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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Chief of Staff, White House Office of
Series: Card, Andrew, Files
Subseries:

OA/ID Number: 08373
Folder ID Number: 08373-005a

Folder Title:
Cabinet Affairs [1]

Stack:	Row:	Section:	Shelf:	Position:
G	15	22	2	

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Letter	Jan (McLean) Thomas to Andrew H. Card, Re: Charges of ethics violations within the Federal Emergency Management Agency. (2 pp.)	04/30/90	(b)(6)	
02. Memo	FEMA Ethics Investigations--Review of Key Points. (5 pp.)	n.d.	(b)(6)	

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Cabinet Affairs [1]

Pinksheet Number: RML16184
OA/ID Number: 08373-005a
Date Closed: 5/13/2025
FOIA/Sys Case #: 2025-0373-S
Re-review Case #:
P-2/P-5 Review Case #:

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

RECEIVED

DEC 23 1991

December 20, 1991

SCHEDULE PROPOSAL FOR SECRETARY SULLIVAN

TO: EDE HOLIDAY
Assistant to the President and Secretary
of the Cabinet

THROUGH: DAVID F. DEMAREST
Assistant to the President for Communications

DEBRA R. ANDERSON
Deputy Assistant to the President
and Director of Intergovernmental Affairs

FROM: *DRB* DAVID J. BEIGHTOL
Special Assistant to the President
for Intergovernmental Affairs

REQUEST: For Secretary Sullivan to represent the
Administration at a follow-up health care
meeting.

BACKGROUND: At the October 30, 1991, NGA Executive
Committee meeting the Governors discussed
with Andy Card and the other administration
representatives the possibility of holding a
follow-up meeting on health care at a later
date. Governors are concerned about
increased federal mandates.

PREVIOUS
PARTICIPATION: None.

DATE AND TIME: January 24, 1992
9:00 am - 10:30 am or 3:00 pm - 4:30 pm.

LOCATION: Roosevelt Room.

PARTICIPANTS: Governor John Ashcroft (R-MO)
Dick Darman
Other NGA leaders

OUTLINE OF EVENT:

REMARKS REQUIRED:

MEDIA COVERAGE:

THE WHITE HOUSE

WASHINGTON

December 20, 1991

SCHEDULE PROPOSAL FOR DICK DARMAN

TO: EDE HOLIDAY
Assistant to the President and Secretary
of the Cabinet

THROUGH: DAVID F. DEMAREST
Assistant to the President for Communications

DEBRA R. ANDERSON
Deputy Assistant to the President
and Director of Intergovernmental Affairs

FROM:  DAVID J. BEIGHTOL
Special Assistant to the President
for Intergovernmental Affairs

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LOCATION: Roosevelt Room.

PARTICIPANTS: Secretary Sullivan
Governor John Ashcroft (R-MO)
Other NGA leaders

OUTLINE OF EVENT:

REMARKS REQUIRED:

MEDIA COVERAGE:

**NATIONAL
GOVERNORS
ASSOCIATION**

John Ashcroft
Governor of Missouri
Chairman

Roy Romer
Governor of Colorado
Vice Chairman

Raymond C. Scheppach
Executive Director

Hall of the States
444 North Capitol Street
Washington, D.C. 20001-1372
Telephone (202) 624-8300



December 13, 1991

MEMORANDUM

TO: David Baightol

FROM: Ray^{RS} Scheppach

RE: Meeting on Health Care Reform

At the October 30, 1991, NGA Executive Committee meeting the Governors discussed with Andy Card and the other administration representatives the possibility of holding a follow-up meeting on health care at a later date.

I would like to propose that this meeting take place on January 24th from 9:00 a.m. to 10:30 a.m. or later that day from 3:00 p.m. to 4:30 p.m. Our hope would be that Secretary Sullivan and Director Darman would represent the administration at this meeting.

I would appreciate it if you could find out if this meeting would be possible. Thank you.

c: Mariss Stewart

THE WHITE HOUSE
WASHINGTON

Date:

12/23/91

leral Inspector
nsportation System

TO: Ede Holiday

se Avenue, SW
DC 20585

FROM: ANDY CARD

- ☐ Action
☐ Your Comment
☐ Let's Talk
☒ FYI

AC HAS SEEN

TRANSMISSION

1991BO JRVER

(have Schaerr knows
about this.)

RE:

AP Article

This Fax contains 6 pages including cover.

If there is any trouble receiving this fax,
please contact BRET at (202) 586-4669

THE WHITE HOUSE
WASHINGTON

Date: 12-13-91

TO: *Fred McClure*

FROM: ANDY CARD

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk

☒ FYI

7.1.82

THE WHITE HOUSE
WASHINGTON

December 6, 1991

P.L. and
cc to Fred McClure
AC HAS SEEN

MEMORANDUM FOR ANDY CARD

FROM:

EDE HOLIDAY *[Signature]*

SUBJECT:

Status Report on Horsehead Resource Development
Company

On November 22 you requested a status report on EPA's application of hazardous waste rules on metals recycling as conducted by Horsehead Resource Development Company, Inc.

Attached is a copy of the letter on the matter sent to Senator Arlen Specter by EPA Assistant Administrator Don Clay. EPA contends that they were compelled to regulate intermediate product from the metals recycling process as hazardous waste due to a decision by the D.C. Circuit Court of Appeals. Don Clay apparently met with Horsehead representatives and encouraged them to investigate a case-by-case variance from EPA's regional office.

As you will note from the attached confidential report from EPA, a variance is unlikely and Horsehead faces enforcement action from the Department of Justice for violations of various environmental laws. EPA intends to continue to work with its Regional office and Senator Specter's staff on this issue. However, EPA does not paint a very bright picture for Horsehead.

Please let us know if you would like any further information on this matter.

Attachments

THE WHITE HOUSE
WASHINGTON

Date: 11-22-91

TO: *Gary Blumenthal*

FROM: ANDY CARD *Andy*

- ☒ Action
- ☐ Your Comment
- ☐ Let's Talk
- ☐ FYI

*Fred McClure's office may have
already looked into this. Please
check. If nothing has been done,
get, quickly, a status report.*



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

NOV 12 1991

OFFICE OF
SOLID WASTE AND EMERGENCY RESPONSE

The Honorable Arlen B. Spector
United States Senate
Washington, D.C. 20515

Dear Senator Spector:

Thank you for your letter of October 3, 1991, to the Administrator, in which you express the concerns of Horsehead Resource Development Co., Inc. (HRD). These concerns related to EPA's policy of regulating intermediate product (from the K061 recycling process) as a hazardous waste. This policy was in response to the June 26, 1990 decision of the D.C. Circuit Court of Appeals.

As we responded to HRD during a meeting and in response to their letter, we urge them to continue to communicate to the appropriate Regional Office. In particular, I would encourage them to investigate the potential applicability of our case-by-case variance provisions in 40 CFR 260.30. These variances are granted by the Regional Administrators. To the extent that the situation does raise issues of national policy concern, please be assured that we will coordinate the Regional responses at a national level to ensure consistency.

I do assure you that we have given sincere consideration to the impacts of our policy on metals recycling, balanced against the need to assure protection of the environment. The handling of these wastes was the subject of public discussion through the rulemaking process. This began with the publishing of the Proposed Rule of April 12, 1991 through that of the Final Rule of August 19, 1991. I am looking forward to meeting with members of your staff on November 15, 1991 to discuss this situation.

Sincerely yours,

(S)

Don R. Clay
Assistant Administrator



Printed on Recycled Paper

~~Enforcement Confidential~~

Determined NOT to be
National Security Classified Marking
By PA (NLGB) on 05/13/25

December 3, 1991

OSWER UPDATE ON HORSEHEAD RESOURCE DEVELOPMENT, INC.

Since the October 3 letter from Horsehead, Don Clay and Bowdoin Train met with representatives of Horsehead and the steel industry (Horsehead's customers) along with representatives from EPA's Offices of General Counsel and Enforcement. Horsehead described the problems that the "derived from" rule poses for the company, namely, that a recent court decision holding that Horsehead's intermediate recycled materials are derived from a RCRA waste, and therefore, are also RCRA wastes, will cause their company to go out of business. We agreed to investigate the issues.

As they had requested, we held meetings and conference calls with EPA's Regional Office. We learned several important facts: first, that the two principal states in question (Oklahoma and Pennsylvania) are authorized to run the RCRA program. Oklahoma does not seem inclined to give Horsehead any kind of variance from the RCRA regulations. Pennsylvania does not even have a variance provision. Any relief that we granted at the federal level would not affect the state RCRA regulations because states can be more stringent than the federal regulations.

Second, we also learned that the Horsehead facility in Pennsylvania is the subject of a significant pending enforcement action at DOJ. The multimedia action involves violations of RCRA, the Clean Air Act, and the Clean Water Act. The facility has historically very poor waste handling practices, and maintains huge open waste piles that are affected by wind, rain and runoff.

Finally, we have learned that significant additional capacity is slated to come on line very shortly in the form of new recycling technologies for waste from the steel industry. Thus, Horsehead will not be the only option for recovering these wastes. We are still investigating the potential impact of these new technologies.

Don Clay and Bowdoin Train are planning to discuss our options with Ted Erickson, Regional Administrator in Region 3 (Philadelphia) next week. We are also coordinating with the other program offices and regions, as well as interested staff in Senator Arlen Specter's office.

United States Senate

WASHINGTON, DC 20510

The Honorable William K. Reilly
Administrator
Environmental Protection Agency
401 M Street, SW
Washington, DC 20460

Dear Mr. Reilly:

3 October 1991

We have been advised by a corporate constituent, the Horsehead Resource Development Co., Inc. (HRD) that a recent court decision has resulted in potential for application of the "Derived From" rule (promulgated under authority of the Resource Conservation and Recovery Act, Subtitle C) to materials which have been heretofore considered interim products in the recycling of metals.

It is further asserted that metals recycling and resource recovery operations may now be administratively transformed into hazardous waste treatment facilities. This action may affect a major metals processing business with substantial operations in Pennsylvania linked with operations in other states involving four EPA regions. We believe that clarification of the Agency's position on this issue is essential in order to assure the affected business community a measure of regulatory certainty.

Specifically, HRD is requesting, with some urgency as their on-going operations may well be affected, that you convene an appropriate forum in which this issue can be addressed and the company's compliance requirements be defined. We would request that you use your good offices to facilitate such a meeting. A copy of the company's recent correspondence to Mr. Bowdoin Train, Deputy Administrator of the Office of Solid Waste and Emergency Response, is enclosed.

Thank you for your attention to this matter.

Sincerely,


Arlen Specter


Harris Wofford

cc: The Honorable Don Nickles, The Honorable David L. Boren, The Honorable Jim Sasser, The Honorable Albert Gore, Jr., The Honorable Paul Simon, The Honorable Alan J. Dixon, The Honorable Paul E. Kanjorski, The Honorable Don Ritter, The Honorable Austin J. Murphy, The Honorable Marilyn Lloyd, The Honorable Mickey Edwards

United States Senate

WASHINGTON, DC 20510

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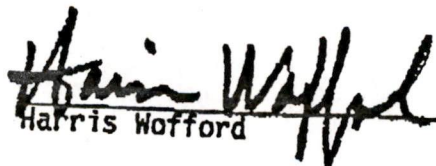
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Arlen Specter


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United States Senate

WASHINGTON, DC 20510-3802

October 23, 1991

The Honorable John H. Sununu
Chief of Staff
The White House
Washington, D.C. 20500

Dear John:

By letter dated October 3, 1991, Senator Wofford and I wrote to EPA Administrator Bill Reilly on information which we had received from a corporate constituent, the Horsehead Resource Development Co., Inc. (HRD) advising that a recent court decision has resulted in potential for application of the "Derived From" rule (promulgated under authority of the Resource Conservation and Recovery Act, Subtitle C) to materials which have been heretofore considered interim products in the recycling of metals.

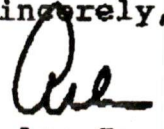
We were further advised that metals recycling and resource recovery operations may now be administratively transformed into hazardous waste treatment facilities. This action may affect a major metals processing business with substantial operations in Pennsylvania linked with operations in other states involving four EPA regions. Clarification of the Agency's position on this issue is essential in order to assure the affected business community a measure of regulatory certainty.

In accordance with our telephone discussion earlier today, I believe HRD's request is appropriate and I would appreciate your support on the request which Senator Wofford and I had submitted to EPA Administrator Bill Reilly.

As always, thanks for your assistance.

My best.

Sincerely,


Arlen Specter

AS/KE

John -

The essence is that HRD
is seeking a meeting with EPA
to understand EPA policy so
(HRD) they can make important
business planning decisions.

THE WHITE HOUSE
WASHINGTON

Auto Ins. P.C.

Date: _____ **AC HAS SEEN**

TO: Andy Card

FROM: **RICHARD W. PORTER** *RWP*
**Special Assistant to the President
and Executive Secretary to the
Domestic Policy Council**

Call me crazy...

Your humble servant,

Cab



**U.S. Department of
Transportation**

Office of the Secretary
of Transportation

Assistant Secretary

400 Seventh St., S.W.
Washington, D.C. 20590

NOV 18 1991

Mr. Jay Lefkowitz
Deputy Executive Secretary
and Associate Director
Domestic Policy Council
The White House
Washington, D.C. 20500

Dear Jay:

We are pleased that the Domestic Policy Council is interested in proposing legislation to create greater flexibility in the design of automobile insurance plans. As you know, the Department of Transportation has a long history of involvement with this subject that goes back to a landmark study on compensating automobile accident victims published in 1971, a study that was updated in 1976 and again in 1985.

The DPC draft we have reviewed provides an excellent beginning: a choice between low cost first party coverage with no tort recovery right; or tort recovery rights, but with higher premiums. Furthermore, while guaranteeing all motorists an important and meaningful choice, it would also allow States considerable freedom to custom-tailor auto insurance coverage requirements to meet individual conditions and needs. DOT could enthusiastically support this proposal.

We also feel, however, that some changes in the proposed legislation might be considered, both to ensure that a sound system emerges from the legislative process and to enhance its likelihood of success. For example, the draft bill, in an apparent effort to minimize premiums, would make no-fault bodily injury coverage secondary to other coverages. But doing so would enormously complicate claims administration and, more important, would alienate the insurance industry, a constituency whose support will be essential to the proposal's adoption.

The proposal may unnecessarily violate Federalism principles by assigning the administration of a plan to a specific state agency rather than to the Governor. Moreover, in the majority of states, automobile accident financial responsibility laws are typically administered by the motor vehicle commissioner, not the insurance commissioner.

We would be pleased to work with you in perfecting the proposal. The Department has considerable expertise in the drafting of auto insurance legislation and would be happy to place that at your disposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeff', with a large, stylized loop at the end.

Jeffrey N. Shane
Assistant Secretary for Policy
and International Affairs

THE WHITE HOUSE
WASHINGTON

November 4, 1991

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *get for*
SUBJECT: Request for Military Aircraft

*To NSC for
recommendation.
Could this just be
"in theater"?
Andy
11/6/91*

Secretary of Labor Lynn Martin would like to request military aircraft transportation for her upcoming trip which includes travel into remote regions of the Soviet Union. She is requesting a plane from December 3-8 for the portion of her trip included in the following itinerary:

Italy to Donetsk
Donetsk to St. Petersburg
St. Petersburg to Moscow
Moscow to Warsaw.

It is my understanding that Donetsk is not accessible by commercial carrier. I also understand that Department of Labor staff have been in contact with the NSC and that the NSC has approved the concept of her trip. Attached is the tentative agenda for the trip provided to me by the Department of Labor.

I would appreciate it if you would let me know if Secretary Martin's request can be accommodated.

Thank you.

Attachment

MEMORANDUM

TO: JOHN
FROM: LORI
RE: MILITARY AIRCRAFT JUSTIFICATION
DATE: OCTOBER 22, 1991

The following is a proposed trip itinerary to the Soviet Union for the Secretary and a military aircraft cost breakdown. This information should be used in requesting a non-reimbursable DOD/military aircraft from the White House. Please note the National Security Council has approved this trip.

Destination of aircraft:

Italy - Donetsk - St. Petersburg - Moscow - Poland

1. VISIT A MINING REGION
(NSC likes this idea)

- A. 1st Choice: Donetsk
 - Note: Possible civil war to breakout at the time of our visit.
- B. 2nd Choice: Siberia
 - Note: More difficult to reach, colder, but can be done

2. ST. PETERSBURG (LENINGRAD)

- A. Housing Assistance Program
 - Similar to the one we have in Poland
 - They have requested this assistance
 - NSC likes this idea
- B. Veterans' Retraining Program/Issues
 - Tom Collins working on this idea

3. MOSCOW

- A. Conference on Business Education in the Soviet Union
 - Keynote closing speech (held at the Kremlin)
- B. Organization for Economic Cooperation & Development
 - Opening keynote address to OECD Conference
 - US\$ sponsored event
 - Attend: 24 of the largest industrialized countries; multi-lateral organization
- C. Teach a class in a Russian high school

MILITARY AIRCRAFT COST STATISTICS

Aircraft: C-20 (U.S. Air Force)
Smallest military plane permitted to fly overseas; has
communication capabilities

Capacity: 12 people

Cost: Per Hour \$3,945
Estimated hours 7
Estimated total \$27,615

Per person cost contingent upon # of people on board
- Definitely 4 people on board throughout entire trip
(Secretary-Judge Leinenweber-Secy Aide-Sr. Staffer)
- Possible others: Bill Tattersall
MSHA staffer
Labor Union Representative
National Labor Relations Board Rep
Tom Collins
Veterans' Rep(s)

Commerical Aircraft Problems:

- Security
- Availability
- Frequency
- Destination (no comm'l flights to Donetsk/6 hr train ride)
- Dependability (known for frequent cancellation of flights)

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

November 4, 1991

*Good thought!
I'll pass me
w/ NSC, etc.
Judy*

RECEIVED

NOV 04 1991

MEMORANDUM FOR ANDY CARD

FROM:

EDE HOLIDAY *gib for*

SUBJECT:

Domestic Event for Soviet Credit

The issuance of additional agricultural export credit guarantees to the Soviet Union provides significant benefit to U.S. farmers and should be announced on November 13 when the President speaks to the National Future Farmers of America convention in Kansas City.

Domestic reaction to additional credits for the Soviets will likely be mixed as non-farm state Democrats attack the President for:

- more excessive focus on foreign policy,
- helping the Soviets while Americans need help, and
- having too little assurance that the Soviets will actually repay the credits.

Their attack can be better blunted if the backdrop to the announcement accentuates the benefits to U.S. farmers. Details on the credits are still being worked with the Soviets and may preclude a November 13 announcement, but the concept of using the backdrop of American farmers is important emphasis that the credits serve a domestic benefit. The President should of course point out the credibility of Soviet repayment, but he should also emphasize that there are 27,000 jobs created for every \$1 billion in exports.

Conversations with NSC staff indicate such an approach is acceptable to them. Accentuating the benefits of American involvement abroad adds tangible weight to the philosophical argument that the U.S. must not become isolationist. This is just one example of how we can better meld foreign and domestic policies.

DECLASSIFIED

PER NSC WAIVER, IS00 2021-02

By Pum NARA, Date 05/13/25

1-2
AC HAS SEEN

THE WHITE HOUSE
WASHINGTON

November 15, 1991

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *for*
SUBJECT: Pension Benefit Guarantee Corporation (PBGC) List
of Top 50 Companies with the Largest Underfunded
Pension Plans.

The PBGC is planning on releasing their annual list of 50 companies with the largest underfunded pension plans on Monday, November 18. Underfunded plans increased by 50 percent between 1989 and 1990, going from \$14.2 billion to almost \$21.5 billion. The 50 firms had nearly \$86.3 billion in liabilities for benefits guaranteed by PBGC and just under \$64.8 billion in assets, or a funding ratio of 75 percent.

Attached is a copy of the press release as well as a list of the companies included on the top 50 list.

Attachment



NEWS

**Pension Benefit
Guaranty Corporation**

2020 K. Street, N.W.
Washington, D.C. 20006

FOR IMMEDIATE RELEASE

November 18, 1991

CONTACT: Judith E. Bekelman, Director
Communications & Public Affairs
or

Andy Gasparich
Public Affairs Specialist
(202) 778-8840

DRAFT

Top 50 List Shows Increased Underfunding

Pension underfunding in the Pension Benefit Guaranty Corporation's (PBGC) annual list of 50 companies with the largest underfunded plans increased by 50 percent between 1989 and 1990, going from \$14.2 billion to almost \$21.5 billion.

The 50 firms had nearly \$86.3 billion in liabilities for benefits guaranteed by PBGC and just under \$64.8 billion in assets, or a funding ratio of 75 percent.

While inclusion on the list does not mean a pension plan necessarily poses an immediate threat to PBGC or participants, half of the listed companies have pension plans with aggregate underfunding of \$11.2 billion that represent a possible or probable loss to the pension insurance fund.

"We must stem the increase in pension underfunding before we have a crisis," said PBGC Executive Director James Lockhart.

"Companies and their creditors need to recognize that pensions represent real debt. They should commit themselves to improve funding and pay off these debts to protect their workers and the pension insurance program. The Administration will be seeking legislative reforms, especially in the bankruptcy area, to give employers and their creditors incentives to better fund rather than terminate their pension plans," he added.

The airline, steel and auto industries continue to dominate the list, accounting for about 75 percent of the aggregate underfunding in both years.

-more-

PBGC Add One

Underfunding worsened among 37 companies on the list. However, the bulk of the increased underfunding, \$7.1 billion, is attributable to three firms--General Motors, Chrysler and LTV. In general, the reason for this overall deterioration in funding was that pension contributions and investment income fell short of benefit payments and increases.

Thirteen companies dropped off the list. Eastern and Pan Am's plans were terminated. The remainder either increased their funding levels or were crowded off by new entrants that experienced substantial increases in their underfunding.

The threshold for inclusion in the top 50 list jumped from \$32 million of underfunding in the previous list to \$47 million. If the old threshold had been used, the new list would have contained 67 companies.

This list only reflects underfunding for guaranteed benefits. In many cases there is also large underfunding for nonguaranteed benefits. In bankruptcy, PBGC has claims for these amounts, as well.

The reported underfunding for guaranteed benefits understates potential losses because funding of pension plans tends to deteriorate prior to termination. Financially pressed sponsors typically try to minimize their contributions by using the most advantageous interest rate, retirement age and mortality assumptions permitted by law. In addition, plan assets may be drained if worsening conditions lead to layoffs and plant closings that encourage early retirement and trigger subsidized or special benefits.

On the positive side, 11 companies on the list showed some improvement from last year. Also, some companies on the list have pension plans that are overfunded. However, only the aggregate of underfunded plans are included because PBGC has no claims on the excess assets in the overfunded plans.

Plan participants may determine whether their plan is underfunded by reviewing their employer's Annual Report of Employee Benefit Plans (Form 5500) or the Summary Annual report, which may be requested in writing from plan administrators.

-more-

PBGC Add Two

As last year, PBGC derived this year's list from a computerized data base (created by Standard & Poor's Compustat Service, Inc.) of corporate annual reports for fiscal years ending in 1990. PBGC supplemented the data base with information gleaned from Form 5500's and from Form 1's, which employers file with their premium payments. Subsequently, the companies were asked to verify the data.

The data was adjusted to reflect the interest rate PBGC would use if, in fact, the plans were terminated. The rate for this list and the previous list was 7.25 percent. Mortality assumptions were also adjusted to PBGC's mortality table. However, expected early retirement ages were not adjusted. Since the interest rates and methodology for these adjustments were the same in both years, the 1989 and 1990 lists are considered comparable.

PBGC is a federal agency created by the Employee Retirement Income Security Act of 1974 to guarantee payment of basic retirement benefits earned by American workers participating in private defined benefit pension plans. PBGC administers two insurance programs, which cover nearly 40 million workers in about 95,000 pension plans.

-30-

PBGC No. 92-07

TOP 50 COMPANIES WITH THE LARGEST UNDERFUNDED BENEFIT LIABILITY GUARANTEED BY PBGC

P.7
DRAFT

Company	Guaranteed Benefits Liability	Assets	Unfunded Guaranteed Liability	Funding Ratio
LTV CORPORATION ¹	\$3,387	\$204	\$3,183	6.0%
JESUP GROUP INC	132	27	106	20.3
CF&I STEEL	219	55	164	25.0
SHARON STEEL	213	64	150	29.9
BLAW-KNOX	106	36	70	34.2
LOEWS CORPORATION	239	101	139	42.0
KEYSTONE CONSOLIDATED INDUSTRIES	178	79	99	44.4
AMERICAN NATIONAL CAN	816	387	429	47.4
UNIROYAL-GOODRICH	826	392	434	47.5
BORG-WARNER CORPORATION	200	98	102	49.1
NEW VALLEY CORPORATION	640	336	304	52.4
HARNISCHFEGGER INDUSTRIES INC	161	86	75	53.2
BRIDGESTONE-FIRESTONE	510	279	231	54.7
NATIONAL INTERGROUP INC	648	378	270	58.3
ACF INDUSTRIES	149	89	59	60.0
CHRYSLER CORPORATION	8,415	5,087	3,328	60.5
TENNECO INC	368	224	144	60.8
PAINE WEBBER GROUP	125	78	47	62.1
AMERICAN FINANCIAL CORPORATION	150	93	56	62.3
CARTER HAWLEY HALE STORES	158	98	59	62.3
BUDD	490	312	178	63.7
PHELPS-DODGE CORPORATION	167	116	51	69.3
CYCLOPS INDUSTRIES	341	238	103	69.7
BETHLEHEM STEEL CORPORATION	4,555	3,254	1,301	71.4
ROCKWELL INTERNATIONAL	643	461	182	71.8
WHITE CONSOLIDATED INDUSTRIES	227	170	57	74.9
REYNOLDS METAL COMPANY	542	416	126	76.8
JAMES RIVER CORPORATION	263	204	59	77.5
NAVISTAR INTERNATIONAL	2,481	1,945	536	78.4
UAL CORPORATION	431	344	87	79.7
VARITY CORP	284	227	57	80.0
ALLEGHANY LUDLUM	361	292	69	80.8
NORTHWEST AIRLINES	432	355	78	82.0
GOODRICH (BF) COMPANY	533	441	92	82.7
GENERAL MOTORS CORPORATION	42,034	34,889	7,145	83.0
MAXAAM INC	682	567	114	83.2
RAYTHEON COMPANY	514	428	86	83.3
WEYERHAEUSER COMPANY	453	379	73	83.8
WESTINGHOUSE ELECTRIC CORP	4,327	3,635	692	84.0
HONEYWELL INC	379	319	60	84.2
KIMBERLY-CLARK CORPORATION	341	287	54	84.2
TRANS WORLD AIRLINES ²	1,251	1,061	190	84.8
DANA CORPORATION	533	458	76	85.8
GOODYEAR TIRE & RUBBER COMPANY	1,083	933	150	86.2
DEERE & CO	1,039	911	128	87.7
ARMCO STEEL LP	622	556	66	89.4
ALLIED SIGNAL	1,287	1,199	88	93.1
ARMCO INC	797	743	54	93.2
TEXTRON INC	730	681	49	93.3
NATIONAL STEEL CORPORATION	829	779	50	94.0
TOTALS (in millions)	\$86,287	\$64,788	\$21,499	75.1%

¹ LTV - Includes three plans restored by Supreme Court decision of June 1990.

² TWA - (Footnote to be added by DB and CFND)

Underfunding in pension plans guaranteed by PBGC is a measure of exposure for the pension insurance program, but is not necessarily an indicator of the ultimate loss should a plan terminate. Experience has indicated that the PBGC's losses after a plan terminates often exceeds these estimates. The list does not include non-guaranteed benefits or potential recoveries by the PBGC upon termination. This list makes no implication as to the financial condition of the companies. Liabilities have been adjusted to PBGC's assumptions at time of evaluation (7.25% and UP-84 mortality table); and excludes, whenever identified to the PBGC, plans sponsored outside the U.S. and domestic non-qualified plans. Totals may not add due to rounding.

Sources: Standard & Poor's Compustat Services, Inc. of 1990 annual report data, 1988 IRS Form 5500 and 1990 PBGC Premium Payment files.

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

DATE: October 2, 1991

TO: Governor Sununu

FROM: **EDE HOLIDAY**
Assistant to the President
and Secretary of the Cabinet

This is the statement we discussed concerning Allan Bromley's EPC/DPC status. We normally invite him to all EPC and DPC meetings and afford him the opportunity to sit at the table whenever there is an issue that relates to his area of expertise. Until last week, we were unaware that the attached memo existed.

|| The question that I have is whether the President intends to include him as a full member of the EPC and DPC and therefore afford him the opportunity to review EPC/DPC papers, and participate in EPC/DPC policy development? I would appreciate your guidance on this.

Attachment

*Treat as a full member.
I spoke w/ Ede
and Gary B. -
pulls: treat as full
member for paper!"
HHC.*

EPC 7/15

1.

THE WHITE HOUSE
WASHINGTON

October 31, 1989

MEMORANDUM FOR HEADS OF DEPARTMENTS AND AGENCIES

SUBJECT: Assistant to the President for Science and
Technology and
Director of the Office of Science and Technology
Policy

On October 13, 1989, in the Oval Office, Dr. D. Allan Bromley was formally sworn in as Assistant to the President for Science and Technology. Dr. Bromley also serves as Director of the Office of Science and Technology Policy (OSTP).

The elevation of the Science Advisor to the status of Assistant to the President reflects the President's keen awareness of the importance of science and technology to U.S. competitiveness, national security, and economic health. Dr. Bromley is an important source of scientific and technical counsel for the President.

Dr. Bromley serves on the Economic Policy Council, the Domestic Policy Council, and the Space Council and will work closely with the National Security Council and the Competitiveness Council on matters relating to science and technology.

Dr. Bromley looks forward to working with the departments and agencies on a wide range of scientific, technological and educational issues.


John H. Sununu
Chief of Staff to the President

AC HAS SEEN

THE WHITE HOUSE
WASHINGTON

October 30, 1991

I will discuss
w/ Ede & JHS,
Andy

MEMORANDUM FOR ANDY CARD

FROM:

EDE HOLIDAY *REP for*

SUBJECT:

Possible DPC Meetings in the Next Two Months

There are a number of substantive issues the DPC could discuss in the coming months, but bringing these projects to fruition may, in some cases, require that you and the Governor support Cabinet consideration of these issues.

Involving the Cabinet in substantive debate motivates them to work harder to implement the President's policies -- it spreads ownership of ideas around to the whole team. If Cabinet members feel cut out of the decision-making process by White House staff, they may react to that policy with inaction or quiet opposition.

The DPC can be used to develop or reinforce the President's message in the coming year. For instance, the President argued powerfully last week for Congressional reform to bring government closer to the people. We could reinforce that theme -- bring government closer to people -- by developing a series of initiatives in other areas that accomplish the same end. Note that several initiatives discussed below would fit that theme.

I feel it is very important that the DPC become more active. The following issues are ripe for DPC review. I look forward to your guidance on how the DPC can best serve the President.

1. Status of Domestic Policy Agenda: At the end of the current Congressional session, the DPC could convene to discuss the status of the President's initiatives in Congress and to discuss priorities for the coming session. This meeting could be scheduled at the President's convenience in November.
2. Drug Control Strategy IV: Under the current timeline, the new drug control strategy will be ready for presentation to the Cabinet and the President by the first week of December.
3. Job Training 2000: Last Spring, the DPC and the Competitiveness Council created the Job Training 2000

Working Group with Secretary Martin chairing the effort. A draft options paper has been developed in coordination with OMB, OPD, OVP and the Department of Labor. This paper still needs to be circulated to other Departments, many of which will have serious concerns about the proposals that dramatically affect their turf.

Before bringing this paper to the Cabinet, Secretary Martin should convene a working group meeting to assure that the final paper reflects the views of every Department. Labor has not yet scheduled that meeting.

If you give me the authority to schedule a DPC meeting in November, I can use that deadline to force a working group meeting and to cut off debate about the paper. Timing for this meeting depends on strategic decisions about when the President would like to launch a job training initiative.

4. Economic Empowerment Task Force: We are meeting with Secretary Kemp Wednesday afternoon to review ideas for initiatives that will create more incentives for people to help themselves. HUD has moved slowly on developing these ideas, complaining that this project is not an Administration priority. Requesting new initiatives and setting a deadline for Secretary Kemp would be one way to energize this Task Force.
5. Service Integration: A subgroup of the Economic Empowerment Task Force has been developing proposals for integrating services provided to low-income people. The group has discussed ideas ranging from proposing one set of eligibility rules for all programs -- a modern-day Napoleonic Code -- to setting targets for reducing and consolidating categorical programs.

This effort has suffered from not having a high-level advocate or sponsor. Although it is under Secretary Kemp's Task Force, he is lukewarm to the project. Nevertheless, these ideas could be quickly pulled together into an options paper for the DPC to discuss, if you identify this project as a priority.

6. America 2000 Education Strategy: More than 30 States will sign on to the strategy by the end of the year. Education is developing a strategy for sustaining momentum for reform next year -- what they call "phase II" of the strategy. Phase II will require continued Cabinet involvement.

Education could be asked to prepare this strategy and present it to the Cabinet for discussion in the next three weeks. Education may prefer to move along a slower timeline and present a finished strategy later in December.

7. Track III of America 2000: Education and Labor have been working together to develop ideas for implementing Track III of the education strategy -- Today's Work Force: A Nation of Students. Education and Labor could be asked to bring these ideas to the DPC for discussion by the full Cabinet.
8. School Discipline: DPC staff have proposed that Education convene the Education Policy Working Group to consider reforms to federal laws that hinder the imposition of discipline in schools. Principals are now routinely sued for everything from searching lockers for drugs, to imposing dress standards and suspending dangerous students.

There are a number of ways the Administration could help enhance the authority of principals and increase discipline in schools. Education could develop these ideas into an options paper and bring the issue to the DPC for consideration.

9. Weed and Seed: The Department of Justice is currently negotiating with OMB over funding for this new initiative in the FY '93 budget. Weed and seed would coordinate and target law enforcement and social services in certain areas to make each more effective. A test of this coordinated service concept is under way in Philadelphia.

Although this idea was developed by Justice, other agencies -- particularly HHS and HUD -- will have to cooperate to make the project work. Justice could be asked to prepare a paper on the concept for the DPC to discuss and to forward to the President for consideration. OMB might oppose DPC consideration of this issue.

10. Barriers to Affordable Housing: HUD's "Not In My Backyard" (NIMBY) report detailed the cumulative impact regulations have on the supply and cost of housing. Some of these regulations are promulgated by other agencies. HUD could be asked to develop a presentation setting out plans for how the report should be implemented and identifying which regulations should be changed.
11. Tort Reform to Lower Insurance Costs: The high cost of litigation is a major factor in spiraling insurance rates for everything from auto to health insurance. Consumers are locked into this system by state laws and regulations that prohibit parties from waiving their rights to sue in exchange for lower insurance premiums.

Consistent with the Administration's proposals for Product Liability Reform, Medical Malpractice Reform and Civil Justice Reform, the DPC could be tasked with developing a

paper proposing options for reforming tort laws and enforcing contracts to lower insurance rates for consumers.

12. Amending the Montreal Protocol: The U.S. is phasing out the use of ozone depleting CFCs faster than is required by the Montreal Protocol. In light of the evidence released last week indicating the ozone is being depleted faster than expected, the U.S. could develop new proposals for speeding the target dates in the Protocol for phasing out CFC use.

U.S. industry has moved more quickly than the foreign competition in finding and using substitute chemicals and processes. Taking the offensive on this issue might be to the advantage of the U.S., unlike other environmental issues. The Environmental Policy Review Group could be tasked with developing options for responding to the new information about CFCs that the Cabinet could consider.

13. Health Reform: At some point in the process, the DPC should discuss possible health reform options with the President. Just as the President has benefited by publicly discussing the current economic difficulties, he would benefit from a Cabinet debate about this highly politicized issue.
14. Veterans/Defense/HHS Overlap: Tom Scully is leading a working group developing options for reducing the overlap and increasing the coordination among these agencies. This is a good government issue that may have some political downside with Veteran groups. However, we could push the process and bring options to the Cabinet for consideration, if it is timely to do so.

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

October 23, 1991

MEMORANDUM FOR ANDY CARD

FROM: GARY BLUMENTHAL *Gary*
SUBJECT: Environmental Enforcement Reports

Both the Department of Justice and the Environmental Protection Agency are preparing to release their 1991 reports on enforcement of environmental laws. Each report highlights the significant success the Administration has achieved in environmental enforcement (measured primarily in terms of the millions of dollars in criminal and civil fines imposed).

Some have suggested that this is additional proof of the President's commitment to protecting the environment and that the news should be released by the White House. There also is sensitivity to the image of businesses during difficult economic times further hampered with large criminal and civil fines arising from government regulation. I would be interested in your views.

I think I can guess your response!

*gary-
I feel that
the reports should be
release from DOJ and EPA.
If there is benefit, the WH
can issue a complementary
statement.*

*Andy
10/29/91*

AC HAS SEEN

THE WHITE HOUSE
WASHINGTON

October 23, 1991

MEMORANDUM FOR ANDY CARD

THROUGH: RICHARD PORTER *RJP*
FROM: JAY LEFKOWITZ *JL*
SUBJECT: Auto Insurance\Tort Reform

The concept has not been reviewed by Gov. S. - It should be soon and before any further action. The Tentative Schedule should probably ship. Hardy 10/28/91

During the past few weeks, the DPC staff has discussed the proposed auto insurance\tort reform idea with several members of the Cabinet and the Senior Staff. There was a great deal of interest in putting together a small, informal working group to look at this matter more closely and recommend a course of action.

This memo sets forth a tentative schedule for such a review. We would anticipate a fast-track review by a small working group, with a target date of December 6 for an options paper to the President.

The working group should include representatives from the Departments of Justice, Transportation and the Treasury. In addition, EOP members should include representatives from OPD, CEA, OMB, Public Liaison, Intergovernmental Affairs and White House Counsel. We recommend that Assistant Secretary of Treasury Powell lead the working group to assure that this plan is consistent with the Administration's broader insurance strategy.

Tentative Schedule

Week of November 4:

First meeting - with Professor Jeffery O'Connell of Virginia Law School. He originated this idea and drafted the model legislation. He has also discussed this proposal with several insurance companies, state legislators and consumer groups.

Weeks of November 11 and 18:

Meetings with representatives of several auto insurance companies, state and local government officials and consumer groups. It will be important to gauge their level of support for this proposal. Bobbie Kilberg and Debra Anderson should be consulted about whom to contact from each group.

Week of November 25:

DPC meeting to review options paper prior to presenting it to the President.

Week of December 2:

Submit options paper to the President.

THE WHITE HOUSE
WASHINGTON

p.l.
AC HAS SEEN

DATE: October 18, 1991

TO: Andy Card
Janet Hale
Steve Hart

FROM: J. FRENCH HILL 
Special Assistant to the President and
Executive Secretary to the
Economic Policy Council
Room 228, OEOB, x7968

Per your request, please find attached the additional views of Treasury on the Kennedy Amendment to the RTC bill.

RECEIVED

OCT 21 1991



DEPARTMENT OF THE TREASURY
WASHINGTON

ASSISTANT SECRETARY

October 16, 1991

MEMORANDUM FOR: Economic Policy Council

FROM: Jerome H. Powell
Assistant Secretary
(Domestic Finance) *JHP*

SUBJECT: The Kennedy Amendment to the RTC Refinancing Act of 1991: Its Prospects and Its "Paygo" Implications

The Prospects of the Kennedy Amendment:

- o The House Subcommittee on Financial Institutions voted 20-16 to send the RTC refinancing and restructuring bill, **including the Kennedy Amendment**, to the full Banking Committee.
- o A substitute bill, offered by Congressman Wylie and which included all amendments voted for by the subcommittee except the Kennedy Amendment, had previously been defeated by a vote of 16-18.
- o As the bill goes to the full Banking Committee, we will do everything possible to eliminate the Kennedy Amendment from the bill.

The Provisions of the Kennedy Amendment:

- o The amendment eliminates the provisions of the Administration's bill that provide \$80 billion in additional loss funds to the RTC and extend its cap on working capital to \$160 billion from \$125 billion, both of which are needed to complete the job of resolving failed thrifts.
- o The amendment authorizes the appropriation of \$20 billion in additional loss funds to the RTC. The Appropriations Committee would have to vote to appropriate these funds.
- o The amendment provides that any loss funds in addition to the \$20 billion must be provided on a "pay-as-you-go" basis by requiring the President and Congressional leaders to develop a plan, acceptable to Congress, to pay for the remainder of the losses over not more than five years, without increasing the public indebtedness of the United States.
- o The amendment restores FIRREA's \$125 billion note cap on working capital.

Implications of the Kennedy Amendment:

- o The "paygo" nature of this amendment violates the bipartisan budget agreement reached in 1990. That agreement by the leaders of both parties and the Administration specifically stated that deposit insurance commitments are mandatory spending and should not be subject to offsetting revenues or spending cuts.
- o Providing \$20 billion now and the balance after a new leadership agreement that the Congress might not support would result in a costly stop and start resolution process.
- o The \$20 billion in authorized loss funds would not be available immediately upon passage of the RTC Refinancing Bill. The funds would still need to be appropriated which would result in a costly delay of the resolution process.

The Administration's bill avoids the delays of an additional appropriations process by stating directly that the Secretary of the Treasury shall provide the \$80 billion in additional loss funds to the RTC.

- o It is the view of the Justice Department that the Kennedy Amendment raises questions concerning Constitutional separation of powers principles; however, Justice has not said that it violates the Constitution.

(1)

KENNED080

[Amdt. #1]
[9-26-91]

AMENDMENT TO H.R. ____
OFFERED BY MR. KENNEDY

Page 1, strike line 7 and all that follows through line 19 and insert the following new section (and redesignate subsequent sections accordingly):

1 SEC. 102. TERRITORY RESOLUTION FUNDING PROVISIONS.

2 (a) IN GENERAL.--Section 21A(i) of the Federal Home Loan
3 Bank Act (12 U.S.C. 1441a(i)) is amended by adding at the end
4 the following new paragraphs:

5 "(3) ADDITIONAL INTERIM FUNDING.--In addition to
6 amounts appropriated under paragraph (2), there is
7 authorized to be appropriated to the Corporation for
8 fiscal years beginning after fiscal year 1991 not more
9 than \$20,000,000,000 to carry out the purposes of this
10 section.

11 "(4) CONDITIONAL AUTHORITY.--No amount is authorized
12 to be appropriated to the Corporation under any provision
13 of law other than paragraph (3) unless--

14 "(A) the President submits to the Congress a
15 plan which has the agreement of the Speaker of the
16 House of Representatives, the Majority Leader and the

KENNED080

2

1 Minority Leader of the House, the President pro
2 tempore of the Senate, and the Majority Leader and
3 the Minority Leader of the Senate to finance the
4 losses incurred by the Corporation after the date of
5 the enactment of this paragraph;

6 "(B) the plan submitted--

7 "(i) provides for the payment of such losses
8 over a period of not more than 5 years beginning
9 on the date of the plan is implemented; and

10 "(ii) allows no increase in the public
11 indebtedness of the United States after the end
12 of such period with respect to such payments; and

13 "(C) the plan is submitted to the Congress not
14 less than 30 days from the date on which the
15 Comptroller General of the United States reports to
16 the Congress that the Corporation
17 will be unable to meet losses."

KENNED080

[Amdt. #1]
[9-26-91]

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KENNED080

2

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14 less than 30 days from the date on which the
15 Comptroller General of the United States reports to
16 the Congress that the Corporation
17 will be unable to meet losses."

OCT- 8-91 TUE 15:33 OPD

P.02

(JUSTICE VIEWS ON KENNEDY AMDT. TO HR 3435)

The proposed amendment to H.R. 3435 would create a funding mechanism for the RTC that would be triggered by a report to Congress by the Comptroller General, stating that the RTC would be unable to meet losses. No funding would be authorized to be appropriated to the RTC unless, thirty days after such a report, the President submitted a plan that met certain specified criteria and that had the agreement of designated members of Congress, including the Speaker and Majority and Minority Leaders of the House of Representatives and the President pro tempore and Majority and Minority Leaders of the Senate.

Assuming that the need for authorization for funding for the RTC is not a matter of internal congressional procedure, the involvement of the congressional leadership and of the Comptroller General (an agent of Congress) in the President's submission of the prescribed plan for paying for RTC losses would violate separation of powers principles. Congress may not take action to alter the legal rights, duties, and relations of persons outside the Legislative Branch -- including the President -- other than by the procedures for enacting legislation specified in Article I, section 7. Moreover, the legislation would unduly burden the President's power and discretion under Article II, section 3, to submit such legislative recommendations "as he shall judge necessary and expedient."

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

September 26, 1991

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: EDE HOLIDAY

SUBJECT: UNCED Preparations

As you already know, the international preparations for the U.N. Conference on Environment and Development are not proceeding well. To ensure the U.S. is well positioned to avoid damage caused by that disarray -- and to limit the risks of a disastrous conference in Rio next June -- focussed effort is required now.

I suggest that you meet with General Scowcroft, Roger Porter and Bob Zoellick to clearly define the roles and responsibilities of each.

I propose the following allocation of responsibility:

- o Bob Zoellick should be assigned the role of Chief Operating Officer. He should be responsible for developing a strategy for lining up other countries behind our objectives for the UNCED.
- o Roger Porter, as chairman of the EPRG, should be assigned the role of monitoring the progress toward our goals. Bob Zoellick could meet periodically with the EPRG to review his strategy and to report on progress.

I have attached talking points for your use in a meeting with the key players on this issue. I will schedule the meeting at your request.

THE WHITE HOUSE

WASHINGTON

Suggested Talking Points:

- o Reports about the latest United Nations Conference on Environment and Development (UNCED) Preparatory Committee (PrepCom) meeting, recently concluded in Geneva, are quite disturbing.
- o I understand that the other participating countries have put the PrepCom process seriously off-track, both from a political and substantive standpoint. The international community seem to have dramatically different agendas, many of them at odds with the recently-signed London Declaration.
- o Most disturbing is the UNCED Secretariat's view that the conference can usher in a new world order, one in which the U.S. and other industrialized countries will be looked to for a far greater financial contribution to the rest of the world.
- o Because this international process is in apparent disarray, we must have a clear set of objectives for UNCED and closely monitor the UNCED planning process.
- o My fear all along is that UNCED could end up a failure, with the U.S. being blamed. The consequences of UNCED will fall directly on the President, so I want to clearly establish who is responsible for managing the process to get the best possible result.
- o I understand that Bob Zoellick recently met with the Environmental Policy Review Group, which is chaired by Roger Porter, to discuss UNCED and begin to plan a negotiating strategy.
- o I want Bob to take the lead in planning for UNCED, and to meet with the EPRG regularly for briefings and policy decisions.

CREATE A NEW FILE CALLED

"CABINET AFFAIRS"

**Document Originally
Attached to
Following Page**

10.7.91

Cabinet Affairs

10/7/91

A. Card

- > CEO mtg. 10 CEO's plus
- Brady
 - Moskacher
 - Sumner
 - Boskin
 - Darnman
- ? post meeting press.

> Cabinet mtg. 90 min.

> SuperCollider
Jay Stone

Private company/Japan Gov't.
all corporations from "all countries"
have had the opportunity to
invest.

GOJ contact

Bromley
Watkins

EPC mtg. Brad
Darnman
Porter
Boskin
Moskacher

} mtg today to
review paper

^{Wash.}
Saturday Post / NY Times -

- regulatory changes (balanced)
- Congressional inaction on Growth Package
Nominees

DPC update

Banking Reform Bill status?

10/7/91

DOMESTIC POLICY COUNCIL
WEEKLY ISSUES UPDATE
October 3, 1991

<u>Issues</u>	<u>Target Date</u>	<u>Contact</u>
<u>HEALTH POLICY WORKING GROUP:</u>		
1. Health Care Reform		DB
- Sullivan Seminars	ongoing	
- Last Health Deputies Meeting	6-28	
- Meeting with Connie Horner	7-16	
- Meeting with Governor Sununu	9-??	
<u>EDUCATION POLICY WORKING GROUP</u>		
		DB
- America 2000 announced	4-18	
- Last working group meeting	5-3	
- DPC with the President	5-9	
- Meeting with Michael Jackson	10-7	
- Next working group meeting	10-9	
<u>CHILDREN'S WORKING GROUP</u>		
		JL
- Charter drafted	10-31	
- Discussion with Gerson and Farringer	3-1	
- Meeting with Joanne Barnhart	7-26	
<u>DRUG STRATEGY</u>		
		JL
- Next Working Group meeting	10-15	
- Follow-on Working Group meeting	10-22	
<u>JOB TRAINING 2000</u>		
		JL
- Charter drafted	12-13	
- Last Perf. Standards Subgroup meeting	6-11	
- Last Market Alts. Subgroup meeting	7-11	
- Meeting with Bob Jones	10-7	
- Briefing by General Crosby Saint	mid-Oct.	
<u>WETLANDS TASK FORCE:</u>		
1. Wetlands Initiative		JF
- Delineation Manual completed	8-1	
- Policy paper submitted to President	8-1	
- Policy announced	8-9	
- Implementation Meeting	10-4	

ECONOMIC EMPOWERMENT TASK FORCE:

JL

- DPC meeting with the President 6-20
- Distributional Analysis Report finished 6-26
- Last Working Group meeting 7-2
- Memo to POTUS revised 7-31
- Full Task Force meeting 8-8

BORDER SECURITY REVIEW GROUP:

1. Border Control T.F. Recommendations

JL

- Last Working Group meeting 5-28
- Meeting with Bill Corcoran 9-11

ENVIRONMENTAL POLICY REVIEW GROUP:

JF

- Last EPRG meeting 9-17
 - Briefing on UNCED Prepcom
- Future meetings
 - Mtg. to identify future agenda items

GLOBAL CHANGE WORKING GROUP:

JF

- Intergovernmental Negotiating Committee meeting 6-19
- Next Global Change Strategy TF Meeting 10-9

UNCED STEERING GROUP:

JF

- Last Meeting of Steering Group 5-23
- Small group meeting 8-6
- General Environmental Fund meeting 10-7

SUPERFUND TASK FORCE:

JF

- OMB, CEA, OPD to review data
- EPRG Subgroup meeting 5-23
- Briefing by EPA Group 9-19

INSURANCE REFORM:

JL

- Meeting with White House staff 5-8

VETERANS HEALTH CARE COORDINATION:

Working Group

- Meeting with Principi, Scully 7-23
- Veterans Health Care Coord TF meeting 10-4

DB

PENDING ISSUES:

1. Race Norming
 - Meeting with Secretary Martin and Boyden Gray about the GATB. 7-29 JL
 - Meeting with WH staff to review status of Labor regulation 9-13
2. HUD NIMBY
 - Weicher will provide first cut 10-10 DB

CURRENTLY INACTIVE WORKING GROUPS:

Agent Orange Task Force
Children and Family Policy Working Group

UPCOMING DPC MEETINGS: None scheduled

> Beck implementation

> EEOC/DOJ/DOL guidelines on disparate impact.

THE WHITE HOUSE

WASHINGTON

October 9, 1991

MEMORANDUM FOR THE PRESIDENT

FROM: ANDY CARD 
SUBJECT: Job Training

The Mayor of Louisville described to you a pilot program called the Louisville Education and Employment Partnership. It receives federal, local and private funding, and is designed to link increased school attendance to greater opportunity in the workplace. Students who participate in the Partnership sign an agreement indicating a willingness to achieve a 95 percent attendance in school, improve grades and meet employer expectations. In return, the Partnership places career planners in each of the public high schools to help students find meaningful part-time and full-time jobs. Thus far, students in the Louisville Partnership have achieved an attendance rate of over 90%; grade point averages in English and math have risen; and the dropout rate has declined substantially.

The job training component of the Louisville Partnership incorporates several of the more successful components of the Job Training Partnership Act (JTPA). These key elements include:

- Active business involvement through Private Industry Councils (PICs);
- Flexibility for PICs to tailor local programs to the needs of the community and local labor market;
- Performance standards to focus programs on outcomes and achievement rather than on inputs.

Most job training is financed privately, either by individuals or companies. Still, job training is one of the federal government's most substantial domestic commitments. We spend approximately \$18 billion per year on over 100 employment and training programs, including JTPA, JOBS, Job Corps, Vocational Rehabilitation, Adult Education, Student Grants and Loans, and the Employment Services. Over 15 million Americans currently receive some federal assistance for job training.

There is room, however, for improvement in the delivery of job training services. Too many programs are administered by too many agencies, and many of these programs lack any performance or outcome based standards. Secretary Martin is chairing a joint Domestic Policy Council and Competitiveness Council working group which is studying this issue.

THE WHITE HOUSE

WASHINGTON

October 2, 1991

h.c.

AC HAS SEEN

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *EH*

SUBJECT: Auto Insurance

Here's another article highlighting the political potential of our auto insurance plan. My staff is continuing to quietly consult with outside experts and will be meeting with Secretary Skinner on Monday to brief him on the idea.

attachment

Economic Scene

Peter Passell

No-Fault Rises From the Ashes

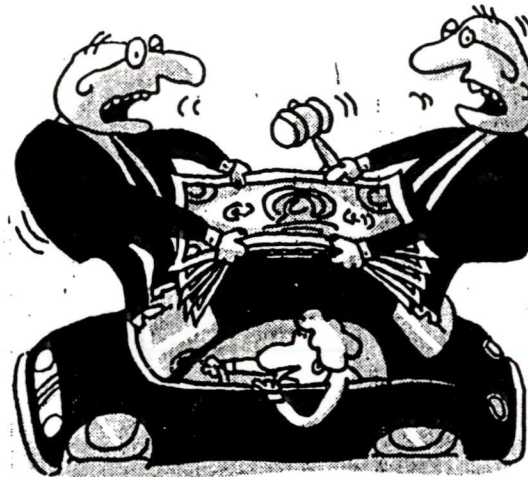
THE high price of auto insurance got you down? Join the throng. Premiums rose at three times the rate of inflation in the 1980's. And in many states — most recently, New Jersey — politicians and voters have declared war on insurers, demanding that they charge less than the market will bear.

Squeezing the insurers might work, argues Jeffrey O'Connell, a University of Virginia law professor and an early champion of "no fault" insurance. But not for long. The right point of attack on insurance inflation, Professor O'Connell says, is its bloated underbelly — the 13 cents of every insurance dollar spent fighting over legal liability in accidents, along with the 23 cents awarded a tiny minority of victims for pain and suffering.

His latest fix is a variation on no-fault insurance, which has generated disappointingly modest savings in the past. But the O'Connell plan offers a distinction with a big difference — one that could cut average premiums by a whopping 30 percent, yet preserve the rights of those determined to have their day in court.

The prime reason auto insurance is expensive is that accidents are expensive. "Cars cost a lot of money to repair," Professor O'Connell points out, "and so do humans."

Fiercer regulation might force the most torpid insurers to trim costs and the most efficient to settle for smaller profits. But there simply is not enough fat in auto insurance, he says, to pacify long-suffering policyholders: According to a 1990 study by McKinsey & Company in San Francisco, increases in insurers' administrative costs and insurers' earnings have actually trailed inflation.



Nicolae Asciu

The practical alternative, Professor O'Connell argues, is to allow drivers to protect their incomes and property without relying on the hit-and-miss justice of the tort liability system.

That is what no-fault has always been about: accident victims are compensated for tangible losses without regard to fault, and can go to court for more only if they pass a threshold of severe injury. But Professor O'Connell notes that no-fault has not fully delivered on its promise to save money because the barriers to suits can still be breached by determined plaintiffs. And once breached, the rewards of going to court can be very, very large.

Under the system proposed by Professor O'Connell, drivers would have the choice of sticking with liability insurance-as-usual. But they could opt for much cheaper no-fault policies. These would guarantee compensation for economic losses up to the limits of the coverage, while eliminating the biggest bonbon in the trial lawyers' candy box, the right to collect for pain and suffering.

In any accident that involved at least one driver with old-style insurance, the old liability rules

would apply. Where both parties carried no-fault, however, they would make claims against their own insurance carriers for medical bills, damaged property and lost wages. Victims would still be able to sue for economic losses — but only losses beyond the limits of their own policies.

If, as Professor O'Connell expects, 90 percent of drivers choose the no-fault option, the savings on bare-bones coverage would range from an estimated 56 percent in Arizona to a spectacular 70 percent in Chicago. Even drivers who choose to sheath themselves in hundreds of thousands of dollars' worth of no-fault protection could expect to save 30 percent.

Who could object to a reform that simply gave drivers the chance to waive their rights to sue for intangible losses? Start with trial lawyers. Some no-fault cases would still get to court, as victims sought compensation beyond their coverage limits. But with pain and suffering out of the picture, multimillion-dollar paydays would be only a memory for the trial bar.

Then there are consumer lobbies. Some consumer groups do support no-fault — in California, they stand behind a tough no-fault reform initiative. But Ralph Nader, the godfather of consumerism, wants no part of any change giving drivers a financial incentive to limit their rights in court.

The one state effort to get voters to approve an O'Connell-style no-fault system went down in flames last year in Arizona. Professor O'Connell says the best hope for giving drivers a choice lies in Washington, where trial lawyers have less influence and politicians are searching for ways to please Joe and Josie Sixpack without raising their taxes.

Conservatives are leery of Federal legislation requiring states to do anything in particular about auto insurance. But a law that merely insisted that drivers be given a choice ought to be more palatable — and would certainly mesh with the Bush Administration's drive to streamline liability laws.

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

September 26, 1991

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY 
SUBJECT: Auto Insurance Reform

The attached editorial from Tuesday's New York Times endorses consumer choice no-fault as an "instructive" and "promising approach" to auto insurance reform. While pointing out the failure of New Jersey's "weak no-fault insurance law," which permits lawsuits for all costs and losses over \$200, the Times gives support to Pennsylvania's law, which gives consumers a choice between cheaper policies with a tight lid on suits, or more expensive suits with greater freedom to sue.

The proposal we have been looking into is a better reform than the Pennsylvania law. Although Pennsylvania endorses the idea of consumer choice, the choice is actually between a full tort option and a limited tort option -- not a no-fault option. Moreover, Pennsylvania forces insurance companies to shift some of the savings from those motorist who opt into the limited tort system to those who retain all of their litigation rights. The difference in savings under the two options is just 12%, which provides only a moderate incentive to opt into the system, and the maximum savings is only 22%. Under the plan we have discussed with you, preliminary information from insurance companies suggest savings of approximately 20%-50%, depending upon how many drivers choose true no-fault.

Attachment

Break the Gridlock Over Car Insurance

New Jersey's drivers have been paying the nation's highest auto insurance premiums. Gov. Jim Florio promised to cut them, and did. But the Allstate Insurance Company and several others say they're losing money, and want out.

Rising premiums are a nationwide aggravation. But something is plainly wrong in New Jersey. It's not clear who's at fault. But one way to break the gridlock may be to look at other states. Pennsylvania and Michigan offer instructive models.

The insurers' critics blame greed and inefficiency for the national trend to higher rates. The companies blame higher repair and medical costs, lawyers' fees and jury verdicts. In New Jersey they also cite the density of population, highways and cars, and high rates of accidents and theft.

Allstate insures 435,000 New Jersey cars — far more than anyone else. It says it has lost money on them for years. Governor Florio says Allstate's accounting is wrong, and that the company is doing fine. But this is more than a battle of bookkeepers.

New Jersey adopted a weak no-fault insurance law in 1972 that still let people sue for costs and losses over \$200. Later reforms made matters worse. By the time Mr. Florio arrived, a state-run

company for supposedly uninsurable drivers was insuring half the state's drivers at artificially low rates, and had run up a \$3 billion deficit.

Mr. Florio got a better no-fault law and shut down the state-run insurer, but imposed some conditions insurers don't like. For example, premiums must be based primarily on a driver's record rather than on such traditional criteria as age, sex and where the driver lives.

Michigan is widely regarded as having the best no-fault law. It requires fairly generous awards for actual costs. But it permits lawsuits only if a person dies or is seriously impaired. Pennsylvania has another promising approach: consumers may choose between cheaper policies, with a tight lid on suits, or more expensive policies and more freedom to sue. Other states — New York among them — are known for effective and fair regulation. Still others have problems like New Jersey's.

Allstate's withdrawal from New Jersey will be gradual; it must continue to operate until all its policyholders have new coverage. But the pullout of a major insurer, other smaller insurers and maybe more says at least that the state should review the gains and losses from its new law.

1.6
AC HAS SEEN

THE WHITE HOUSE

WASHINGTON

September 30, 1991

MEMORANDUM FOR ANDY CARD
BOYDEN GRAY
CONSTANCE HORNER

FROM: EDE HOLIDAY 
SUBJECT: Steve Bransdorfer

Steve Bransdorfer, Deputy Assistant Attorney General for the Civil Division, is one of three candidates for judicial appointment to the District Court in the Western District of Michigan. I expect that his candidacy will be reviewed here in the White House in the next few weeks.

I just wanted to reaffirm my strong support for Steve's candidacy based on several factors.

- He served as our local counsel in the cases brought in Michigan to sustain our position in the Michigan delegate-selection process. This was at a time when the outcome was far from clear and when his early sustained support was of enormous help to us in the local courts.
- I understand that Governor John Engler will be weighing in on his behalf as well.
- Of the three candidates, I am told that he is held in the highest professional regard in Michigan.
- I am also told by Justice Department officials that he did well in the interviews.

f.6

THE WHITE HOUSE
WASHINGTON

September 9, 1991

AC HAS SEEN

MEMORANDUM FOR THE SENIOR STAFF

FROM: EDE HOLIDAY *CH*
SUBJECT: Fall Issues Review

Once again we are preparing for our seasonal meetings with senior staff members from the major departments and agencies to discuss their fall issue reports for 1991. This round of meetings will cover activities during the period from September 15 through December 31.

In order to make scheduling and attendance easier on all White House participants, we are circulating the attached tentative schedule of meetings so that you can plan accordingly. A final schedule of meetings will be distributed with the complete set of department and agency reports on September 19.

As in the past, we have tried to schedule two 1-hour meetings each morning in the Roosevelt Room except for those mornings where Congressional leadership meetings or major Presidential events have already been scheduled. In most cases, the Deputy Secretary, the Chief of Staff, and the Director of Public Affairs from a department or agency have been asked to attend and present us with the major issues, problems, and events that are likely to appear in the next three months. The meetings have consistently provided us with an opportunity to plan and coordinate our activities with the major departments and agencies, and your participation has helped make these very worthwhile exchanges.

If you have any questions or wish to alert us to any significant scheduling problems, please contact Shane Schriefer in the Office of Cabinet Affairs (x2800).

Attachment

September-October 1991

September 23 10:00am Meeting time available 11:00am Meeting time available	MONDAY 10:00am Department of Agriculture 11:00am Department of Energy	September 30
September 24 10:00am Department of Labor 11:00am United State Trade Representative	TUESDAY 10:00am Department of Justice 11:00am Office of National Drug Control Policy	October 1
September 25 4:00pm Meeting time available 5:00pm Meeting time available	WEDNESDAY 10:00am Department of Treasury 11:00am Department of Veterans Affairs	October 2
September 26 2:00pm Department of Interior 3:00pm Department of Education	THURSDAY 10:00am Department of Housing and Urban Affairs 11:00am Environmental Protection Administration	October 3
September 27 10:00am Department of Health and Human Services 11:00am Meeting time available	FRIDAY 10:00am Department of Commerce 11:00am Department of Transportation	October 4

THE WHITE HOUSE
WASHINGTON

September 13, 1991

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *gdx*
SUBJECT: Child Health Week Event

*I showed this
w/ Kathy S
to LRS.
Andy*
AC HAS SEEN

On behalf of Secretary Sullivan, I wanted to convey to you some additional thoughts on a child health event for the President in early October.

Contrary to the claims of the President's critics, this Administration has assembled an impressive list of child health and prevention initiatives, including:

- Our expanded funding for immunization programs, highlighted by the President in the Rose Garden in June. Secretary Sullivan and other HHS officials will soon begin a 6-city tour to coordinate local immunization programs and raise public awareness.
- The reorganization of HHS to create the Children and Family Administration, which will increase the focus on child health.
- The Healthy Start initiative to reduce infant mortality (large demonstration grants for 10 cities will be announced by the end of September).
- Secretary Sullivan's speeches on personal responsibility, fitness, and character, which have received national attention and praise.

A Presidential event during Child Health Week (October 7-11) provides us with an opportunity to highlight these initiatives, reaffirm our commitment to this issue, and claim the credit we deserve for our initiatives.

This year, the theme of Child Health Week is injury prevention, the leading cause of death for children after their first year. Hospitals and schools will be involved in public awareness activities in virtually every city in the country. A Presidential event, which would be tied to the broad theme of prevention and child health, could be arranged almost anywhere, including a local site. Presidential participation in such an event would successfully counter the Democratic charge that the Administration has ignored health issues.

cc: Kathy Super

THE WHITE HOUSE
WASHINGTON

September 24, 1991

f.b.
AC HAS SEEN

*This has been
discussed.*

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *EH*

SUBJECT: Presidential Event for Child Health Day, October 7

HHS has resubmitted four proposals for a Presidential event on October 7, or anytime that week. As I explained in my September 13 memo to you (copy attached), a health event allows us to take credit for the many important prevention and child health initiatives launched by the Administration so far.

The new HHS proposals are:

- Visit to the Children's Hospital and local school in Columbus, Ohio. This was the proposal initially approved at our long-range scheduling meeting. Theme: injury and disease prevention; infant health; the role of the community.
- Visit a Head Start Family Service Center in Lexington, Kentucky, one of 13 federal demonstration projects. Themes: the Administration's increased Head Start funding; child and family health; states as laboratories.
- Visit a Baltimore, Maryland community volunteer outreach program to prevent infant mortality and teach mothers about maternal and infant health. Baltimore was a recipient of a Healthy Start grant, announced by the President last week. The volunteer project, "Investing in our Children" is a federal demonstration project.
- Address a national symposium at the National Institutes of Health on child health and prevention.

(HHS is also confident that it could find a Healthy Start clinic in the District of Columbia that would be suitable for a Presidential visit.)

Attachment

THE WHITE HOUSE

WASHINGTON

September 13, 1991

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY 

SUBJECT: Child Health Week Event

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cc: Kathy Super

THE WHITE HOUSE
WASHINGTON

file

August 14, 1991

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *EH*

SUBJECT: Treasury Rule on Semiautomatic Firearm Parts Imports

Treasury will transmit today, for publication in the Federal Register on Friday, August 16, a proposed rule banning the importation of certain parts used in the assembly of non-sporting semiautomatic firearms. Treasury has already cleared this proposed rule through the OMB process.

Treasury is taking this action to stem circumvention of a statutory prohibition against importing such non-sporting firearms, as required by the Crime Control Act of 1990.

Treasury does not anticipate much media coverage but it could generate controversy amongst the firearms industry and special interest groups.

Attachment



DIRECTOR

DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
WASHINGTON, D.C. 20226

AUG 8 1991

MEMORANDUM FOR: R. Blair Downing
Executive SecretaryTHRU: Peter K. Nunez
Assistant Secretary
(Enforcement)

FROM: Director

SUBJECT: Notice of Proposed Rulemaking on the
Domestic Assembly of Nonimportable Firearms

Attached for transmission to the Federal Register is a notice of proposed rulemaking which proposes to amend 27 CFR Part 178, relating to firearms, to implement section 2204 of the Crime Control Act of 1990, Public Law 101-647, approved November 29, 1990. Section 2204 makes it unlawful for any person to assemble from imported parts any semiautomatic rifle or any shotgun which is identical to any rifle or shotgun prohibited from importation under the Gun Control Act of 1968, as amended, as not being particularly suitable for or readily adaptable to sporting purposes.

The proposed regulations prohibit the assembly of any nonsporting semiautomatic rifle or any nonsporting shotgun which would not qualify for importation as sporting firearms under 18 U.S.C. § 925(d)(3) if two or more components required for the designed function of the weapon were imported. The proposed regulations include a list of imported parts considered components required for the designed function of the weapon.

We do not believe that this regulation will generate much press coverage but that it may cause some controversy among the firearms industry and special interest groups.

To Ede

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN

August 1, 1991

MEMORANDUM FOR ANDY CARD

FROM:

EDE HOLIDAY *EH*

SUBJECT:

New Associate Director

As we discussed, interviews have been completed for a new associate director to handle agriculture and would like to hire a woman named Kathy Shanahan. As you will note from the attached resume, Kathy has a background in agriculture and she worked on the campaign.

We intend for Kathy to serve both as the liaison officer with the Department of Agriculture, and to provide support for Gary's agriculture position here in the White House. Depending on how busy she is with these duties, we may add other responsibilities over time.

Attachment

*etc - as detailed if p
of understanding
that no commitment
after 180 days. Salary
after detail must
be set w/in
WH guidelines
Andy*

17-84 OFFICE OF THE SECRETARY, USDA NO. 243 1002-002

KATHY G. SHANAHAN
Political Addendum

BUSH-QUAYLE '88

Pre-FEC Audit
Supervisor, Gregory Mendez

Evening and weekend volunteer. Prepared financial files for the Federal Election Commission audit in secure room at Campaign Headquarters. Ensured that all checks and vouchers were properly documented and filed, and all transactions were recorded. Locked room upon leaving at night.

BUSH-QUAYLE TRANSITION TEAM

Evening and weekend volunteer at Transition Headquarters. Assisted where needed, working primarily in Presidential Personnel. Contact: Madeline Smith

AG REPUBLICANS

Secretary of USDA political/social organization.

REPUBLICAN WOMEN'S FEDERAL FORUM

Member.

FUNDRAISERS

Contribute to campaigns and Republican fundraisers.

Registered Republican in California in 1981 and have consistently voted in primaries and general elections since.

KATHY G. SHANAHAN
401 Hampton Court
Falls Church, VA 22046
H) 532-5008 W) 447-3975

EXPERIENCE

**U.S. Department of Agriculture
Office of the Consumer Advisor**

3/90-present

As Confidential Assistant to the Consumer Advisor, assist Director with analysis of consumer issues and in liaisons with consumer interest groups and with other agencies in the Department. Activities include implementation of special projects such as the USDA/FDA Journalists' Conference and representing the "consumer" point of view in policy discussions ranging from food safety and nutrition to biotechnology.

**U.S. Department of Agriculture
Foreign Agricultural Service**

6/89-3/90

As Confidential Assistant to the Associate Administrator, assisted the negotiator for the Working Group on Sanitary and Phytosanitary Measures in the General Agreement on Tariffs and Trade (GATT) in analyzing food safety issues which would impact on the success of the negotiations. Activities included creating and coordinating an inter-agency international food safety task force, to address food safety issues abroad which affect U.S. agricultural exports, and participating in briefings for Hill staffers. Also analyzed the progress and initiatives of the single market initiative in the European Community, focusing on possible ramifications for the GATT negotiations and U.S. exporters.

The Burnett Company of Washington, D.C., Inc.

3/87-6/89

As Vice President for Management, helped create and establish a marketing company. Interfaced with all suppliers, including advertising and design company, packaging company, fulfillment house, and the U.S. Mint. Marketed the product to financial institutions through direct meetings with presidents and vice presidents.

**United States Department of Treasury
Statue of Liberty Coin Program**

6/86-3/87

As Account Executive for the most successful U.S. government coin program in history, was liaison to retail companies, including Sears, K-Mart and Montgomery Ward.

I. Magnin

7/85-2/86

As Assistant Buyer, maintained accounts, open-to-buy and helped select merchandise for a dress division. Completed Executive Training Program before competing for the position.

EDUCATION

University of California, Berkeley

B.S. Agricultural and Resource Economics, 1985

THE WHITE HOUSE

WASHINGTON

February 13, 1991

AC HAS SEEN

AC HAS SEEN

MEMORANDUM FOR ANDY CARD

FROM:

EDE HOLIDAY 

SUBJECT:

New York's Plan to Dredge PCB's in Hudson River

EPA Chief of Staff Gordon Binder reports that Region 2 will consider for appointment to EPA's government liaison group the list of names sent to you by Congressman Solomon. This will not be final for several days yet, but EPA will let us know if there are any problems.

THE WHITE HOUSE

January 31, 1991

Dear Long. Solomon -

Thank you for your letter following up on earlier correspondence regarding New York's plan to dredge PCBs from the Hudson River.

I will make sure the state legislators you recommend are considered for appointment to the EPA's Government Liaison Group which will help offer guidance as the dredging plan is revised.

Keep in touch.

Sincerely, Andy Card

THE WHITE HOUSE
WASHINGTON

Honorable Gerald B. Solomon
House of Representatives
Washington, D.C. 20515

GERALD B. SOLOMON

MEMBER OF CONGRESS
24TH DISTRICT, NEW YORK
ROOM 2205 RAYBURN BUILDING
WASHINGTON, DC 20515
(202) 225-0014

GASLIGHT SQUARE
SARATOGA SPRINGS, NY 12858
(518) 587-0000

MEMBER
HOUSE TASK FORCE ON AMERICAN
PRISONERS OF WAR AND
MISSING IN SOUTHEAST ASIA

**RULES COMMITTEE
RANKING REPUBLICAN**

MEMBER
HOUSE TASK FORCE ON
CHILD CARE, DRUGS,
EDUCATION AND THE ELDERLY

ASSISTANT FLOOR WHIP

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

January 29, 1991

Mr. Andrew Card
Deputy Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. , 20500

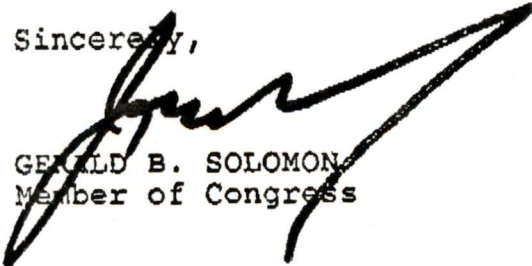
Dear Andy:

I am writing to request your further assistance regarding New York's plan to dredge PCBs from the Hudson River.

A Governmental Liason Group is being established as part of EPA's (Region II) decision to reassess the dredging plan. I have suggested the names of legislators to EPA Region II and requested that they be appointed to this group. The legislators represent communities along the river and have all been active on this issue.

I would respectfully request that you ask EPA to appoint the legislators that I have recommended. Thank you for your consideration to this most urgent matter.

Sincerely,


GERALD B. SOLOMON
Member of Congress

DISTRICT OFFICES

500 COLUMBIA TURNPIKE
EAST GREENWICH, NY 12061
518-477-2703

P.O. Box 71
TOWNHACK, NY 12672
518-676-2200

419 WARREN STREET
HUDSON, NY 12534
518-020-0181

21 DAY STREET
GLENS FALLS, NY 12801
518-792-3031

GERALD B. SOLOMON

MEMBER OF CONGRESS
24TH DISTRICT, NEW YORK
ROOM 2205 RAYBURN BUILDING
WASHINGTON, DC 20518
(202) 225-8814

GASLIGHT SQUARE
SARATOGA SPRINGS, NY 12066
(518) 587-0800

MEMBER
HOUSE TASK FORCE ON AMERICAN
PRISONERS OF WAR AND
MISSING IN SOUTHEAST ASIA

RULES COMMITTEE
RANKING REPUBLICAN

MEMBER
HOUSE TASK FORCE ON
CHILD CARE, DRUGS,
EDUCATION AND THE ELDERLY

ASSISTANT FLOOR WHIP

Congress of the United States

House of Representatives

Washington, DC 20515

January 24, 1991

Constantine Sidamon-Eristof
Region 2 Administrator
Environmental Protection Agency
26 Federal Plaza
New York, New York 10276

Dear Connie:

Thank you for your letter requesting that I serve on the Governmental Group to reassess the Hudson PCB site.

I do wish to serve as a member of the Governmental Liason Group. Additionally, I have attached a list of elected officials who must be requested to serve on the Governmental Liason Group. They are elected officials from communities along the river who have been actively involved in the Hudson River PCB problem.

Thank you for your time and consideration on this most urgent matter.

Sincerely,


GERALD B. SOLOMON
Member of Congress

DISTRICT OFFICES

808 COLUMBIA TURNPIKE
EAST GREENWICH, NY 12001
518-477-2703

P.O. Box 71
RHINEBECK, NY 12572
514-876-2300

419 WARREN STREET
HUDSON, NY 12534
518-828-0181

21 BAY STREET
GLENS FALLS, NY 12001
518-702-3031

City of Mechanicville
Christopher Sganbati
177 Saratoga Avenue
Mechanicville, New York 12118

Town of Stillwater
Paul Lilac
Kellogg Road
Stillwater, New York 12170

Town of Saratoga
Robert Hathaway
RD#1
Saratoga Springs, New York 12866

Town of Fort Edward
Keith Griffen
118 Broadway
Fort Edward, New York 12828

Town of Schaghticoke
Richard Salisbury
Town Hall
RD#1, Box 19 B
Northline Drive
Melrose, New York 12121

Town of Waterford
William Daubney
193A Middletown Road
Waterford, New York 12188

Village of Waterford Mayor
Mayor Frank Falcone
54 Sixth Street
Waterford, New York 12188

City of Mechanicville Mayor
Mayor Patrick Hildreth
36 North Main Street
Mechanicville, New York 12118

Town of Halfmoon
Kathleen Marchione
P.O. Box 4700
Halfmoon, New York 12065

Town of Moreau
Mike Sullivan
Moreau Town Hall
South Glens Falls, New York 12801

Saratoga County Chairman of Board of Supervisors
Robert Hathaway
RD#1
Saratoga Springs, New York 12866

Washington County Chairman of the Board of Supervisors
Darryl Decker
P.O. Box 205
Cambridge, New York 12816

Warren County Chairman of the Board of Supervisors
Richard Bolton
Warren County Municipal Center
Rt. 9, Town of Queensbury
Lake George, New York 12845

Assemblyman Bobby D'Andrea
285 Broadway
Gaslight Square
Saratoga Springs, New York 12866

Assemblyman Neil Kelleher
Washington County Building
Upper Broadway
Fort Edward, New York 12828

THE WHITE HOUSE

WASHINGTON

January 26, 1991

*I called
Edo up this
and said data
were advisory
but front end
limits. Andy
1/29/91*

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: EDE HOLIDAY *EH*
SUBJECT: Domestic and Economic Initiatives

The EPC and the DPC have produced -- or are close to completing -- seven initiatives that could be announced over the next two months. Other important initiatives are being prepared by the Departments. The legislative package for each of these could be ready shortly after announcement. These initiatives are listed below in the order in which we believe they should be released.

- o **Drug Strategy III** *2/6*

Strategy III will be ready to be delivered to the Hill with the budget on February 4th. ONDCP believes it should conduct a press briefing on Friday, February 1, embargoed until Saturday night, February 2. This schedule would provide coverage of the new strategy in the Sunday papers and assure that it will not be lost in the news about the budget.
- o **Banking Reform** *2/5*

The Treasury is working with you to determine the appropriate time to announce the banking reform package.
- o **Empowerment Civil Rights** *2/7*

The empowerment initiatives will be in the budget released on February 4th. There will then be hearings in the House on Civil Rights a few days later. In the intervening period, we could have an event to present the Administration's new Civil Rights bill and to emphasize the connection between that bill and the empowerment initiatives in the budget.
- o **National Energy Strategy/OCS** *2/8/1*

The NES report will be ready for announcement shortly after the budget. A specific date has not been discussed. In the meantime, Energy is seeking to delay the Senate Energy Committee hearing now set for February 5th. Decisions regarding prerelease briefings, handling

of the media, and legislative strategy are required. The outer continental shelf lease plan is scheduled to be announced at the same time as the NES.

o **Health**

The Administration could present Health initiatives in a three-part package: infant health, medical malpractice reform and prevention. The first two initiatives were developed in the DPC and approved by the President in late December. Any events to highlight these initiatives should come after the budget is announced. One way to emphasize the Administration's interest in health care reform is to emphasize the three initiatives over three consecutive days, focusing on one issue each day.

o **Information Technology Highway Initiative**

High Performance Computing

At Gove's

Early 1991 may be the time to advance a comprehensive information technology initiative with elimination of the line of business restrictions in the AT&T consent decree as the centerpiece. The President is giving an economic speech in late February which might provide a good forum for announcing this initiative.

o **Pension Reform**

early March

The Treasury/Labor pension reform initiative is ready; however, a decision on timing should probably await an assessment of Congressional reaction to the budget. The pension reform package is revenue neutral -- it is best not linked to budget debates. Thus, it probably should not be announced sooner than late February or early March.

o **Surface Transportation Reauthorization**

2/14

The Transportation Department's highway reauthorization bill is required this year. It should be announced early in the year.

Attachments

Done
1/15/91
AHC

THE WHITE HOUSE
WASHINGTON

Date: 1-12-91

FOR: *Gov. S.*

FROM: ANDREW H. CARD *Judy*

- ☐ Action
- ☐ Your Comment
- ☐ Let's Talk
- ☒ FYI

*Jerry Solomon should
be happy with what EPA
is doing. (I'll call Jerry.)*

*I called Cong. S.
1/14 - left word.*

1/15/91
*Jerry Solomon happy if
EPA pens the water
up to new studies.*
Judy

AC HAS SEEN 1/11/91

THE WHITE HOUSE

WASHINGTON

January 9, 1991

MEMORANDUM FOR ANDY CARD

FROM:

EDE HOLIDAY

SUBJECT:

Dredging of Hudson River for PCBs

The issue of the removal of PCB-contaminated sediments from the Hudson River in upstate New York has been active since the mid-1970s and has recently attracted significant attention, including several articles in the New York Times. The issue is highly controversial, pitting residents and farmers in the area where the sediments are located -- who fear that the sediments will be dredged and deposited in nearby landfills or incinerated in their area -- against residents downriver who insist that the problem must be dealt with immediately through dredging.

The problem stems from the discharge by General Electric Corporation from 1947 to 1977 of over 500,000 pounds of PCBs into the Hudson River from factories near Ft. Edwards and Hudson Falls. The discharges ceased only when GE was sued by the New York Department of Environmental Conservation in 1976. The PCBs now are concentrated in the river between Ft. Edward and Troy.

The initial removal project, which called for dredging of the PCBs from the river, began in 1980 as a demonstration project under the Clean Water Act. It quickly became bogged down in two separate lawsuits over the site for the dredged material and a decision by then EPA Administrator Gorsuch to shift the statutory and funding basis for the project from the Clean Water Act to Superfund (the site was placed on the Superfund National Priorities List in 1984), which would have made dredging less likely.

In September 1984 EPA determined that no technically feasible, cost-effective way of dealing with the PCBs in the river then existed. (This is apparently the decision Congressman Solomon cites in his letter.) Recognizing that precluding all actions to remove the PCBs from the river would not protect public health and the environment, however, and in order to comply with a consent order settling one of the lawsuits, EPA agreed to reassess this "no-action" alternative if new treatment methods or dredging techniques were developed in the future.

In January 1987 a pilot dredging project was recommended by EPA and New York. Two years later, the state moved to expand the pilot project to deal with all the contaminated sediments. (EPA

notes that this issue has long been a priority of Governor Cuomo and his environmental commissioner Tom Jorling and that dredging has always appeared to be their favored alternative.) At the end of 1989, the EPA regional administrator agreed to reassess the "no-action" alternative, consistent with the 1984 decision.

EPA has now decided a new study of the situation is needed. EPA noted that new technologies for dredging and alternatives such as in-place bioremediation are now available and have not been fully evaluated. It also acknowledges that its bureaucratic reaction to this type of politically charged issue is "study." The study will seek to identify the additional information needed before any decisions can be made and recommend the appropriate decision-making process. The agency stresses that it will seek to construct a neutral study, drawing on the scientific community to analyze whether dredging is the best course, whether some alternative -- such as bioremediation -- can better remove the PCBs, or whether leaving them in place to be contained by deposition of more soil is best. EPA estimates that the study will take eighteen months to two years.

*Conf. say 6-8 months
is what EPA says,
PCB hot spot info very
old.*

B. SOLOMON

MEMBER OF CONGRESS
24TH DISTRICT, NEW YORK

ROOM 2265 RAYBURN BUILDING
WASHINGTON, DC 20515
(202) 225-5614

GASLIGHT SQUARE
SARATOGA SPRINGS, NY 12866
(518) 587-9800

MEMBER
HOUSE TASK FORCE ON AMERICAN
PRISONERS OF WAR AND
MISSING IN SOUTHEAST ASIA

RULES COMMITTEE

SENIOR RANKING REPUBLICAN
SUBCOMMITTEE ON RULES

MEMBER
HOUSE TASK FORCE ON
CHILD CARE, DRUGS,
EDUCATION AND THE ELDERLY

ASSISTANT FLOOR WHIP

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

December 5, 1990

THE CHIEF of STAFF
has seen

John Sununu
Chief-of-Staff
The White House
Washington, D.C.

Dear John:

I need your assistance on a matter of utmost importance to my constituents.

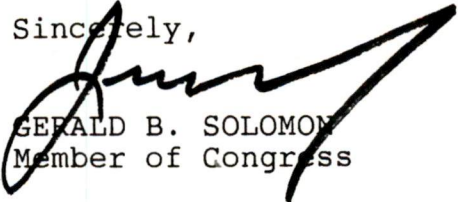
For several years I've been successful in preventing Governor Coumo from implementing a plan to dredge three million cubic yards of PCB-contaminated sediments from the Hudson River. Those PCBs were placed in the river 20 years ago by the General Electric Corporation. Over 75% of the material deposited in the river has washed downstream and dredging would recapture less than 5% of what remains in the river.

A proposal for dredging the PCBs under the Superfund program was rejected in 1984. However, last year, at the request of the New York State Department of Environmental Conservation, Connie Sidanmon-Eristoff, the EPA Region II Administrator, decided to reopen the decision. The force behind this scheme is Bill Muzynski, the Deputy (non-political) in Region II. Much of the problem is that EPA Headquarters is disengaged from this problem.

John, the bureaucrats working on this program in Region II are not working for Bill Reilly or George Bush or in the best interests of the environment. They are proceeding with this project in a manner which will assure that their reassessment will reach only one conclusion. This conclusion will provide Mario Coumo one an one half billion dollars for this environmentally-useless public works program. The program will however, help Governor Coumo politically, especially considering the dire financial straits New York State currently faces.

I would greatly appreciate you taking just a few minutes to look into this matter. Thank you for your time and consideration.

Sincerely,


GERALD B. SOLOMON
Member of Congress

DISTRICT OFFICES

568 COLUMBIA TURNPIKE
EAST GREENBUSH, NY 12061
518-477-2703

P.O. Box 71
RHINEBECK, NY 12572
914-876-2200

419 WARREN STREET
HUDSON, NY 12534
518-828-0181

21 BAY STREET
GLENS FALLS, NY 12801
518-792-3031



Office of the Attorney General

Washington, D.C. 20530

191468

AC - INFO

November 15, 1990

MEMORANDUM FOR GOVERNOR SUNUNU
Chief of Staff

FROM: *DT* DICK THORNBURGH
Chairman Pro Tempore
Domestic Policy Council

SUBJECT: Utilization of the Domestic Policy Council

Following up on your discussion of the Administration's domestic agenda at this week's Cabinet meeting and Ede Holiday's memorandum soliciting views on domestic policy initiatives, I am writing to share with you some observations and solicit some views on the Domestic Policy Council (DPC).

Since the DPC was established early in the President's Administration (see attached), it has developed a number of options papers and decision memoranda for him in response to requests for interagency policy consideration. Other issues have been cultivated in response to congressional initiatives.

At a time when the domestic agenda is obviously going to be at center stage, for the next two years at least, I am inclined to think a more active (and indeed pro-active) role for the DPC should be an option given careful consideration by White House staff and the President himself.

This view is based on a perception that the President's election evidenced the fact that people wanted more than simply the competence in government promised by Governor Dukakis. They wanted, I believe, a President who pursues a specific agenda based on the values and principles which the campaign highlighted. To date, much of the DPC's activity has, however, focused more on competence -- making present government programs work better. While this is, in itself, important, I would suggest that more effort, in the next two years, could be devoted to shaping new initiatives designed to further an agenda based on the President's values and principles. The DPC could well become an effective catalyst for formulation of such a domestic agenda.

The empowerment theme expressed by the President and increasingly noticed by the media is a good example of the kind of bold thinking which the DPC could develop and encourage. The DPC could provide substantial assistance in the development of specific domestic policy initiatives designed to bring this concept into reality for most Americans. Programs already suggesting themselves include, for example, child care vouchers, choice in education, repeal of the social security earnings limit and tenant management of public housing. Many more could be considered, if not proposed.

Before suggesting any specific changes in the role of the DPC, however, I would appreciate knowing from you and/or the President:

1. Your assessment of how the DPC has contributed to the development of Administration initiatives in the past two years?
2. If it has not done so effectively, has it outlived its usefulness or should a new role be designed?
3. If a new role should be designed, should it be of a more pro-active nature, as suggested above?
4. Does the DPC relate in a positive and productive way to OMB, the Office of Policy Development, the Office of Cabinet Affairs and other White House components concerned with policy development?
5. If not, how should these relationships be altered or restructured so as to improve coordination?

Please let me know if you want to pursue this matter further.

cc: Dick Darman
Ede Holiday
Roger Porter
Boyden Gray

THE WHITE HOUSE
Office of the Press Secretary

For Immediate Release

February 8, 1989

STATEMENT BY THE PRESIDENT

Today, I am announcing that I will use the Economic Policy Council and the Domestic Policy Council to advise me in the formulation, coordination, and implementation of economic and domestic policy.

Along with the National Security Council, the Economic Policy Council and the Domestic Policy Council will serve as the primary channels for advising the President on policy.

The close interrelationship between the U.S. and international economies illustrates the need to review economic policy issues in a comprehensive manner that best serves the national interest of the United States. The Economic Policy Council will serve as the primary channel for advising me on the formulation, coordination, and implementation of economic policy, both domestic and international.

The important social issues facing our Nation require thoughtful and creative solutions. The Domestic Policy Council will serve as the primary channel for advising me on the formulation, coordination, and implementation of domestic and social policy.

My commitment to this cabinet council structure reflects my conviction that effective decision-making depends on the President receiving the best information available from his senior advisers. I believe that these policy councils will effectively coordinate advice from the various departments and agencies.

#

1.4

THE WHITE HOUSE

WASHINGTON

November 15, 1990

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY 
SUBJECT: Visit by President Mitterrand to U.S.

According to materials furnished to my office by EPA, you have been in contact with Gregg Ward of the American Institute of Architects regarding a possible visit by President Mitterrand to the U.S. early next year to attend AIA's Accent on Architecture program. (Attached is a letter from Ward to Pat Thorne at EPA on this subject).

Staff at NSC advised Barry McBee of my office that an invitation to Mitterrand for an official state or working visit would be unlikely, given that the President will see him next week in Paris. We passed this on to EPA.

EPA now advises us that they understand French officials are trying to have Mitterrand raise the idea of such a visit with the President during their discussions next week. EPA could not guess whether those officials will be successful, but I thought I would note this as preparations for the upcoming trip are being finalized.

Attachment

THE AMERICAN INSTITUTE OF ARCHITECTS



October 25, 1990

Ms. Pat Thorne
Office of the Administrator
Environmental Protection Agency
401 M Street, SW
West Tower
Washington, D.C. 20460

Dear Pat:

As per your suggestion in our telephone conversation last week, the following is a quick synopsis of the current status of negotiations between AIA and President Mitterrand's office regarding the 1991 Accent on Architecture program.

I hope the Administrator has a favorable memory of the events of February 22, 1990 with HRH The Prince of Wales. The program next year will be formatted in similar fashion to that followed earlier this year. We are pleased that President Mitterrand approved our hosting of the first North American showing of the Grand Louvre exhibition, which will open at the Octagon House on February 6, 1991. At the same time we are hopeful that he will be our principal speaker at the gala ceremony later that evening.

It is in that context that we initiated our call to you last week regarding possible assistance from Administrator Reilly. In our visit to Paris we were informed that President Mitterrand would in all likelihood have to decline AIA's invitation because, as a matter of protocol, they do not accept invitations from private organizations, particularly those from other nations. However, Minister Biasini (Secretary of Grand Works) asked us to generate a "government to government" communication inviting President Mitterrand to attend. Minister Biasini thought such an invitation would be well received.

Upon my return to the United States I communicated with Andy Card at the White House to explore the feasibility of such a communication. Andy is checking with Bill Sittmann at the National Security Council to see if either a state or working visit might be possible during the first week of February. His tentative response was that a state visit was not highly likely, but that a working visit might be in order.

Also upon our return, Minister Biasini's representative called to ask us to generate a phone call from a member of our

Ms. Pat Thorne
October 25, 1990
Page Two

Cabinet, preferably one who had recently been in Paris or who has met President Mitterrand, to the Secretary General of the Elysee, Jean-Louis Bianco. It is that phone call that we are asking Administrator Reilly to consider placing. The purpose of the phone call would merely be to confirm that AIA is a credible organization, that the event is professionally and efficiently produced and, most importantly, that the White House is aware of and has participated in the event.

I am hopeful that Andy Card will have more specific direction for us prior to the Administrator's return from his West Coast trip. Obviously, we will not ask him to make such a phone call until or unless Andy tells us that a working visit can be arranged. Should Andy not be in a position to confirm a working visit, this will quickly become a mute request and we will proceed to implement another contingency plan for the 1991 Accent program.

Thank you for your help on this. Obviously AIA has no more important or pressing priority than the Accent on Architecture program. Any help you guys can provide will be greatly appreciated.

Sincerely,


Gregg Ward
Group Vice President
External Affairs

GW/amm

cc: Norman Koonce, FAIA
President of The American Architectural Foundation
Andrew H. Card, Jr.
Assistant to the President and Deputy to the Chief of Staff

THE WHITE HOUSE

WASHINGTON

October 2, 1990

1.6
AC HAS SEEN

MEMORANDUM FOR ANDY CARD

FROM:

EDE HOLIDAY 

SUBJECT:

EPA Region I Education Campaign

We have conferred with personnel at EPA regarding the concerns expressed by Red Cavaney in his recent correspondence to you (a copy is attached).

This public information campaign has been troublesome for EPA from its inception. The first ads that were run were subject to criticism on the grounds Cavaney expresses and also to threatened legal challenges for the use of protected terms such as "Kleenex" without permission. The ads were pulled shortly after they were aired. The ads were revised and shared with interested parties, such as the American Paper Institute. They still appear unacceptable, as evidenced by Cavaney's letter. EPA advises that they are continuing to work with organizations such as API and representatives of the plastics and food service industries. No schedule for airing the revised ads has been established, and in fact due to a shortage of funds in the regional office budget it may be a few months before the necessary editing of the ads can be done.

The thrust of the campaign is an irreverent approach to environmental issues designed to catch the attention of a complacent public. To that extent, there are likely to remain certain elements of the ads that API or other groups will question. We have not requested the opportunity to have the White House review the ads, fearing that could lead to an adverse story and would constitute excessive micro-management of the agency. EPA is fully aware of our concerns and contacts to the White House by outside groups, however.

As for the legal issues raised by Cavaney, EPA advises that its attorneys thoroughly investigated the arrangements for the donation of services and found no legal problem under procurement statutes or policies.

THE WHITE HOUSE

Sept. 17, 1990

Dear Red -

Thank you for your letter regarding a proposed EPA Region I public education campaign. I will make sure your concerns are reviewed.

Keep in touch. Sincerely,

Andy Card

A. Card

THE WHITE HOUSE
WASHINGTON

Red Cavaney
President
American Paper Institute, Inc
260 Madison Avenue
New York, N.Y. 10016-2499



American Paper Institute, Inc.

260 Madison Avenue, New York, N.Y. 10016-2499
(212) 340-0600 • FAX: (212) 689-2628
cable address: AMPAPINST New York

AC HAS SEEN

Office of the President

September 13, 1990

The Honorable Andrew H. Card, Jr.
Assistant to the President and
Deputy to the Chief of Staff
The White House
Washington, DC 20500

Dear Mr. Card:

The attached letter to EPA Administrator William K. Reilly outlines the serious concerns of the American Paper Institute (API) with a proposed EPA Region I public education campaign entitled, "How to Destroy the Earth." It is our understanding that Region I intends to initiate the campaign in the near future.

API strongly objects to several misstatements contained in the campaign which inaccurately depict the consumer consequences of the appropriate use of paper products. It has long been the policy of this and former Administrations to subject information and data provided by industry to a high standard of review and analysis before its use in publication. In this case, there appears to have been a departure from this appropriate level of scrutiny by EPA policy offices, perhaps in part because of the campaign's flippant approach. API believes, however, that the campaign's tone provides no justification for the Agency's abdication of its responsibilities to the American public to provide factual information.

The industry also questions the propriety of Region I resources being devoted to an advertising campaign, provided free of charge, by an outside firm which will most certainly benefit from EPA's use of the materials. We understand significant legal questions have already been raised as to whether normal federal government contracting and procurement procedures were followed in the development and subsequent production of materials for the campaign.



Honorable Andrew Card
September 13, 1990
Page two

API wishes to bring this issue to your attention because we believe that the Administration's public education campaigns on issues of such magnitude should be based on accurate, useful information, and should provide constructive suggestions to help all Americans become part of the solution to the nation's environmental challenges. We hope that these comments will be of use to you in furthering this objective.

Sincerely,



Red Cavaney

Attachment
RC/lm

THE WHITE HOUSE
WASHINGTON

Rec'd 9/27
f.l.e

September 26, 1990

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *MA*

SUBJECT: Feature on Cleveland VA Medical Center on ABC's
"Primetime Live"

ABC's "Primetime Live" plans to run a segment on the Cleveland VA Medical Center on Thursday September 27 at 10:00 pm eastern time. The public affairs staff at VA expects that the feature will be negative and focus on various alleged irregularities at the hospital and possibly at other VA hospitals as well. The President may receive some questions on this topic since he, along with Secretary Derwinski, will be in Cleveland on the day of the broadcast. However, the President is scheduled to depart Cleveland before the show is aired.

According to Don Smith, Deputy Director of Public Affairs at VA, the feature will likely deal with several points including: claims that the hospital's cardiac unit has an exceptionally high mortality rate; a claim that some doctors within VA facilities are not properly licenced; charges that the infection control program within the hospital is woefully inadequate; problems with patients receiving the wrong medication; and allegations that asbestos removal is being handled improperly.

The VA takes the position that the Cleveland VA Medical Center is a very good hospital and that the VA medical system, while not perfect, provides excellent patient care.

Gov. S-
FYI
Andy

THE WHITE HOUSE
WASHINGTON

AC HAS SEEN
9/25

September 21, 1990

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY 
SUBJECT: Boston Harbor Tunnel Project

EPA has informed us that on September 24 it will recommend an environmentally unsatisfactory rating for a planned third harbor tunnel in Boston proposed by the Federal Highway Administration. The project involves widening I-93, the Central Artery, and extending I-90.

The Boston regional office of EPA has raised two main concerns: first, it objects to plans to dispose of over nine million cubic yards of excavated and dredged material in a 100-acre area around Spectacle Island in the harbor; and, second, it has concerns about air quality impacts, both during construction and with regard to tunnel ventilation.

Proponents of the project have recently begun to address the problems EPA has cited, and EPA is confident that the problems can be resolved prior to the completion of the final environmental impact statement, which is expected next year. For instance, EPA believes that adequate alternative inland sites exist for the disposal of dredged materials, which would avoid damaging harbor water quality and tidal habitats.

We thought you might be interested in this one because of its relevance to your home state and the President's upcoming trip to Boston.

THE WHITE HOUSE

WASHINGTON

lib

September 13, 1990

MEMORANDUM FOR GOVERNOR SUNUNU

FROM:

EDE HOLIDAY 

SUBJECT:

Bill Reilly Comments to Press

Bill Reilly today had an editorial board meeting with the New York Times, as noted in this week's Cabinet Report. Among the topics discussed were energy conservation and the Clean Air Act amendments. Reilly disclosed the EPA analysis of the amendments that shows a possible energy savings of 800,000 to 1,000,000 barrels of oil per day, based on fuel switching incentives, the conservation measures required under the acid rain provisions and the alternative fuels provisions. Although EPA cannot predict whether a story will appear tomorrow, given the board's interest in this subject they think it likely that this information will appear in a separate story or as part of the Times' reporting on today's announcements by the Department of Energy.

Reilly later called the Washington Post and Associated Press and relayed similar information, so stories could also appear through either or both of these channels.

16

THE WHITE HOUSE

WASHINGTON

September 13, 1990

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: EDE HOLIDAY 

SUBJECT: EPA Action on Procymidone

Staff at EPA advises that Bill Reilly has made a tentative decision on EPA's treatment of the fungicide procymidone and should be advising you of that action tomorrow. Procymidone, which is manufactured by a Japanese company, is used on winemaking grapes in France and Italy. EPA intends next week to publish a notice of proposed rulemaking on whether to establish an interim tolerance for the fungicide, which is the first step in a process that could permit the importation of wines made from procymidone-treated grapes by next spring. The effect of this action will be to prohibit the importation of such wines until formal action is taken later. From \$100 million to \$200 million in wines will potentially be affected by the EPA action. Reilly reportedly has discussed this issue with both Secretary Yeutter and Ambassador Hills. He intends to call Ambassador Niles tomorrow and European ambassadors on Monday. Reilly may disclose the action in a press availability with international publications scheduled for Tuesday.

To Ede

THE WHITE HOUSE

WASHINGTON

July 9, 1990

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: EDE HOLIDAY *EH*

SUBJECT: Pending Scheduling Items

Below are some outstanding scheduling items that I would like to get your guidance on, as I know the President's schedule is fairly full for the next few months.

The President had mentioned back in March that he would like to have the Agency Heads out to Camp David for a meeting or working lunch sometime this summer. Spouses would not be invited. Shall we go ahead and work with Scheduling to get a date for the meeting/working lunch?

WHD _____ Approve meeting/working lunch with Agency Heads.

_____ Disapprove meeting/working lunch with Agency Heads.

During the first year of the Administration, we scheduled a series of "no agenda" lunches with the Cabinet Secretaries and the President. Recently the Attorney General had lunch with the President in what could be the beginning of the second round of lunches. We would like to submit schedule proposals for such lunches approximately every two to three weeks.

WHD _____ Approve periodic lunches with individual Cabinet Secretaries and the President.

_____ Disapprove periodic lunches with individual Cabinet Secretaries and the President.

In the past, you have met with small groups of the Cabinet for informal breakfasts. They have more or less supplanted our full Cabinet breakfasts. Would you like us to begin scheduling these breakfasts again? I've attached a grouping of the Cabinet Secretaries which we have used in the past.

✓ _____ Schedule a series of smaller Cabinet breakfasts

_____ Schedule a full Cabinet breakfast

_____ No action

*per JKS
7/26/90
AKCand*

After Labor Day!

SUGGESTED CABINET BREAKFASTS

Group 1

Secretary Baker
Secretary Brady

Group 2

Secretary Mosbacher
Secretary Yeutter
Ambassador Hills

Group 3

Secretary Cavazos
Secretary Sullivan
Secretary Kemp
Secretary Dole

Group 4

Secretary Watkins
Secretary Lujan
Secretary Skinner
Administrator Reilly
Director Bromley

Group 5

Secretary Cheney
Attorney General Thornburgh
Secretary Derwinski
Director Darman
Director Bennett

*We may want
to change
some of the groups.*

cc: Joseph Hagin

THE WHITE HOUSE
WASHINGTON

June 25, 1990

THE CHIEF of STAFF
has seen

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: EDE HOLIDAY *Ede*
SUBJECT: Food Labeling Regulations

We have advised HHS and the Agriculture Department that the Administration's notice of proposed rulemaking (NPRM) on food labeling should remain neutral regarding preemption of state laws. We explained that there would be an opportunity further to discuss the preemption question at the close of the public comment period, in late Fall.

Clayton Yeutter and Lou Sullivan have, however, asked that you and Darman meet with them on this issue as soon as possible. Neither wishes to go forward with the NPRM without a conversation with you and Darman together.

Are you willing to meet with them on this issue?

_____ Yes _____ No

Ede -

*We can do this after the Eco Summit.
There is no rush.*

Thanks.

Andy

*(The Gov. is happy
to discuss - after 7/13.)*

THE WHITE HOUSE
WASHINGTON

f.l.
Share w/Ed Rogers

July 9, 1990

MEMORANDUM FOR ANDY CARD

FROM: EDE HOLIDAY *EHA*
SUBJECT: The Department of Education's Model Drug Curriculum

On July 12, Secretary Cavazos will conduct a press conference to release the Department's new model drug curriculum. The curriculum constitutes the Department's first attempt to provide comprehensive guidance to schools on classroom-based drug prevention instruction and will be distributed to every school in the country.

Our office received a copy of the curriculum back in February and it was reviewed by DPC, OPD and ONDCP. While they did not fundamentally object to the text, ONDCP thought this guide was a preliminary and still incomplete effort. Therefore it was appropriately proposed as a release from the Education Department rather than the White House.

Education concedes that this is a preliminary shot at developing a suitable curriculum. The curriculum model was reviewed by more than 15 educators and specialists in curriculum development, human growth and development, and drug prevention. Since the Department does not prescribe curricula, this document has been developed as a model that can be adapted, expanded or changed as necessary to meet local needs.

Please let me know if you would like more information.

Andy -
Per our discussion, we are
advising Tamara's office of
this.
4

THE WHITE HOUSE

WASHINGTON

July 6, 1990

MEMORANDUM FOR THE PRESIDENT

FROM:

EDE HOLIDAY *EH*

SUBJECT:

EXPLOSION AT ARCO PLANT IN HOUSTON

Last night at approximately 11:30 p.m. an explosion occurred at an Atlantic Richfield (ARCO) Chemical Company facility in Channelview, Texas, approximately 20 miles east of Houston. Fourteen people are confirmed dead and two remain missing. Two persons were injured and were treated at local hospitals and released. The plant was immediately shut down and the fire resulting from the explosion was contained at approximately 5:30 a.m. this morning. Officials at the plant immediately notified all appropriate government officials.

The explosion reportedly took place in a remote portion of the 500-acre facility near a spot where workers were attempting to start a compressor to ventilate a tank filled with wastewater and hydrocarbons. The exact cause of the explosion is not known at this time, and officials hope to determine the cause by late today. The extent of damage to the plant also has not yet been fully determined. There are no reports of any releases of toxic or hazardous substances, although a final determination must await completion of the inspection of the plant.

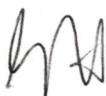
The plant produces two intermediate chemicals, propylene oxide and styrene, and employs approximately 390 people. Approximately 60 workers were at the plant last night at the time of the explosion. It is located in the Congressional district of Rep. Jack Fields, who had been contacted by OSHA, as has Rep. Mike Andrews (whose district was the site of an explosion last year at a Phillips Petroleum facility in Pasadena, Texas):

Labor Assistant Secretary for Occupational Health and Safety Gerard Scannell is on his way to Houston, and regional OSHA personnel are at the scene. Hal Sorgenti, the President of ARCO Chemical, is en route back to the United States from Europe and will go directly to Houston, arriving late this afternoon or early this evening. The Chairman of ARCO, Lodwrick (Lod) Cook, is also in Europe and may also go to Houston. The senior company official currently on site is John G. (Jack) Johnson, President of ARCO Chemical Americas. He can be reached by telephone at 713-457-4647.

No other federal action is contemplated at this juncture, beyond the OSHA investigation. I will send any additional useful information that we receive about the accident to Jim Cicconi in Houston as available.

THE WHITE HOUSE
WASHINGTON

June 25, 1990

TO: Andy Card 

FROM: EDE HOLIDAY

☒ FYI

☐ Action

☐ Comment

THE WHITE HOUSE

WASHINGTON

June 26, 1990

Dear John:

Thanks for the copy of your June 13 memorandum clarifying the Endowment's mission. I have passed along a copy to the appropriate people here at the White House.

With best wishes.

Sincerely,



Edith E. Holiday

Mr. John E. Frohnmayer
Chairman
National Endowment for the Arts
Washington, D.C. 20506



ENDOWMENT
FOR
THE ARTS

advised by the
National Council
on the Arts

Office of the Chairman

6/22/90

Dear Ede,

I wanted to forward a copy of an internal memo which was circulated last week. The purpose of the memo was to provide clarification and to refocus the agency on fulfilling the Endowment's mission.



NATIONAL
ENDOWMENT
FOR
THE ARTS

WASHINGTON
D.C. 20506



A Federal agency advised by the
National Council on the Arts

MEMORANDUM TO ALL ENDOWMENT STAFF

DATE: June 13, 1990

FROM: John E. Frohnmaier
Chairman

Much of our time and energy lately has been spent defensively. This memo is meant to clarify some areas where there might be misunderstanding and to refocus our energy on our mission. Despite any misconceptions, two facts are inescapable:

- A) We have lost the confidence of much of the American people because of a few grants that were given prior to this Administration. While they are clearly a few, they overshadow everything else we have done and have damaged the agency.
- B) We have lost, for the same reasons, the confidence of Congress. It isn't just the most vocal Congressional opponents, but many in the middle and even some of our historical supporters who will have difficulty defending the Endowment in the coming debates.

To clarify the issue:

- 1. While there have been some communication problems, we are not fundamentally at odds with Congress. We, Congress and the vast majority of the American people abhor obscenity and agree it has no place in our society. The Endowment does not and will not fund or in any way support or endorse obscenity.
- 2. It is perfectly possible to be both for freedom of expression and against obscenity. Again, we, Congress, and the vast majority of Americans would agree.

3. While we in the Endowment are against obscenity, we would prefer to address the issue through a clarification of our guidelines and a deeper commitment to our purpose of providing the best of the American arts to the broadest American public. Our distaste for content restrictive language is that it requires the Endowment to take on the judicial function of determining obscenity. While the past year shows this agency can function effectively with content restrictive language, it is important that we function in such a way that such language (whether it exists or not) will never be necessary. We have lost the confidence of the Congress and the American people in large measure because we have not been fully focused on our mission. It is important that we acknowledge our failure; then, it is important that we move on and do better.
4. Accordingly, I'd like to remind us all of the following:
 - The mission for which we were called into being is to provide excellent art to the American people.
 - Our resources are limited. We must be strict in using them only on our designated mission.
 - Ours is a "consumer" oriented agency. A simple analogy may help make this clearer: the Endowment is a bridge, built by Congress, to move the work of American artists into the reach of the American people.
 - Your commitment and enthusiasm are vital to fulfilling our mission. Your ability to be responsive to the concerns which have been voiced, and to avoid self-justification or indignation over any of the ways in which the Endowment may have been misunderstood, is the first step toward a healthy agency vigorous enough to fulfill our mission.
 - The harsh criticisms are all "old news." It is up to us (with or without restrictive language) to be above reproach and to function in a manner that draws only praise for our efforts and accomplishments. I have found (and I suspect you have too) that past successes mean little. What we do from now on is what counts.

- I have articulated the goals of the Endowment: arts education, rural and multi-cultural involvement, greater international presence and support for our core institutions and emerging artists. Our grant-giving process, our internal organization and the activities of the agency generally must promote those goals.

We have a great deal to give this country. With rededication to our mission, closer attention to the American public, and better communications to ensure that the good the we do will be known, I am confident that we can make great things happen.

JEF/lm

THE WHITE HOUSE
WASHINGTON

DATE: May 17, 1990

TO: David Q. Bates

FROM: ANDY CARD *AC/LS*

While flying to Texas on May 11th, I spoke to Secretary Cavazos about ACIR's interest. Secretary Cavazos told me about the peer review process that he respects.

You may want to follow up.

Attachment



ADVISORY
COMMISSION ON INTERGOVERNMENTAL RELATIONS
WASHINGTON, D.C. 20575

May 4, 1990

*8/c per JHS
5/7/90
AHC*

MEMORANDUM

TO : Jackie Kennedy
Office of the Chief of Staff

FROM : Bob Hawkins *RBH*
Chairman

SUBJECT: ACIR Education Proposal for Governor Sununu's Attention

I would greatly appreciate your bringing the enclosed memo and proposal to John's attention. I know how busy John is these days, but I hope you can find a way to have him look at it and act on it.

Let me know if you have any questions.

Thanks much.

Enclosure

*Carward AF1)
I spoke to
Sec. Carward
5/11 - He said
he will refer to
"peer review"
but respects
their rankings
Ford*

THE WHITE HOUSE
WASHINGTON

RE: May 8, 1990

*To Andy C
FTI*
THE WHITE HOUSE
WASHINGTON

5/24 *Drk*

David: *5/24*

Secretary Lujan will be testifying this morning
Interior and Insular Affairs

fi'b
THE WHITE HOUSE
WASHINGTON

ould like to have a
iate Cabinet Secretaries
ny consultative sessions

AC HAS SEEN 5-30-90

TO: ANDY CARD

FROM: DAVID Q. BATES *Drk*

☒ FYI

☐ Action

☐ Comment

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THE WHITE HOUSE

WASHINGTON

May 23, 1990

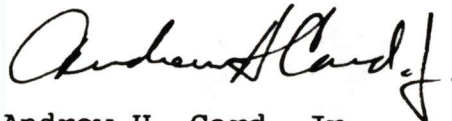
Dear Ms. Thomas:

Thank you for your recent letter. I apologize that my response is tardy.

You raised a number of points that should be known by people in the Administration, and I have forwarded your correspondence to the appropriate people here for review.

I am not in a position to make a judgment as to the situation you describe. At any rate, I am confident that your concerns will be addressed and I thank you for bringing them to my attention.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy to the Chief of Staff

Ms. Jan Thomas
Communication Services
2004 South Deerborn Circle
Columbia, MO 65203

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Letter	Jan (McLean) Thomas to Andrew H. Card, Re: Charges of ethics violations within the Federal Emergency Management Agency. (2 pp.)	04/30/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Cabinet Affairs [1]

Date Closed: 5/13/2025 **OA/ID Number:** 08373-005a

FOIA/SYS Case #: 2025-0373-S

Appeal Case #:

Re-review Case #:

Appeal Disposition:

P-2/P-5 Review Case #:

Disposition Date:

AR Case #:

MR Case #:

AR Disposition:

MR Disposition:

AR Disposition Date:

MR Disposition Date:

RESTRICTION CODES

Freedom of Information Act (FOIA) - [5 U.S.C. 552(b)]

(b)(1) National security classified information
(b)(2) Release would disclose internal personnel rules and practices of an agency
(b)(3) Release would violate a Federal statute
(b)(4) Release would disclose trade secrets or confidential or financial information
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy
(b)(7) Release would disclose information compiled for law enforcement purposes
(b)(8) Release would disclose information concerning the regulation of financial institutions
(b)(9) Release would disclose geological or geophysical information concerning wells

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

Presidential Records Act - [44 U.S.C. 2204(a)]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Memo	FEMA Ethics Investigations--Review of Key Points. (5 pp.)	n.d.	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Cabinet Affairs [1]

Date Closed: 5/13/2025 **OA/ID Number:** 08373-005a

FOIA/SYS Case #: 2025-0373-S

Re-review Case #:

P-2/P-5 Review Case #:

AR Case #:

AR Disposition:

AR Disposition Date:

Appeal Case #:

Appeal Disposition:

Disposition Date:

MR Case #:

MR Disposition:

MR Disposition Date:

RESTRICTION CODES

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PRM. Removed as a personal record misfile

Presidential Records Act - [44 U.S.C. 2204(a)]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

 AC HAS SEEN 5/31/90

THE WHITE HOUSE

WASHINGTON

May 30, 1990

THE CHIEF of STAFF
has seen

MEMORANDUM FOR ANDREW H. CARD

FROM: STEPHEN I. DANZANSKY
DANIEL R. HEIMBACH 

SUBJECT: Payment of social services for undocumented aliens

This is to update you on our most recent activity concerning paying the cost of social services for undocumented aliens, and to advise you that the agencies most concerned are unanimous in opposing a request to open the issue for further policy examination and review.

As you know, we have already accommodated Senators Mack and Graham by providing them with \$5 million in Supplemental Appropriations which may be used for immigration needs as the state deems appropriate. Because this provision does not alter our standing policy, the Florida Senators continue to press the Administration for a DPC review of the broader question of federal vs. state responsibility for the burden of paying for social services required by undocumented aliens.

On Thursday afternoon, May 24, we held a meeting for key staff of agencies involved. Represented at the meeting were Cabinet Affairs (Steve Danzansky), DPC (Dan Heimbach), OPD (Mike Klausner), OMB (Tom Scully and Janet Hale), Justice (Bill Myers), Education (Charles Cobb), HHS (Wendy Strong). The purpose of our meeting was to consider how we should respond to the Florida Senators' new demands.

It was the unanimous opinion of those present: that the Administration has already responded to the Florida Senators more generously than expected; that they continue to press the Administration on the broader policy question because the majority of Congress is firmly opposed to a change; that the current policy is correct; and, consequently, that the Administration should not put itself through the process of reexamination. In fact to do so would send entirely the wrong signals to both states that seeking to shift a financial burden, and to present and future undocumented aliens who might be encouraged by the hope of federal support.

It is possible Senator Mack may call the Governor to petition him further. If so, we thought you should know that the affected agencies do not think it is a good idea.

**THE WHITE HOUSE
WASHINGTON**

DATE: June 5, 1990

TO: Fred McClure

FROM: GOVERNOR JOHN H. SUNUNU

FYI.

THE WHITE HOUSE
WASHINGTON

DATE: 2-23-90
AM

TO: David Q. Bates

FROM: ANDY CARD *Andy*

Yesterday Sec. Sullivan mentioned to the President a desire to have an Executive Order to ban smoking in all Federal Buildings. The President was non-committal but suggested that the Secretary go through the normal process.

FYI the President again expressed the hope that tort/liability reform move quickly.

**THE WHITE HOUSE
WASHINGTON**

Date: 3/9/90

TO: DAVID Q. BATES

FROM: MICHAEL P. JACKSON
 Associate Director
 Office of Cabinet Affairs



Re: the attached memo from Andrew Natsios

The transfer of U.S. screwworm fly eradication technology that Natsios had requested the White House to investigate could, he suggested, be accomplished by invoking the Foreign Assistance Trade Act or by passing legislation authorizing the transfer.

I am told by the Agriculture Department that on March 5 the Senate passed HR 4041, legislation authorizing the sale of screwworm flies intended to address the problems in North Africa. The legislation, previously passed by the House, will come to the President for signature. As I understand it, this should solve the problem raised by Natsios. I have called USDA to encourage them to act with dispatch in implementing provisions of the law as soon as the President signs.

Determined NOT to be
National Security Classified Marking
By PL (NLGB) on 05/13/25

February 16, 1990

Personal and Confidential

ACTION MEMORANDUM FOR Mr. Andrew Card, Jr.

FROM : Andrew S. Natsios ASN

SUBJECT: Impediment to Transfer of U.S. Screwworm Fly
Eradication Technology for Use in North Africa

Background: The New World screwworm fly is the most aggressive pest of livestock in the Western Hemisphere. Eggs are deposited in wounds of warm blooded animals, and hatched larvae burrow into living flesh which causes debilitation, mutilation, and death of the host. In 1976, economic losses due to screwworm in Texas alone were about \$375 million. Up to 80% of all newborn deer in infested areas of the U.S. were killed by screwworm.

By the mid-1980s the screwworm was eradicated from the U.S. and Mexico to the Isthmus of Tehuantepec. Unfortunately, the fly was accidentally introduced to North Africa on infected livestock imports from South America in 1988. The screwworm has since become established in 14,000 square kilometers around Tripoli, Libya. Thousands of livestock animals and scores of humans have been infected. If the screwworm disperses much further, eradication will be impossible. Although the screwworm's North African range is still limited, it could expand at any time to include all of Africa, southern Europe, the Middle East, and parts of Asia. In North Africa alone, 70 million head of livestock, and about \$200 million in annual livestock losses are at risk. Consequences to subsaharan livestock production, wildlife, and humans will be profound and permanent. Screwworm-related mortality of newborn livestock in the Sahel may reach 80% and the ravages of the screwworm could create famine conditions among African nomadic peoples who rely on livestock for most of their nutrition. The potential impacts on African wildlife are incalculable.

The U.S. and Mexico have developed the only successful screwworm eradication technique. Radiation-sterilized male flies are produced and released enmass to mate with fertile females that subsequently lay unviable eggs. The Food and Agriculture Organization of the United Nations (FAO) plans to implement eradication technology in Libya as soon as possible. We believe that the European donors, being vulnerable to screwworm invasion,

will fund the two year project. FAO is unable to initiate eradication procedures without the joint U.S./Mexican technology. U.S. authority for legal transfer of screwworm eradication technology for FAO use can be attained either by invocation of Foreign Assistance Act 635(b), or by legislation recently introduced in the Congress by the U.S. Department of Agriculture (USDA). Congress has indicated that the legislation is unnecessary in view of the existing Foreign Assistance Act section. USDA, however, is unwilling to accept the administrative solution though it is clear to both A.I.D. and USDA legal counsel that this non-legislative route is appropriate and legal.

Media Coverage: Recent articles (attached) by the Associated Press and The Economist have identified the U.S. as being an impediment to eradication of the screwworm fly from North Africa while it is still possible. Future media coverage will likely continue to discredit the U.S.; this administration could be affected by backlash from the environmental community and humanitarian relief interest groups. Should the parasite get loose in the rest of Africa because of needless delays in the approval of the American technology for screwworm eradication for use in Libya, the negative press will expand dramatically.

Interested Parties: While USDA, the U.S. State Department, A.I.D., the Office of Management and Budget, and Treasury support screwworm eradication in North Africa, no action as yet has occurred to begin eradication procedures since the screwworm was reported in Libya in the spring of 1988. Part of this is a function of FAO mismanagement, but the U.S. can certainly be held accountable for our failure to approve the sale of the sterile flies to the FAO.

Action: I request that you call Secretary of Agriculture, Clayton Yeutter, to convey the high priority that the White House has placed on the immediate approval of the use of these sterile flies by FAO in Libya. (I don't care which route - legislative or administrative - is used as long as some decision is made now).

Attachments: as stated

We have been holding weekly meetings on this (AID, STATE + USDA) in OFDA, since August and USDA has stonewalled any serious effort to resolve this problem. They control the technology for eradication. Andrew

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<SUMM>
PM-LIBYA-USPEST 01-31 0648

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PM-LIBYA-US PEST,0784
US SANCTIONS ON LIBYA COMPLICATE WAR ON AFRICAN PEST
BY FRANCES D'EMILIO=
ASSOCIATED PRESS WRITER=

ROME (AP) - THE BUSH ADMINISTRATION'S REFUSAL TO DEAL WITH LIBYA IS COMPLICATING AN INTERNATIONAL CAMPAIGN TO RID AFRICA OF A DEADLY PEST THAT THREATENS LIVESTOCK, WILDLIFE AND EVEN HUMANS.

THE PARASITIC SCREW-WORM FLY IS PROVING TO BE A "POLITICAL INSECT," SAID A SOURCE AT THE U.N. FOOD AND AGRICULTURE ORGANIZATION. "THE UNITED STATES HAS THE EXPERTISE AND LIBYA HAS THE PEST."

SO FAR, WASHINGTON HAS AGREED TO ALLOW CRITICALLY NEEDED U.S. TECHNOLOGY TO BE USED IN LIBYA TO COMBAT THE INSECT. BUT U.S. SANCTIONS AGAINST LIBYA MEAN THE TECHNOLOGY CAN'T BE QUICKLY AUTHORIZED, AND CRUCIAL MONTHS HAVE PASSED.

ALSO, THE UNITED STATES HAS REFUSED A REQUEST BY THE U.N. ORGANIZATION TO ALLOW AMERICANS WITH VITALLY NEEDED EXPERIENCE GO TO LIBYA TO HELP ERADICATE THE INSECT.

"WE WOULD HAVE BEEN ABLE TO HAVE THE (FULL-SCALE ERADICATION) CAMPAIGN UNDER WAY IF IT WEREN'T FOR THE OBSTACLES" FROM THE U.S. SIDE, SAID THE FAO SOURCE, WHO SPOKE ON CONDITION OF ANONYMITY.

THE SCREW-WORM FLY LOOGES IN WOUNDS OR TICK BITES AND CAN KILL ITS HOSTS, INCLUDING HUMANS, BY EATING AWAY AT TISSUES. IN ADDITION TO LIVESTOCK, WILDLIFE SUCH AS ZEBRAS AND ANTELOPES AS WELL AS SOME ENDANGERED SPECIES ARE THREATENED.

A SMALL BUT UNDETERMINED NUMBER OF PEOPLE IN LIBYA HAVE BEEN INFESTED WITH THE PARASITE.

TIME IS CRUCIAL TO CONTAINING THE FLY, WHICH, UNTIL ITS APPEARANCE IN LIBYA, HAD NOT BEEN SEEN OUTSIDE THE WESTERN HEMISPHERE.

EARLIER THIS MONTH, PRESIDENT BUSH RENEWED SANCTIONS AGAINST LIBYA. THE BAN ON U.S. TRAVEL TO LIBYA AND ECONOMIC DEALINGS DATES BACK TO THE ADMINISTRATION OF RONALD REAGAN, WHO ACCUSED LIBYAN LEADER COL. MOAMMAR GADHAFI OF SPONSORING INTERNATIONAL TERRORISM.

A U.S. OFFICIAL WHO DECLINED TO BE IDENTIFIED SAID THE UNITED STATES AGREED TO HELP WITH THE SCREW-WORM FLY AFTER "WE RECEIVED ASSURANCES NO RESOURCES WOULD BE GIVEN DIRECTLY TO THE GOVERNMENT" OF GADHAFI.

THE UNITED STATES IS COOPERATING BECAUSE THE INSECT'S THREAT GOES BEYOND LIBYA.

EXPERTS SAY THE INFESTATION COULD SUDDENLY SPREAD TO LIBYA'S NEIGHBORS, ESPECIALLY TUNISIA AND EGYPT, THEN MOVE DOWN THE NILE RIVER VALLEY INTO CENTRAL AFRICA. SOUTHERN EUROPE ALSO IS CONSIDERED VULNERABLE.

IF THE PEST MOVES BEYOND LIBYA, SAID U.N. OFFICIAL BJORN SIGURBJORNSSON, "WE MAY NOT BE ABLE TO ERADICATE THE FLY FROM AFRICA AT ALL."

THE U.S. TECHNOLOGY CONSISTS OF A SPECIAL WAY OF IRRADIATING FLIES TO MAKE THEM STERILE. UNDER THE STRATEGY, TENS OF MILLIONS OF

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FLIES WOULD BE STERILIZED AT A SPECIALLY OUTFITTED U.S.-MEXICAN LABORATORY IN MEXICO AND RELEASED IN LIBYA. MATINGS WOULD EVENTUALLY CAUSE THE INSECT TO DIE OUT.

THE UNITED STATES BECAME THE UNQUESTIONED EXPERT ON SCREW-WORM FLIES AFTER YEARS OF DEVASTATING INFESTATION IN THE U.S. SOUTHWEST. IN 1982, THE INSECT WAS DECLARED WIPED OUT IN THE UNITED STATES.

THANKS MAINLY TO TWO RELATIVELY COLD WINTERS, THE WARMTH-LOVING FLY HAS BEEN CONTAINED TO A SWATH ACROSS NORTHERN LIBYA, EAST AND WEST OF TRIPOLI, SAID EDGAR YATES, A TECHNICAL EXPERT AT THE INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT, ANOTHER ROME-BASED INTERNATIONAL AGENCY.

YATES SAID THE SCREW-WORM FLY PROBABLY CAME TO LIBYA THROUGH AN INFECTED ANIMAL FROM LATIN AMERICA, WHERE THE PEST IS STILL A PROBLEM.

FAO'S REQUEST TO THE UNITED STATES WAS MADE LAST MAY, ABOUT A YEAR AFTER THE FLY WAS CONFIRMED IN LIBYA, THE FAO SOURCE SAID.

IN JANUARY, U.S. SECRETARY OF AGRICULTURE CLAYTON YEUTTER ASKED THE SENATE TO AMEND A TREATY, WHICH THE UNITED STATES SIGNED WITH MEXICO, THAT CURRENTLY ALLOWS THE STERILIZATION FLIES TO BE DISPERSED ONLY IN THE AMERICAS.

APPROVAL IS EXPECTED IN MARCH, SAID PAULA HENSTRIDGE OF THE DEPARTMENT'S LEGISLATIVE DEPARTMENT.

THE EARLIEST THE FLIES COULD BE RELEASED WOULD BE EARLY AUTUMN, YATES SAID. SO FAR, THE UNITED STATES HAS BEEN UNBENDING ON LETTING AMERICAN TECHNICIANS GO TO LIBYA. "AS FAR AS WE'RE CONCERNED, THE MEXICAN EXPERTISE IS SUFFICIENT," SAID ELIZABETH BONKOWSKY OF THE U.S. STATE DEPARTMENT.

SIGURBJORNSSON DISAGREES, SAYING U.S. TECHNICIANS WILL BE ESSENTIAL WHEN THE FULL-SCALE FLY RELEASE, SCHEDULED TO LAST UP TO TWO YEARS, IS UNDER WAY.

THE U.S. GOVERNMENT HAS COOPERATED IN OTHER WAYS. LARVAL SAMPLES HAVE BEEN ANALYZED IN A NORTH DAKOTA FACILITY, AND MS. BONKOWSKY SAID A LIBYAN WAS GRANTED A VISA TO WORK WITH U.S. EXPERTS THERE.

THERE ARE ALSO PROBLEMS BETWEEN THE FAO AND THE UNITED STATES. THE UNITED STATES HAS REFUSED TO PAY ITS FULL ASSESSMENT, WHICH ACCOUNTS FOR ONE-QUARTER OF THE AGENCY'S BUDGET.

THE DISPUTE GOES BACK TO 1985, WHEN REAGAN ACCUSED THE ORGANIZATION OF BEING BIASED AGAINST THE UNITED STATES AND OF INEFFICIENT ADMINISTRATION.

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ington led by Dr Robert Coombs reported similar results. They found infectious cells in 97% of samples from infected people. But their virus particles were not as ubiquitous as Dr Ho's. They found the virus in 23% of the patients without symptoms, 45% of those with some, but not all, the symptoms of AIDS, and 82% of those with full symptoms. It may be that the Washington team is using a less sensitive test, or that Dr Ho's test sees some free virus where there is none.

Either way, direct measurements of the virus could make a big difference to some trials of treatments for AIDS. For people who are infected but not ill, any trial to find out whether a new drug will help them must, at the moment, continue until an appreciable number of them (those who are allotted placebos in the trial) fall ill. If, rather than waiting for symptoms, such trials looked for variations in the amount of virus, then evidence of a drug's effectiveness—or lack of it—might be found much more quickly. If the drug works, those on the placebo could move to the drug before becoming ill.

Quick, small trials of people with AIDS are another use for the new virus-spotting techniques. It might be possible to tell if an anti-viral drug works by using only a dozen people and monitoring the virus in their blood for about six weeks. If the drug does not affect the virus in their bloodstreams then a full-scale trial can be avoided.

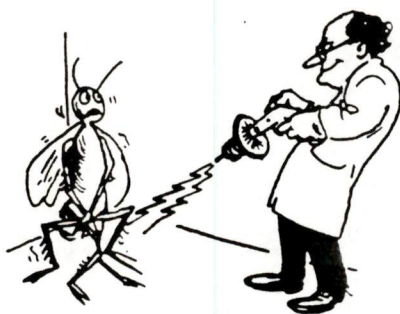
Such trials are needed because stopping the virus from reproducing in cultures and having an effect in the body are different things. Consider the new family of drugs described in *Nature* by Dr Rudi Pauwels and his team in Belgium. They describe a family of compounds that stops HIV from reproducing. Like AZT, the only antiviral drug approved for use against HIV, the compounds block part of the mechanism by which the virus gets its genes into host cells. The advantage of the new compounds is that the difference between HIV-blocking doses and doses that kill the body's cells is larger. All this is encouraging but is not the same as success with people.

Dr Ho's paper describes a study of seven patients taking AZT. Their amounts of free virus were low, but the levels of infection in their blood cells stayed constant. This is because AZT stops infection but can do nothing for cells that are already infected. The drop in free virus may imply that most virus in the bloodstream comes from newly infected cells—which would be useful to know. As new drugs come along, viral measurements will illuminate their effects—even if they turn out not to tell the whole story. Because the measurements are extremely labour-intensive, it is unlikely that they will replace all other markers, or become common practice in hospitals. But in some clinical trials they may begin to make a difference, perhaps within the next year.

Screw-worm flies and cattle The fruits of sterility

THE latest epidemic to hang over Africa's northern countries is, for now, limited to a small area in Libya. But it has never sat still in the past and shows no sign of doing so now. It usually leaves economic ruin in its wake. **The good news is that in theory it can be stopped quickly. The bad news is that American politicians would have to change their attitudes to Libya first.**

The problem is not a disease but an insect: the screw-worm fly, which has a metallic greenish-blue body and is about three times larger than a housefly. For the most part, *Cochliomyia hominivorax* innocuously samples nectar and pollinates flowers during its two or three weeks of life. It also has a parasitic habit that condemns its victims to an agonising death.



Females need only about five minutes to lay 200-300 eggs in the wounds of warm-blooded animals (a tick bite will do). Maggots hatch a day later and feed on nearby flesh. The festering wound smells sickly sweet and attracts more screw-worms until the animal dies. After five days of dining, the maggots drop to the ground and pupate. Then the flies need only three days to find a mate, and females just four days thereafter to lay eggs in another wound.

The fly is native to Central America. It spread north and south with the Spanish and their cattle. In 1935 the flies affected at least 1.2m cattle in the United States. By 1960 they were costing the cattle business some \$100m a year (mostly spent on cowboys to tend the animals). Now they have been eradicated from the United States and most of Mexico, thanks to a method known as sterile-insect technique (SIT).

The idea is simple: flood the population with sterile insects. Since mating produces no offspring, the flies die out. Dr Edward Knipling, who ran the entomological research division of America's Department of Agriculture, first toyed with the idea in 1937. His problem was how to make flies sterile and yet still attractive to mates. In

1950 he hit on the idea of using radiation. In 1958 50m sterile flies were released each week over 13m hectares in America's south-east. The scheme wiped the region's screw-worm flies out within six months. They were virtually gone from the south-west by the mid-1960s and a joint Mexican-American programme has now tackled the fly as far south as the Tehuantepec Isthmus.

If the theory is simple, its execution is not. The most effective time to irradiate the flies turns out to be 5½ days after hatching. Doing it earlier causes too much damage, and waiting until they are airborne is impractical. They should be released when the natural population is at its least numerous and vigorous. The best way to fry their reproductive systems is to use cobalt-60, an unstable element that emits gamma rays (extremely short-waved, penetrating electromagnetic energy). The best dose is 8,000 roentgen, enough to kill a person 16 times over. Flies survive this electromagnetic conflagration, but emerge from the oven with altered genes. The females lay eggs but no progeny complete their embryonic growth.

The flies are now in Libya, probably brought by imported infested animals. At present, they are confined to some 120 hectares around Tripoli. But females can fly up to 300km in search of somewhere to lay eggs. The climate is also warm enough to satisfy the flies all year round. This all bodes ill.

Africa will not find it as easy as America did to apply SIT. A successful programme needs co-operation between ranchers and entomologists. When flies are found they must be tackled quickly. Dumping sterile insects from aircraft calls for good roads and airstrips. Wars do not help.

The United Nations' Food and Agricultural Organisation (FAO) and the Libyan government are spending \$6m on insecticides trying to quarantine infested areas. Some education is also afoot in Tunisia, Algeria, Niger, Chad, Sudan and Egypt. But such measures will probably not be enough.

The use of SIT is blocked by politics. America's law against trading with the enemy prohibits the use of American money or technology in Libya and bars Americans from going there. Dr Bjorn Sigurbjornsson, director of a joint division of the FAO and the International Atomic Energy Agency that would be responsible for any Libyan SIT project, cannot imagine starting the job on a large scale without American help.

According to Dr Waldemar Klassen, an American entomologist who oversees the SIT project in Mexico, the joint American-Mexican insect factory in Tuxtla Gutierrez could produce the necessary irradiated flies. Dr Sigurbjornsson thinks that wiping out the fly in Libya would mean shipping sterile flies for 12-18 months, and would cost \$60m. This is much cheaper than watching the fertile version multiply and conquer.

OFFICE OF CABINET AFFAIRS STAFFING MEMORANDUM

Date: 3-9-90

Due by: _____

Subject: U.S. screwworm fly eradication technology

From: Michael Jackson

	ACTION	CONCUR	FYI		ACTION	CONCUR	FYI
BATES	☒	☐	☐	JACKSON	☐	☐	☐
DANZANSKY	☐	☐	☒	MCBEE	☐	☐	☐
ADAIR	☐	☐	☐	SCHALL	☐	☐	☐
BUCHHOLZ	☐	☐	☐	WETHINGTON	☐	☐	☐
D'ANDREA	☐	☐	☐	WILLIAMSON	☐	☐	☒
DEWITT	☐	☐	☐	YALE	☐	☐	☐
DUGGAN	☐	☐	☐	_____	☐	☐	☐
EVANS	☐	☐	☐	_____	☐	☐	☐
FARRAR	☐	☐	☐	_____	☐	☐	☐
HEIMBACH	☐	☐	☐	_____	☐	☐	☐

Comments:

Please note the attached memo from Andrew Natsios. Thanks.