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WHITE HOUSE SECRETARIAT

CURRENT OPERATION

The Office of the White House Secretariat is responsible for providing final authorization and clearance for all materials going to the President for his action, information or use. It is directly responsible for organizing and coordinating all materials for the President, including daily briefing packages, decision and information memoranda, legislation, reports to Congress, Executive orders, proclamations, and speeches. This office coordinates with White House senior staff and OMB to obtain concurrence before transmitting materials to the President. In addition this office directs staff follow-up on Presidential decisions, as appropriate.

This office managed by a Special Assistant to the President manages the following operating units:

- Office of the Executive Clerk
- Office of Presidential Correspondence
- Office of Records Management

Informally referred to as "paper flow" management, this system:

- Assures appropriate Presidential involvement -- that matters which merit or require Presidential involvement are advanced to the President for his review and action;
- Assures quality control -- that papers reflect analysis of appropriate quality, fairness, and thoroughness (given the limits of time), and that such analysis is clearly presented;
- Assures early warning and timeliness -- that, to the extent possible, issues requiring Presidential action are identified early enough to allow scheduling of appropriate opportunities for review, deliberation and consultation prior to required actions;
- Assures fair participation -- that, to the extent practicable, legitimately concerned parties who report to the President have an opportunity to present their views on matters affecting their interests, and that such parties perceive the system by which their views are communicated to be fair;
- Encourages integration and consistency across issues -- that, to the extent practicable, interrelated issues are identified and treated as such;

- Assures authoritative recording of Presidential actions and appropriate assignment of responsibilities for implementation;
- Allows efficient, timely, and accurate monitoring of the status of all Presidential paper and associated assignments; and
- Merits (by accomplishment of the foregoing) the confidence and support of those who depend upon the system.

The Chief of Staff has overall responsibility for the pursuit of these objectives. The principal operating responsibility for these objectives rests with the Director of White House Secretariat, or Staff Secretary, with day-to-day oversight from the Assistant to the President for Operations.

The Director, White House Secretariat has been the last stop for all paper routed to the President, and the first stop for all paper routed from the President. (Note: The Staff Secretary has customarily delivered all materials directly to the President's in box -- having called particularly sensitive matters to the Chief of Staff's attention in advance -- and has customarily received all material directly from the President's out box. The question of a limited number of exceptions hand-carried by the National Security adviser is discussed below.)

This office has the authority and responsibility to require further staffing and review of documents -- prior to their submission to the President -- as consistent with the objectives stated above. The staff coordination is represented in the documents by appropriate notation of concurrences and/or demurrals. If the Director is satisfied that such notation are fair and sufficient, she simply forwards the documents to the President. If not, appropriate further staffing is required.

In addition, the office has initial and authoritative responsibility for recording and filing all written Presidential decisions, for informing appropriate parties, and for assigning follow-up responsibilities as appropriate.

The effectiveness of any staffing system depends fundamentally upon the consistent application of the rule: No "end runs." We have found that if this rule is violated for one "special case," others will soon find ways to make their own cases similarly special.

OFFICE OF THE EXECUTIVE CLERK

CURRENT OPERATION

The Office of the Executive Clerk is the oldest operating unit in the White House Office. It is responsible for the formal preparation and final disposition of all official presidential documents. These include nominations to the Senate, commissions of appointment, letters accepting resignations, Executive orders, proclamations, pardons, special messages, veto messages, and routine messages transmitting reports to the Congress (and treaties to the Senate), memoranda from the President to units of the Executive branch, and awards, medals, citations, and certificates.

The office serves as the official point of presidential receipt for formal documents from the Congress, such as enrolled bills and Senate confirmation resolutions. The staff serve as the official secretaries to the President when carrying his communications on the floors of the Senate and House of Representatives.

The office is the authority on the presidential appointment process. It maintains the official permanent White House record of presidential actions on all the above-mentioned subjects and serves as a resource to White House staff on matters of precedent and procedure.

PERSONNEL

Six full-time career personnel.

TRANSITION

1. Official name -- The office will need to know as soon as possible after the election the official name the President-elect will use on all official Government documents. The most important documents are the parchment presidential commissions.
2. Cabinet Nominees official names and States -- The Executive Clerk will need to know before January 20th the official name of each new Cabinet officer, together with his/her State of legal voting residence. This information is needed so that the Clerk can prepare the nomination documents that will be presented to the President for his signature in the Capitol immediately after the inaugural ceremony. The Clerk will then deliver the nominations to the floor of the Senate in a traditional ceremony.
3. Transfer of presidential appointments -- The Executive Clerk must transmit to the office of the President-elect a large volume of written material comprising information on Government-wide personnel appointments by the President. These include (i) a 21-volume position description file, (ii) a combined data volume, (iii) a vacancy volume, and (iv) an appointment volume.
4. The Executive Clerk should brief the incoming staff secretary, press secretary, and Director of the Presidential Personnel Office on the role this office plays in support of their operations.

OFFICE OF RECORDS MANAGEMENT

CURRENT OPERATION

This office is responsible for any and all types of White House documentation, whether internal memoranda, government reports, or public mail. Through a sophisticated computerized tracking and filing system -- currently being upgraded with the addition of an optical disk system -- ORM provides rapid status reports on current correspondence and memoranda as well as retrieval of or information about any documents "in file." Staff offices need only retain active documents/files, with all other documentation being deposited with ORM.

This office consists of four separate sections: Search and File, Classification, Data Input, and Correspondence Review. A fifth section for the Optical Disk operation will be established and operational by January 20th.

The Classification and Search and File Sections categorize, maintain, and service requests for information and/or documents of the President, the First Lady, and members of their staffs. The Correspondence Review Section reviews outgoing correspondence from all White House offices for correct titles, spellings, addresses, and enclosures. It separates file material from outgoing correspondence before transferring it to the Mail Room. The Data Input Section inputs data on the documents in file and the correspondence being tracked.

PERSONNEL

There are 28 full-time career staff persons in this office.

TRANSITION

1. Prepare paper by November 9 on ORM services available to the President, explaining reasons and advantages for using them, e.g., handling of briefing papers, Presidential handwriting papers, decision memos, and classified documents, availability and use of autopen, implications of Presidential Records Act, the policy of confidentiality in handling all files.
2. Set up, in conjunction with OA, by January 3rd the ORM-managed computer systems and report to be used for the next Administration (Correspondence Tracking System, the Name List Services System, and the ORM Classification Index System).
3. Update the ORM Classification Index Manual by January 20th.
4. Prepare file folders for new papers received after January 20th.

5. Oversee installation and testing of optical disk system so that it is completely operational by January 20th.
6. Consult with National Archives to prepare for assignment of a detailee to ORM beginning January 20th.
7. Prepare briefing for new staff on services provided by ORM, with explanation of procedure for handling files, response/retrieval of documents, confidentiality policy, outgoing correspondence review service, autopen policy, use of C-Track system, use of name list services, implications of the Presidential records Act.
8. Prepare handout of services for new staff.

DIRECTOR OF CORRESPONDENCE

CURRENT OPERATION

This office oversees the following Correspondence operating units: Presidential Messages, Gift Unit, Inquiry Office, Children's Mail, Agency Liaison, Mail Room and Mail Reception/Security, Mail Analysis, Typing and Secretarial Unit, Special Letter Reply, Autograph Photos, Review Unit.

The Director's office primarily prepares and edits Presidential messages and replies and oversees creation of the Director's form language, publications, fact sheets, and other enclosures utilized by Mail Analysis, Special Letter Reply, and the Children's Unit.

This office replies to personal friends of the President, prepares letters requested by other White House staff, particularly Presidential replies to resignation letters, and provides guidance to all Correspondence operating units on overall policy of handling incoming mail.

This office also prepares official Presidential proclamations requested by Congress designating certain days, weeks, and months for special commemoration.

This office sends a mail sample to the President every month.

PERSONNEL

There are eight full-time staff members who serve at the pleasure of the President (PoP) in the office of the Director of Correspondence.

TRANSITION

1. Obtain the list of names and addresses of close members of the family, close personal friends and acquaintances of the First Family.
2. Obtain the names and addresses of individuals and organizations with which the President has had a personal or official relationship.
3. Obtain a biography of the President and First Lady.
4. Obtain favorite recipes of the President and First Lady to respond to inquiries.

GIFT UNIT

CURRENT OPERATION

The Gift Unit is the most self-contained of the Correspondence operating units. Incoming gifts include those mailed or presented to the President and First Lady, gifts to White House staff, and general mail concerning gifts or offers of gifts. Mailed gifts are sent directly to the Gift Unit by the Mail Room. Personally presented gifts are delivered to the Gift Unit by the recipient.

The Gift Unit appraises, tracks on a computer, and prepares a thank-you to all gifts. Information kept on each gift includes data on the donor, description of the gift, disposition of the gift, its assessed value, etc. This information, stored in the computer, is used to produce two reports for Counsel's Office. The Foreign Gift Act Report, which is filed by the Gift Unit with the State Department each year, includes staff gifts as well as Presidential and First Lady. The Financial Disclosure Act Report contains a gift portion, which includes staff as well as Presidential and First Lady.

PERSONNEL

There are three PoP staff members in the Gift Unit.

TRANSITION

1. The Vice President will continue to report his gifts; he is not subject to any reporting rules as President-elect until his Inauguration. Recommend that all gifts to him as President-elect come to his Vice Presidential office for normal handling.
2. Recommend that President-elect change over to the Presidential system beginning January 1, 1989.
3. Need to receive from the President-elect decisions on designated charities, form responses, etc.

CHILDREN'S UNIT

CURRENT OPERATION

The Children's Unit responds to children's mail for the President and First Lady. Incoming mail is analysed, coded and referred as appropriate. Presidential and Anne Higgins replies are drafted occasionally, but most responses are in one of two forms: (1) a White House booklet containing pictorial and general interest information, and (2) an "issues" newsletter.

PERSONNEL

There are four full-time PoP staff members in the Children's Unit. But this office relies on considerable volunteer support.

TRANSITION

1. New Children's booklet should be prepared to give answers to childrens' commonly asked questions about the President and his family, life in the White House, etc. This is generally a 4-6 month project, so a head-start on this is important.
2. The Report to Students has been popular for older students. Will need a decision if the new President wants to continue this. Again, advance work on this is important.
3. Several routine form letters/cards are used for children. Need to get early approval on language for these items, e.g., Eagle Scout cards, kindness to animals, etc.

COMMENTS AND VOLUNTEERS

CURRENT OPERATION

This office has three major functions: the Comments Office, the Greetings Office, and the Volunteer Program.

The Comments Office aides answer telephone calls for the President from the general public. The office records and tabulates public opinion, refers calls to other levels of government and assists people with extraordinary hardships. This office answers phone calls received after the President's major addresses and press conferences and reports the result.

The Greetings Office sends Presidential birthday and anniversary cards, and cards for other landmark events. The office handles annual Christmas cards as well.

The Volunteer Program coordinates the activities of about 500 volunteers. They are recruited and trained to staff the Comments and Greetings Offices. They also are assigned to special projects as needed. They read children's mail, assist the mailroom and gift unit, etc. Volunteers are also assigned to staff White House offices on a daily basis upon request. In addition, a docent program, staffed by 40 volunteers, conducts weekly tours of OEOB under the auspices of the Preservation Office. Volunteers also assist the Visitors Office for welcoming ceremonies, the Easter Egg Roll, and Christmas festivities.

PERSONNEL

Three full-time PoP staff members work in this office.

TRANSITION

1. Need to get President-elect's approval as soon as possible after the election on texts of birthday and anniversary cards. These could be printed and ready for mailing on January 20th. Catch: printing takes quite a while.

AGENCY LIAISON

CURRENT OPERATION

This office does "case work" and coordinates referral of difficult-to-answer Presidential correspondence to Federal agencies for response. Agency draft responses are reviewed by this office, referred to appropriate White House offices for approval, and prepared in final.

PERSONNEL

Four full-time PoP staff members comprise Agency Liaison.

TRANSITION

1. Need to get approval ASAP on text of traditional letters the President does for agencies, e.g., welcome to new citizens for swearing-ins, veterans certificates for deceased veterans, etc.

PRESIDENTIAL MESSAGES

CURRENT OPERATION

This office prepares statements, proclamations, and letters over the President's signature to be read publicly at significant national events, such as meetings of major public service and trade associations, tributes to renowned persons, and ceremonial and political meetings. This is an important element in the President's outreach to business, labor, religious and ethnic associations, veterans, minorities, youth and Republican organizations -- and often the only direct communication these groups have with the Administration.

This office determines the appropriateness and feasibility of Presidential messages, drafts and edits messages to reflect the President's policies and style, and obtains necessary policy clearances (e.g. Counsel) from senior White House staff and agencies.

PERSONNEL

There are three full-time and one part-time PoP staff members in Presidential Messages.

TRANSITION

1. Need approval ASAP on about 18 form messages that are used routinely, if the new President wants to continue practice.
2. Need liaison with President-elect for message requests when either the President or President-elect is unable to personally attend an event between November 8-January 19th.

SPECIAL LETTER RESPONSE

CURRENT OPERATION -

SLR is a drafting unit, primarily for replies over Director of Correspondence, Anne Higgins' signature, but secondarily for Presidential replies. Presidential messages are drafted here, as well as condolence letters to families of firefighters and police officers killed in the line of duty. In an average week, SLR produces 200-300 Higgins replies and 50-60 Presidentials.

PERSONNEL

There are 15 full-time PoP staff members in SLR.

TRANSITION

1. Will make available paragraph selections and form letters for new President's use/approval.

MAIL ANALYSIS

CURRENT OPERATION -

The Mail Analysis unit reads, codes, and refers the mail. This office also is responsible for producing Anne Higgins' replies on a computer program. Additional responsibilities include analyzing letters to receive form replies, oversight of computer records and files, and quality control functions of final copy.

Mail is answered directly by this office only if a form reply is appropriate. Referrals from this office go to White House staff, Special Reply, Greetings, and agencies/departments. Most referrals are to Federal agencies.

PERSONNEL

There are 23 full-time and 2 part-time PoP staff in the Mail Analysis office.

TRANSITION

1. Strongly recommend establishing contact with the President-elect ASAP on handling incoming mail before he arrives at the White House. Will provide categories for them to sort and other assistance on responses. If it is well-sorted by January 20th, it can get right into the President's system and out.
2. Need to get answers from President-elect's staff on disposition of various types of mail, e.g., scheduling requests, media, state and local officials.
3. Need to identify staff member who will sign most White House responses not signed by the President himself, i.e., the Director of Correspondence.

POST OFFICE

CURRENT OPERATION

When mail arrives at the White House (except telegrams/mailgrams, which are received in the telegraph office) it is first security-checked in Mail Reception and Security and passed unopened to the Mail Room. The Mail Room does a preliminary sort of the mail to identify and separate it by designation, addressee, or priority. Mail designated for direct delivery to the President, to the First Lady, and White House staff, and Congressional and "More Important" mail, are all expedited to their destination. The bulk of mail is routine mail or "propaganda" mail -- identical or preprinted pieces. This mail is counted, recorded and stored without reply. Mail identified as routine is opened and referred to Mail Analysis.

PERSONNEL

There are 27 full-time career staff in the Mail Room.

TRANSITION

1. Need to obtain from the new President and First Lady a code that will be on their mail from individuals whose letters they want to receive unopened, along with any other instructions on personal mail.

PHOTOS

CURRENT OPERATION -

This office processes requests for autographed photos of the President and First Lady. An average of 700 requests are received from White House offices each week, while requests from the general public average 500 each week. Copies of all photos are made and records on requests are maintained.

PERSONNEL

There is one full-time PoP staff person in this office, but volunteers assist as necessary.

TRANSITION

1. Need official photos ASAP of new President, President and First Lady together, First Family/pets. etc.

TYPING AND SECRETARIAL UNIT

CURRENT OPERATION

The Typing and Secretarial Unit has three major functions: (1) typing outgoing Presidential and staff correspondence, (2) typing and proofreading Presidential documents, and (3) providing secretarial support for West Wing staff offices.

Typing correspondence -- In addition to typing letters for the signature of the President and Director of Correspondence, the Typing Unit produces letters for those staff offices whose volume of correspondence and/or lack of word processing equipment prevents their own secretaries from handling mail in a timely manner. This office also prints mass mailings for staff offices.

Presidential documents -- This unit types and proofreads various official documents for the President's signature, e.g., Executive orders, proclamations, messages to the Congress, etc. Press releases of these official documents are prepared at the same time and both versions returned to the Executive Clerk for dispatch through the Executive Secretariat.

Secretarial support -- This unit produces both short-term and long-term secretarial assistance to staff offices in the West Wing.

PERSONNEL

There are 19 full-time PoP staff members in this office.

THE WHITE HOUSE
WASHINGTON

21 November

Andy,

Please find enclosed, a copy of my memorandum on domestic policy staff reorganization. My wife, Lynda Davis, mentioned that you might be interested in taking a glance.

Regards,

Tony Blahly

THE WHITE HOUSE

WASHINGTON

October 29, 1988

TRANSITION MEMORANDUM

FROM: ANTHONY BLANKLEY A.B.

SUBJECT: RESTRUCTURING WHITE HOUSE DOMESTIC AFFAIRS TO MEET
THE CHALLENGE OF CONGRESSIONAL OVER-REACHING

PREAMBLE

The author of this memorandum has worked in the Reagan White House for the last six years under four chiefs-of-staff at the middle level of three policy offices and with substantial relations with the Offices of Communications and Political Affairs.

INTRODUCTION AND SUMMARY

The last eight years has seen a serious weakening of White House control and use of the executive agencies at the same time that Congressional influence in those agencies has increased. White House domestic staff structure should be re-designed to meet that challenge.

While moving boxes around on an organizational chart is not a particularly useful exercise (clever people will inevitably figure a way around such contrivances), clearly fixing in one's mind what functions the President will need, and providing the resources and authority to perform them are essential.

This memorandum will recommend seven proposals for addressing the growing Congressional challenge to White House authority:

- 1) Reject the Concept of Cabinet Government,
- 2) Unify Policy and Cabinet Oversight Functions,
- 3) Institute Quarterly Policy Reviews,
- 4) Create a Legislative Monitoring Group,
- 5) Create a Bureaucratic Strategies Unit,
- 6) Centralize Agency Public Affairs and Intergovernmental leadership in the White House, and
- 7) Find a new Mike Deaver.

The purpose of a White House staff is to enable the President to project his will coherently through the Executive Branch and the

media to Congress and the American public. In order to develop and execute policy, the President and his senior staff must be in timely possession of accurate information, knowledgably assessed by people who are both loyal to, and understanding of, the President's objectives.

If the President commits himself to what is called cabinet government, the unity of Presidential will would tend to be divided and the timely Presidential possession of accurate information, knowledgably assessed, would be less likely.

Most incoming Administrations seem to feel obliged to make a commitment to cabinet government, wherein the highly successful men and women selected to the cabinet are entrusted to run their departments both independently and in perfect coordination with the White House. Usually the process degenerates or is halted by a frustrated President (although Ronald Reagan, ever the individualist, reversed the process and slipped into a second term cabinet government.)

Ironically, in true cabinet forms of government, like Britain's, the inclination of successful Prime Ministers, such as Disraeli, Churchill and Thatcher, is to force their governments into something very similar to Presidential government. Our founding fathers wisely eschewed cabinet government because of its inherent tendency to executive incoherence.

Incoming Cabinet Secretaries who are disheartened at the thought of a strong Presidential, rather than cabinet, Government should be reminded that Gen. Patton scored his greatest victories when he stopped trying to be Supreme Allied Commander and accepted his job as Commander of Third Army.

Executive agencies are like wild animals. A strong White House staff permits the President to be a circus ringmaster. A cabinet government consigns a President to the job of zookeeper.

The transition team should consciously reject the idea of cabinet government. Rather, it should design a White House staff that will tend to galvanize agency personnel and mechanisms on behalf of the Presidential will.

But giving the White House staff a leadership role vis-a-vis the agencies makes all-the-more important the existence of effective alternative views within the White House staff itself.

Finally, although it is true that the White House staff should not be responsible for line operations, it must maintain strong agency oversight capabilities. It is regrettably the case that Congress, through its oversight committees, often knows sooner and better how the agencies are carrying out their responsibilities, and in fact often influences those agencies more effectively, than does the President and his staff.

ORGANIZING A STAFF TO MEET THE CHALLENGE

The danger of organizing the White House staff to the concept of cabinet government, while always substantial, is heightened in 1989 because of the nature of the greatest challenge facing the incoming Bush Administration: Congressional over-reaching.

Explicitly, Congress has been able to encroach upon traditional Executive Branch functions by expanding its sub-committee system, intensifying its oversight activities, and micro-appropriating: legislating what amounts to Executive Orders and administrative procedures.

In essence, there is a battle going on between Congress and the White House for the hearts and minds of the executive agencies. It is a battle borne of the Viet Nam policy conflicts; a battle in which the Congressional battalions had been first emboldened by the convulsions of Watergate. In the face of the 1981 Reagan "Big Push," Congressional forces fell back to their secondary line of defense.

But in the wake of Iran/Contra and the second term enfeebling of the White House staff, Congressssional forces have once again resurged and are now encamped in our own trenches.

To complete the foregoing somewhat lurid metaphor, just as the Kaiser's Armies fought the Great War on French territory, the Congressional battalions are fighting this war on our territory: the executive agencies.

Congressional intrusions on Executive prerogative have included: the blocking of departmental office re-organizations, protection of, or attack on, personnel appointments below the level of those requiring Senate confirmation, appropriating funds the use of which are conditional on subsequent congressional approval of specified executive conduct, and, of course, the increasing co-optation of the executive agencies' support vis-a-vis the President.

The Bush Administration must not expect much from the traditional upcoming Congressional honeymoon. It will probably start in separate beds. Porcelain definitely will be broken.

Therefore, White House staff reorganization should be especially geared to re-assert Presidential control over the President's great asset: the executive agencies.

OVERVIEW OF WHITE HOUSE FUNCTIONS

Even if there were no threat of congressional over-reaching, the three great challenges of White House staff organization are: 1) to get to the President, or his responsible White House delegate, all the information he needs to know, but no more, as soon as he

needs it, but no sooner, 2) to assess the information and reach a timely and wise decision, and 3) to marshal sufficient Presidential resources to effectively implement the decision.

White House Information and Decision-making

The overwhelming source of needed information resides in the agencies. Poorly designed White House staff procedures usually fall down in extracting timely, relevant information from those agencies. One might analogize White House information gathering and issue identification with the Congressional hearing process. Indeed, the primary source of information for Congress, as for the White House, is the executive agencies.

Wise and timely decision making is largely a function of the quality of the senior personnel and their available time and information. Most executive branch decisions effectively are made automatically at the agency level, unless the White House intrudes on that process.

However, because top level White House decision-making places constant time demands on the same approximately half dozen senior staffers, their failure to know of or get around to making important second and third level decisions often results in the White House abdicating its role in such important decisions.

Over time, these constant White House decision-abdications diffuse the coherence of the Presidential will. They also breed an excessively independent or idle frame of mind within the agencies. This often tends to degenerate into agency capture by their special interests or congressional oversight staffs (often the two are identical.) If the White House pays little attention to an agency, while Congress and the special interests court it intently, its bonds of loyalty are likely to be broken with the White House, to the President's later regret.

Thus, it is important to maintain regular two-way communications between the White House staff and the agencies. Even Secretaries get lonely for the company and attention of the President and his senior staff. At the sub-cabinet level, the isolation can be worse unless middle level White House staff are available with sufficient authority to make their attention appreciated.

Therefore, the President and his senior staff should delegate decision making authority within the White House staff for secondary and tertiary decisions for which the senior staff have not the time.

Moreover, by investing White House staff with credibility in the eyes of the agencies, and mandating those staffers to pay constant attention to their assigned agencies, the bond between the President and his agencies is maintained and strengthened.

Note that it is easier for the President and his senior staff to oversee decisions made by the White House staff than it is for them to oversee such decisions being made at the sub-cabinet agency level. This decision-making is analogous to Congressional law-making. For better or worse, Congress has been able to address an ever growing scope of subjects over the last quarter century because it has effectively delegated much of its law-making authority to its staffs.

White House Oversight of Agency Policy Process

The third great challenge for the President and his staff is following through on the implementation of Presidential and other White House decisions. As mentioned above, this is analogous to the Congressional agency oversight function. In this regard, the White House has been in an increasingly losing battle with Congress over who has greater influence on the executive branch agencies.

The Role of OMB:

The President's chief agency oversight capability resides in OMB. Thus, the question necessarily arises whether OMB, with its limited areas of nominal concern (budget and management) and its marked independence within the White House, ought to remain as the President's primary eyes, ears and mouth into the agencies.

It also needs to be noted that most OMB agency contact is performed by career OMB staff whose political overseers rarely have enough technical knowledge to avoid being strongly influenced by their subordinates. And, because many career OMB staff are former employees of the agencies they audit, few OMB directors or associate directors can be fully confident that the President's objectives are being heroically represented.

There is a wealth of skill, dedication and agency data-familiarity in the OMB career staff that is neglected at high cost to the President. But as the President's primary eyes, ears and mouth in the agencies, as the President's policy advocates and monitors, they are not to be preferred.

A successful President thrives on diversity of informed opinion within his White House. But, perhaps because of the extreme focus on budget issues throughout the Reagan Presidency and the brilliant jurisdictional avarice of David Stockman, the last eight years have seen disequilibrium in the White House.

The OMB staff has come to think of itself as the source of all wisdom and the protector of established methods of thinking. To have sat through years of OMB budget reviews is to have seen the thousand ways that Presidential policy is massaged and transformed into the wishes of the OMB staff.

Considered policy initiatives of Cabinet Secretaries have been routinely rejected by career auditors with the nodding, half-knowing acquiescence of their political overseers.

Legislative proposals of Assistants to the President are subject to OMB procrastination, misrepresentation and orthodoxy.

Unjustified budget formulae have been used to exaggerate the budget implications of new policy proposals, thereby forcing their rejection.

OMB staff routinely cut out our key Assistant Secretary program administrators from the deliberative budget and policy process.

Such practices cannot be eliminated: they can be counterbalanced. Setting up a substantially staffed Domestic Cabinet Affairs Office with authority to work closely with the agencies will provide that balance. It will also provide something that OMB cannot: an office, loyal to the President, whose exclusive purpose is to design, coordinate, rationalize and oversee policy.

The Role of Domestic Policy Offices

As currently constituted, domestic policy responsibilities within the White House are mainly divided unevenly between eight entities: 1) Chief of Staff's Office, 2) OMB, 3) Domestic Policy Council, 4) Economic Policy Council, 5) Cabinet Affairs Office, 6) Low-Income Advisory Board, 7) Drug Office, and, 8) Policy Development Office.

The Office of U.S. Trade Representative is not included because it is more in the nature of an agency. Other White House Offices such as CEA, Communications, Political, Legislative, Legal Counsel, Intergovernmental, and Science Advisor are excluded from the list because, although they often play important roles in domestic policy decision-making, they have more specialized functions. The Domestic and Economic Policy Councils are probably sui generis to the Reagan Administration because of the unique relations of its chairmen to the President.

In the first term, it will be recalled, there were as many as a dozen domestic cabinet councils (management, natural resources, social welfare, etc.) staffed through the Domestic Policy Office. There was also a long term planning office (Office of Planning and Evaluation) which in its first two years made strides towards state of the art computer capabilities, but had its wings amputated when it overreached its authority base. For its last two years of existence (with an entirely new staff) it's analysis, both good and bad, was disdained by the decision-makers. Thus there was an almost total disconnection between long and short range planning.

Although the influence of the seven entities waxed and waned as top personnel changed, their essential natures can be generally characterized. The Chief of Staff's office necessarily had the greatest decision making power and the weakest in-house informational strength.

OMB had the greatest analytical capability. And, to the extent that information and large staffs means power, and it does, OMB used that power to very heavily influence every decision with which it was concerned. In the general view of other White House offices, OMB never considered a decision final until it won. Among the tools it effectively used, beyond its creditable analytic capacity, were obduracy, obliquity and straight out mendacity. Within OMB itself, only Stockman was truly its master.

The Offices of Policy Development and Cabinet Affairs and the staffs of the Domestic and Economic Policy Councils more or less overlapped and duplicated domestic policy functions in assending order of influence.

In the first part of the second term Cabinet Affairs manifested weak analytic skills and an inability to effectively assess the many agency proposals that passed through it. But because of the close relations of its Director to the then Chief of Staff, it had an inordinate influence on decision making. In the first term, with less hubris and more efficiency, it melded better.

Policy Development Office

In the first part of the first term, the Office of Policy Development was a source of innovative policy concepts and also provided a reasonably effective agency policy oversight function. But because of ideological rigidity tempered by a creeping lack of intellectual initiative, the office progressively receded in both influence and capacity. By late 1985 it gave up any pretension to comprehensive domestic policy responsibilities. In the last few years its prime function has been to identify a particular issue and seek ways to infuse the issue into the decision process. The Office was initially understaffed for its assigned function. It is now overstaffed for its current function.

Other Policy Offices

The Low Income Opportunity Board was carved out of the Policy Development Office in 1987. Its purpose was to develop and implement the President's new welfare reform and oversee existing reform efforts. Narrowly focused, it effectively coordinated both White House and agency welfare policy. This was due largely to its able chairman.

The drug office never had the authority or staff needed to develop a comprehensive drug policy. By Act of Congress it will go out of business soon and will be replaced by a cabinet level "drug czar."

The Domestic and Economic Policy Councils were vehicles for the perpetuation of White House influence on behalf of their chairmen. The Councils' influences fluctuated in direct correlation to the standing of their chairmen. By permitting those two former White House barons to essentially take pieces of the White House with them when they left, the unity of the President's command was divided. The deleterious effects of that were mitigated only by the unusually strong loyalty to, and understanding of, the President by the two former White House barons.

Role of Legislative Strategy Group

One other entity that effected policy deserves comment: the Legislative Strategy Group. This group of senior staffers composed of representatives from various offices would go into action at the eleventh hour to form high strategy calculations when the passage of a bad bill, or the defeat of a favored bill, was imminent.

As a result, the President was repeatedly confronted with the regrettable choice of signing or vetoing a bad, but popular, bill. Alternatively, he might be forced to make heroic personal efforts to salvage a good bill in trouble, such as the 1986 tax reform act.

With some exceptions, monitoring and trying to change bad bills in their early stages was usually off the White House radar. This function was handled, without White House input or knowledge, at the agency level. Often, the separate agenda of the agency, sometimes in cooperation with congressional staffs, guided the Administration's role in bill development.

Historical Overview

The first term began with a reasonable balance between the domestic policy offices. The intellectual vigour of the Policy Development office was never a complete match for the power of OMB. But as the focal point of the pent-up plans of the Reagan movement, OPD held its own with the strong backing of the Counselor to the President. The chief of Staff led the legislative initiatives with OMB also a major player.

The mis-titled Deputy Chief of Staff (Deaver) provided a third access point directly to the President and was also the first full-time public affairs expert to be at the right hand of a President with the exclusive duty of public affairs

consideration. His domestic policy role was most prominently demonstrated when he sold the President on an agency-developed concept which turned into the much-vaunted 1983 Education initiative.

During the period 1981-1983, Cabinet Affairs, OPD and OMB all put the fear of God into the policy calculations of the agencies, as did the White House public affairs office into the public affairs strategies of the agencies.

However, in 1985 the new chief of staff consolidated all access to the President and undermined White House policy initiative and agency policy oversight. Public affairs were no longer routinely coordinated from the White House. The reign of cabinet government had begun.

It is noteworthy that in the second term the Administration was able to generate only one major new domestic policy initiative: welfare reform, which was partially enacted in the fall of 1988. The White House abdicated economic policy leadership to Treasury. Legal, criminal and social issue initiatives were under the almost complete direction of the Department of Justice to the repeated embarrassment of the President.

By way of example, drug policy was not coordinated at all. Drug testing policy was publicly and loudly debated between various cabinet members, with inertia winning the day. Treasury and Transportation held a three year battle, also public, over which agency should have primary responsibility for patrolling our coast for drugs. The White House remained silent and the dispute is still on-going.

The highly controversial polygraph policy was formulated by the Attorney General and publicly rejected by the Secretary of State. The White House supported the policy and the Secretary of State's rejection of it. Commerce, State and Defense publicly argued to no resolution the President's policy regarding trade with the Soviet Block.

Unlike the first term, budget policy was effectively initiated in Congress, with the President holding weak veto powers. Social Security reform had been turned over to a blue-ribbon commission. With the loss of virtually all non-OMB agency policy oversight, the President and the White House staff were blind-sided by willful agency secretaries, as in the case of the Catastrophic Health Bill that was released to the press in its final form before the President even saw it. A former Secretary of Labor did not scruple to noisily air his domestic policy council differences in the media and on the Hill.

The Supreme Court nominations fiasco reflected an almost complete break down of all Executive branch coordination. In phase one, Judge Bork was selected largely through DOJ methods. But, as it

belatedly became clear that a major public relations and congressional battle could not be avoided, Justice was cut out of the strategy loop, while within the White House the design of the campaign was left to the Legal Counsel's Office. The communications sub-offices were barely consulted regarding an ill-conceived communication strategy that was run from the chief-of-staff's office. After Judge Bork's rejection, there was inadequate White House oversight of Justice's second nominee selection process.

In summary, the first term saw a White House staff with reasonable balances of power, practical use of each office's capabilities and three channels of access to the President. Such a staff generated ideas, aspired, and sometimes succeeded at, coordinating agency assets on their behalf and by and large restrained inter-agency disputes.

In the second term, degenerating offices were allowed to flounder, wasting salary budgets and serving little useful purpose. Alternative views had little Presidential access and agency oversight was virtually eliminated, as was agency guidance. In the second half of the second term access was improved but White House abdication of agency leadership rendered the domestic policy shops of little use.

PROPOSALS TO MEET THE CHALLENGE

To the end of strengthening the President's and the Chief of Staff's control and use of the full panoply of Presidential assets, the following proposals are recommended.

1) REJECT THE CONCEPT OF CABINET GOVERNMENT

The Executive Branch of the Federal government is divided, by statute, into fourteen cabinet departments and several other agencies with overlapping responsibilities and differing constituents. Each of these entities has different histories and internal dynamics. Each of them are funded, mandated and closely monitored by different collections of Congressional committees and subcommittees. The only legal obligation facing each agency is to execute the laws for which Congress has assigned it responsibility.

In the aftermath of two hundred years of legislating on virtually every topic, no agency can claim sole executive responsibility for any major subject matter. The commercial exploitation of space is, by law, the overlapping responsibility of The Departments of Commerce, Transportation, Defense and State and NASA. The healthful feeding of school children must be addressed by Agriculture, HHS, HUD, Education and Interior (for Indians). Formulating a policy for drugs in the workplace must include

Justice, Labor, HHS, Defense, Education, Transportation, Commerce, and all the other Departments and agencies as it effects their own employees.

Every four years a President is elected to preside over this vast collection of buildings, personnel, agenda and responsibilities. If there is to be unity of purpose among these agencies, only the President and his White House staff can provide it.

The eighteenth century European ideal of autonomus government bureaux ministerially carrying out the King's, or Parliament's, business has been rendered asunder by the wheels of history. And yet the myth of cabinet government is clung to as if its rejection would be somehow vulgar, improper or even totalitarian. It is not, and it was not. The founding fathers' single vesting of executive power was "...in a President of the United States...." The constitution neither requires, nor even makes reference to a cabinet.

The true separation of powers is between the Executive, Legislative and Judicial, not between the President and "...any civil Offices which shall be created." In this regard, a President's vital constitutional duty is to protect the separateness of his executive office from Congressional intrusion with as much vigor as Congress and the judiciary vindicate their respective autonomies.

But to reject cabinet government is not to deprecate the value of inspired Secretarial leadership. A President should expect his cabinet Secretary to aspire to more than mere administrative competence. The cabinet Secretary should be a source, if not the prime source, of strong policy initiatives. He should be expert in his field and capable of applying the intelligence of his department to solving the policy problems within his purview. But he should not be the final arbiter of such policies; nor should he have the authority to time the development and presentation of policy initiatives. Only the President and his staff ought to make those judgements.

It does no good, in fact it does much harm, for two separate agencies to set in motion the wheels of divergent policy initiatives on the same topic. If, for example, Labor and Justice each plan to develop very different policies on affirmative action, the time to resolve that dispute is at its inception. If the President and his staff fail to do so, perhaps even fail to know such major initiatives are under way, the result will be two very public collisions: the first between the two Departments, the second between the White House and the losing side, if the President makes any decision at all.

The President and his White House staff are falling down on the job if they permit both agencies to gear up major initiatives that inevitably rally experts, seek tentative Congressional support, coordinate with outside interests and carefully

cultivate potential media support for their respective initiatives. The resulting public collisions not only tarnish the President's reputation and credibility, but usually permit some Congressional initiative to prevail over the two severely damaged Departmental ones. This is an example of the price tag that invariably is attached to buying in to a cabinet form of government.

The surest symptom of the existence of cabinet government is a cabinet secretary's refusal to act or desist from acting except on a direct, explicit and personal order from the President. And the best preventive against cabinet government is for the President to invest, and be seen to have invested, in his White House staff appropriate authority to represent his judgement to the agencies.

2) UNIFY POLICY AND CABINET OVERSIGHT FUNCTIONS

All domestic policy-based staffs (excluding OMB) should be merged with the Cabinet Affairs office to form one comprehensive Domestic Cabinet Affairs Office. Such a DCA Office should perform three functions: 1) long term policy development and planning, 2) policy implementation oversight, and 3) primary two-way White House/cabinet communications (excluding public affairs, intergovernmental and narrowly defined management and budget topics.)

Such an arrangement would eliminate White House staff duplication, establish clear channels of communication between the agencies and the White House and integrate within the White House long and short range policy operations.

Merging the staffs would permit a higher degree of subject matter specialization than has been possible when each of several policy related offices must each cover the waterfront of issues.

An office of such dimensions and expertise, staffed exclusively at the professional level by political appointees loyal to the President, would provide a needed intellectual counterweight to OMB.

Moreover, by eliminating such artificial domestic policy divisions as welfare, domestic and economic affairs, there will be a better opportunity to rationalize the Administration's domestic policy.

Inevitably arising is the question of whether to divide substantive responsibilities within such an office by subject matter or agency. Although subject matter division is fully supportable, I believe that the need to establish strong, personal and reasonably permanent relations between the White House staff and the agencies argues more strongly for dividing responsibilities by agency.

The integration of similar policy issues being implemented in different agencies (e.g. health issues at HHS and Veterans; natural resource issues at Interior, Energy and EPA) can be carried out within the White House Domestic Cabinet Affairs Office.

To further advance the integration of White House policy deliberations, the U.S. Trade Representative Office should have a number of its people on permanent liason duty with DCA. Consideration should also be given to having a similar arrangement with the Office of Science and Technology. This proposal anticipates no new staff or budget requirements.

3) INSTITUTE QUARTERLY POLICY REVIEWS

Currently there is no systematic, comprehensive Administration policy review either of the White House or Agency policy operations. Of course, the OMB budget preparation serves this purpose but shouldn't. Within the limits of available funds, policy should drive budget, not the other way around. The imprint of the President's will on his policy is more likely to come from his own appointed White House staff than from the career OMB staff.

The closest approximation of such a review occurs late each fall as the State of the Union Address preparation gets under way. Anyone who has been involved in that exercise is only too aware of the haphazard, self-serving and finally frantic nature of that process. This proposal is roughly modeled on OMB's budget preparation process.

The proposed quarterly policy review would be in three steps. In step one, each cabinet agency (plus EPA, NASA and other key non-cabinet agencies), represented by its under-secretary plus relevant staff would meet, one at a time, with the Director of DCA and relevant staff for a review of the status of its major policy initiatives. A representative from OMB would be invited to attend, just as OMB currently invites a representative of the Policy Office to attend its budget reviews.

After this agency policy review is completed, the Director of DCA and his staff would reduce, for purposes of higher White House review, the number of policies reviewed to a manageable number of key initiatives, although preparing to continue oversight of all of these policy initiatives.

In step two, the Director would brief the White House Senior staff (perhaps including the President if his time permits) on the key reports from the agencies, including his assessment of progress.

In step three, after input from the senior staff, the Chief of Staff would either confirm or modify the priorities and identify

those areas he wished the DCA to work on more closely with the agencies.

Finally, to the extent that leakage is not considered too damaging, the Cabinet Secretaries should be provided, in encapsulated form, a summary of the major Administration-wide policy initiatives.

Experience with this process will dictate whether quarterly reviews are too frequent or, less likely, too infrequent.

There are four obvious benefits from such an exercise. First, the agencies are likely to be more diligent in carrying out the President's program if they must be regularly accountable.

Second, the Office of Domestic Cabinet Affairs is likely to be more diligent in overseeing the agencies if it is regularly accountable to the Chief of Staff and the President.

Third, the President and the Chief of Staff will have a better sense of their progress, or lack of progress as well as a better sense of how all the major policies fit together.

Finally, all the offices of the White House will know exactly what our initiatives and priorities are and will have an opportunity to systematically critique them. Particularly as we lead up to redistricting in 1990, the input from Intergovernmental and Political Offices may be extremely valuable.

Under the current procedure it is basically up to each office in the White House to hear about any particular issue of interest. In my experience it has been truly appalling to discover the level of misinformation or ignorance within the White House regarding substantial Presidential initiatives or even objectives.

4) CREATE A LEGISLATIVE MONITORING GROUP

A Legislative Monitoring Group (LMG) should be established as a support mechanism for the Legislative Strategy Group. Its function should be to identify, at an early stage, and monitor bills of at least moderate importance. An essential function of the LMG should be to make policy assessments of targetted bills at an early stage and to thereby identify threats or opportunities to enacted, proposed or considered Administration policy. Threatening bills are likely to be the greater in the next Congress.

Regarding threatening bills, the Group should propose on-going tactics to defeat enactment or deflect ill-effects if defeat is

not possible. One part of its work product should be a coordinated veto strategy recommendation.

The group should be composed of the Assistants to the President in charge of the following White House offices: Legislative Affairs, Domestic Cabinet Affairs, the Chief of Staff, OMB, Communications, Political and Intergovernmental. The group could be chaired by either the representative from Legislative Affairs, DCA or the Chief of Staff.

Working at the staff level on an on-going basis, the Group's members would meet as necessary to act on staff recommendations. The staff would be composed of regular staff from the Offices represented and would continue to perform their regular responsibilities in their respective Offices. It would be expected that both OMB's and the agencies' legislative assets would be tapped.

Any operations flowing from the LMG's recommendations would be carried out through the appropriate regular offices represented in the Group. But the Group as a whole should consciously seek to bring agency legislative offices into close and regular working relations. This proposal anticipates no new staff or budget requirements.

5) CREATE A BUREAUCRATIC STRATEGIES UNIT

The White House is often informed by an agency that a certain objective cannot be accomplished or a policy is taking too long to implement for bureaucratic reasons. Also, too often the bureaucratic implications of a developing policy are not adequately considered. Policy experts frequently are not seasoned in the fine art of bureaucracy. Many a White House staffer has breathed a sigh of relief when he stumbles across a friendly "old hand" in the bureaucracy willing to lead him through the maze.

Such guidance should be as routinely available to the White House staffer as is legal counsel or legislative reference. This proposal would create such a service.

A small unit of 3-6 such experts should be formed within the White House. Ideally, this team should be composed of Republicans or conservative Democrats from the civil service at or near the retirement age who are friendly to the Administration. These men and women, with a lifetime of experience in various executive departments could provide the described guidance on a case by case basis. They would inevitably be able to tap into a network of their many friends and associates in the agency bureaucracies, thereby substantially magnifying their utility.

6) CENTRALIZE PUBLIC AFFAIRS AND INTERGOVERNMENTAL LEADERSHIP IN THE WHITE HOUSE

There are over one thousand public information officers scattered throughout the Executive Branch agencies. They constitute a priceless Presidential media asset which has been rarely, if ever, marshaled in a coherent manner.

There is a somewhat smaller, but still very substantial, number of intergovernmental officers who are almost uniformly ignored not only by the White House but also by their own agencies. Precisely because they are ignored by their own departments, they are an ideal target of a White House effort to reach out to the agencies.

Collectively these intergovernmental officers include seasoned state and local political activists with good connections in every state and most major cities. Typically they are starved for substantive information, which is why they are scorned within their agencies.

Instead of viewing the agency intergovernmental offices as parking grounds for political chit pay-offs, the White House should nurture them into a valuable source of local political information and a key tool for establishing working alliances (often on an ad hoc basis) with mayors, state legislators and governors of both political parties.

For both the public affairs and intergovernmental agency people, the key to developing their utility is constant White House attention and direction.

As a former agency press secretary, I can attest to the strong pressure on agency press secretaries to advance the agency agenda, and often the personal agenda of the Secretaries or Assistant Secretaries, instead of the President's agenda. Moreover, agency press offices are notorious for lacking even the semblance of a media plan or strategic concept. It is virtually unheard of that an agency press office should attempt to seriously assist an Administration initiative that does not directly relate to its agency.

The White House Director of Public Affairs should directly oversee the development and execution of each agency's media strategy. To that end he should:

- 1) request from each principal agency public affairs officer a three month media strategy document. In reviewing the document, he may wish to consult with DCA regarding the particular agency's policy initiatives. Upon receipt, he and his staff should meet with each agency representative, separately, and reach an agreement regarding it. Such a document should be regularly updated, and

2) hold a weekly joint meeting with the principal public affairs officers of all the agencies. At these meetings he should inform them of the White House media priorities for the following week and receive from each of them a report itemizing the media activities of that week and the expected activities of the next.

Note, here, an application of the delegation principle, discussed earlier. If this duty were assigned to the Director of Communications, it would be only one of many responsibilities. His performance might well suffer. But for his subordinate, the Director of Public Affairs, it would be one of his top priorities. He would be likely to lavish more personal attention on the agency and thereby enhance White House influence on those agencies.

A similar procedure and relationship should be established between the White House Director of Intergovernmental Affairs and his agency equivalents.

In both instances the communication should be two-way. The White House is hardly the source of all knowledge or wisdom. It should be the source of coherent strategy and expression of presidential intentions.

By establishing such direct and continuing relations between the White House and the agency offices, the President puts himself in a position to be able to marshal and direct his resources more effectively during key initiatives; also, he will establish a stronger bond with his agency appointees on a continuing basis.

7) FIND A NEW MIKE DEEVER

Whatever may be said or thought about the man, his role was invaluable to the successful Reagan Presidency. Specifically, the value was in having a public affairs and image-conscious man close to the President and present at the beginning, instead of the end, of every Presidential initiative. Too often, the candidate who listens dutifully and respectfully to his media man during the campaign, discards his sage counsel once in office. Too often the image man is seen as Mr. Fix-it instead of Mr. Help Build-it.

Irrespective of the media savvy of the President, his chief of staff or other close advisor, such men simply have too much on their minds to pay sufficient attention to image. This is especially the case of the Director of Communications, who may be administering two or three offices while he attempts to juggle the Washington media bigfeet.

The high value to the President of Mike Deaver was not so much his technical skills (though they are admirable) as it was the presence of someone with those abilities close to the President

with nothing else to think about except the President's public presentation.

CONCLUSION

No matter how efficiently the White House runs as a discrete entity, it will fail in its greater task if it is unable to harness the power that currently lies latently throughout the executive branch.

With Congress arrogantly grabbing for ever-more influence throughout the executive agencies, the President's best hope for winning that struggle rests in centralizing executive authority in the President and his staff.

To do so, much stronger two-way lines of communications must be established and maintained between the White House and the agencies. The proposals presented in this memorandum suggest a method of gaining that centralization and thereby projecting the Presidential will more effectively through the Executive Branch.

Within the White House itself, OMB's unprecedented expansion into the heart of Presidential policy making, and the concomitant withering of the remaining policy operations, has created a dangerous disequilibrium.

With superior analytic capabilities and growing authority on legislation, regulation, congressional testimony, management systems, policy development and agency oversight, the President's ability to get balanced, effectively presented divergent views has been diminished.

This should be of particular concern because these critical functions are being largely performed by non-political career personnel whose great technical skill tend to intimidate their politically-appointed overseers.

By organizing the better balance of the White House staff and by then actively reaching out to the agencies, the incoming Administration best can prepare itself for the challenges facing it from an emboldened new Congress.

Good Luck.

TO: The Honorable John Sununu
Governor of New Hampshire

FROM: Robert B. Hawkins, Jr.

SUBJECT: Domestic Policy

DATE: December 2, 1988

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This memo is to follow up on my earlier memo to President Elect George Bush, dated October 25th, that I sent through you.

The Bush Administration has an opportunity to fundamentally change domestic policy. The question facing you is how to fashion an approach and domestic policy staff to realize this opportunity.

President-elect Bush has articulated a vision or conception of the future. The key question of strategy is how one translates the President's principle of a kinder and gentler nation, through a thousand points of light, into a set of coherent public policies?

The more I've thought about this principle, the more I think the President has staked out the high ground for new policies, initiatives and revitalizing our interests in federalism. What he has done is indirectly restated the wisdom of the Founding Fathers and de Toqueville.

Policies that foster a kinder and gentler nation through a thousand points of light are ones that empower individuals, that foster strong voluntary organizations and allow institutions to develop and change through the choice of citizens. In short, they are self governing. It is a short step from this conclusion to federalism. What a wizard.

I think the President sensed something that I am beginning to see throughout the country: individuals want to control the institutions that shape their lives. This is true of middle class communities as well as the poor, increasingly so in black communities, and as the enclosed column by Tom Whicher shows of all people; even liberals want environmental policies that are based on incentives that solve problems rather than generate conflict.

It seems to me that the following steps need to be taken to realize the President's agenda:

- . Sharpen and fill out the President's conception for the future which is a gentler and kinder nation, so that it shapes all domestic policy development. Key concepts are: self governance, empowerment, incentives and decentralization.

- . Choose a short list of key domestic policy issues where major effort will be focused; such as, day care, privatization of public housing, and the environment. This short list should be driven by the White House.

- . Require department heads to come up with policy agenda's that implement the President's policy theme, seeking to make as many changes through executive order, regulations and other informal means.

Organizationally you must have a domestic policy shop that is focused and effective. During the Reagan years it neither had the power nor focus to be an effective agent for his agenda. For the Domestic Policy Advisor and the Office of Policy Development to be effective the following need to be realized:

- . They must be an extension of the President and Chief of Staff so there are clear lines of authority.

- . The responsibilities of this office must be limited to domestic policy, less economic and budget policy. All too often the Domestic Policy Advisor has been spread too thin.

- . The Domestic policy staff should have three functions:

- . To develop the policy framework for each of the President's major domestic policy initiatives
- . To monitor departmental development and implementation of the President's policy themes.
- . To assist and monitor the development of policy coalitions to support the President's major initiatives.

This last function is critical and all too often over looked. If one wants to make significant changes in domestic policy the following are critical:

- . Development of interagency teams to pull for policy reform.
- . Development of outside groups who will support and work for reform. If one wants to develop a new approach to the environment, one must build a coalition of moderate environmental groups, business and labor.
- . Strategic use of federal research and demonstration monies so that groups interested in new approaches are funded.
- . Utilization of outside think tanks to develop and publicize alternatives that the Administration can pick and choose.
- . Utilization of the RNC so new policy initiatives are made part of their outreach to new groups. Privatization of public housing is a perfect vehicle for the RNC in trying to reach out to blacks, etc.

To accomplish these functions it seems to me that the Domestic Policy staff needs to be organized in the following manner:

- . A core staff to monitor traditional domestic policy issues and to work with the departments in translating the President's vision into concrete policy actions.
- . In the three to four areas where major initiatives would be undertaken, special teams should be built that combine a good policy analyst with someone who has first class organizational skills to oversee the building of the political coalition to make it happen.

The last major question is how do you structure the relationship between the White House and Departments. My only thought on this set of relationships is that what ever mechanism is set up it must be one that is controlled by the Chief of Staff with the Domestic Policy staff being the operational arm. Key to the process is discipline. Political appointees in the departments who do not want to go along with policy initiatives need to be fired. This will give the process credibility and develop effective teams. We never did this in the Reagan administration and thus reduced our effectiveness.

S.F. Chronicle
100 25, 88

TOM WICKER

George Bush and The Environment

ONE "MANDATE" THAT George Bush and Congress share is to protect the environment.

On this vital issue, Congress has been prone to write laws and regulations, some of them successful. The president-elect may have other ideas.

His counsel, C. Boyden Gray, insists that Bush intends to "take seriously" the environmental promises he made in his presidential campaign.

But he'll rely, Gray said, on "market incentives" — fees, pollution trading rights and the like.

Do "market incentives" mean that the president-elect intends to grant "licenses to pollute," rather than fight polluters?

Not necessarily. The idea of economics as the partner rather than the enemy of the environment is finding favor, nowadays, among environmentalists themselves.

A RECENT BIPARTISAN report by Sens. Tim Wirth, D-Colo., and John Heinz, R-Pa., recommended a variety of credits, permits, taxes, exchanges, deposits and other devices for tackling environmental problems — with less controversy, they contended, and better results.

Tom Graff and Zach Willey, senior officials of the Environmental Defense Fund based on the West Coast, are engaged in a striking effort to use incentives in this way.

If their proposal takes hold, the unique ecosystem of Mono Lake will be preserved, the water problems of Los Angeles will be eased and some California farmers will be able to grow crops more efficiently with less water.



Graff and Willey were retained by the Los Angeles water department and by Mono Lake preservationists to find a way to meet both Forest Service and city requirements.

They propose that California farmers suffering subsurface drainage problems lease irrigation water to Los Angeles to make up the city's losses from reducing its Mono Lake diversions.

Farmers could use funds from the water leases to install new drainage or irrigation systems allowing them to grow more with less irrigation.

WHETHER THE CITY and preservationists will agree to this scheme is now being determined; if they do, whether enough farmers will subscribe should be known in a month or two. Failure could bring drastic results: Mono Lake a real "Dead Sea," or drastic conservation measures in Los Angeles, or protracted litigation as the city seeks the needed water from other, bitterly protesting areas — the kind of unproductive strife that incentive-based environmentalism seeks to avoid.

But it's not only domestic problems that the environment poses.

If George Bush really is an environmentalist, all of our battered globe demands his attention.

New York Times

Office of Cabinet Secretary

- Assistant to the President and Cabinet Secretary
- Executive Assistant
- Staff Assistant

Office of the Deputy Cabinet Secretary

- Deputy Assistant to the President and Deputy Cabinet Secretary
- Executive Assistant
- Staff Assistant

Office of Cabinet Affairs

- Associate Director
- Associate Director
- Associate Director
- Secretary
- Secretary
- Secretary

Domestic Policy Council

- Special Assistant to the President and Executive Secretary
- Deputy Executive Secretary
- Deputy Executive Secretary
- Secretary
- Secretary

Economic Policy Council

- Special Assistant to the President and Executive Secretary
- Deputy Executive Secretary
- Deputy Executive Secretary
- Secretary
- Secretary
- Special Assistant to the President for Agricultural Trade and Food Assistance
- Secretary

Office of Policy Implementation

- Special Assistant to the President for Policy Implementation
- Secretary

ASSISTANT TO THE PRESIDENT
AND CABINET SECRETARY

DEPUTY ASSISTANT TO THE PRESIDENT
AND DEPUTY CABINET SECRETARY

SPECIAL ASSISTANT
TO THE PRESIDENT
AND EXECUTIVE
SECRETARY - EPC

SPECIAL ASSISTANT
TO THE PRESIDENT
AND EXECUTIVE
SECRETARY - DPC

OFFICE OF CABINET AFFAIRS
ASSOC. ASSOC. ASSOC.
DIR. DIR. DIR.

SPECIAL ASSISTANT
TO THE PRESIDENT
FOR POLICY
IMPLEMENTATION

11/29/88

MEMORANDUM TO JIM PINKERTON

FROM: John S. Gardner

RE: Notes on the "Domestic Policy Development" Framework

This memorandum is designed to accompany the framework document prepared by the Office of Policy Development on "Domestic Policy Development." It lists certain decisions that the new Administration or the transition will have to make, suggests possible areas for action, and notes any differences between current approaches and policies or proposals of the President-elect. The term "No current position" means that the President-elect did not address the issue during the campaign.

I. Education

Parental Role in Education -- Encourage this through "bully pulpit," hold a domestic education summit.

Literacy -- Mrs. Bush initiative. Should we publicly revive the goal of reducing illiteracy in half over the next four years?

Choice in Education -- encourage states to give greater choice in education. Should we request funding for Merit Schools and magnet schools in FY90 budget?

Drug-Free Schools -- Are we going to fund fully the new money for drug-free schools? Should we require all schools and/or colleges receiving Federal funds to adopt drug education programs?

Early Childhood Education -- Should we expand Head Start in the FY90 budget?

Basic Skills Education -- encourage states to have curricula focus more on basic skills.

Educating the Disadvantaged -- Do we want to revive the idea of education vouchers for Chapter I-eligible students?

Education Dropouts -- What initiatives do we want to take to encourage better vocational education?

College Costs -- Do we propose to reintroduce College Savings Bond legislation in 1989?

Higher Education Reform -- no initiatives

Adult and Vocational Education Reform -- We need to flesh out our positions on vocational education.

Education Accountability -- Use the "bully pulpit"; encourage good local programs.

Merit Schools -- Do we want to introduce Merit Schools legislation in 1989?

II. Environment, Natural Resources, and Energy

Hazardous Waste Protocol -- No current position. Should we adopt a position banning the disposal of hazardous waste abroad without the other country's consent?

Marine Debris -- Will we propose additional funding for the Coast Guard to counter illegal dumping?

Global climate -- The DPC paper suggests "[c]onsider calling" an international conference on global warming. We have already endorsed such a conference, and planning should begin now.

Clean Air Act Reauthorization -- The President-elect supports a "clean fuel standard."

Acid Rain -- What new initiatives will we want to pursue, particularly with the Canadians?

Groundwater Contamination -- What position do we want to take on the use of toxic pesticides?

Wetlands Management -- What regulatory mechanism will we put in place (at EPA?) to assure the goal of "no net loss" of wetlands. Some Federal role is required as achieving the goal may involve the trading of wetland rights among states.

Ozone Depletion -- Use the "bully pulpit" to encourage nations to sign the Montreal Protocol. Work this into a speech?

Ocean Dumping -- Will we propose additional funding for the Coast Guard to counter illegal ocean dumping?

Waste Reduction -- Recycling -- What specific initiatives do we want to take to promote recycling? How will we help develop biodegradable products?

Toxic Wastes -- Do we need to take action to resolve liability questions that have slowed cleanup of toxic waste sites? Do we want to make Superfund a top environmental priority?

Pesticides -- What position do we want to take on the use of toxic pesticides?

Offshore Drilling -- Will we want new guidelines on offshore oil drilling? Will we proceed with the sale of rights to Lease Sale 91 off northern California? (The sale was delayed last year by Secretary Hodel after the Vice President suggested that it should be delayed.) Will we take a position on Senator Wilson's proposal to ban drilling off a portion of southern California?

Pollution Goals through Market Mechanism -- No current position.

Mine Waste Regulation -- No current position.

National Park System -- Will we promote legislation in 1989 to establish the National Endowment on the Environment, promised during the campaign? What specific acquisitions, if any, should the Park Service make next year? Will user or entrance fees be raised at some parks?

Mineral Vulnerability -- Do we want to continue the policy of selling stockpiles of minerals to reduce the deficit? What impact would new sanctions on South Africa have on mineral supplies?

Stripper Wells, Oil and Gas Exploration -- The President-elect supports certain tax incentives to encourage domestic production of oil.

Electric Utilities Competition -- Do we want to take a position?

Deregulation of Natural Gas -- Do we want to sponsor legislation in 1989 as an early priority?

Clean Coal -- What specific initiatives will we take to advance clean coal technology?

Nuclear Energy/Waste -- The President-elect supports increased use of safe nuclear power. What will the Administration have to do to get the nuclear waste repository in Nevada and the storage site in New Mexico open?

Strategic Petroleum Reserve -- Will we request funding in 1989 to increase the fill rate of the Strategic Petroleum Reserve?

Corporate Average Fuel Economy -- No current position.

III. Drug Policy

Illegal Drug Use by Children -- What initiatives do we want to take?

Zero Tolerance and Federal Funds -- The President-elect supports both the policy of "zero tolerance" and requiring that companies which receive Federal funds have a policy of providing a drug-free workplace.

Military Role in Drug Interdiction -- The President-elect supports an expanded role for the military in drug interdiction but has no current public position on the question of modifying military doctrine to make drug interdiction a "primary activity" of DOD.

Managing Interdiction Assets -- No current position.

Prosecution upon Possession -- The President-elect supports some "user sanctions."

Drug Abuse Rehabilitation and Treatment -- Will the new funding be fully funded?

IV. Health and Individual Opportunity

AIDS -- What actions will we take to implement the Watkins Report, in particular its provisions on non-discrimination? Do we want to see increased testing? Do we want to expedite FDA approval for anti-AIDS drugs?

Catastrophic Health Insurance -- The funding mechanism for catastrophic health insurance is unpopular and may be the subject of Congressional action. What position will we take? Is there any way to change the funding mechanism without raising taxes?

Abortion -- The Supreme Court should rule on limiting certain aspects of Roe V. Wade sometime during this session.

Agent Orange -- No current position. This may become an initiative of the new Department of Veterans' Affairs.

Medicare/Medicaid -- Will we support major reform of Medicare, including changes in physician payment? In Medicaid, will we seek expanded funding for infants and prenatal services?

Health Insurance -- This may be a Congressional issue in 1989.

Healthy Newborn Babies -- Will we seek expanded funding for infant and prenatal services, as promised during the campaign?

Long-Term and Nursing Home Care -- Will we endorse legislative and regulatory changes in 1989 on long-term care, such as changes in the tax code to give favorable treatment for the purchase of long-term care insurance?

5-5-5

Low Income Opportunity -- The President-elect supports enterprise zones.

Social Security -- Earnings Disincentives -- What is the exact revenue impact of repealing the outside earnings test?

Private Pensions -- The book Leadership on the Issues states that private pensions should be well managed. What, if any, new initiatives does this imply?

Head Start -- Do we want to seek expanded funding for Head Start in FY90?

Foster Care Reform -- No current position.

V. Individual Rights

Rights of the Unborn -- The President-elect supports a Human Life Amendment.

Ban on Fetal Experimentation -- No current position on Executive Order.

Workers Rights -- No current positions.

National Service -- No current position on national service proposals. Do we want to seek funding in FY90 for the volunteer YES to America program?

Set-aside Programs -- No current position.

Minority Entrepreneurship -- Will we seek increased funding for the Office of Minority Business Enterprise?

Affirmative Action -- No current position.

VI. Family

Legal Foundation for the Family -- No current position.

Housing for the Poor -- Will we promote ownership of public housing in 1989?

Child Care -- Will the President-elect submit his child care bill in 1989?

Adoption -- What regulatory initiatives can we take to promote adoption, especially of "special-needs" children?

6-6-6

Child Abuse -- What initiatives can we take?

Child Support Enforcement -- The President-elect supports tougher enforcement. What initiatives can we take?

Teaching Traditional Family Values -- What initiatives can we take to promote the teaching of values?

Family Impact Statement -- Should departments and agencies produce reports on the family impact of pending legislation?

Family Violence -- What initiatives can we take? Do we support the recommendations of the Attorney General's Task Force on Family Violence?

Tax Reform and the Family -- No current position.

Family Entertainment and Communications -- Do we support greater regulatory authority over entertainment that reaches children?

VII. Community

Rural and Urban Enterprise Zones -- Will we introduce enterprise zone legislation in 1989? Would legislation focusing on rural enterprise zones win passage more easily? (It should be noted that of the two chief sponsors of the Kemp-Garcia enterprise zone bill, Rep. Kemp will not be in Congress next year, and Rep. Garcia has been indicted.)

Job Training Programs -- There could be Congressional interest in reforming job training programs, both to increase competitiveness and (possibly) to embarrass the Vice President-elect.

Youth Gangs -- Will we seek funding for an Anti-Gang Unit in the Justice Department in FY90?

Pornography -- What legislative or regulatory initiatives do we want to take?

Victim's Rights -- Will we seek legislation to expand the scope of victims' rights?

Exclusionary Rule -- The President-elect supports modification of the exclusionary rule, extending the exemption to warrantless searches.

Furlough System -- Continuing media interest in state furlough programs shows that this issue will continue. Should we order a review of the Federal program, particularly as it relates to drug criminals, murderers, and other violent criminals?

7-7-7

Federal Death Penalty -- Enacted for drug crimes in 1988.

Adopt-a-School -- What initiatives can we take?

Tenant Management -- What initiatives can we take?

Rent Control Repeal -- What initiatives can we take?

Guest Worker Category, Guest Worker Status for Refugees -- No current position.

VIII. Government Management

Management Improvement -- Reform 88 -- Do we support the recommendations of this report? What specific management goals can we recommend?

Government of the Future -- Do we support the recommendations currently being prepared?

Privatization -- Will we propose new privatizations in the FY90 budget? How can we encourage privatization at all levels of government?

Reimbursement for Mandated Programs -- No current position.

Federal Employee Disputes System -- No current position.

Alternative Federal Pay Systems -- No current position.

Hatch Act Reform -- No current position.

Government Ethics -- The President-elect has said he will introduce a new government ethics bill in 1989? How can we fashion a new bill that will not discourage honorable people from government service and cover Congress as strictly as it covers the Executive Branch?

Expanding Veto Power -- No current position on the proposed description, but the President-elect does favor a line-item veto.

Policy Implementation -- No current position.

Budget Process Reform -- During the campaign, the President-elect supported multi-year budgeting in a few areas, such as scientific R&D.

8-8-8

IX. Science and Technology

Biotechnology -- Will we support the recommendations of the interagency groups?

Intellectual Property -- What initiatives will we take to protect American intellectual property?

Superconducting Super Collider -- Will we seek funding for the SSC in the FY90 budget?

Cooperative Research Ventures -- No current position.

Private Investment in Space -- What initiatives can we take?

Mission to Planet Earth -- The President-elect supports this program. Will we seek funding in the FY90 budget?

Manned Flight to Mars -- No current position.

Interstate Highways and Bridges -- What level of funding will we seek in FY90?

Speed Limit and Highway Safety -- What initiatives can we take to promote highway safety?

Airway Trust Fund -- No current position.

National Airspace System Plan -- The President-elect supports implementation.

High Speed Rail Systems -- No current position.

Maritime Industry -- See Leadership on the Issues for the President-elect's positions on the maritime industry.

X. Federalism

Federal Preemption -- No current position on the question of food labeling.

Federalism -- What initiatives can we take?

Toxic Tort Law Reform -- No current position.

Libel Law Reform -- No current position.

Affirmative Action Law -- No current position.

9-9-9

Constitutionally Protected Property Rights -- No current position.

State Environmental Enforcement Authority -- No current position.

Alternative Sentencing in Criminal Cases -- No current position.

Prison Construction -- The President-elect supports doubling the current Federal prison budget over the next four years and converting unneeded military bases for use as prisons. How much budget growth for Federal prisons should there be in FY90?

#

WHITE HOUSE ORGANIZATION

Roger B. Porter
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Paper prepared for the American Agenda
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WHITE HOUSE ORGANIZATION

A newly elected president faces a host of crucial decisions during the weeks before his inauguration. Among them is how he will organize his White House. Organizational arrangements once established are difficult and sometimes costly to change. It is a set of issues worth thinking about hard at the outset.

I. Organizational Challenges

Managing policy development in the White House involves several persistent challenges:

The Problem of Sifting and Sorting

The overwhelming and unyielding tendency in virtually every administration is to push problems upward. No White House can solve every problem, cure every ill, nor should the President embrace every issue that gravitates to the White House.

Determining what issues the President should get involved in and when is an important role of a well functioning White House policy development process.

The Problem of Accurate Map Drawing

Informed decision making by the President on those issues that merit his personal attention requires that he have drawn for him accurate assessments of substantive and political reality.

He needs to know the consequences in terms of inflation, unemployment, and real growth of the alternative choices he has on economic policy issues. In mobilizing this information and analysis, the process should engage the reservoirs of expertise and knowledge from across the executive branch and beyond.

He also needs to have an accurate understanding of the political consequences associated with his alternative choices -- the likely reaction of the Congress, affected constituency groups, and the public. Both parts of the map are essential.

Policy and political assessments are likely to come from different sets of advisers. It is extraordinarily helpful to the President if these streams of advice reach him at the same time and are integrated. Indeed, the coordination of political and policy counsel in a timely way is imperative to informed, successful decision making.

The Problem of Coordination

The White House is more like a holding company than a unified

staff. It is composed of individual offices each with a focus to its activities. Communicating well and keeping one another informed are important. A well coordinated White House staff also minimizes duplication of effort.

Part of the challenge of coordination involves sorting out jurisdictional responsibilities between various policy entities (the National Security Council staff, the economic policy machinery, and the domestic policy machinery).

Part of successful coordination also involves making certain that the implementing offices -- legislative affairs, public liaison, political and intergovernmental affairs, and press and communications -- are all pulling in the same direction.

Simply stated, the White House staff has two major coordinating tasks: First, to insure that the President has a full range of high quality advice in making his decisions. Second, to make certain the President's decisions, once made, are supported and implemented.

The Problem of Integration

Not only is it important to have a recognized division of labor, it is also crucial that the various parts of the White House identify the interrelationships between the issues they have responsibility for developing and those being developed by others.

When the machinery under him does not identify these interrelationships, the burden falls on the President to do it for himself. Sometimes this works well; in other instances it does not. It is a task that a well organized White House staff should explicitly undertake.

The Problem of Building a Unified Administration

It is commonplace to observe that senior political appointees in departments and agencies face a variety of conflicting pressures -- from congressional committees exercising oversight, from constituency groups whose support they want and need, from career civil servants anxious to enhance the quality of the department's programs. Yet, they also view themselves as part of an administration and want to be considered loyal members of it.

From the President's standpoint he has an interest in ensuring that senior political appointees are sensitive to administration wide concerns and interests. Moreover, he needs not only the expertise found in departments and agencies to assist him in making informed decisions, but he needs the confidence that a united administration will actively support his decisions

during the often lengthy process of securing their implementation.

The Problem of Initiative and Control

The President is looked to in the U.S. political system to serve, as Alexander Hamilton described it, as the "energizing element." In the post-World War II period, the President has traditionally submitted not only a unified Federal budget, but also a comprehensive legislative program. More than any other official or institution, the President is in a position to shape the national agenda.

Thus, presidents not only need policy development arrangements that will generate policy initiatives, they also need institutional mechanisms that will help them manage the agenda in the major policy arenas -- national security, economic policy, and domestic policy.

In thinking about how to meet these challenges there are two overriding concerns:

1. The kinds of people whom presidents select for their White House staff; and
2. The way in which they are organized.

II. Personnel

Organizational arrangements are important; process matters. But in the end, structure and procedures are unlikely to overwhelm the importance of people. Both sound organizational arrangements and officials well suited to their tasks are crucial in meeting the multiple challenges facing the White House.

Recent Trends

The White Staff has grown in size during the post-World War II period, though far less than many popular accounts suggest. What is more striking than the size of the White House Staff, however, is the visibility and public attention focused on many White House staffers.

The Brownlow Committee recommendation of six presidential assistants "with a passion for anonymity" seems a far distance from the behavior of some recent White House staff members. In part, this development is the result of much greater press

scrutiny of the presidency in general and White House operations in particular. Yet, the high public profile of some White House staff members raises an important question for a new president: How much visibility does he want White House staff members to seek or accept? What qualities does he consider most important for his staffers to possess?

The answers to these questions, of course, depend heavily on the roles that the President envisions for his staff and the relationship he wants between his immediate staff and his department and agency officials.

A second trend, in addition to greater visibility, is the proliferation of titles. The number of White House staff with titles that include the phrase "to the President" has grown dramatically. Insiders are sensitive to the nuances associated with the "real" pecking order within any organization. But from the outside, the proliferation of titles has greatly multiplied the number of those who may claim to speak for the President.

It is always easier to expand titles and positions than to reduce them. One consideration the new president should weigh in determining staffing structures and titles is what this conveys with respect to the number of people who are perceived as having authority to speak for him.

Personal Qualities

Some personal qualities, such as integrity and intelligence, should obviously loom large in the selection of White House staff. There is also a strong attraction to place considerable reliance on loyalty, particularly loyalty that has been demonstrated in the past.

This emphasis on already demonstrated loyalty is reinforced by the claim that campaign aides have "earned" a place in a new administration. There are some individuals who have developed considerable ability in the management of campaigns and in the tasks of governing, but the transferability of skills is not automatic.

It is worth considering what specific kinds of skills are important in those who manage policy development in the White House.

Pulling Together the Strands of an Issue

Most issues that merit the President's attention have many dimensions that need exploring and weighing. One important skill is seeing the multiple aspects of an issue, defining what is the essence of the matter, and mobilizing quickly

information and analysis. This is in fact a bundle of skills that involve framing an issue and knowing how to think clearly from the stage of first defining a problem to the generation of a viable range of alternatives.

Seeing Interrelationships with Other Issues

Another valuable skill is seeing the interrelationship of a particular issue with other issues that the administration is either dealing with at the same time or that it will need to address soon.

Some people are extremely good at focusing and solving specific problems, but are less adept at integrating across issues.

Understanding the Substance of Issues

While it is unlikely that those astride the policy development channels in the White House will be experts in the substance of all the issues they are expected to handle, it is important that they be able to tap such expertise and that they can talk with and understand those with specific knowledge or technical expertise relevant to the issue.

Exercising Political Judgment

Drawing a complete and accurate map of substantive and political reality also requires skill in assessing political consequences, identifying potential pitfalls, and exercising judgment about the political feasibility of alternative courses of action.

Thinking Strategically

It is one thing to understand the substantive and political dimensions of an issue, it is another thing to think strategically about how to approach the issue, how to move it through the political system, and how it fits into a larger and longer presidential agenda.

This involves a cluster of skills many of which are best learned experientially. They are among the rarest and most valuable to a president.

Sensing and Establishing Priorities

Virtually every policy area consistently faces the potential of an overloaded agenda. One's reach often exceeds one's grasp. Recognizing the limits of a president's time and resources, sorting out the more important from the less important, and keeping non-presidential issues at arms length are all a part of the process of establishing priorities and managing a policy

agenda.

Building an Administration Team

Strong analytical skills, substantive knowledge, and the capacity for strategic thinking are not enough. A major function of those responsible for White House policy development is working with others throughout the administration, mobilizing the best information and analysis from across the executive branch, and ensuring that those responsible for implementing a policy have had a role in its formulation.

Those with whom they work in departments and agencies must view them as fair, as "honest brokers," but they must also have sufficient stature so that they are viewed as peers. Part of this depends on the signals the President sends with respect to his confidence in those on his immediate staff. Part of it depends on the experience and abilities the White House staffer brings with him to his office.

One of the greatest dangers to administration unity is when jurisdictional battles veer out of control. There will always be some struggles in any administration over turf, but the potential for minimizing these struggles is greatly enhanced by having White House staffers with their egos well under control. The Brownlow Committee's aspiration of assistants "with a passion for anonymity" is a worthy one, even if the reality of the visibility of certain White House positions makes such anonymity difficult to maintain.

Temperamentally there is much to be said for White House staffers who are prepared to play an inside rather than an outside role. It is not necessary, and is usually unwise, for White House staff members to assume a major role as spokesmen for administration programs.

Similarly, those who are temperamentally instinctive advocates, or who have strong policy agendas of their own, are better suited for roles in departments and agencies than in the White House.

III. Organizational Issues

There are a number of organizational issues that flow from the policy development challenges outlined above. How many channels of advice should the President rely on? Who should have control of these channels? What are the roles of the President's immediate staff and of executive department and agency officials? Should the White House have a Chief of Staff and, if so, what should be his roles?

Issue 1

The Number of Policy Channels Reporting to the President

Two general principles can help in weighing how many policy channels or entities should report to the President.

The Need for Policy Integration

The first is the need to integrate policy. Several considerations argue for limiting the number of policy channels reporting directly to the President. The more entities, the more specialized and narrow their outlook and mandates are likely to be, and the more likely that some issues will fall through the proverbial crack since it will be difficult to pinpoint responsibility.

Creating several specialized committees or councils invites jurisdictional battles, inevitably duplicates effort, and can contribute to a feeling and the reality of uncertainty regarding who is responsible for what.

The more interrelated the problems facing the President, the more compelling the case to reduce the number of entities reporting independently to him. Likewise, the more groups reporting to him, the more the President must assume responsibility for fitting the pieces together. A president interested in identifying the interrelationships among issues will want those advising him to share his concern for integration and coherence. If a group reporting to him has responsibility for a broad range of related issues, they have an incentive to draw his attention to the interrelationships between the issues.

In the interest of coherence, the fewer decision making channels to the President, the better. Carried to its logical extreme, the quest for integration would result in a single entity.

The Need for Efficiency

A second series of factors also merits consideration. How much work can a single entity efficiently handle? How broad an area of public policy can it assume responsibility for and still function effectively? Any single group can consider only a finite number of issues. There are limits, even if the group

is prepared to meet daily at the cabinet level.

The empirical evidence of the Ford Economic Policy Board is helpful here. During the two and a quarter years of its existence, the EPB averaged nearly five meetings a week. The EPB typically reviewed an issue three or four times before it was ready to go to the President. Such entities need not only to prepare adequate information and analysis for the President's consideration, but also to sift and sort those issues requiring his attention and those that do not. The EPB, which was extraordinarily active meeting on average about once a week with the President, perhaps represents the upper limit of business a single entity can transact successfully.

There are other good reasons for questioning the wisdom of a single channel to the President. The broader the policy area, the fewer officials who will have a genuine interest in most of the issues under consideration. It is much easier to develop a group sense of responsibility when the members attending are engaged in considering issues genuinely affecting their departments.

Thus, the quest for policy integration suggests merit in limiting the number of groups reporting directly to the President, while the desire to use interdepartmental entities effectively suggests the need for more than one.

The Number of Councils and Their Specific Responsibilities

There are many possible ways of slicing the public policy pie. In thinking about specific policy areas, two additional objectives merit consideration. First, one should avoid divisions that are likely to produce consistent overlaps and jurisdictional battles. Second, the more closely a policy council's work is tied to a regular work flow, the more easily its members will develop a sense of collective responsibility. To the extent that existing institutions have worked well, they should be used.

Four principal channels of advice to the President -- the budget process and three cabinet-level interdepartmental councils responsible for national security, economic policy, and domestic policy -- is a reasonable division of labor, given the objectives of keeping the number of entities with direct reporting relationships to the President to a minimum while not placing excessive burdens on any single institution.

1. Budget issues and preparing a unified federal budget constitute one necessary set of functions. The Bureau of the Budget, now the Office of Management and Budget, has served the President well for nearly seven decades. Allocating

scarce resources among persistent claimants involves literally thousands of decisions annually. Such decisions are not well handled by a committee. The budget process that has evolved within the executive branch is generally considered fair and efficient, and should be retained.

2. National security issues and diplomatic relations are another regular stream of decisions that the President faces.

3. Economic policy decisions constitute a third regular flow.

4. A fourth group of decisions concern domestic or social policy issues: what to do about crime and law enforcement, drug abuse, health care, education, and the welfare system. Many of these issues have important economic and budgetary implications, and those in the economic policy community and OMB should be involved as participants in the discussions. But these issues are not primarily economic.

This proposed division would provide direct, regular access to the President for each department. Every cabinet member should have membership on at least one of the three policy councils. A cabinet member, such as the Secretary of State, whose department has strong interests in both national security and economic matters, could have membership on two councils. To prevent unnecessary jurisdictional conflicts and to insure that budgetary interests are considered throughout the policy formulation process, the Director of OMB should be a regular member of the councils dealing with economic and domestic policy, and meet with the National Security Council when issues involving major budgetary considerations are under discussion.

This four-fold division of labor -- the budget, national security, economic policy, and domestic policy -- leaves open the question of responsibility for the coordination of international economic policy. Such issues have grown in importance as the U.S. economy has become increasingly interrelated with the global economy. Some have suggested creating a separate council to address foreign economic policy issues. The Eisenhower and Nixon administrations did so. But both these efforts failed to persist across administrations or to acquire a significant role in the policy making world.

The problem with such an entity is essentially two-fold. First, it is increasingly difficult to separate problems as either foreign policy, domestic economic policy, or foreign economic policy. More entities dividing up the policy pie tends to produce greater overlap and more frequent jurisdictional battles. The intent is almost always to clarify and thus simplify. In practice, responsibility is less focused and more contested.

Secondly, past councils have not succeeded in consistently engaging the President's interest and attention, largely because they have not been tied to a regular presidential work flow. National security, economic policy, and the budget process all have regular identifiable work flows that merit and generally receive presidential attention. Foreign economic policy as a discrete and distinct set of issues does not.

This still leaves open the question of whether foreign economic policy issues, to the extent they can be identified, should be tied to the national security or economic policy machinery. There are strong arguments for assigning principal responsibility to either of them. On balance, however, the most compelling arguments favor giving responsibility to the economic policy machinery.

First, most foreign economic policy issues are more closely related to domestic economic policy than to foreign policy. Without question, on many economic issues, foreign policy implications are often important and sometimes decisive. Such implications should receive full and careful consideration with senior foreign policy officials actively involved in the deliberations.

Second, senior foreign policy officials have generally been able to effectively influence economic policy making processes more easily than economic officials have been able to effectively influence foreign policy making processes. Where they have had an interest, foreign policy officials have regularly and generally effectively participated in the deliberations on a wide range of economic policy matters.

Wherever primary responsibility is placed, the foreign policy and economic policy communities will need to work closely together if effective, coherent, international economic policies are to emerge. The Department of State, the Office of the U.S. Trade Representative, and the National Security Council staff should be intimately involved as active members of the economic policy machinery when it considers foreign economic issues.

Issue 2

Management of the Policy Councils

The history of cabinet-level councils suggests that how well they are managed crucially influences their success. An appropriate structure, sensible procedures, and skillful management are essential.

Past efforts to manage such councils by giving lead responsibility to a department or agency have not been encouraging. The most successful ones have been White House based in terms of managing their day-to-day activities, although they have generally either been chaired by the President or a cabinet secretary.

In Washington, symbols are important. The individual with responsibility for managing policy development in one of these broad policy areas needs to have, and to be perceived as having, a close relationship with the President.

If he is to deal with cabinet secretaries as a peer, he must be viewed as being the person in the White House responsible for managing the development of national security or economic or domestic policy. For these and other reasons he should be at the Assistant to the President level.

Issue 3

Size and Roles of White House Policy Staffs

Skillfully managing the flow of information and options to the President on national security or economic or domestic policy requires both good working relationships with key departments and agencies and sufficient independent capability to undertake analysis and structure issues.

Building a united administration entails fully involving departments and agencies in the White House decision making process. But one wants sufficient internal resources so that the President is not wholly dependent on his departments and agencies. The staff needs to be large enough to be able to exercise quality control, while not becoming so large that it is tempted to attempt to displace department and agency resources.

The Assistant to the President responsible for managing the stream of policy advice should:

1. Not have other competing responsibilities or institutional allegiances;
2. Be viewed as an honest broker rather than as a competing advocate by department and agency officials; and
3. Have the experience and intelligence to exercise quality control over the Council's work product.

The primary focus of his work should be to guarantee due process

while exercising quality control.

Too small a staff renders it unable to effectively exercise quality control over the work produced by the Council. The staffs must have the capacity to do more than skillfully move papers and set meetings. Too large a staff is likely to soon be filled with advocates anxious to press for particular policy outcomes rather than focusing their efforts on managing a process. Optimally, the staffs would consist of able generalists who think and write clearly and who are good at managing people and processes. Departments and agencies are unlikely to view such a staff as a threat or a competitor.

Issue 4

Roles of a White House Chief of Staff

Some presidents have entertained the notion and even experimented with serving as their own Chief of Staff. Such arrangements have rarely worked well. Coordinating the activities of the White House Staff, including the offices dealing with scheduling, personnel, speechwriting, etc., the offices dealing with the major outside constituencies (Congress, the press, interest groups, and state and local governments), and the various policy offices is a major task, a task wisely delegated by a president.

Accurate map drawing for the President requires bringing together political and substantive advice. This does not happen automatically. Someone must take responsibility for seeing that it happens. The most appropriate person is the Chief of Staff.

Assignment of responsibility for particular issues among the major policy entities dealing with the budget, national security, economic, and domestic policy is another task for the Chief of Staff. When jurisdictional matters need sorting out, a White House Chief of Staff is the logical person to see that responsibility is clearly assigned.

A smoothly functioning White House based on good personal relationships and clear assignments can greatly assist the President in providing the direction and initiative Americans look to their chief executive to provide.

Summary of Principal Recommendations

1. The President should establish four principal channels of advice to him on specific policy issues -- the budget process coordinated by OMB and three cabinet-level interdepartmental councils responsible for national security, economic, and domestic or social policy.
2. Every cabinet secretary should have membership on at least one of these councils. This would provide direct, regular access to the President for each department.
3. To prevent unnecessary jurisdictional conflicts and to ensure that budgetary interests are considered throughout the policy formulation process, the Director of OMB should be a member of the councils dealing with economic and domestic policy and should meet with the National Security Council when issues involving major budgetary considerations are under discussion.
4. A single cabinet level entity should assume principal responsibility for developing U.S. economic policy, foreign and domestic. The Department of State, the Office of the U.S. Trade Representative, and the National Security Council staff should be intimately involved as active members of the economic policy machinery when it considers foreign economic issues.
5. An Assistant to the President should have operational responsibility for managing the activities of each of the three major interdepartmental councils. He should be assisted by a staff large enough to exercise quality control but who view themselves as process managers rather than as policy advocates.
6. A White House Chief of Staff should have responsibility for coordinating the activities of the three policy councils, resolving jurisdictional issues, and ensuring that the President is presented with as accurate a map as possible of substantive and political reality.

Roger B. Porter
November 1, 1988

*Analy-
for
seen
Ed R.*

THE WHITE HOUSE
WASHINGTON

December 7, 1988

07 DEC 1988

MEMORANDUM FOR JOHN SUNUNU

FROM: ROBERT W. SWEET, JR. *RS*

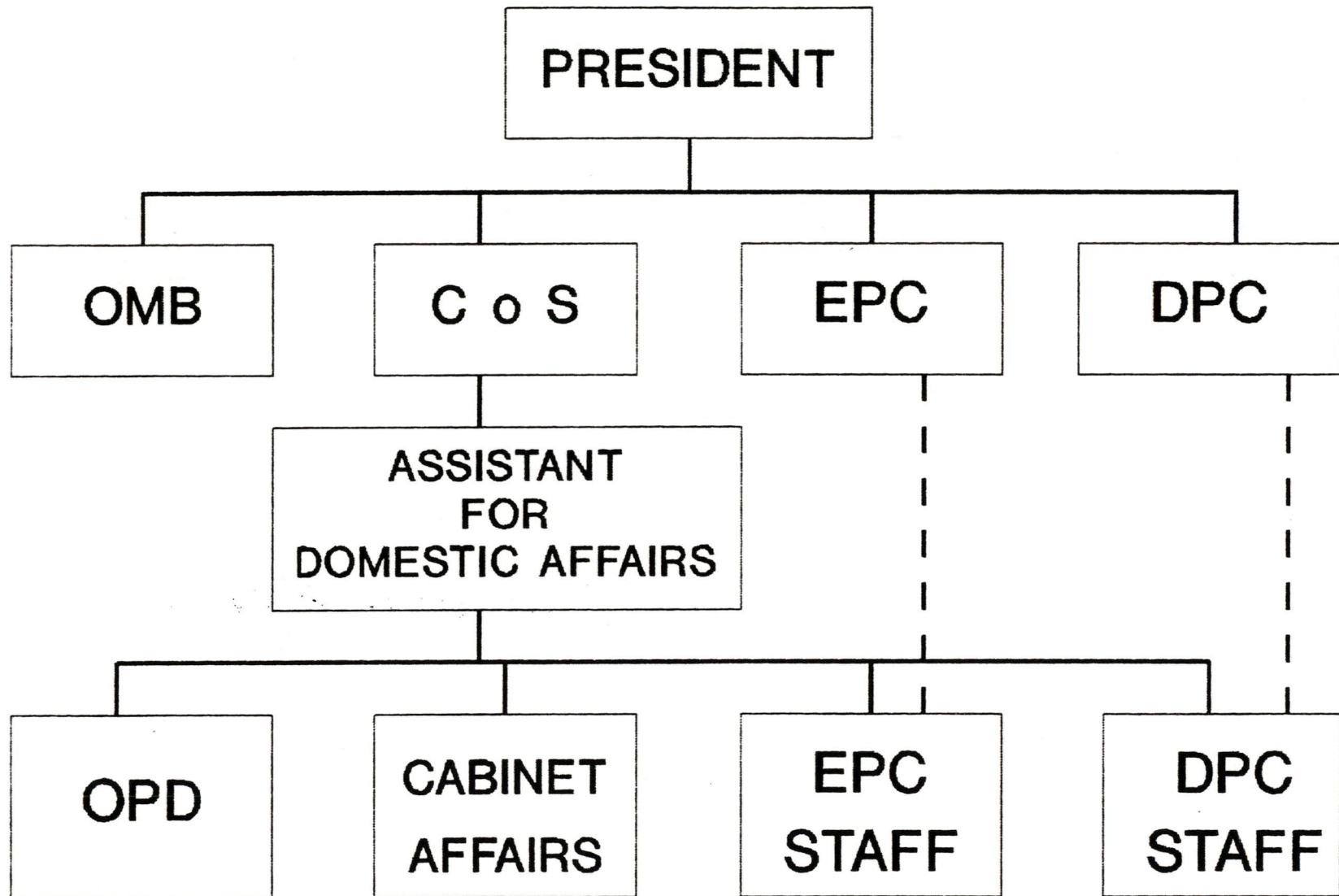
SUBJECT: Additional Organization Charts for Policy Development

The attached charts further clarify the relationship of the President and the Chief of Staff in directing policy development and should be added to the package I sent you earlier.

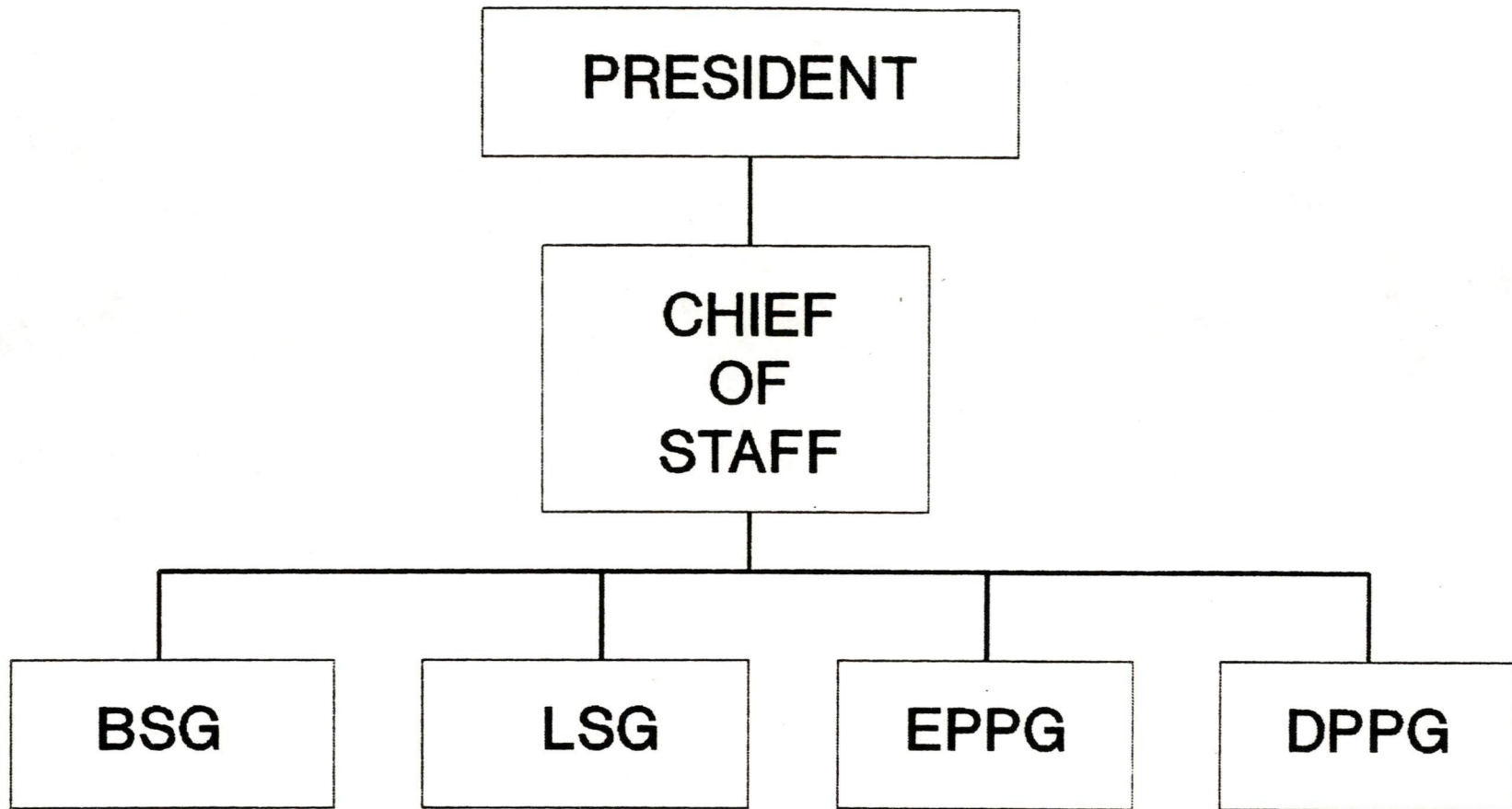
Chart A represents how White House policy development could be structured, and Chart B is an internal WH structure that would allow the Chief of Staff to keep his hand on the policy throttle.

I am sure that you have many experts advising you on the way the White House should be organized, but perhaps these thoughts will be useful too.

Attachments - 2



PRESIDENTIAL POLICY DEVELOPMENT



BSG: BUDGET STRATEGY GROUP

LSG: LEGISLATIVE STRATEGY GROUP

EPPG: ECONOMIC POLICY PLANNING GROUP

DPPG: DOMESTIC POLICY PLANNING GROUP