2, 2/10/93), was supposed to receive final approval during the meeting of EC economics and finance ministers Feb. 15.

Schwaiger said, however, the directive most likely will be approved March 15 at the next ministers' meeting.

According to Council sources, the United Kingdom is objecting to imposition of VAT on art, Spain is objecting to its imposition on jewelry, and Italy and Belgium want the definition of a used car changed.

The definition of used car being proposed would classify any car older than three months and with 3,000 kilometers as second-hand; the Italians and Belgians would like to see these limits raised to six months and 10,000 kilometers.

Belgium could expect its sales of new cars, whose prices are the lowest in the Community, to decrease if the used-car limits remain at the low levels proposed in the directive.

EC sources say the UK, whose auction houses such as Christie's and Sotheby's lead the world, is demanding an exemption for the resale of works of art, but other member states are not willing to give a full derogation.

Consequently a figure of 3 percent is being proposed by the UK, although other states are saying it should be 5 percent. A further dynamic is that yet other unnamed states would accept the 3 percent figure if it applied only to the UK, whereas if the figure applied to the whole Community it would have to be 5 percent.

For Spain, jewelry is a problem, and the UK also is urging the EC to allow charities to be exempt from VAT on the funds they collect.

However, "these are mainly bilateral problems," according to one source who said they should be resolved through negotiations between the member states concerned before the March meeting of the economics and finance ministers.

"There is every chance that the seventh directive will be on the March agenda," he said.☐

Tax Administration

IRS APPEALS MOVING CLOSER TO FINALIZING INDUSTRY SPECIALIZATION PROGRAM PAPERS

The Internal Revenue Service's Appeals Division is moving toward completing work on the issue papers for its Industry Specialization Program (ISP), Thomas Roley, director of the specialization program for appeals, said in an interview with BNA.

The Appeals Division's ISP is organized similarly to examination's ISP, with a national ISP coordinator and a coordinator for each industry located in the field, according to IRS documents.

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EC office in each of the member states so that he problems may be discussed in more depth. Dates for future meetings have not yet been set.

Bevan expressed hope the problems would be discussed further. "In theory, what Madame Scrivener says about this system being easier is correct, but in practice there's been little education. . .and if she does not see the need for it, then she is being complacent," he said. "She has underestimated the problems in changing over."□

Economic Policy

SENATE REPUBLICANS LIST FIVE GUIDING PRINCIPLES TO JUDGE CLINTON'S BUDGET

Senate Republicans will judge President Clinton's address to Congress on the basis of five guiding principles, one of which questions the need for a stimulus package, a Senate Republican aide told BNA Feb. 5.

A letter to be sent to Clinton today outlines the five principles that a Senate Republican leadership task force has agreed should govern the assessment of Clinton's economic package, the aide said.

First, the budget package must focus on restraining federal spending, the letter said, because "spending is the problem."

Second, Senate GOP leaders questioned both the need for any short-term stimulus and the effectiveness of a $10 billion-$30 billion package "in an economy that is now experiencing a solid recovery." Therefore, if Clinton keeps to his intention to offer such a package, the letter said, "it must be tied to a real and enforceable long-term deficit reduction plan."

According to the letter and to Sen. Pete Domenici (R-NM), chairman of the task force, a stimulus package may add only to the federal debt load, given that the "economy already is experiencing a $320 billion stimulus in the form of our annual deficit."

Third, if the tax system is to be changed, "it should be moved toward encouraging savings and investment," the letter said. Domenici said in Feb. 4 floor remarks he remains committed to moving the income tax system to a consumption-based tax system as a key means of discouraging consumption and encouraging savings.

Fourth, barriers to economic and job growth should be removed by reducing regulatory burdens and mandates and increasing access to capital, the GOP said.

Fifth, the United States should continue to expand markets for domestic goods and services through "open and fair trading policies."

Sent by Domenici, fellow task force co-chairman Bob Packwood (R-Ore), Senate Minority Leader Robert Dole (R-Kan), and Republican Policy Committee Chairman Don Nickles (R-Okla), the letter stated the GOP willingness to work with the Clinton administration.

According to the Senate aide, discussions are underway with House Republicans, and although the letter is being sent from the Senate GOP leadership, there is every expectation House Republicans will support these principles as well.

Senate Republicans have not yet begun developing any alternative, per se, waiting instead to see what the president offers in his package, the aide said.

If there are sensible recommendations in the president's package for job creation, deficit reduction, and economic growth, the GOP "will be happy to improve on those," the aide said, but "if we see the same old lunacy, Republicans will be swift at creating a reasonable alternative."□

Energy

GROUPS LINING UP ON BOTH SIDES OF ENERGY TAX ISSUE AS CLINTON FINALIZES PACKAGE

With expectations growing that President Clinton will propose some type of energy tax in the economic growth plan he is slated to unveil next week, business, consumer, energy, and environmental groups are lining up on both sides of the issue.

The debate over energy taxes has been growing ever since Treasury Secretary Lloyd Bentsen said the White House was considering a broad-based energy tax as a revenue source for its economic plan (15 DTR G-9, 1/26/93).

While administration and congressional officials have signaled that a broad energy tax applied either on an ad valorem or British thermal unit basis is what the president is most likely to propose, many groups are concerned that lawmakers will ultimately enact a more narrow increase in the federal gasoline excise tax.

A coalition of such groups — ranging from the National Association of Manufacturers to the American Trucking Association and the National Consumers League — will hold a press conference this week in a public effort to dissuade lawmakers from increasing the current 14.1 cents-per-gallon federal gas tax.

The American Trucking Associations Feb. 5 sent a letter to Clinton urging against an increase in the gas tax. "A gas tax may look like a quick fix for a number of problems. But for the rest of the country, including the 7.8 million Americans who work in the trucking industry, a gas tax creates more problems than it solves," ATA President and CEO Thomas J. Donohue said in the letter.

A gas tax increase would disproportionately hit middle- and lower-income families and certain industries, and would also impact U.S. competitiveness by increasing production costs, ATA said.

Other groups involved in the anti-gas tax effort include the National Grange, the National American Wholesale Grocers Association, the American Automobile Association, the Travel and Tourism Government Affairs Council, and Citizens for Tax Justice.

The same day the above groups publicly campaign against the gas tax—Feb. 9—the Environmental and Energy Study Institute will release a national poll showing public support for energy taxes and other federal policies that promote energy conservation and the development of alternative fuels.

A top Senate aide said last week that support is growing in the Senate for a broad-based energy tax (23 DTR G-3, 2/5/93).□

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Health Insurance

KASSEBAUM REINTRODUCES REFORM PLAN FOUNDED ON STANDARD BENEFITS PACKAGE

Sen. Nancy Kassebaum (R-Kan) reintroduced comprehensive health care reform legislation Feb. 4 that proposes to simplify the health insurance market around a standard package of benefits, strictly limit health insurance premium increases, and limit the tax deductibility of benefits to the basic package.

Under the "BasiCare Health Access and Cost Control Act" (bill number not available), an independent commission would define a uniform "BasiCare" benefits package that would be required to be offered by all private insurers.

Cost containment would be achieved by the commission through imposing limits on the annual insurance premium increases for the BasiCare package. The bill also includes provisions to expand access to low-income citizens through a series of vouchers and subsidies.

"[The bill] offers a tough but sensible middle ground in the difficult debate on health care reform," Kassebaum said at a press briefing. "The particular value in this compromise is its ability to offer tough restraint of costs, while avoiding government micromanagement of the marketplace."

In addition, the bill offers comprehensive access without "burdensome employee mandates," she said.

The bill, which closely resembles legislation introduced by Kassebaum last year, is co-sponsored by Sens. John Danforth (R-Mo) and Conrad Burns (R-Mont). Kassebaum acknowledged at the press conference she was unsuccessful in her attempts to obtain support for the bill from Democratic senators.

A companion bill was introduced in the House Feb. 4 by Rep. Dan Glickman (D-Kan) and David McCurdy (D-Okla).

Strong Cost Containment

Kassebaum emphasized that her bill differs from managed competition proposals. While both approaches seek to refocus competition in the private marketplace and encourage integrated delivery networks, the BasiCare plan has binding cost containment in the form of strict limits on health insurance premium increases, she said.

Under this cost-containment approach, the government would not have to resort to complicated rate-setting mechanisms, Kassebaum noted. Rather, it would be left up to private health care sector professionals how to spend the limited amount of money available, she said.

Regarding health care access for the uninsured, the bill would offer those with incomes up to 200 percent of the federal poverty line a non-transferable voucher for the purchase of BasiCare coverage. The voucher system would replace and expand upon the current Medicaid program.

To finance this expansion, the bill seeks to raise revenue from three sources: redirecting existing Medicaid funding; limiting the tax deduction and exclusion for employer contributions only to contributions associated with BasiCare coverage; and redirecting up to 1 percent of the current Social Security payroll tax.

Kassebaum noted that the draw from Social Security could yield up to $56 billion per year by 1996. Limiting the employer tax deduction to a basic set of benefits could generate as much as $120 billion over five years, while limiting the employee tax exclusion would generate $7 billion to $8 billion per year, she told BNA.

Other Provisions

Firm limits on cost growth will create strong motivation for new efficiency in the health care delivery system, primarily through expanded development of coordinated systems of care negotiated between providers and insurers, Kassebaum said.

In addition to Medicaid, Medicare also would be assimilated into BasiCare, and long-term care coverage would be included in the BasiCare package, she added.

The commission that would work out the details of the BasiCare benefits package would be modeled on the current military base-closing commission, she said. Congress would have the power to vote up or down on the commission's recommendations, but not to amend them.

The bill would subject insurers to strict rules protecting enrollees from discriminatory rating and underwriting based on health status, according to a bill summary.

The bill also includes malpractice reform, expansions to low-income community health care services, and measures to increase the number of health professionals in underserved rural areas.

Glickman urged President Clinton and Hillary Clinton to carefully review the legislation, calling it "the most logical, workable compromise between advocates of the global budgeting approach and the managed competition approach." Both Glickman and Danforth predicted the bill is "very close" to what eventually will be passed by Congress.☐

Energy Taxes

BUSINESS, CONSUMER GROUPS VOICE OPPOSITION IN LETTER TO CLINTON

Business and consumer groups joined Feb. 4 to outline the detrimental consequences of an energy tax in a letter to President Clinton, one of many expected protests from industry to the administration regarding the potential levy.

The groups' letter emphasized their support of federal budget deficit reduction but said a broad-based energy tax would have adverse effects on the economy, impede the nation's ability to compete in the international marketplace, and exacerbate class and regional inequities.

Signing the letter were representatives of the American Council for Capital Formation, American Gas Association, American Iron and Steel Institute, American Petroleum Institute, Council of Industrial

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Boiler Owners, Edison Electric Institute, Electricity Consumers Resource Council, National Association of Manufacturers, National Coal Association, Rubber Manufacturers Association, and the U.S. Chamber of Commerce.

Because the levy is a burden on necessities, it would hurt low-income people more than any other kind of tax that could be implemented, Jack Blum, counsel for the National Consumer League, told reporters at a press conference sponsored by the Edison Electric Institute. The league is drafting its own letter to Clinton, he said.

Although some discussion has arisen over rebates for low- and middle-income people, Blum said that most could not afford to essentially loan the government $100 all year before they received a rebate in April.

This kind of tax is one of the most difficult to implement, Blum said. It is "uncollectable and unenforceable," he said. Although educating the new generation of Congress will be difficult, he said he is optimistic that the tax will not be imposed.

Blum reviewed the history of energy tax proposals and said that, with each administration's budget deficit, "we have to come back with the same press release."

A tax would make energy-intensive industries — including steel, aluminum, petrochemicals, paper, and agriculture — lose jobs, according to Charles DiBona, president of API, the oil industry group. These industries are already on a very narrow competitive margin internationally, and the jobs may never be regained, he added.

Not only will the quantity of jobs be affected, but the quality of jobs will also decrease, according to Dick Lawson of the National Coal Association. An energy tax would "turn the job scale down low," he said.

Thomas Kuhn, the president of EEI, said an extremely high tax would have to be levied in order to reduce consumption and in turn affect the environment.

DiBona referred to the increases in oil prices during the 1970s, which were imposed by the Organization of Petroleum Exporting Countries, and its devastating effects. Economic growth slowed, while consumption only flattened, he said.

He also pointed to the results of a Data Resources analysis of the impacts of a tax based on British thermal units. The study said that over a five-year period, $50 billion could be generated in revenue, but the gross national product would decrease by $85 billion.

Groups Differ On Solution

While all the groups support deficit-reduction action, they disagreed on what kind of approach should be taken.

For example, Mark Bloomfield, president of American Council for Capital Formation, expressed support for a broad-based consumption tax. The options range from a national sales tax, to a value-added tax, or to the progressive consumption income tax, which has been sponsored by Sens. Sam Nunn (D-Ga) and Pete Domenici (R-NM).

But NCL would never support such a tax, according to Blum. Instead, a tax on capital gains should be looked at, or the tax loopholes for mergers and acquisitions should be revamped, he said. Also, high prices for parking spaces in downtown areas would do much to discourage driving and consequently protect the environment, Blum added.

While bureaucrats of the European Community are considering a carbon tax, individual countries have expressed their opposition, DiBona said. He said he doubted very much that such a tax would be levied in the EC.☐

Pensions

ADDRESS PBGC PROBLEMS IMMEDIATELY, DESPITE LACK OF FULL DATA, PANEL TOLD

Congress needs to address the growing funding problems at the Pension Benefit Guaranty Corp. immediately, despite the lack of completely auditable internal accounting data that would help present a complete financial picture, witnesses before a congressional panel agreed Feb. 4.

PBGC's internal accounting system has made significant improvements and should be in auditable form for fiscal year 1992, according to both former PBGC Executive Director James B. Lockhart and Joseph F. Delfico, director of income security issues in the General Accounting Office's Human Resources Division, who spoke before the House Ways and Means Oversight Subcommittee.

However, regardless of the state of PBGC's internal auditing, Lockhart, Delfico, and Congressional Budget Office Director Robert Reischauer all agreed that PBGC's deficit problems are large, growing, and likely to grow worse without legislative reforms. Congress cannot afford to hold back reform efforts to gather more information, they said.

The federal pension insurance system administered by PBGC has accumulated a sizable deficit of $2.5 billion, the three speakers agreed. More importantly, however, unfunded liability at financially weak firms whose failure is "reasonably possible" amounts to $12 billion, the speakers said. PBGC's latest 10-year forecast of reasonable possible losses shows a pessimistic deficit range of $18 billion to $28 billion, Lockhart added.

If legislative reforms are not adopted, "the chances U.S. taxpayers will be called on to bail out the system will increase" and the public's questioning of Congress' competency will intensify, Reischauer said.

In addition to giving a statement, Reischauer released at the hearing a CBO study, completed in January, called *Controlling Losses of the Pension Benefit Guaranty Corporation*. The study examines the causes of PBGC's losses and offers several options for reforming the program.

Reforms Recommended

Among the reforms advocated by the three speakers were increasing funding requirements, reforming the premium payment system better to reflect the risk to the program of underfunded plans, and limiting a

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FACSIMILE COVER SHEET

AERONOMY LABORATORY

NOAA, Mail Code R/E/AL
Bldg. 24, Rm. 2204
325 Broadway
Boulder, Colorado 80303-3328

DATE: 20 FEB 93 **PAGES:** Cover and NO pages to follow

FROM: DAN ALBRITTON

Telephone: (303) 497-5785 Fax: (303) 497-5373 Verify: (303) 497-3134

TO: Name: KATIE McGINTY

Telephone: 202 456-6225

Fax: -6231

Katie,

I'm sorry we did not connect by telephone yesterday, hence this fax. I saw that EPA released the methyl bromide announcement on the 16th. I hope the summary of the methyl bromide ODP science that I sent you on the 11th proved useful to you.

I'm am asking for your help again regarding our NOAA FY 1994 research initiative, the "Health of the Atmosphere" ($10.5M). I sent you a summary of how it will address the scientific basis for the policy decisions involved in the implementation of the Clean Air Act Amendments of 1990. This initiative is of high personal importance to me since I led the design of the research to meet the policy needs.

Unfortunately, OMB turned down the "Health" initiative in their passback to the Department of Commerce that arrived late Thursday night (18 Feb). However, I was encouraged that, on Monday (22 Feb), NOAA will include "Health" in their appeal to DOC. Indeed, NOAA views this initiative as their leading research priority.

Based on our discussions about the initiative's research goals, could you put in a word of support for us at DOC and OMB?

At OMB, you'll recall that NOAA (being in DOC) is on the *domestic* side of the house, not the science side. I don't know whether reassignments have occurred since Panetta's arrival, but Ken Schwarz (reachable at 202 395-3480) is the highest level OMBer to whom I presented the initiative.

Your help would be greatly appreciated. I expect that things will move rapidly on Monday. This appeal is the last chance for success for what is the only U.S. research plan that is aimed at the science needed to reduce the cost of implementing the Clean Air Act Amendments, which is the "flagship" of this country's air-quality policy.

Dan

02-16-93 04:54 PM

Energy - Rich Rosenzweig
Katie McGinty
Heather Ross

Treasury ★ Technical person
EPA ★ Approval

PHOTOCOPY PRESERVATION

Make sure SoCal Gas is in meeting.

ORGANIZATION	CONTACT	TELEPHONE
NATURAL GAS	(Rick Irbe) Friday	
RR AGA	Mike Baly	703/841-8612
RR INGAA	Gay Friedmann★	202/626-3212
	Jerry Halverson	202/626-3201
NGSA	Nicholas Bush	202/331-8900
RR ENRON	Joe Hillings★	202/828-3366
RR Coastal	Bob Moss★	202/466-7430
	John White	202/293-1776
So Cal Gas		
Texas Panhandle		
~~IPAA~~	~~Denise Bode~~	~~202/857-4722~~
ELECTRIC UTILITIES + coal, nuclear		
RR Edison Electric Institute	Tom Kuhn★	202/508-5000
RR PG&E	Bob Testa★	202/466-7981
RR Southern California Edison	Tom Dennis★	202/393-3075
RR NEES	Dan DeLurey★	202/783-7959
RR ENTERGY	Jana Oakley	202/785-8444
RR NSP	Elaine Ziemba	202/783-5505
RR Wisconsin Electric	Mike Nix	202/408-1605
Cons. Power	Dave Mengeibier	202/293-5794
RR PSI	John Stowell	202/887-0497
RR American Public Power Assoc.	Alan Richardson	202/467-2900
INDUSTRY		
RR Nat. Assoc. of Manufacturers	Jerry Jasinowski — Ask him to pass calls out	202/637-3000
U.S. Chamber of Commerce		
OIL		
RR American Petroleum Institute	Charles DiBona★	202/682-8100
RR IPAA (Indep. Petrol. Assn. Amer.)	Denise Bode	202/857-4722
COAL + NUCLEAR		
National Coal Association	Tom Altmeyer★	202/463-2625
RR ANEC (Nuclear)	Ted Garrish★	202/484-2670
CONSERVATION AND RENEWABLES S		
RR Alliance to Save Energy	Bill Nitze	202/857-0666
RR Council for Energy Eff. Econ.	Howard Geller	202/429-8873
RR Solar Energy Ind. Assoc.	Scott Sklar	202/408-0660
RR American Wind Energy Assoc.	Mike Marvin	202/408-8988
Nat. Assoc. of Energy Service Co.		
MC SYCOM	Lynn Sutcliffe	301/718-6600

ORGANIZATION	CONTACT	TELEPHONE
CONSUMERS		
RR CECA	Ellen Berman	202/659-0404
RR Con Fed	Gene Kimmelman	202/387-6121
RR Electric Consumers Resource Council	John Anderson	202/682-1390
STATES		
ML National Gov. Assoc	Tom Curtis	202/624-5389
MC Center for Clean Air Policy	Ned Helme	202/624-[redacted] 5833
MC NASEO		

1. Natural Gas
2. Electric Utilities
   Coal & Nuclear
3. Oil Industry
4. Manufactures
   Transportation
5. Conservation
   Renewables

Katie-
marilyn D. Jacoby
in Public ~~[illegible]~~ liasion
X2930 - call her
Amy Zisook ASAP!

they can't get through and need to talk to you

RESTAURANT AMERICUS
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456-6218

PHOTOCOPY
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* White House Fellows
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Yeltsin
March 29-30
Western Canada
28-29th Emerald Summit
Vancouver.

Revised 2/16/93

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
Route Slip

To: Katie McGinty, OEP	Take necessary action [ ]
Through: John Angell	Approval or signature [ ]
	Comment [ ]
cc: Barry Anderson	Prepare reply [ ]
	Discuss with me [ ]
	For your information [ ]
	See remarks below [ ]

From: Ron Cogswell, NRD   Date: February 15, 1993

SUBJECT: Background Materials on Environmental Items in the Budget

Attached, per your request, are summary materials on the major environmental items included in the Budget.

16-Feb-93

Environmental Budget: Major Items

(changes to baseline)

	(dollars in millions)
Stimulus	1993
Wastewater Treatment State Revolving Funds (EPA)	845
Watershed Resource Restoration (EPA)	47
"Green" Programs (EPA)	23
Rural Water/Wastewater Loans and Grants (USDA)	750
Watershed Projects (USDA)	47
Nat. Res. Protection and Env. Infrastructure (USDA)	188
Nat. Res. Protection and Env. Infrastructure (Interior)	349
Historic Preservation Repair and Maintenance (Interior)	23
TOTAL STIMULUS (budget authority)	**2,272**
Investment	1994
Drinking Water State Revolving Funds (EPA)	600
Clean Water State Revolving Funds (EPA)	1,200
Environmental Technology (EPA)	36
Watershed Resource Restoration (EPA)	30
"Green" Programs (EPA)	15
Rural Water/Wastewater Loans and Grants (USDA)	300
Forests for the Future (USDA)	30
Tree Planting Initiative (USDA)	41
National Research Initiative (USDA)	30
Forestry Research Initiative (USDA)	20
Wetlands Reserve Program (USDA)	--
Natural Resource and Environ. Infrastructure (Interior/USDA)	239
Recreational Land Acquisition and State Grants (LWCF)	--
TOTAL INVESTMENT (budget authority)	**2,541**
Savings	1997
Completion of Wastewater Treatment Constr. Grants (EPA)	1,947
Private Sector Financing of Superfund Cleanups (EPA)	109
Federal Irrigation Water Surcharge (Interior)	15
Grazing User Fees (Interior/USDA)	35
Hardrock Mining Holding Fees and Royalties (Interior)	357
Phaseout Below-Cost Timber Sales (USDA)	28
Reduce or Stretch-Out Water Project Constr. (Interior/Army)	92
Increased Inland Waterway User Fees (Army)	460
TOTAL SAVINGS (outlays)	**3,043**

February 15, 1993

Environmental Budget: Major Items
(changes to baseline)

I. Stimulus

__Environmental Protection Agency__

__Wastewater Treatment State Revolving Funds__ -- ($845M in 1993 BA)

This proposal would provide $845 million in capitalization grants to State Revolving Funds (SRFs), which make low-interest loans to municipalities for construction of sewage treatment facilities. This would accelerate completion of an $18 billion wastewater treatment grant authorization that is scheduled to end in FY 1994. The funding would supplement $2.5 billion in FY 1993 enacted funding for EPA wastewater treatment grants.

__Watershed Resource Restoration__ -- ($47M in 1993 BA)

This proposal would supplement current funding with an additional $47 million for non-point source grants under Section 319 of the Clean Water Act. Non-point source pollution, such as runoff from farms, mining sites and city streets, is now the largest cause of pollution in our Nation's waters. Reductions in non-point source pollution will help restore watersheds and estuaries, leading to increased numbers of fish and other aquatic life, and improving fishing and recreational opportunities in urban, suburban, and rural areas.

__Expand EPA's Voluntary "Green" Programs__ -- ($23M in 1993 BA)

This proposal would expand EPA's voluntary "Green" programs by $23 million in FY 1993 over the current $8 million funding level. During the past two years, EPA launched its "Green Lights" program to encourage Fortune 500 companies to convert profitably into more energy-efficient lighting, which will reduce electricity generation and reduce greenhouse gas emissions. These programs can be expanded to include energy-efficient industrial motors, heating/ventilation/air conditioning (HVAC), residential clothes washers and dryers, and heat pumps.

Department of Agriculture

Increase Rural Development Administration (RDA) Rural Water and Wastewater Loans by $470 Million, and Grants by $280 Million

This proposal increases the RDA FY 1993 loan authority from $600 million to $1.1 billion and its grant authority from $390 million to $672. To comply with clean water standards set by EPA, rural America's water and wastewater needs total roughly $10 billion by the year 2000. Often many small, poor, rural communities are unable to meet these clean water and wastewater standards without Federal assistance.

Increase Funds for Watershed Projects (SCS) -- ($47M in 1993 BA)

This proposal would provide an additional $47 million in FY 1993 to help reduce a backlog of Soil Conservation Service (SCS) emergency watershed projects that are currently eligible for Federal assistance. These projects address local watershed problems caused by soil erosion, sedimentation, and flood damage. SCS projects may also improve water quality and supply in rural areas.

Natural Resource Protection and Environmental Infrastructure Initiative -- ($188 million in 1993 BA)

This proposal would provide $188 million in FY 1993 to protect and rehabilitate America's inventory of natural and rural assets, restore facilities that protect these resources, and improve public access to them. This funding would complete the inventory of ready-to-go resource protection projects, facility maintenance, rehabilitation and construction and other similar projects that stimulate economic growth and employment in rural areas.

Department of the Interior

Natural Resource Protection and Environmental Infrastructure Initiative -- ($349M in 1993)

This proposal would protect and rehabilitate America's inventory of natural and cultural assets, restore the facilities that protect these resources, and improve public access to them. This funding would complete the inventory of ready-to-go resource protection projects, facility maintenance, rehabilitation and construction and other similar projects that stimulate economic growth and employment in rural and urban areas. The work would be located at resource areas managed by the Department of the Interior (National Park Service, Fish and Wildlife Service, Bureau of Land Management, and Bureau of Indian Affairs). Funds will supplement existing National Park Service operating programs such that facilities or services previously scheduled to be closed in 1993 will remain open.

Historic Preservation Funding for Repair and Deferred Maintenance Projects -- ($23M in 1993 BA)

The Administration proposes $23 million to fund a backlog of brick and mortar rehabilitation projects, emergency surveys, engineering reports, and deferred maintenance at National Trust for Historic Preservation Museum properties across the Nation, and other priority State and tribal projects.

II. Investment

Environmental Protection Agency

Drinking Water State Revolving Funds -- ($600M in 1994 BA; $1B per year 1995-97)

This proposal would provide $1 billion per year in new capitalization grants to State Revolving Funds in FY 1995-97 for the purpose of making low-interest loans to help municipalities comply with Safe Drinking Water Act (SDWA) requirements. EPA estimates that States and localities will need to invest $10 billion in drinking water infrastructure through 1998 to meet SDWA requirements. In the past, the Federal

Government has not provided funding to meet the capital costs of these SDWA requirements other than in rural areas.

Clean Water State Revolving Funds -- ($1,200M in 1994 BA; $2B per year 1995-97)

This proposal would provide $2 billion per year in FY 1995-97 under a new authorization for capitalizing Clean Water State Revolving Funds (SRFs). These SRFs would make low-interest loans to municipalities for construction of projects to address water quality problems. These funds would help municipalities comply with recent requirements for stormwater control and help implement management plans for restoring estuaries.

Increase Investment in Environmental Technology -- ($36M in 1994 BA; $625M total for 1995-97)

This proposal would increase funding for environmental engineering and technology development by $36 million in FY 1994, a total of $625 million through 1998, and a total of $1.85 billion over nine years. The focus of this initiative would be long-term research and pollution prevention by EPA, other Federal agencies, and the private sector. The goal is to develop more advanced environmental systems and treatment techniques that can yield environmental benefits and increase exports of "green" technologies.

Watershed Resource Restoration -- ($30M in 1994 BA; $50M per year 1995-97)

This proposal would double the current funding level of $50 million annually for non-point source grants under Section 319 of the Clean Water Act. Non-point source pollution such as runoff from farms, mining sites and city streets, is now the largest cause of pollution in our Nation's waters. Reductions in non-point source pollution would help restore watersheds and estuaries, leading to increased numbers of fish and other aquatic life, and improving fishing and recreational opportunities in urban, suburban, and rural areas.

Expand EPA's Voluntary "Green" Programs -- ($15M in 1994 BA; $25M per year 1995-97)

This proposal would provide an additional $25 million annually for EPA's voluntary "Green" programs in FY 1995-1997. During the past two years, EPA launched its "Green

Lights" program to encourage Fortune 500 companies to convert profitably into more energy-efficient lighting, which will reduce electricity generation and greenhouse gas emissions. These programs can be expanded to include energy efficient industrial motors, heating/ventilation/air conditioning (HVAC), residential clothes washers and dryers, and heat pumps.

Department of Agriculture

Increase Rural Development Administration (RDA) Rural Water and Wastewater Loans by $300 Million, and Grants by $200 Million Per Year for 1995 to 1997 -- (1994 Loans -- $180M; 1994 Grants --$120M)

This proposal would increase RDA loan authority from $600 million to $780 million and its grant authority from $390 million to $510 million FY 1994. Without Federal assistance, small water and wastewater systems face extraordinarily large increases in water and sewer charges associated with evolving environmental standards. To comply with clean water standards set by EPA, rural America's water and wastewater needs total roughly $10 billion by the year 2000. Often many small, poor, rural communities are unable to meet these clean water and wastewater standards without Federal assistance.

Forests for the Future -- ($30M in 1994 BA; $50M per year 1995-97)

Recognizing the importance of global forests, the budget would propose an investment of $50 million per year for 1994-1997, towards the international goal of reducing world-wide deforestation. At the 1992 Rio "Earth Summit", the U.S. proposed that all countries join in doubling international forest assistance. This investment would be a downpayment towards the commitment to fund initial partnership activities with both foreign nations and domestic and international non-governmental organizations.

Tree Planting -- ($41M in 1994 BA; $263M 1994-1997)

This proposal would provide $41 million for an expanded tree planting initiative. The program has two principal components: a rural initiative providing cost-sharing to non-industrial private forest land owners for tree planting; and an urban initiative focusing on technical assistance and community grants to promote urban tree planting and forestry practices. Reforestation and stand improvement on these lands can result in increased environmental benefits such as removing more carbon dioxide from the air.

National Research Initiative (NRI) Grants -- ($30M in 1994 BA; $480M 1995-97)

The Nation faces major challenges to ensure the food supply's safety and quality, sustain natural resources, and continue the competitiveness of U.S. agricultural products in global trade. In order to meet these challenges, this proposal would provide $180 million in 1994 to fund an additional 500 research projects for food safety, sustainable agricultural production, and decreased environmental impact.

Forestry Research Initiative -- ($20M in 1994 BA; $287M 1995-97)

This proposal would provide $300 million over four years to the Forest Service to allow it and other USDA research agencies to increase the breadth and depth to which forestry research areas are investigated. The proposal would provide the necessary information to help the Nation develop sound forest-related policies that would both provide resources to meet ever-increasing demands from the population and sustain forest ecosystems.

Wetlands Reserve Program (WRP)

Full funding of the Wetlands Reserve Program would be maintained, allowing one million wetlands acres to be enrolled under permanent easements by the end of 1995: $373 million in 1994 and $414 million in 1995 would be included for the WRP.

Departments of the Interior and Agriculture

Natural Resource Protection and Environmental Infrastructure Initiative -- $239M in 1994 BA; $1,710M total 1994-97)

The proposal would provide $239 million in 1994 to protect and rehabilitate America's inventory of natural and cultural assets, restore the facilities that protect these resources and improve public access to them. This funding would complete the inventory of read-to-go resource protection projects, facility maintenance, rehabilitation and construction and other similar projects that stimulate economic growth and employment in rural and urban areas. Interior bureaus afected are the National Park Services, Fish and Wildlife Service, and Bureau of Land Management.

Federal Recreational Land Acquisition and State Grants (Land and Water Conservation Fund, LWCF) at FY 1994 baseline level (about $260 million).

III. Savings

Environmental Protection Agency

Completion of Wastewater Treatment Construction Grants -- ($1.9B in 1997 outlays savings)

With the $846 million in wastewater stimulus funding provided in FY 1993, the $18 billion authorization under the 1987 Water Quality Act, which was designed to end Federal assistance, would be virtually completed a year ahead of schedule. As these loans are repaid, States would be able to make a new round of loans due to the self-sustaining nature of the State Revolving Funds. The Budget also proposes (under Investment) a new $2 billion annual authorization for capitalizing Clean Water State Revolving Funds for low-interest loans to municipalities to address water quality problems.

Increase Private Sector Financing of Superfund Cleanups -- ($109M in 1997 outlay savings)

More aggressive use of Superfund's enforcement mechanisms could achieve even greater private financing of these cleanups without affecting protection of human health and the environment. The proposal would preserve Federal Superfund money only for sites where there are no viable private parties to undertake the cleanup to ensure that the greatest number of sites can be cleaned up within the limited funding available in the Superfund trust fund.

Department of the Interior

Implement a Federal Irrigation Water Surcharge -- ($15M in 1997 outlay savings)

This proposal would authorize a per acre-foot surcharge on water sales to Reclamation projects throughout the West (except for the Central Valley Project in California, for which a similar surcharge was recently enacted). Revenue from the surcharge would be deposited into a special fund for use (subject to appropriation) in mitigating irrigation-caused adverse impacts on fish and wildlife. The surcharge would also encourage more rational water use that would reduce the harmful impacts of non-point source pollution.

Increase Grazing Fees -- ($35M in 1997 outlay savings)

This proposal would increase grazing fees on public lands as negotiated by the Secretaries of Interior and Agriculture, who would be given the flexibility to develop alternative approaches to the current formula.

Permanently Extend Hardrock Mining Holding Fees and Institute Hardrock Mining Royalties ($357M in 1997 outlay savings)

This proposal would permanently authorize charging a $100 per claim holding fee on all hardrock claims on Federal lands and would establish a 12.5 percent royalty to the gross value of the hardrock minerals extracted from mining claims on public lands. The claimant would be relieved of annual work requirements, which should increase flexibility on timing the development of claims. It would also reduce unnecessary ground disturbance to satisfy current law. The new royalty would be phased in over three years to reduce the impact on the mining industry and local communities. Receipts from hard rock mining royalties would be shared with the States where the mining occurs.

Phaseout Below-Cost Timber Sales -- ($28M in net 1997 outlay savings)

Timber sales from some National Forests do not cover the costs to the Government of making the timber available for sale. This proposal would gradually eliminate sales in those forests where timber-sale program costs exceed timber-sale revenue.

Department of the Interior/U.S. Army Corps of Engineers

Reduce or Stretch-Out Construction Funding for Low-Priority Water Projects -- ($92M in 1997 outlay savings)

This proposal would reduce or stretch-out funding for certain Army Corps of Engineers and Bureau of Reclamation water resources projects. These projects are often environmentally destructive.

U.S. Army Corps of Engineers

Phase in Increased Inland Waterway User Fees -- ($460M in 1997 outlay savings)

This proposal would increase the Federal fuel tax over several years to $1.00 in 1997. The revenue would be used to offset the cost of operating and maintaining the inland waterway system.

Wastewater and Drinking Water State Revolving Fund (SRF) Funding Summary

		Baseline							
		1993	1994	1995	1996	1997	1998		
Wastewater Treatment	BA	2,500	2,568	2,634	2,700	2,768	2,837		
	OL	2,372	2,381	2,535	2,628	2,662	2,692		
		Changes to Baseline						1994-97	1994-98
		1993	1994	1995	1996	1997	1998	Total	Total
Stimulus:									
Complete SRF Wastewater	BA	+845	--	--	--	--	--	--	--
Authorization in FY 1993	OL	+39	+179	+272	+172	+72	+34	+695	+729
NDD Savings:									
End Current Wastewater Grants	BA	--	-2,418	-2,484	-2,550	-2,618	-2,687	-10,070	-12,757
(except $150M/yr NAFTA)	OL	--	-109	-624	-1,424	-1,947	-2,207	-4,104	-6,311
Investment:									
Drinking Water SRF	BA	--	+600	+1,000	+1,000	+1,000	+1,000	+3,600	+4,600
	OL	--	+24	+172	+440	+692	+840	+1,328	+2,168
Clean Water SRF (Stormwater)	BA	--	+1,200	+2,000	+2,000	+2,000	+2,000	+7,200	+9,200
	OL	--	+54	+344	+900	+1,402	+1,666	+2,700	+4,366
Net Change:									
SRF Wastewater and	BA	+845	-618	+516	+450	+382	+313	+730	+1,043
Drinking Water	OL	+39	+148	+164	+88	+219	+333	+619	+952
		Total							
SRF Wastewater and	BA	3,345	1,950	3,150	3,150	3,150	3,150		
Drinking Water	OL	2,411	2,529	2,699	2,716	2,881	3,025		

Environmental Protection Agency

Question #1: What are the impacts of the wastewater and drinking water proposals?

Answer: There are three pieces to the proposal on EPA wastewater funding. The first is to provide $845 million in FY 1993 stimulus through additional capitalization grants to the State Revolving Funds (SRFs) in FY 1993.

The second piece is to eliminate current EPA wastewater funding (except $150 million per year to support NAFTA) reflecting the near completion in FY 1993 of the existing $18 billion authorization. This authorization was designed to end Federal assistance. Current funding consists of roughly $400 million in earmarked grants for seven cities (Boston, New York, Los Angeles, San Diego, Seattle, Baltimore, and Detroit) and $2 billion in capitalization grants for wastewater SRFs. This reduction is largely offset by the third piece of the proposal, which is the $2 billion per year in capitalization grants for Clean Water SRFs ($1.2 billion in FY 1994) under a new authorization that is included in the investment package.

The distinction between the $2 billion in wastewater SRFs funding cut in the savings package and the $2 billion in Clean Water SRF funding provided in the investment package is that the new funding (which requires legislation) will place a greater emphasis on stormwater control projects and will be eligible for a broader class of projects. Consequently, the main effect of the savings and stimulus proposals taken together is the elimination of the earmarked grants for the seven cities. These targeted grants have been strongly supported by the Congressional delegations of the affected States and opposed by the other States.

The drinking water proposal in the investment package provides $1 billion per year in EPA funding ($600 million in FY 1994) for construction projects to ease the burden on municipalities of complying with Safe Drinking Water Act requirements. This would require additional legislation as EPA currently has no authority to provide such assistance. The distribution of funds among States will need to be determined. It should also be noted that for exclusively rural areas, the Rural Development Administration, has received an increase of $752 million for water and wastewater loans and grants in the stimulus proposals and $500 million annually FY 1995-98 for water and wastewater grants and loans ($300 million in FY 1994) in the investment proposals.

CAME TP

DRAFT

ECONOMIC PACKAGE COMPONENT STRATEGY	
ITEM (#7):	Completion of Wastewater Construction Grants ~~Phaseout Wastewater Treatment Grants (except NAFTA)~~
SUMMARY:	SAVINGS: $4.104 BILLION (FY 1994-1997) Construction grants for wastewater treatment were first authorized in 1972 by the Clean Water Act. Under these grants, the federal government paid 55% of project costs, with localities not obligated to repay the money. In 1987, the Clean Water Act was amended to initiate another program of grants to capitalize state revolving funds that make low interest loans to local public agencies to construct municipal wastewater treatment facilities. For each dollar of federal funds the state receives under the Act, the state contributes 20 cents to its revolving fund. Opponents of the grants argue that eliminating funding will have little effect on water pollution because the grants have done little to stimulate spending on wastewater treatment, and that federal grants replace rather than supplement state and local spending.
BC RECORD:	"Reduce solid and toxic waste, and air and water pollution to ensure we leave our nation cleaner and healthier." [Bill Clinton on Protecting our Environment] "Pass a new Clean Water Act with standards for "non-point source" pollution and incentives for our firms, farmers, and families to develop ways to reduce and prevent polluted run-off at its source; launch a national education campaign to encourage all citizens to drastically reduce their contributions to non-point-source" pollution made by household chemicals, lawn products, and pesticides." [Ibid] "Enact a stronger Clean Water Act to limit pollution before it happens." [Ibid]
IMPACT:	~~These funds will be replaced in a revolving loan fund for wastewater treatment.~~
CONGRESS:	
INTERGOV:	State and local governments are the primary recipients of these grants. With the enactment of the Clean Water Act and State SRF programs, local reaction will be negative. We should include the associations to communicate with them (NLC,NACO,US Conference of Mayors,NGA,DGA) on what we are doing so as not to appear completely contradictory.
POL./LIAISON:	Building trades need to be inoculated -- depends on how attractive stimulus package is.
MESSAGE:	
ACTION:	

Gore talking points
* funding thru state revolving funds
clean water

02/09/93

that was designed to end Federal assistance for wastewater funding

virtually

SUMMARY (INSERT)

This proposal reflects savings due to the completion of the current wastewater treatment grant funding authorization that was designed to end Federal assistance for wastewater funding. With $845 ~~the $900~~ million in wastewater stimulus funding provided in FY 1993, the $18 billion authorization under the 1987 Water Quality Act will have been virtually completed a year ahead of schedule. Under this authorization, wastewater State Revolving Funds will have been capitalized at $10.3 ~~$10.8~~ billion (including the State 20-percent match) for the purpose of making loans to municipalities for construction of wastewater treatment plants. As these loans are repaid, States will be able to make a new round of loans due to the self-sustaining nature of the State Revolving Funds. Funding of $150 million per Year in support of NAFTA (including funding for the colonias in Texas, Arizona, and New Mexico) will continue.

Impact (INSERT)

This reduction will be offset by new funding for municipalities and work for the building trades by new investment funding for: 1) Clean Water State Revolving Funds ($1.2 billion in FY 1994; $2.0 billion per year in FY 1995-97) for a broader class of eligibilities than earlier authorizations; 2) Drinking Water State Revolving Funds ($.6 billion in FY 1994; $1.0 billion per year in FY 1995-97); and 3) Rural Water and Waste Loans and Grants ($.8 billion per year in FY 1994; $.5 billion per year FY 1995-97).

February 16, 1992

Yours what I started.

MEMORANDUM FOR THE PRESIDENT

FROM KATIE MCGINTY

SUBJECT: Talking Points on Economic Package for Trip

o **Energy Efficiency**

- Weatherization programs will get an additional $50 million in FY 1993. States will be required to match federal funds to gain a grant. With these funds, 62,5000 additional homes will be weatherized.

- The Energy Policy Act of 1992 required new research programs and demonstrations commercialization of renewable and conservation technologies. The package includes a total of $1.4 billion in funding above the baseline for these projects.

- An initiative for "Model Projects" in Industrial and Energy Conservation will make available $20 million in cost-shared federal funding for model projects that demonstrate or accelerate the commercial acceptance of advanced energy saving technologies and products.

- The Administration will spend nearly $2 billion between FY 94-97 to increase energy efficiency in federal buildings.

o **Alternative Fueled Vehicles**

- The purchase and/or conversion of gasoline powered vehicles in the federal fleet will be funded at levels of $30 million.

o **Natural resources protection:**

- Implementation of a federal irrigation water surcharge. This proposal would authorize a per acre-foot surcharge on water sales to reclamation projects throughout the West. Revenue from the surcharge would be deposited into a special fund for use in mitigating irrigation-caused adverse impacts on fish and wildlife. (Save $15M)

- An increase in grazing fees on federal land (Save $35 M). The exact amounts to be raised will be negotiated with DOI and USDA.

- An initiative to permanently extend hardrock mining holding fees and royalties will save $357M. This is an extension of last year's legislation passed by Congress that authorized a $100 per claim holding fee on all hardrock claims on Federal lands (previously only $2-$5 was needed to buy the claim) for one year -- now the Administration would like to permanently extend the fee. The Administration is seeking the extension of this law as well as a 12.5% royalty fee on all minerals discovered/extracted.

- phaseout below-cost timber sales to save $28 million. The exact forests have not been designated, but any forest with a three-year run of below cost timber sales is likely to be targeted. The phaseout will be stretched over three years.

o **EPA stimulus projects**:

- Expand EPA voluntary green programs $23M: These include the "Green Lights" program to install energy efficient lighting in corporations and the "Energy Star" computers, a line of energy efficienct computers.

- Watershed Resource Restoration $47 M
- Wastewater Treatment SRF $845M

o **Environmental Infrastructure**:

- In USDA, $188M and DOI, $349M for enviro infrastructure such as trail building, parks, etc.

o **International**

Climate Change Country Studies to implement Framework Convention on Climate Change: $12.5 million in FY'94

Montreal Protocol Fund: $28.5 million in FY'94

Global Environment Facility: $50 million in FY'94

Forests for the Future: $150 million in FY'94

Population: thru AID and UNPF: $400-500 million in FY'94

UNEP: 22 million

o **OTHER**

USDA

- Increase Rural Water and Wastewater Loans by $470 million
- Increase Funds for Watershed Projects $47 million
- Rural Development Administration loans $1.1 billion
- Forest for the Future $30 M
- Tree Planting $41M
- National Research Initiative on food safety & sustainable ag - $30 M
- Forestry Research Initiatives $20
- Wetlands Reserve Program - maintained at levels of $373 for FY 94

DOI

- Historic Preservation funding $23 M

EPA

- Drinking water SRF $600 M
- Clean Water SRF $1,200M
- Completion of Wastewater Treatment Grants $1.9 B in savings
- Increase Private sector financing of Superfund $109 M

February 16, 1993

Carter file

TO: AGJ
FROM: MER
RE: Energy tax message for enviros briefing

GENERAL: It's important for the environmentalists to understand how critical it is for them to frame this tax in terms that will increase its support. Which means adding to their language a sense of **context and economic fairness.**

In talking with the leaders of the environmental groups today, you should make this case to them. That is, in talking about the tax, they should talk about its environmental benefits and more.

Celinda's internals make clear that if this is simply about raising revenues, we face strong opposition (75 percent oppose an energy tax that will increase utility bills; 91 percent resent an energy tax because it will increase their bills and 81 percent because it hits the poor hardest). The environment message sells, but it isn't enough.

MESSAGE:

o **PUT IT IN CONTEXT** of the overall economic plan: higher taxes on the rich, on corporations; cuts in government spending and wasteful perks; tax breaks for working poor families and increased funds for weatherization for low income homes to protect low income families from the impact of the tax; and, the fact this energy tax is phased in over three years;

o **REDUCE POLLUTION AND INCREASE CONSERVATION:** there's a reason for this tax that goes beyond deficit reduction -- it's the only tax that will help reduce pollution, protect and improve the environment, and increase energy conservation -- important long term goals for America.

o **TARGET REVENUE** by emphasizing that these funds will go to deficit reduction and, perhaps more importantly, to change behavior for the country's long-term good;

NOTE: On the question of competitiveness, that is, the argument that higher energy costs will make our businesses less competitive, the answer is that the energy tax must be taken in the context of the broader economic package which gives businesses an incentive to invest, to create jobs, and helps by accelerating the development of energy efficient technologies.

####

~~CONFIDENTIAL~~ DRAFT

ECONOMIC PACKAGE COMPONENT STRATEGY	
ITEM (#34):	Broad based energy tax (5 percent of value). Also see gas tax
SUMMARY:	SAVINGS: $59.5 BILLION (FY 1994-1997) Probably would take the form of a 5% tax on the value of energy consumption, including coal, natural gas, oil, hydroelectricity and nuclear power. Could be levied as a fraction of the value of fuel, on the heat contnent of the fuel or could be based on units (of oil, coal, etc) produced.
BC RECORD:	Denied GOP accusations of a gas/carbon tax proposal during the campaign, but Bensten has proposed it informally since inauguration. !!!!also see drexel speech and check w/sylvia on refinement!!!!
IMPACT:	
CONGRESS:	
INTERGOV:	
POL./LIAISON:	
MESSAGE:	Raise big revenues while promoting energy conservation.
ACTION:	

Katie

Gene => avg family costs
ppl under 30,000 held harmless

DETERMINED TO BE AN ADMINISTRATIVE
MARKING INITIALS: M DATE: 2/15/18
2012-0764-F

February 5, 1993

February 12, 1993

TO: Ms. Katie McGinty

FROM: Timothy E. Wirth

SUBJECT: S. 171, Department of the Environment Act of 1993

As you know, the Department of State supports the elevation of the Environmental Protection Agency to a Cabinet-level Department of the Environment. It is essential, however, that the applicable legislation firmly uphold the primary responsibility of the Secretary of State for the conduct of foreign affairs and in no way diminish the responsibilities of the State Department in the negotiation of international environmental agreements, representation of the United States in international organizations, and coordination of international environmental activities (including the implementation of international agreements). In this same regard, because the provision of technical and other assistance is in itself an exercise of foreign policy, it is essential that any such activities be undertaken in consultation with the Department of State. We have discussed these issues before, and this emphasis again underlines my concerns.

State and EPA discussed several ways in which the Department of State's compromise language on section 103(f) of S. 171 needs further clarification. I agree that the language of both S. 171 and the State compromise language could be improved with respect to the Department of State's role in the implementation of international environmental agreements. However, as you and I have discussed before, I do not agree to language that would give EPA the lead in the implementation of international agreements. The Department of State is responsible for ensuring that the United States is in compliance with its international obligations, and must thus retain control over the implementation of international agreements. While EPA may have responsibility for implementing certain technical portions of international environmental agreements, most agreements also contain political commitments which the Department of State is responsible for implementing. In addition, other agencies share responsibilities with EPA for implementation of technical aspects of international agreements (e.g., technology transfer obligations may cut across several technical agencies), necessitating the Department of State's oversight. Therefore, I have drafted language (below) that I think clarifies how State and EPA should work together in coordinating international environmental activities, including those activities in implementation of international agreements.

I have emphasized before, and want to do so again, the great importance of clarifying the "turf"; clear language now will save us all a great deal of time and effort in the future. I think this language should do the job.

THE WHITE HOUSE
WASHINGTON

Tom Epstein

2944 6257

asked to
pitch the state of
the Union to enviros
in CA

2/12/93

Katie --

Here are the additional materials on the pesticides export rule that I mentioned to you the other day.

MCF

Martha Foley
ext. 6190

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

FEB 4 1993

MEMORANDUM FOR MARTHA FOLEY

THROUGH: James B. MacRae, Jr. JBM

FROM: Art Fraas AF

SUBJECT: EPA's Pesticide Export Policy Rule

Under the Environmental Protection Agency's (EPA) current regulations, exporters must provide EPA with "purchaser acknowledgement statements" (PAS) for pesticides that are not registered in the United States. The PAS must include the name and address of the exporter, the name and address of the purchaser, the name of the product and the active ingredient, an indication that the purchaser understands the product is not registered for use in the United States, the final destination of the shipment if different than the purchaser, and the signature of the foreign purchaser. EPA's 1980 rules created an exemption from the PAS requirements, however, for pesticides that are "substantially similar" in composition and use to currently registered products.

This final rule would significantly tighten the criteria for an exemption of products that are "substantially similar." Under the final rule, the exemption would be restricted to "similar" pesticides that have the same or lower concentrations of active ingredients or that have uses similar to registered uses in the United States. The final rule would also add certain other requirements--for example, multilingual labelling.

Former EPA Administrator Reilly reportedly signed this final rule on January 19. However, OIRA did not conclude its review of the rule because USDA had raised substantial objections to several provisions in the rule (especially the revision of the "substantially similar" exemption). This morning (February 4), I discussed this rule with Jane McNeil on Secretary Espy's staff and she promised to have a response by tomorrow afternoon.

THE OFFICE OF THE SECRETARY
WASHINGTON
20250-0100

February 5, 1993

Honorable Leon Panetta
Director of the Office of Management and Budget
Executive Office of the President
252 Old Executive Office Building
Washington, D.C. 20503

Dear Leon:

The Department of Agriculture (USDA) has been working with the Environmental Protection Agency (EPA) and the Office of Management and Budget to work out problems with new regulations for exported pesticides. USDA agrees with the spirit and intent of most of the proposed regulation, specifically that other countries know what they are buying, any restrictions in the United States, adequate and descriptive product labels, and records of such transactions.

There are concerns that EPA would restrict products for export based on partial evidence of harm to human health or the environment, or that EPA would provide information that could be misinterpreted by foreign governments pertaining to reasons for voluntary cancellations, or that pesticides that have all or virtually all uses canceled be vague and subject to arbitrary decisions on a pesticide's eligibility for export. USDA also is concerned that the proposed regulations would unnecessarily burden the agrochemical industry with provisions that treat a pesticide as "unregistered" if the product is viewed as different than U.S. registered products.

USDA does agree that a product should not be exempted from the "similar in composition and use" if certain changes are made in the pesticide such as: a stronger warning statement for the formulation, a different warning statement for the use pattern, an unregistered active ingredient, a pesticide that was denied registration due to human health concerns, a more hazardous toxicity classification, precautionary statements are different or must be added, or if reentry intervals are increased.

USDA is concerned with EPA's proposal to release information on the export of pesticides, and has discussed releasing such information only after delivery of the shipment is expected. EPA has specified that reformulation only be made with Class IV inert materials in order to be exempt from a Purchaser Acknowledgement Statement -- USDA believes that substitution of any inert that is less toxic than the active ingredient and which requires no additional warning information be permitted.

USDA is pleased that EPA has accepted pesticides reviewed and approved in an OECD country in lieu of an industrial country, and that EPA has proposed labeling features that appear reasonable and workable. Also, EPA has removed proposed actions from information to be given to foreign governments.

SUMMARY:

USDA and EPA have worked to agree on much of this regulation. Areas of concern that remain are:

1. Limiting export of products that are banned for <u>virtually</u> all uses.

2. The restrictiveness of the exemption from the Purchaser Acknowledgement Statement requirements for products similar in composition and use.

3. The release of confidential business information before a shipment might be delivered.

Sincerely,

MIKE ESPY
Secretary

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

February 11, 1993

MEMORANDUM FOR MARTHA FOLEY

THROUGH: James B. MacRae, Jr. JM

FROM: Art Fraas AF

SUBJECT: EPA's Pesticide Export Policy Rule

USDA raised three issues with EPA's Pesticide Export Policy Rule. In discussing these issues with USDA, we suggested that the rule (and the associated preamble discussion) does not change current EPA policy with respect to two of the issues, that is:

-- limiting exports of products that are banned for virtually all uses; and

-- release of confidential business information for exports.

We noted, as well, with respect to the second of these issues that EPA has stringent rules prohibiting the release of confidential business information. USDA staff acknowledged that this rule would not change current EPA policy with respect to these two issues.

With respect to the restrictiveness of the exemption from the PAS requirements, we noted that EPA had agreed in early January to treat as "similar" (1) products registered in the United States for similar uses; and (2) products with the same active ingredients (at the same or lower concentrations), but with differences in diluents (from the inerts No. 4 list only). In view of these changes, it was OMB's view that EPA should publish the rule without further change.

USDA staff acceded to these arguments and agreed that the issue did not need to be elevated for further discussion.

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600 17th Street
Suite 1705 South Tower
Denver, Colorado 80202
(303) 623-9378

FAX (303) 534-7309

Fife Symington
Governor of Arizona
Chairman

Bob Miller
Governor of Nevada
Vice Chairman

James M. Souby
Executive Director

FAX TRANSMITTAL SHEET

DATE: 2/9/93

TO: Kathleen McGinty

FAX: (202) 456.6231

FROM: Jim Souby
Western Governors' Association

FAX: (303) 534-7309 OFFICE: (303) 623-9378

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Fife Symington
Governor of Arizona
Chairman

February 9, 1993

Ms. Kathleen McGinty
Special Assistant to the President for the Environment
Office of the Vice President
The White House
Washington, D.C. 20500

Dear Katie:

Thanks for taking the time to meet with our Western Governors' Association-EPA delegation last week. We were delighted to have the opportunity to brief you on our waste cleanup technology development initiative. We feel it fits in well with Vice President Gore's vision to develop the nation's environmental services and technology industries and President Clinton's vision for overall economic revitalization.

Our meetings with Secretaries O'Leary and Babbitt and DoD, DOE and congressional staff were informative and successful. The initiative was embraced in concept by each group, although details remain to be worked out. Given the fit the initiative seems to have with the goals of such a diverse mix of leaders, agencies and interests, I would like to make some recommendations to you about building on the momentum we are creating.

The opportunity is at hand to advance the nation's competitiveness in a burgeoning industrial field -- waste management and environmental remediation. Mankind's late awareness of the environmental costs and health threats from industrial pollutants in our soil and groundwater has created an urgent, worldwide demand for remediation and reclamation services. The present world capacity to conduct these cleanups is rooted in costly and time consuming technologies. The businesses and economies that create more cost effective technologies stand to reap benefits from a world market of incredible proportions.

The western U.S., by virtue of its geography and historic demography, has the dubious distinction of hosting about 70 percent of the nation's most toxic waste sites -- those which were produced by the 50 year old nuclear weapons complex and those at military bases in our region -- and almost all of the nation's abandoned mine wastes on public lands. A sizeable share of these waste sites are located on federal lands but under the oversight of state regulators.

And therein lies an opportunity to turn a disturbing and threatening legacy of careless past practices into a path to world leadership in the development of cleanup technologies. The western governors sensed the opportunity our "market" or "test bed" of cleanup sites provides in 1991 when they issued their report Federal/State Collaboration: Study on Innovative Waste Management Technologies. That same year they proposed a joint effort with four concerned federal agencies to develop technologies that would reduce the staggering costs and interminably long timeframes anticipated in western cleanups.

The initiative was embraced by the Bush Administration but the process we envisioned, to coordinate agency technology development activities and begin to integrate them with state and private interests, was agonizingly slow in development, as you might imagine. We are thus left with a powerful initiative on the launching pad, with no federal leadership in front of it as the newly appointed cabinet secretaries focus on personnel and legislation.

Such a process is essential if the nation is to provide world leadership and reap international benefits from cleanup technologies. Our region offers the ideal test bed for a focused partnership on waste cleanup technology development which can be expanded to other regions if successful. Four of our governors are named to the oversight committee we created for the effort and it sounds as though Secretaries O'Leary and Babbitt are going to sign on, leaving Carol Browner and Les Aspin to be briefed on the initiative. Secretary O'Leary told the governors she would encourage her colleagues to come aboard.

Even with Secretary O'Leary's leadership, White House support and involvement in this effort will be critical to its success. There is an entrenched reluctance on the part of the agencies to cooperate across agency lines, on the part of R&D types to cooperate with the environmental types, and on everyone's part to interact with the private sector (other than current contractors) and the public. Congressional appropriations committees and the federal budgeting process tacitly discourages interagency cooperation. This is compounded by current efforts to reduce the federal deficit. We found that White House involvement in the planning stages of this effort gave the more visionary agency participants the necessary ammunition to overcome red tape.

I will be working with our governors to respond more fully to your questions about the initiative. In the meantime, we need several things to get the initiative off the ground:

1. Appointment of the White House representative to serve with me as ex-officio members of the oversight committee. This individual was to come from OMB, to link the process into the executive budget. The White House and WGA staffing on this initiative is critical because so many players -- 10 states, 4 agencies, the White House/OMB, industry and environmental interests -- have to be knit together and kept on board.

2. A boost from the top, identifying the initiative as a high priority effort that fits and even highlights the Clinton-Gore views on environmental restoration, technology development and defense conversion. This will signal the agencies that continued interagency cooperation is critical. Of critical importance, the four agencies need to receive immediate budget instructions to find resources to fund the initiative.

There may be many additional ways we can make this initiative succeed. Your office could definitely help with followup and promotion -- perhaps we could hold a roundtable chaired by Vice President Gore with the governors, four cabinet members, entrepreneurs and industry leaders at WGA's annual meeting in June? In any event, we are at a crossroads with the initiative and look forward to your interest and support. I have enclosed some additional materials you may find of value.

Sincerely

Jim Souby

James M. Souby
Executive Director

Enclosures

dir\mcginty.tks

P.S. Congratulations on your new role with the Office on Environmental Policy!

J

Post-It™ brand fax transmittal memo 7671	# of pages ▸ 13
To Kathleen McGinty	From Jon Carter
Co.	Co. Idaho Governor's Office
Dept.	Phone # (208) 334-2100
Fax # 202-456-6231	Fax #

OFFICE OF THE GOVERNOR
STATE CAPITOL
BOISE 83720-1000

CECIL D. ANDRUS
GOVERNOR

(208) 334-2100

February 10, 1993

M E M O R A N D U M

TO: Kathleen McGinty FAX: (202) 456-6231

FROM: Jon Carter

RE: Western Governors' Association (WGA) Initiatives, National Governors' Association (NGA) Initiatives and Forest Summit

I am sure you are being inundated with information and requests on environmental issues, so I will be very brief.

1. WGA Initiative (DOIT Committee)--I talked with Jim Souby and he indicated that he has sent you a letter with additional information describing the project and asking for the White House's support.

2. NGA Initiative (Federal Facility Compliance)--You will be hearing shortly from Tom Curtis, staff to the National Governors' Association's Natural Resources Committee, about the governors' interest in working with the administration on environmental initiatives. My boss is lead governor on federal facilities for the NGA and is initiating a project to ensure appropriate implementation of the Federal Facility Compliance Act which passed last year. In this regard, I am enclosing copies of a letter from the NGA to the Department of Energy and a resolution on this subject which was adopted at the recent NGA meeting.

3. Forest Summit--As one who has worked in the timber industry as a logger and sawmill operator in North Idaho and who has served as Secretary of Interior and Governor of the state of Idaho, Governor Andrus has a fully informed perspective on timber issues in the Northwest. He understands not only timber supply issues, but associated issues such as endangered species. (In this regard, I am attaching a copy of a WGA resolution co-sponsored by Governors Andrus and Stephens on the Endangered Species Act which was adopted late last year.) Governor Andrus is in a unique position to assist in the Forest Summit and help bring resolution to the

issue. Although some would say this is only a "west of the Cascades" issue, we believe that major decisions affecting timber supply west of the Cascades will have a ripple effect and impact on timber issues in the entire Northwest and northern California.

I would like to discuss these issues more fully with you when you have an opportunity. Essentially, I am inviting you to work with us on these and any other issues on which you believe our office can provide assistance to the Clinton administration. We look forward to working with you.

Good luck with the Office of Environmental Policy!

JC:db
attachments

NATIONAL GOVERNORS' ASSOCIATION

Roy Romer
Governor of Colorado
Chairman

Carroll A. Campbell Jr.
Governor of South Carolina
Vice Chairman

Raymond C. Scheppach
Executive Director

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1572
Telephone (202) 624-5300

December 30, 1992

Admiral James Watkins
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Dear Admiral Watkins:

On behalf of the National Governors' Association, we are officially submitting these comments regarding the proposed Strategy for Development of a National Compliance Plan for DOE Mixed Waste. While DOE will no doubt also receive comments from individual Governors, these comments were developed collectively by the representatives of ten states who met with your staff recently in Denver. These states host many of the largest facilities in the DOE weapons complex, and have a significant interest in the issue of DOE mixed waste.

First, we would like to thank DOE for sponsoring the meeting in Denver to discuss its proposed strategy with the states. As DOE has recognized, the Federal Facilities Compliance Act of 1992 has given the states enforcement and plan-approval authority to ensure sound management of DOE mixed wastes. This act provides in part that states with authority under state law to regulate land disposal restricted wastes and authority under state law and authorization from USEPA to regulate the hazardous waste component of mixed wastes, shall approve, approve with modifications, or reject a site-specific mixed waste management plan to be submitted by the Department of Energy. By our analysis, 16 of the 17 states in which DOE stores or generates mixed waste have this authority and are in the position to receive and act upon the site-specific DOE plans.

As you are also aware, the Act's waiver of sovereign immunity for fines and penalties for violations of RCRA section 3004(j) involving DOE mixed wastes, is not effective for three years after the date of enactment. After this three year period, DOE will be subject to fines and penalties for violations of RCRA section 3004(j) involving all mixed waste not covered by an approved plan. We have no doubt that states will be prepared to impose such fines and penalties against DOE, beginning in October, 1995.

Given the large task of developing site-specific plans for each of the sites at which DOE stores or generates mixed waste and the relatively short period before states can impose fines and penalties on DOE for RCRA violations involving mixed waste, we believe it is critical that the Department begin immediately to develop site-specific plans. The Department has no obligation to develop or submit a national plan for mixed waste. While we recognize that the Department may wish to develop a national management strategy for its own purposes, we must emphasize that such a strategy will have no binding effect upon state regulators and will not under any circumstances constitute an acceptable submission to states under the terms of the Federal Facilities Compliance Act.

Rather than the "top down" approach to the development of site-specific plans envisioned in the DOE proposal, we urge you to adopt a "bottom up" approach, by developing site-specific plans first or simultaneously with any national management strategy. Overarching national needs, such as waste and technology inventories, waste minimization techniques, waste characterization, and technology development and transfer, could be assessed through national reports. These would be helpful to the states as well as to DOE, as site-specific plans are developed.

We appreciate and accept your offer of financial support for the states in the work we must do before we can take final action on the site-specific plans you submit to us. Individual states need financial assistance to be able to work with the Department in the development and review of such plans, and the states collectively need to share information and discuss common concerns, including interstate equity issues. In Denver, the states representatives agreed that the National Governors' Association provides the best forum for such discussions among the states and between the states collectively and DOE. Because the authority to review and approve site-specific plans is vested in Governors under the law, we believe that the NGA r group has the membership and scope most appropriate to the task at hand. Our representatives will be in touch with you shortly to discuss a specific proposal to facilitate collective discussions among the states and with DOE. We pledge to work closely with other interested groups, including regional Governors' associations, attorneys general, and others, as our work on this issue unfolds.

We are very interested in moving quickly on this project, and suggest another meeting soon between states and DOE to discuss the waste and technology inventories; what will constitute an acceptable site-specific plan; on-site versus off-site waste treatment, storage, and disposal; and other issues. We believe the scope of these discussions must include states with commercial treatment or disposal capacity upon which the DOE may depend, as well as states in which mixed waste is now stored or generated.

Admiral James Watkins
Page 3
December 30, 1992

We will appreciate your timely response to these comments, and look forward to working with you as the Department addresses the problem of mixed wastes at each of its sites across the nation.

Sincerely,

Roy Romer

Governor Roy Romer
Chairman
National Governors' Association

Carroll Campbell

Governor Carroll A. Campbell
Vice Chairman
National Governors' Association

Cecil D. Andrus

Governor Cecil D. Andrus
Lead Governor on Federal Facilities

cc: Leo Duffy
Jean Schumann

PHOTOCOPY
PRESERVATION

RESOLUTION*

IMPLEMENTATION OF THE FEDERAL FACILITIES COMPLIANCE ACT

THE GOVERNORS APPLAUD PRESIDENT BUSH AND CONGRESS FOR THEIR CONSTRUCTIVE WORK IN THE DEVELOPMENT OF THE FEDERAL FACILITIES COMPLIANCE ACT OF 1992. WITH LIMITED EXCEPTIONS, THIS HISTORIC LEGISLATION ENSURES THAT THE FEDERAL GOVERNMENT IS HELD TO THE SAME STANDARDS FOR HAZARDOUS WASTE MANAGEMENT THAT APPLY TO ALL OTHER PARTIES. FURTHER, IT ALLOWS STATES AND THE ENVIRONMENTAL PROTECTION AGENCY TO UTILIZE THE FULL RANGE OF ENFORCEMENT AUTHORITIES NORMALLY AVAILABLE UNDER THE LAW IN THE EVENT OF FEDERAL NONCOMPLIANCE.

IN THE CASE OF RADIOACTIVE MIXED WASTES GENERATED OR STORED BY THE DEPARTMENT OF ENERGY (DOE), THE LAW ALLOWS DOE THREE YEARS TO DEVELOP SITE-SPECIFIC MIXED WASTE COMPLIANCE PLANS BEFORE THOSE PLANS MUST BE SUBMITTED TO THE GOVERNOR OF THE CONCERNED STATE FOR APPROVAL, MODIFICATION, OR DISAPPROVAL. THE GOVERNORS URGE DOE TO IMMEDIATELY BEGIN THE DEVELOPMENT OF THESE SITE-SPECIFIC PLANS. A NUMBER OF OVERARCHING NATIONAL ISSUES SUCH AS TECHNOLOGY DEVELOPMENT AND TRANSFER SHOULD BE ADDRESSED THROUGH NATIONAL REPORTS.

AS THESE SITE-SPECIFIC PLANS AND NATIONAL REPORTS ARE DEVELOPED, THERE IS A CRITICAL NEED FOR CLOSE CONSULTATION AMONG THE STATES AND BETWEEN THE STATES AND DOE. ONLY SUCH CONSULTATION AMONG THE STATES AND CLOSE DIALOGUE BETWEEN THE STATES AND DOE CAN ENSURE THE INTEGRITY OF THE PLANNING PROCESS AND AN ACCEPTABLE OUTCOME. THE GOVERNORS BELIEVE THAT THE NATIONAL GOVERNORS' ASSOCIATION (NGA) PROVIDES THE BEST FORUM FOR DEVELOPING AND CONDUCTING THIS DIALOGUE, AND URGE DOE TO ENTER INTO A WORKING PARTNERSHIP WITH NGA TO ASSIST IN SUCH DISCUSSIONS. INDIVIDUAL STATES ALSO MAY REQUIRE ASSISTANCE FOR THEIR REVIEW OF SITE-SPECIFIC PLANS, AND THE GOVERNORS

URGE CONGRESS TO APPROPRIATE AND DOE TO MAKE AVAILABLE ALL NECESSARY ASSISTANCE TO INDIVIDUAL STATES.

* Based on the policy, "Environmental Compliance at Federal Facilities."

RESOLUTION ON THE IMPLEMENTATION OF THE FEDERAL FACILITIES COMPLIANCE ACT

BACKGROUND PAPER

Background

On October 6th President Bush signed the Federal Facilities Compliance Act of 1992. This legislation waives federal sovereign immunity for violations of the Resource Conservation and Recovery Act (RCRA), so that the federal government -- which generates, stores, and disposes substantial quantities of hazardous wastes -- is subject to fines and penalties for violations of RCRA to the same extent as private parties. For mixed (radioactive and hazardous) wastes generated or stored by the Department of Energy, the authority for fines and penalties is withheld for three years, during which DOE is directed to develop site-specific plans for mixed waste compliance. The Act protects certain mixed waste agreements already in effect between a state and DOE. For other states, after three years, DOE becomes susceptible to fines and penalties for RCRA violations involving any mixed wastes unless the state has approved a mixed waste compliance plan covering those wastes. This serves as a strong incentive for the DOE to develop compliance plans within three years for each site on which it generates or stores mixed wastes.

Because DOE stores various quantities and types of mixed wastes at different sites in 17 states (see attached list), it is highly probable that it will propose to develop regional or national treatment and disposal capacity for some mixed waste types. In other words, DOE is likely to propose interstate transfers of mixed wastes for treatment and/or disposal. Though Governors are empowered to approve, modify, or reject the site-specific mixed waste plans developed by DOE for sites in their states, the Governors are required to consider the need for regional or national capacity in reviewing those plans. Thus, a tension is created at the outset in which DOE's interest in minimizing the number of treatment and disposal facilities is pitted against a Governor's reluctance to approve a plan involving the importation of potentially large quantities of mixed waste for treatment or disposal in his state.

Nature of Proposal

The proposed resolution urges DOE to immediately begin the development of site-specific plans for mixed waste compliance. It also suggests that a dialogue among the states and between the states and DOE is essential to ensure the integrity of this planning process and to ensure an outcome acceptable to the states. It recommends the National Governors' Association as the most appropriate forum for developing this dialogue. Finally, it asks DOE to support the NGA dialogue and to support individual states in the review of site-specific plans.

Fiscal Impact

The fiscal impact on states will be positive, depending on the amount of assistance DOE provides individual states in the review of site-specific mixed waste compliance plans. The total federal cost is unknown.

DOE SITES THAT MANAGE MIXED WASTE

STATE	PO	DOE SITE NAME
IA	CH	Ames Laboratory (sm. generator)
IL	CH	Argonne National Laboratory - East
ID	ID	Argonne National Laboratory - West
PA	NR	Bettis Atomic Power Laboratory (sm. generator)
OH	CH	Battelle Columbus Laboratory (NW no longer generated)
NY	CH	Brookhaven National Laboratory
NY	FUSRAP	Colonie Interim Storage Site (NW no longer generated)
CA	SF	Energy Technology Engineering Center (Santa Susanna)
OH	OR	Fernald Environmental Management Project
IL	CH	Fermie National Accelerator Laboratory
CO	AL/UMTRA	Grand Junction Project Office (sm. generator)
WA	RL	Hanford
ID	ID	Idaho National Engineering Laboratory
NM	AL	Inhalation Toxicology Research Institute
NY	NR	Knolls Atomic Power Laboratory - Knolls (sm. generator)
MO	AL	Kansas City Plant
NY	NR	Knolls Atomic Power Laboratory - Kesselring (sm. generator)
NM	AL	Los Alamos National Laboratory
CA	SF	Lawrence Berkeley Laboratory
CA	SF	Laboratory for Energy-Related Health Research (NW no longer generated)
CA	SF	Lawrence Livermore National Laboratory
OH	AL	Mound Plant
ID	NR	Naval Reactors Facility (NW no longer generated, but may be)
NV	NV	Nevada Test Site
TN	OR	Oak Ridge Gaseous Diffusion Plant
TN	OR	Oak Ridge National Laboratory
KY	OR	Paducah Gaseous Diffusion Plant
FL	AL	Pinellas Plant**
OH	OR	Portsmouth Gaseous Diffusion Plant
NJ	CH	Princeton Plasma Physics Laboratory
TX	AL	Pantex Plant
CO	RF	Rocky Flats Plant
NM	AL	Sandia National Laboratory - Albuquerque
CA	AL	Sandia National Laboratory - Livermore
SC	SR	Savannah River Site
CA	SF	Stanford Linear Accelerator Center*
MO	AL/UMTRA	Weldon Springs Remedial Action Site
NY	ID	West Valley Demonstration Project
TN	OR	Y-12 Plant
CT	NR	Knolls Atomic Power Laboratory - Windsor*

* Does not currently generate or store mixed waste, but may generate some in the near future.

** Does not currently generate or store mixed waste, but may generate some in the next 5 years. [Note: Letter not sent to Florida Governor.]

Western Governors' Association
Resolution 92-016

December 4, 1992
Las Vegas, Nevada

SPONSOR: Governors Andrus and Stephens
SUBJECT: Reauthorization of the Endangered Species Act

A. BACKGROUND

1. The West highly values its natural environment. The variety of animal and plant life is a vital part of the western experience and nurtures all who live or visit here.

2. Westerners support protecting threatened and endangered species. To this end, the Endangered Species Act (ESA) raises the profile of imperiled and rare species, draws attention to the dangers of altering or destroying their habitat, and prescribes measures to protect and help those species recover.

3. Western states are significantly affected by the federal listing of endangered species. Most experiences under the Act, both good and bad, have occurred in the western United States.

4. Generally, the Act works well. Development and species recovery can co-exist. However, there is ample evidence that the federal government is not getting the job done under the ESA. Limited resources have not been used in the most effective manner; the focus has been on single species, especially high-profile species, as opposed to maintaining a variety of species in suitable habitat; and negotiated solutions for those affected have been difficult to come by.

5. Insufficient funding of federal agencies (United States Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS)) and the states has prevented effective implementation of the Act. The ESA's provisions for a cooperative approach between states and the federal government have been severely weakened by inadequate and inconsistent funding. For example, the total amount of funding provided to support state programs in the entire two-decade history of the law is less than half the amount of federal excise tax dollars that will be spent this year alone in support of state game and sport fish programs. This enormous disparity exists despite the fact that there are hundreds of endangered species compared to only a few dozen game species.

6. The ESA lacks any provisions that states be afforded notice and a meaningful

opportunity to comment and participate before the federal government makes any number of decisions -- ranging from listing through de-listing - under the ESA. Such consultation is largely optional under the current scheme, and has been erratically provided. The states' role also has been limited by rigid internal federal decision-making processes, the lack of open sharing of scientific information combined with ignoring of state-based information, and a lack of delegation to states to accomplish recoveries of listed species.

B. GOVERNORS' POLICY STATEMENT

1. Congress should reauthorize the ESA. The only amendments needed are those that make the Act more understandable and workable, as follows.

2. The roles, responsibilities and incentives provided the states and other stakeholders in the recovery of threatened and endangered species must be significantly enhanced. States possess broad trustee and police powers over fish and wildlife within their borders, including those found on federal lands within their borders. With the exception of marine mammals, states retain concurrent jurisdiction even where Congress has limited state authority as in the case of endangered species. The Act and its implementation must clarify this federal-state partnership. The Act should be clarified to require state and stakeholder notification and comment prior to any agency decision under the Act. Consultation with governors of affected states must occur prior to rulemaking to coordinate state findings and programs with federal actions and to minimize adverse impacts. Congress should ensure that states are partners in establishing and implementing recovery plans, developing habitat evaluations, and monitoring and managing species while listed. Obstacles to meaningful state participation, such as those created by the Federal Advisory Committee Act, should be eliminated.

3. Listing of threatened and endangered species should continue to be based, as it presently is, solely on the best scientific data available. The list is intended to reflect an honest and objective assessment of the status of imperiled and rare species. Congress should affirm that the question of whether a species is threatened or endangered is a scientific decision.

4. The ESA should be amended to address the backlog of species that are candidates for listing. Adequate data already exists to start the process for over 600 "category one" candidates and thereby afford them the basic protections of the Act. However, the process will take nearly twelve years at the current rate of about 50 decisions per year. Beyond the near horizon, nearly 3,000 "category two" candidate species await studies and possible decisions to list. Deadlines should be mandated for the U.S. Fish and

Wildlife Service and the National Marine Fisheries Service to complete the listing process for species in both categories, with a more onerous deadline for those species in category one. To provide needed flexibility in meeting the deadlines, the Act should authorize the agencies to list species, where appropriate, in clusters or related groups.

5. Designation of critical habitat and the development of recovery plans should occur concurrently, and they should be accomplished within a specified period of time after a species has been listed. It is incongruous with the Act's purposes to allow a species to be listed without any assurances that habitat critical for its survival will soon be protected or that a plan for its recovery will soon be adopted.

6. The Act should authorize designation of critical habitat and the development of recovery plans for clusters or related groups of species. Proactive habitat planning should be encouraged at both the state and federal levels for entire ecosystems rather than relying on the single species approach. In addition, to ensure that monies are well-spent, the Act should be amended to require priority in designating critical habitat and developing recovery plans to those actions that offer the best likelihood of biological recovery of species in the most time-efficient manner.

7. The ESA distinguishes between "endangered" and "threatened" species, with the former being subject to more protective regimes than the latter. However, the U.S. Fish and Wildlife Service and the National Marine Fisheries Service apply their rules for protecting endangered species to threatened species as well, regardless of whether those additional protections are warranted. Congress should direct the agencies to respect the distinctions between endangered and threatened species set forth in the Act. Further, the Act should be clarified to provide for greater flexibility in managing threatened species. Species awaiting listing should be included for assistance under law so that they qualify for funding and some protections before they reach critical stages.

8. "Regulated" takings by governmental agencies are appropriately limited to extraordinary cases. However, the Act's definition of an extraordinary case is too rigid and should be modified to afford greater flexibility to agencies in deciding when regulated takings are appropriate.

9. De-listing, once conceived as an equal goal in the ESA process, has proceeded at a glacial pace even though some currently listed species are biologically recovered. The Act should mandate that the U.S. Fish and Wildlife Service and the National Marine Fisheries Service specify in recovery plans objectives and quantifiable criteria (e.g., size of population, amount of suitable habitat,

and the like) that, if met, would require the agencies to initiate the de-listing process.

De-listing is an important part of the ESA process; it frees resources that can be used for other species that are threatened or endangered.

10. Presently, economics are considered in designating critical habitat and adopting recovery plans under the Act. Significant economic impacts resulting from the national priority of species survival should be mitigated through federally-funded measures designed to assist affected localities, private property owners, and businesses and their employees.

11. Congress must appropriate substantially more funding to adequately implement the Act. It must financially support the federal agencies charged with implementing the Act, and states, local governments and private concerns dealing with the recovery of threatened and endangered species. Congress should establish a dedicated funding source to support programs under the Act. Potential sources of funding for such a dedicated account could include some combination of user fees, developer fees, land-transfer fees, and tax return check-offs. Federal funds should be used to leverage funding from other sources. In addition to increased funding, Congress should provide incentives to public and private landowners to improve habitat for recovering species. Such incentives could be provided by way of tax credits and market-based incentives.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. This resolution is to be transmitted to the President, governors of all the states, Secretary of the Interior, Assistant Secretary for and Director of the U.S. Fish and Wildlife Service and its regional directors, Assistant Secretary for and Director of the National Marine Fisheries Service and its regional directors, members of the Senate Committee on the Environment and Public Works, members of the House Interior Committee, members of the House Merchant Marine and Fisheries Committee, other federal and all state fish, wildlife, land and water management agencies, and public interest and stakeholder groups.

THE WHITE HOUSE
WASHINGTON

395-4844

Martha Foley OMB
re: Ethanol
DOE would prefer
disclaimer in Fed Register
but the press release
will be fine - EPA
working on now.

Similar to one by
EPA on Jan 29.
They will walking down
a copy

Martha Foley
Fax # 395-5730

United States
Environmental Protection
Agency

Communications, Education,
And Public Affairs
(A-107)

EPA Environmental News

FOR RELEASE: FRIDAY, JANUARY 29, 1993

EPA ADMINISTRATOR BROWNER COMPLETES REVIEW OF ACTIONS BY OUTGOING ADMINISTRATION

Bonnie Piper 202-260-4366

EPA announced today that it has released for publication in the Federal Register actions signed by the former Administrator but previously withheld from publication. These actions were held pending further review pursuant to a Jan. 22, 1993 memorandum from the Director of the Office of Management and Budget (OMB).

EPA Administrator Carol M. Browner said, "The rules are being allowed to move forward because any changes in the future were deemed to best be considered either in the comment period for proposals or with new proposed addendums for final rules."

OMB's memorandum directed new Administration appointees to review and approve all new regulations. Browner reviewed 32 actions signed by the outgoing Administrator, and concluded that only one minor proposed rule should be held. That rule proposed a modest new fee system for some dischargers to the nation's waters. Browner held the rule pending more thorough review of Clean Water Act user fee issues.

The 31 actions approved for publication in the Federal Register include a variety of proposed and final rules to improve air and water quality, and to protect public health. To obtain a list of regulations please contact Bonnie Piper, Deputy Press Director at 202-260-4366.

A supplemental proposal concerning standards for reformulated gasoline was among the rules approved for publication. Administrator Browner emphasized that EPA retains the full range of options on all issues in the supplemental proposal, including the ability to modify or drop some provisions concerning ethanol mixtures. EPA remains committed to negotiated rulemaking procedures, and will review the range of comments it receives on draft proposal.

R-33 # # #

FAX TRANSMITTAL
To ~~[illegible]~~
Dept./Agency Vito Stagliano
Fax # 586-3047
From Mike Vandenberg
Phone # 260-7960
Fax # 260-6272
NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

PATTI SHWAYDER

1385 South Marion Street
Denver, Colorado 80210

303-733-6922

EXPERIENCE

REGIONAL AIR QUALITY COUNCIL, Denver, Colorado, 1990-1992

Director of Legislative and Public Affairs -- Worked with local elected officials, business, environmental and community groups to devise and implement legislative strategies for the U.S. Congress and the Colorado General Assembly. Directed media and press operations. Created and staffed public-private sector task forces, and worked as liaison to business community. Organized coalitions to lobby state legislature, drafted and promoted legislation, prepared public information and issue papers, testimony and editorials.

DENVER METROPOLITAN AIR QUALITY COUNCIL, Denver, Colorado, 1987-1989.

Assistant Director -- Assisted director in all facets of organization. Prepared workplan, identified air pollution control measures and devised strategies for implementation. Directed legislative operations and worked with U.S. Congress, State Legislature and local governments to enact air pollution prevention programs. Drafted legislation, and prepared local ordinances, developed, researched and prepared issue and position papers, speeches, press releases, and public information materials. Edited all agency publications, supervised junior staff.

SUBCOMMITTEE ON TELECOMMUNICATIONS, CONSUMER PROTECTION AND FINANCE, Committee on Energy and Commerce, U. S. House of Representatives, Washington, D.C., 1981 -1987.

Senior Policy Analyst -- Chief Consumer Protection staff. Formulated policy and implemented legislative and political strategies on consumer protection issues including highway safety, hazardous materials transportation, trade and broadcasting. Initiated and organized Congressional hearings and developed and drafted legislation. Coordinated Committee and House consideration of legislation and negotiated extensively to secure enactment. Advised and maintained close contact with Members of Congress on a bipartisan basis, their staffs, and representatives of government agencies and industries. Investigated Federal agency implementation of programs.

CONGRESSMAN TIMOTHY E. WIRTH, Washington, D.C. and Denver, Colorado, 1979-1981.

Scheduler and Press Liaison -- Developed and organized events and public appearances for Rep. Wirth during 1980 re-election campaign. Maintained contact with press to ensure favorable coverage.

Legislative Assistant -- Advised Rep. Wirth on energy issues, researched legislation, drafted position papers, memoranda, speeches. Wrote constituent correspondence presenting a variety of issues.

SENATOR FLOYD K. HASKELL, Denver, Colorado and Washington, D.C., 1977 - 1978.

Field Organizer -- Organized one-fifth of the State of Colorado for re-election campaign. Managed field office, recruited volunteers, planned fundraisers, targeted key areas for effort, coordinated Get-Out-The-Vote activities.

WBRU-FM RADIO, Providence, Rhode Island, part-time 1975-1977.

News and Political Reporter -- Covered 1976 Congressional candidate for ABC News affiliate. Wrote, edited and produced news stories.

EDUCATION

UNIVERSITY OF COLORADO, Denver, Colorado

Master of Public Administration (MPA), May 1992
Environmental Concentration, 3.98 GPA in Executive MPA program.

BROWN UNIVERSITY, Providence, Rhode Island.

B.A. Urban Studies, June, 1978
B.A. History, June, 1978

OTHER EXPERIENCE

Represented the U.S. Congress in discussions with Japanese automobile manufacturers and government officials in Japan. Conducted briefings with visiting foreign dignitaries on numerous issues. Wrote consumer protection plank in Democratic Party platform for 1984 elections. Named in Outstanding Young Women of America 1986, and Who's Who in American Colleges and Universities 1992. Speak Spanish and have knowledge of French.

PATTI SHWAYDER
1385 South Marion Street
Denver, Colorado 80210

February 3, 1993

Ted Freeman
Sierra Club
Washington, D.C.
BY FAX

Dear Ted:

Per our conversation, I am faxing you my resume for your review. I appreciate your help in forwarding my name for the position of Administrator, National Highway Traffic Safety Administration (NHTSA).

From 1981 through 1986 I was the primary staff person on the House Energy and Commerce Committee subcommittee responsible for NHTSA. Tim Wirth chaired the subcommittee, and with the Reagan Administration targeting NHTSA staff and programs, we pursued an aggressive investigative and oversight agenda. We also were successful in passing several auto safety and consumer protection laws and a multi-year authorization bill. Additionally, the vehicle safety portions of the Intermodal Surface Transportation Efficiency Act (ISTEA) began as a bill we drafted in 1985. Thus, I am very familiar with the agency's mission and enabling laws, staff, affected industry and interest groups, and bipartisan Congressional committee membership. For these reasons, several interest groups have urged me to pursue the position of NHTSA administrator.

From 1987 through 1992 I have been involved with two regional air quality planning and advocacy agencies in the Denver metro area. My positions as Deputy Director, and Director of Legislative and Public affairs have required extensive outreach with business, environmental and community groups to forge consensus on workable air pollution strategies. My accomplishments include securing passage of the first regional diesel inspection and maintenance program, comprehensive laws to reduce wood burning pollution, and building partnerships to support and implement the Clean Air Act Amendments. While the subject matter may not be directly applicable to NHTSA, working at the local level with governments, businesses, industries and environmental and community groups will be very important in getting our automobile safety programs back on track.

Finally, I have a masters degree in public administration, which has given me extensive knowledge of public management, budgeting, techniques for policy analysis and implementation, and administrative conflict resolution. All these skills will be beneficial if I am selected.

I hope this is what you need, and again, thanks for your help. Please feel free to call me at 303-733-6922 if you need more information, or have questions.

Sincerely,

Patti Shwayder

Patti Shwayder

ART ORTENBERG
LIZ CLAIBORNE
650 FIFTH AVE.
NYC, NY 10019

DATE 2/10/93
FAX NO. 212-956-3531
PHONE NO. 212-333-3888

FAX TRANSMISSION

DESTINATION: White House
FAX PHONE NO. 1-202-456-6231
ATTN: Ms. Katie Mc Ginty
FROM: Art Ortenberg

Dear Katie:

Here are the people mentioned last night.

1.) Luther Propst - Community Economic Trainsition Maven

SONORAN INSTITUTE
6842 East Tanque Verde Road
Suite D
Tuscon, Arizona 85715

Phone number - 602/290-0828
Fax number - 602/290-0969

PHOTOCOPY PRESERVATION

2.) Charles Wilkinson - Attorney - Land Issue/ Native American Maven

University of Colorado
School of Law
Campus Box 401
Boulder, Colorado 80309-0401

Phone number - 303/492-8262
Fax number - 303/492-1200

3.) Professor Lou Lowenstein - Shareholders/Pension fund/S.E.C./Omniscient Securities Maven

Columbia University
School of Law
435 West 116th Street
New York, N.Y. 10027

Phone number - 212/854-2036
Fax number 212/854-7941

Fight on!

Art.

Sen John Glenn

Sen William Roth

Cong John Conyers

Cong Henry Waxman

Cong Gerry Studds

Secy Bruce Babbitt

Sen Tim Wirth

Secy Mike Espy

Gus Speth

Sen George Mitchell

Sen Wendell Ford

Speaker Tom Foley

Cong Richard Gephardt

Sen Max Baucus

Sen John Chafee

Cong George Miller

Cong John Dingell

Sen Bennett Johnston

[all called re: COA / Office Earth Policy]
2·7·93 → 2·8·93.

Caucus

* All testifying re:

Glenn bill ??

? = important if

will do good job in discussing

Carol, Bobbitt, Hicks,
me, Al,

Wirth involved w/
Wharton AID
re-structure.

KM:
Wharton re-ex.
AID ??
(Tim?)

Cliff Wharton
736-4510
Depty Sec. State

David
Harwood →
736-
4504