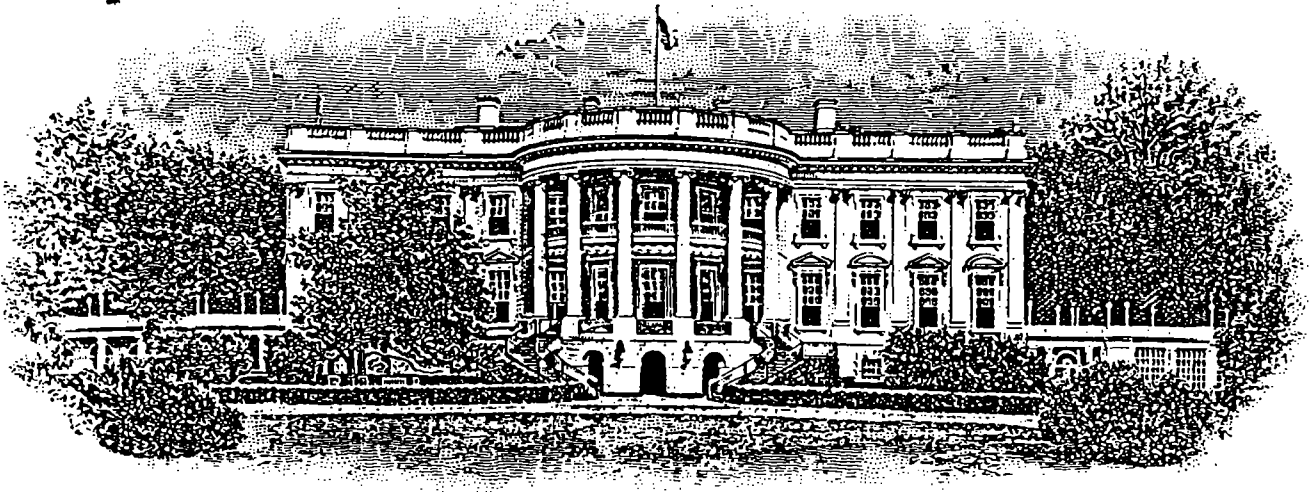


The White House



DOMESTIC POLICY

FACSIMILE TRANSMISSION COVER SHEET

TO: Darren Peters

FAX NUMBER: 530-1382

TELEPHONE NUMBER: _____

FROM: Elizabeth Drye

TELEPHONE NUMBER: 456-5573

PAGES (INCLUDING COVER): 2

COMMENTS: Per our discussion, please
call Lt. Gov Don Siegleman and
ask him what photos he needs,
Thanks. Carol Rasco would appreciate your
letting ^{us} ~~me~~ know once this is take care
of --please just leave a msg. for me.

Manlyn
WHO schedules in book in wv

DON SIEGELMAN

Lt. Governor of Alabama

Post Office Box 5049
Montgomery AL 36103

514 Washington Avenue
Montgomery AL 36104

(334) 264-4688 Office
(334) 269-5588 Fax

Chris Lavery
496-5061

Daren Peters
496-5022

FAX TRANSMITTAL

Elly
Pls. oversee
Sacey Foster 6-5232
Rm 115

Date: 9/25/96

FAX #: 202-456-7431

Deliver this fax to: Carol Rocco *for* 530-1382

This fax is being sent by: *Don Siegelman*

Number of pages 1 (including cover sheet)
If you do not receive all pages, please contact us as soon as possible.

Message: Photo's with President

Carol -

Would you locate the name
and phone # of the photographer
who took pictures of the
President at our breakfast
on 6/19/96 in the MHP room.

Shirley
We are doing good in Alabama *Don Siegelman*

THE WHITE HOUSE
WASHINGTON

Carol —

You had asked Diane
to look into this as it
has been in the Ark. news.
USDA seems to be proposing
an acceptable approach to
diffusing conflict, per attached
Larry is monitoring for you —
we'll keep you posted.

— Eliz

(See p 3 for recommendation)

Eliz

Can you find
out latest status/news
on this.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20250

INFORMATIONAL MEMORANDUM FOR GREG FRAZIER, CHIEF OF STAFF

FROM: James R. Lyons
Under Secretary
Natural Resources and Environment, USDA

AUG 08 1996

SUBJECT: Controversy over timber sales on the Ozark National Forest

ISSUE:

Newton County Wildlife Association and others have filed suit against the Forest Service concerning existing and proposed timber sale activities in watersheds on the Buffalo Ranger District that feed Wild and Scenic Rivers on the Ozark National Forest. There are seven active timber sales included in the litigation. Two other proposed sales are being prepared for advertisement. Members of the Newton County Wildlife Association are urging the Administration to suspend all ongoing activities on all of the sales including those sales where contracts have been awarded and logging has commenced.

BACKGROUND:

Litigation Update:

Litigation was filed on eight sales (7 active and 1 unadvertised) on the Ozark National Forest in Region 8. These sales are listed in Exhibit 1. The issues were failure to adopt comprehensive management plans for the wild and scenic rivers that pass through the forest, and issues pertaining to the National Forest Management Act, the National Environmental Policy Act, the Clean Water Act, the Administrative Procedure Act, the Migratory Bird Treaty Act, the Wilderness Act, and the Endangered Species Act. To date, all requests by the plaintiffs to halt logging activity have been denied by the Federal District Court for the Western District of Arkansas and the Eighth Circuit Court of Appeals.

Within the last week, the Federal District Court denied plaintiffs motions for a preliminary injunction and temporary restraining order based on their Migratory Bird Treaty Act claim. The judge then granted the government's motion to dismiss plaintiffs Migratory Bird Treaty Act claim.

The Department of Justice continues to defend the Forest Service actions on their merits.

Timber Sales in Litigation:

The eight timber sales included in the litigation are located on the Buffalo Ranger District. Seven of these sales have been awarded and four of these have active operations on-going. Total volume in these seven sales is 6.2 million board feet and no clearcutting will be involved.

Refer to Exhibit 1 for a table summarizing the status of these timber sales.

INFORMATIONAL MEMORANDUM FOR GREG FRAZIER**2**

These sales have undergone intensive environmental analysis including public involvement, have a Decision Notice by the Forest Supervisor, have gone through the appeal period and all appeals were affirmed.

Wild & Scenic River Issue:

On April 23, 1992 Congress amended the National Wild and Scenic Rivers Act of 1968 to include six streams on the Ozark National Forest. Adoption of a Comprehensive River Management Plan within a time certain is required by this Act, but for a variety of legitimate reasons the deadline has passed and a plan has not yet been adopted. This, again, was one of the issues in the above named lawsuit acknowledged by the Federal District Court in declining to halt ongoing activities.

The Ozark National Forest currently has a draft Comprehensive River Management Plan out for public comment, and a final plan is expected to be adopted by October 1, 1996.

Governments Potential Liability and Risk:

The plaintiffs want the Administration to cancel the unawarded sales and halt all ongoing activity. The Department has serious concerns about doing this. The USDA and the Department of Justice have been defending these sales in court as complying with environmental and all other laws. Therefore, the Forest Service could not cancel the contracts for reasons of environmental or resource damage. As long as the sales are harvested in accordance with contract terms and are not in violation of any court order to stay operations, the Forest Service is not in jeopardy of claims from the timber sale purchasers or potential liability for any alleged damages by Plaintiffs.

However, if sale contracts are suspended, delayed or canceled by the Forest Service, these purchasers may file claims to the Contracting Officer for damages. At a minimum, the amount of damages potentially facing the Forest Service is currently estimated at \$2.7 million.

Social, Economic and Political Considerations:

There are approximately seventeen small sawmills in Newton County. Many of these people are represented by the Society for Preservation of Ozark Culture (SPOC). This commodity oriented group is very active politically and this threat to the future economic stability may result in a high level of unrest within the county and elsewhere.

Any action to suspend or cancel active sales or delay advertisement of proposed sales could have an adverse effect on the local economy by loss of jobs and a reduction of payments to the local counties from harvest of timber (Payment to States fund).

On the other side of this issue is a small but very determined and vocal group of environmental activists, the Newton County Wildlife Association, who say logging in the watershed of wild and scenic rivers tears up the forest and threatens to pump harmful silt into the river system. This group is seen as being outside the mainstream environmental community. Some members of this group are also often characterized as interlopers, having recently moved to Arkansas.

A larger, midwestern-based environmental organization, Heartwood, has also been interested and involved. The President of the Arkansas chapter of the Sierra Club has been actively involved in protesting these sales.

INFORMATIONAL MEMORANDUM FOR GREG FRAZIER

3

The State of Arkansas Attorney General has also filed an action against the Forest Service joining in the wild and scenic river violation claim (failure to adopt a wild and scenic management plan within the statutory time frame). As Democratic nominee to replace Senator Pryor, the Sierra Club has touted Winston Bryant's environmental record, in particular his opposition to Forest Service harvesting practices.

However, the overall position of the state is unclear. While the Director of the Arkansas Wild and Scenic River Commission testified on behalf of the state on their wild and scenic river violation claim, the state Department of Pollution Control and Ecology had testified in support of the Forest Service designation of wild and scenic river corridors, but were silent on the question of whether the timber sales in question should be allowed to proceed.

Recommendation:

For reasons of potential financial liability, setting a precedent of terminating otherwise environmentally sound timber sales, and concern for community opinion, I am recommending that the Forest Service allow ongoing activities to continue and that no new timber sales be advertised until a wild and scenic river management plan is adopted. This has the advantage of taking action that will ensure that new timber sale activities from this point forward will be in statutory compliance, but will not result in the government liability and possible community backlash that suspension of all activities may generate. The environmental community may still not be entirely pleased with this but it may reduce some of their anger.

I would like to forward this information to Katie McGinty prior to our meeting on the subject tomorrow afternoon. Please let me know if you have any objections to doing so.

Exhibit 1

Revised 6/14/96

STATUS OF TIMBER SALES ON BUFFALO RANGER DISTRICT

SALES IN LITIGATION

Sale Name	Award Date	Contract Termination Date	Purchaser	Volume MBF	Sale Status	Estimated Completion Date
Sand Gap	11/15/94	10/15/97	M-R Lumber	1097	Harvest is 20% complete	06/16/97
Round Hill	10/26/94	10/15/96	H.E.R Lumber, Co.	604	Harvest is 75% complete	12/15/96
West Fork	05/03/96	04/30/99	Bibler Brothers, Inc.	1150	Harvest is complete	07/01/96
Junction	05/03/96	04/30/99	Boling Brothers Lumber	1334	Harvest is 5% complete	07/15/97
Henderson Mt.	05/03/96	10/30/99	Boling Brothers Lumber	541	No Work has begun on this sale	12/15/97
Deer	05/03/96	04/30/99	Boling Brothers Lumber	839	No Work has begun on this sale	12/01/98
Swain	05/03/96	10/30/99	P & L Logging	661	No Work has begun on this sale	12/14/96
Barberry	FY96 Sale	Not Applicable	Not Applicable	1300	Sale has not been advertised	Not Applicable

08/08/96 10:00

202 720 4732

USDA-NRE

005/006

Exhibit 2

Revised 6/14/96

PROPOSED TIMBER SALES FOR FY 96

Sale Name	Ranger District	Sale Volume	Sale Status
Edgemon Creek	Buffalo	Unknown	EA scheduled to go out for public review and comment in June, 1996
Headwaters	Pleasant Hill	2,500	Sale is ready for advertisement

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

20-Sep-1996 10:25pm

TO: Elizabeth E. Drye

FROM: Carol H. Rasco
 Domestic Policy Council

SUBJECT: Cabinet folks

I want to consider before we give away all the times I have given Jill for appts in Oct. trying to schedule phone chats or office visits with certain cabinet personnel on the look ahead at second term and issues we are pursuing, how they fit into it, etc. I think 15 minute calls and then if they wish to come here it is fine. You and/or Jeremy should sit in each or as many as possible whether meetings OR phone calls....

I would want a chance to discuss with staff on Monday the 30th what will be happening although they would not be in the meetings but they could submit ideas to me for discussion. I could do some of these Oct. 1-4 and then finish after I return Oct. 17. I would want to touch base with:

VA
Education
Agri
Commerce
Treasury
EPA
HHS
Labor
Interior
HUD
DOT
Energy
CEA
ONDCP
National Service
OSTP
SSA

We shouldn't schedule any back to back as in 2 p.m. and then 2:15 p.m. but doing for example 2:00, 2:30, 3 p.m. means that you/JBA and I could do other business together between them. I realize this will be a moving target with travel, etc. and Jill will have to be very flexible. I don't want to talk with anyone but the Secretary, no subs....

This would be a good time to have me talk a little about welfare reform, child welfare and then solicit their hopes.

I've already visited with Frank Raines....good visit over lunch when Jeremy joined us.

Give all this some thought, we can talk about it Monday if a chance and see what else you need to get Jill started.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

04-Sep-1996 04:42pm

TO: (See Below)

FROM: Carol H. Rasco
 Domestic Policy Council

SUBJECT: Health care for people with disabilities

I was as I told you earlier pleased to see that POTUS indicated interest on the return health care reform memo in learning more about the insurance for people with disabilities who work/want to work. I would ask that the three of you continue to really look at this issue seriously so that we can interject this issue in a serious way in the upcoming budget discussions. Thanks.

Distribution:

TO: Christopher C. Jennings
TO: Diana M. Fortuna
TO: Jennifer L. Klein

CC: Elizabeth E. Drye
CC: Jeremy D. Benami
CC: Carol H. Rasco for files

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

15-Oct-1996 07:55am

TO: Jeremy D. Benami
TO: Elizabeth E. Drye

FROM: Carol H. Rasco
 Domestic Policy Council

SUBJECT: Substance abusers

I don't know if you all have had any opportunity to determine how we approach the issue about which I wrote you earlier re: alcohol/drug abusers who are losing benefits right and left....anyway, I do feel we need to take a good look at this. I'm not doing this in any terms related to political issues but on policy grounds feel we are obligated.

If nothing is done to date, I would suggest that our staff take a hard look at what is left that addicts/abusers can access. I believe the review has to take into account medicaid, cash from AFDC/SSA, food stamps, etc. What about housing, any problems there? What is the VA mix here? Depending on what we learn we may need to have a meeting with perhaps HHS (cash, treatment, HCFA all included), USDA, ONDCP, SSA, HUD? VA?...but first our staff should determine the various scenarios and what the people have available to them if they are abusers.

I'd like to have a briefing by paper or in person the week of Oct. 29 when I am back...if it begins to look like we need a meeting with the big group I would want to do it week of Nov. 11 before I leave for Texas.

Thanks.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

30-Sep-1996 12:12pm

TO: Elizabeth E. Drye

FROM: Carol H. Rasco
 Domestic Policy Council

SUBJECT: Briefing books

I got here this a.m. and looked through my book and thus the email while ago about the hunger meeting...nothing but the letter of invitation. Also, I didn't put on email to you and Jill but there was nothing for the 1 p.m. weekly meeting in the way of an agenda which I called Jeremy on and Diana has just put on email.

We have to do a far better job of getting me material in advance...I had questions about the agenda and we are one hour under the time of meeting to start.

I have repeatedly asked that materials be in the book the evening preceeding and for Monday meetings in the book by Friday afternoon. THat is all still pushing that I have a lot of reading some nights and we even need to improve on the timeliness of those materials...but no agenda before 12 noon for a 1 p.m. meeting just won't work.

I know Jill is frustrated about this as is natural...and I am frustrated too. Please help the staff understand I don't know everything about everything and need help.

THanks!