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Memos [2]

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April 27, 1992

MEMORANDUM FOR SUSAN SLYE

FROM: MARK BURSTEIN

SUBJECT: JACK STEIN

I have been in touch with Mr. Jack Stein, of whom the President spoke in his memorandum of March 2. Although Mr. Teeter and Mr. Stein were not able to meet when he was last in Washington, we have arranged a meeting for May 14.

I am referring this to you since you passed the President's memorandum along to Mr. Teeter. Please let me know if there is any further information I can provide.

Thank you.

cc: Mr. Skinner

THE WHITE HOUSE
WASHINGTON

DCF HAS SEEN

SHOW
POTUS

July 8, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: CONSTANCE HORNER 
ASSISTANT TO THE PRESIDENT
AND DIRECTOR OF PRESIDENTIAL PERSONNEL

SUBJECT: Navy Secretary

Ed Derwinski has written you a note in support of his Deputy, Tony Principi, for Navy Secretary. I have talked with Ed and Tony both several times over the past week. The tack I have taken, both before and after Sean O'Keefe's announcement as acting, is that you have made no decision on whom you'll ultimately nominate for the job. Since Dick Cheney has said publicly that O'Keefe is to be acting for only 120 days, it is necessary to make that decision at some point between now and early November. (Once there is a nominee, O'Keefe or another, O'Keefe can legally continue in an acting capacity until a successor is confirmed.)

Dick has not told me that he has recommended O'Keefe to you for the post permanently, and I know there is another candidate you've thought about. If you want me to discourage alternative candidates, I can do that without rocking the boat. If not, Principi is someone who merits attention for promotion or greater visibility at some point, if not now. He is an Italian Catholic Naval Academy and law school graduate who volunteered for Vietnam. Bud Zumwalt, who commanded him in the Brown Water Navy and whom he has stayed in touch with, sings his praises. His wife is a recently retired Naval officer who was first a nurse and then a lawyer. She has handled sexual harassment cases for women in the Navy. Tony left the Navy after eleven years to be John Tower's counsel; he did all the manpower issues for Armed Services. Subsequently, he was Al Simpson's majority chief counsel for Veterans Affairs. He is well-respected on the Hill and is viewed by White House staff as doing a strong, loyal job.

Bev Byron has also expressed an interest via third parties. I met with her before this position came open to talk about options for the future. We are first looking at Democratic seats that may come open on full-time commissions. She is a grand, strong lady, and I believe she could serve you well in some such capacity.

THE WHITE HOUSE
WASHINGTON

DCF HAS SEEN

June 29, 1992

SHOWN
ROUS

MEMORANDUM OF CONVERSATION

FROM: JOSHUA BOLTEN *JB*
SUBJECT: Henry Hyde on Abortion Decision

Representative Henry Hyde called after 5:00 this afternoon to urge that the President "not express total satisfaction" with the Casey decision handed down today. Hyde said that even though most parts of the Pennsylvania statute were upheld, the loss on the spousal notification provision is regrettable; above all, the Court's reaffirmation of Roe v. Wade is a "big disappointment."

Hyde added that he wouldn't second-guess the White House. But he said that some Pro-Life groups, while downplaying their own disappointment, have been "taken aback by the impression that the President is not unhappy" with the decision. I asked where the impression comes from. Hyde said he had been asked to call the White House by George Weigel of the Ethics in Public Policy Center.

THE WHITE HOUSE
WASHINGTON

DO NOT HAS SEEN

DATE: 04/10/92

TO: SAMUEL K. SKINNER

FROM: PHILLIP D. BRADY
Assistant to the President and
Staff Secretary

file

The attached has been forwarded
to the President

*SHOW
FOIUS*

THE WHITE HOUSE

WASHINGTON

April 8, 1992 12 APR 9 P5:01

MEMORANDUM FOR THE PRESIDENT

FROM: Nicholas E. Calio

SUBJECT: National Institutes of Health Reauthorization
(Fetal Tissue Research)

In response to your note regarding the fetal tissue issue, I have attached a copy of my March 31 memorandum and would like to bring you up to date on congressional action and sentiment.

On April 2 the Senate passed H.R. 2507, the National Institutes of Health Reauthorization Act by a vote of 87 to 10. A Hatch amendment to establish a registry for researchers to access tissue obtained by ectopic pregnancy terminations (as opposed to induced abortions) failed by a vote of 23 to 77. Several pro-life Senators such as Senator Thurmond and Senator Hatfield argued that this was not a traditional pro-life vote, and Senators were lobbied heavily by organizations representing diseases for which this research may be beneficial. More importantly, Senators assumed this veto will be sustained in the House and considered this a "free vote."

We expect a speedy conference, with the House voting on the conference report in early to mid-May. The bill originally passed the House by a vote of 274 to 144. Taking into account Members who were absent or have since changed their view, we believe we can still sustain. Pro-life Members such as Henry Hyde and Chris Smith feel strongly that we must maintain our opposition to fetal tissue research and that we can sustain in the House. However, it is possible that the Senate vote and heavy lobbying by the opposition could cause some slippage when the House votes on the conference report. We have issued senior advisors veto threats in both the House and Senate.

Consistent with your note, we plan to make extra efforts to activate pro-life Members. We have already met with relevant pro-life groups, and they indicated they plan to be very active. This is one of the top priorities of the pro-life movement. It is their view and that of most pro-life Members that it would be better for us to lose a veto override than for you to change your long-held position.

cc: Sam Skinner

THE WHITE HOUSE
WASHINGTON

March 31, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: Nicholas E. Calio *NEC*
SUBJECT: Senator Simpson's Call on Fetal Tissue Research

Senator Simpson's call to you yesterday is not a surprise; he accurately depicts our inability to sustain a veto in the Senate on fetal tissue research legislation. However, Senator Simpson may be unaware of the situation in the House, where I believe we have good prospects of sustaining a veto.

1991 House action. Last July, by a vote of 274-144, the House passed HR 2507, the National Institutes of Health Revitalization Amendments of 1991. The Statement of Administration Policy on this bill contained a senior advisors' veto threat based on a provision to overturn the Administration's moratorium on federal funding for fetal tissue transplantation research using tissue from induced abortions. The bill also contains other objectionable provisions.

Senate status. The Senate takes up HR 2507 today. We do not expect to get near enough votes to sustain a veto. It is important, however, that we use the Senate debate to clarify that we are not opposed to all forms of fetal tissue research. Senator Hatch will offer a pro-research, substitute amendment supported by the Administration. The amendment establishes a registry for researchers to access tissue obtained by ectopic pregnancy terminations (as opposed to induced abortions). While we cannot win this vote, it will allow the few Members who are with us to vote for a pro-research provision.

Prospects. Since the House and Senate versions are similar, we expect a bill to reach your desk within the next few weeks. I believe we can sustain a veto in the House, particularly since we should pick up at least ten votes of Members who were absent or have changed their positions since the July 1991 vote. We are checking the original 144 votes for slippage.

This issue is one of the top priorities of the pro-life movement. According to our allies on this and related issues, it would be devastating for the Administration to waver. In their view, it would be better for us to lose a veto override vote than for you to change your long-held position.

cc: Sam Skinner



4-4-92

To Sam Skinner and Nick Calio

On reviewing the legislative report :

What do I personally need to be doing to get the RTC money.???

And have we discussed with Hyde and Chris Smith the fetal tissue issue. I recall that unless the house member guaranteed veto support we were going to leave the veto question open.

Sam: we need to have our act totally together on this one.. That means Nick, HHS, our most ardent pro life members in the house etc.

GB

9

FROM THE PRESIDENT

THE WHITE HOUSE
WASHINGTON

02 APR 3 P7:50

April 3, 1992

THE PRESIDENT HAS SEEN

MEMORANDUM FOR THE PRESIDENT

FROM: NICHOLAS E. CALIO *NEC*
SUBJECT: Weekly Legislative Report



THE WEEK OF MARCH 30 - APRIL 3

HOUSE AND SENATE FLOORS

HOUSE

On Tuesday the House passed H.J. Res. 456, the continuing resolution for foreign operations programs, by a vote of 275 to 131. The foreign operations appropriations bill was set to expire at midnight on Tuesday. House Republican Leader Bob Michel (R-IL) and Republican Whip Newt Gingrich (R-GA) worked hard to convince GOP Members to support the bill. Our goal was to get at least half of the Republicans and half of the Democrats to support the bill. That goal was met when 87 Republicans joined with 188 Democrats on final passage. Many members expressed surprise that the bill passed by that large a margin.

On Tuesday the House also defeated H.R. 3732, the Budget Process Reform Act of 1992 (the "firewalls bill"), by a vote of 187 to 238. 76 Democrats joined with a unanimous bloc of 162 Republicans to kill the bill. After the House sustained your veto of the tax bill last week by a majority vote and then defeated the Democrats' "firewall" initiative by this large margin, many Members expressed the view that the Democratic leadership had lost control of its Membership.

On Wednesday the House defeated H.R. 4704, reauthorization of the Resolution Trust Corporation, by a vote of 125 to 298. 45 Republicans and 80 Democrats voted for the bill. In addition to protests against the RTC itself, there were political reasons for the defeat. Democrats refused to put up a majority of their votes until Republicans did the same. Many Republicans wanted to register a protest against the Department of Treasury as well as the RTC. Since the defeat of the RTC bill, Republican Whip Newt Gingrich has asked Representatives Bill McCollum (R-FL) and Steve

Gunderson (R-WI) to work together to develop a package of amendments to any RTC funding legislation that would assure passage of the legislation. Chairman of the Banking Committee, Henry Gonzales (D-TX), is blaming the Administration for failing to deliver a sufficient number of Republicans to pass the RTC bill. The House may reconsider RTC funding next week if some of these political problems can be overcome.

The Conference Report to accompany H.R. 3337, the White House Commemorative Coin bill, was also considered. A motion to recommit the bill to conference with instructions to disagree to the Senate coin redesign was offered by Representative Al McCandless (R-CA). The motion passed by a vote of 206 to 199. The Conference then met again and stripped out the Senate's coin redesign provision. The House will likely consider the new Conference Report next week.

On Thursday the House approved the rule for general debate of H.R. 2039, the Legal Services Reauthorization Act, introduced by Representative Barney Frank (D-MA). If the bill passes in its current form, your senior advisors will recommend a veto. The bill is poorly drafted, and would create numerous loopholes that would allow legal services lawyers to engage in redistricting procedures, lobbying, and other activities unrelated to providing legal aid to poor people. Amendments to the bill are expected to be considered next Wednesday. We anticipate enough votes against the bill on final passage to demonstrate veto strength.

The general atmosphere on the House floor is acrimonious. Members are paranoid about the electoral consequences of the check bouncing scandal, redistricting and the general anti-incumbent mood. Many Democratic Members are openly hostile to their leadership for their handling of the House Post Office and the House Bank.

SENATE

On Tuesday the Senate confirmed Dan Goldin to be Administrator of the National Aeronautics and Space Administration.

On Wednesday, by a vote of 84 to 16, the Senate passed H.J. Res. 456, the continuing resolution for foreign operations programs, which had passed the House the previous day. The Senate adopted one amendment, adding \$107 for Small Business Administration disaster loans, funds that had been requested by the Administration. The same evening, by voice vote, the House passed the amended Senate version of the resolution. In connection with the continuing resolution, the Senate also passed, by a vote of 99 to 1, a Sense of the Senate Resolution in support of Israeli loan guarantees.

On Thursday the Senate passed H.R. 2507, the National Institutes of Health Reauthorization Act, by a vote of 87 to 10. This bill overturns the moratorium on federal funding for fetal tissue transplantation research involving tissue from induced abortions. Members rejected, by a vote of 23-77, an amendment by Senator Orrin Hatch (R-UT) that would have restricted the research to tissue obtained from miscarriages and ectopic pregnancies. A senior advisors veto threat was issued on the Senate bill. The last House vote on this legislation was in July of last year, when it passed by a vote of 274 to 144.

HOUSE AND SENATE COMMITTEES

HOUSE

On Monday William Archer, Deputy Assistant Secretary for Population Affairs at HHS, testified before the **House Energy and Commerce Subcommittee on Health and the Environment** on the Administration's regulations on abortion counseling at federally funded clinics (Title X). As expected, the Democrats and Representative John Porter (R-IL) were critical of the Administration's position during the hearing.

On Tuesday the **House Post Office Subcommittee on Human Resources** held an oversight hearing, led by Chairman Paul Kanjorski (D-PA), examining White House expenses. Five Bush Administration officials declined to testify on the grounds of short notice and the earlier provision of relevant information through proper committees of jurisdiction. While denying political motivation for the hearing, Representative Kanjorski arranged for the television cameras to film the witness table with empty chairs and name placards for the absent Administration witnesses. The Ranking Republican, Representative Dan Burton (R-IN), vigorously defended the White House and repeatedly questioned Representative Kanjorski's assertion that the hearing was not political. I will be meeting with Representative Kanjorski Monday morning.

On Tuesday Transportation Secretary Andrew Card testified before the **House Public Works Subcommittee on Surface Transportation** about the economic impact of continuing regulations on the trucking industry.

On Tuesday and Wednesday, members of the **House Energy and Commerce Subcommittee on Telecommunications and Finance** met to begin markup of a draft cable television reregulation bill. The Secretary of Commerce and the Attorney General have indicated that they would recommend a veto of this legislation in its current form. The markup was postponed after completion of opening statements when it became clear that the Republican Members of the Subcommittee had developed a bipartisan substitute

that would prevail in the Subcommittee. The Subcommittee is tentatively scheduled to reconvene next Tuesday.

On Thursday the **House District of Columbia Committee** approved H.R. 2482, legislation providing for statehood for the District of Columbia. Arguing that the legislation was blatantly unconstitutional because only a Constitutional Amendment can trigger the process of statehood, all four Committee Republicans opposed the bill while all seven Committee Democrats supported it. A senior advisors' veto threat was issued on this bill. H.R. 2482 is expected to go to the floor sometime after the Easter Recess.

Conferees on the campaign finance reform bill filed their conference report on Friday. The bill does not differ greatly from the original House and Senate Democratic bills, which call for public financing of Congressional elections and the imposition of spending limits. Your senior advisors have recommended a veto. The conference report, which is expected to reach the House floor next Wednesday, is likely to be adopted by a near party-line vote.

SENATE

On Wednesday Central Intelligence Agency Director Robert Gates outlined his reorganization plans and budget reductions before a joint **House and Senate Intelligence Committee** meeting.

On Wednesday the **Senate Foreign Relations Committee** unanimously approved Thomas Pickering to be Ambassador to India and Edward Perkins to be U.S. Representative to the United Nations. The full Senate is expected to vote to confirm the nominations soon.

On Wednesday the **Senate Judiciary Committee** held a hearing on George Terwilliger III to be Deputy Attorney General.

On Thursday the **Senate Budget Committee** marked up the proposed draft budget resolution for FY93. The Committee adopted defense spending levels similar to those you requested. Efforts to cut defense deeper were defeated.

THE WEEK OF APRIL 6 - APRIL 10

HOUSE AND SENATE FLOORS

HOUSE

On Wednesday the House is expected to complete consideration of the Legal Services Reform Act.

Also on Wednesday the House will vote on H.R. 3750, the Campaign Spending Limit and Election Reform Conference Report.

SENATE

On Tuesday the Senate will take up the first concurrent budget resolution.

The Senate will also take up S. Con. Res. 89, expressing the sense of the Congress concerning the U.N. Conference on Environment and Development (Rio Conference).

HOUSE AND SENATE COMMITTEES

HOUSE

On Wednesday the **House Merchant Marine and Fisheries Committee** will mark up H.R. 776, the National Energy Strategy legislation, which has already been passed out of the House Energy and Commerce Committee. Floor action on the Energy bill is likely after the Easter recess.

A previously scheduled **House Government Operations Committee** mark up of a 5-year/\$53 billion revival of the old Revenue Sharing Act was postponed until after the Easter recess. This mark up was postponed due to the defeat of the "firewalls" bill. Had that bill passed, Committee Democrats would have used the money freed up by the removal of the "firewalls" to approve the revival of the revenue sharing bill as their answer to the recession. However, since the "firewalls" bill was defeated, Committee Democrats were forced to reassess their strategy.

SENATE

On Friday the **Senate Environment and Public Works Subcommittee on Environmental Protection** will hold a hearing on the reauthorization of the Endangered Species Act.

When the House and Senate complete their business on Thursday or Friday of next week, they will begin a two-week recess. Neither is likely to have votes until Tuesday or Wednesday, April 28 or 29.

CONGRESSIONAL CORRESPONDENCE

Attached is a summary of selected Congressional mail for the week of March 23 - March 27.

Presidential Log of Selected Congressional Mail

Weeks of March 27, 1992 - April 2, 1992

<u>Member</u>	<u>Subject</u>	<u>Comments</u>
Rep. Henry Gonzalez (D-TX) #317956	Requests your assistance in "garnering support" for H.R. 4241, the Resolution Trust Corporation Funding Act of 1992. Reports "The Committee on Banking, Finance and Urban Affairs acted responsibly and in a bipartisan manner by reporting out a bill in a timely manner to provide the RTC with additional funds, as requested by the Administration." Believes your leadership is necessary to secure the support of Republican Members of Congress for this important legislation.	
Rep. Steny Hoyer (D-MD) #318262 Also signed by 16 others	Express grave concern over "an apparent attempt by the Russian government to use provisions of the Intermediate-Range Nuclear Force (INF) Treaty as a pretext to extend its continued military presence in Lithuania." Request that you "use your good offices to advise the Russian government that its continued military presence in the Baltics and its failure to enter into negotiations on the withdrawal of all of its forces from these countries pose a threat to peace and stability in the region."	
Rep. Richard Durbin (D-IL) #318456 Also signed by 44 Congressmen, identical letter signed by 8 Senators	Express strong concern about "recent actions by the Environmental Protection Agency that will, if they are not modified, establish a regulatory roadblock to the use of ethanol-blended gasolines in clean air nonattainment areas." Urge you to "take the necessary steps to ensure that the oxygenated fuels program and the reformulated gasoline program permit ethanol-based fuels to fully participate in these markets as intended by Congress."	

THE WHITE HOUSE
WASHINGTON

August 7, 1992

MEMORANDUM FOR THE PRESIDENT

FROM: CLAYTON YEUTTER

SUBJECT: Ethanol 

Sam said you had questions on ethanol when you were in the Chicago area on Sunday, and asked for an update on where that stands.

We've had several interagency meetings on this over the past ten days. The purpose is to develop a potpourri of actions we can take to help the ethanol industry, and we have a pretty solid list already. But that's been a difficult and complex task because of the confines of the Clean Air Act.

The controversy arises over whether or not the traditional 90/10 gasoline/ethanol mix will meet the emission requirements of the Clean Air Act for about a four month period during the summer. There is no problem getting ethanol into the picture for the rest of the year.

The EPA scientists and petroleum industry scientists all agree that ethanol just won't make it during the summer months, based on research now available. A Colorado State University scientist recently reached a contrary conclusion, and that gave hope to the ethanol industry. But his study has been heavily criticized by his peers, so it doesn't look like it will successfully build the ethanol case. That's why we've been searching for other alternatives.

The position of the ethanol industry is that EPA should simply grant a waiver of the Clean Air Act requirements, permitting the 90/10 mix to be used in the summer months even if the scientific support is weak. This is the so-called "one pound waiver" argument you heard in Illinois. But that is not only contrary to EPA's scientific conclusions, but it would also violate a "reg neg agreement" on this issue. The reg net is a negotiated rulemaking process involving all the major private sector players -- the ethanol folks, the petroleum industry, environmental groups, etc. Opening up that agreement would obviously engender an immense amount of controversy that could go on for months.

An alternative would be for the Congress to amend the Clean Air Act and provide such a waiver legislatively. If we were to join with Senator Dole on this, we might have a chance to get that done, though the probabilities would be less than 50/50. It

would be strongly opposed by both the petroleum industry and the environmental groups (which could turn out to be a political plus though it would be construed as an erosion of your environmental record).

Because of this we've been looking for options that are more "environmentally friendly." One is to get ETBE into the act. You'll remember driving a car in Lincoln, Nebraska a few years ago that was powered by ETBE, an ether made from ethanol. ETBE does meet the summertime Clean Air Act requirements, and it has some other environmental advantages as well. The petroleum industry likes it too because it can readily be used in their pipelines.

Unfortunately, ETBE just is not economically feasible today. It would have to be given an additional tax break for it to compete with MTBE and with ethanol. Treasury estimates of what that will cost (beginning in FY 95) are due out today. If the price tag is modest, we might well be able to get this through the Congress since it should not engender the opposition we would expect to the one pound waiver.

However, the ethanol industry might see ETBE as being too far in the future, in which case they'd still clamor for the waiver. That means it would still be desirable to assure a place for ethanol in the market, over and above whatever potential may exist for ETBE.

One way to do that is through a 90/10 mix of "sub RVP" gasoline and ethanol. Sub RVP gasoline has characteristics which offset some of the volatility negatives of ethanol, thereby making it possible for this mix to meet the requirements of the Clean Air Act even in the summer. Thus, a waiver would not be necessary. This would seem to be the ideal solution, if the petroleum industry will make the product available. That is a big "if."

It costs an extra 1 to 1½ cent per gallon to produce sub RVP gasoline, but the industry says they'll do so if justified by market conditions. That, of course, means if the price of ethanol is low enough compared to methanol, MTBE and ETBE to make it a sound business decision. Today that is the case, but no one knows what the situation will be in 1995 and beyond. So the industry doesn't want to guarantee availability of the product, and the ethanol producers don't want to invest in plants under those circumstances.

One possible way to get over this hurdle is to legislatively mandate that EPA must provide a waiver for ethanol in any market area where the petroleum industry does not make sub RVP gasoline available as a feedstock. That would undoubtedly be opposed by the environmentalists, but it should be easier to pass in the

Congress than outright waiver authority. The potential adverse impact of the latter on the environment would be far greater than the former.

As you can see, this has been a very complex problem. But we've now narrowed the options to where we should be able to make definitive decisions next week. We'll get it done, and I'll keep you informed.

cc: S. Skinner

MR. PRESIDENT, THERE ARE A NUMBER OF OTHER THINGS WE PLAN TO DO TOO, BUT I'VE NOT MENTIONED THEM HERE. THE TOUGH ISSUES ARE REFLECTED IN THIS MEMO. (C)

EPA

faxed to
SKS 8/10/92

Show
w. Brief

THE WHITE HOUSE
WASHINGTON

August 7, 1992

2:03 7 P7:10

MEMORANDUM FOR THE PRESIDENT

FROM: CLAYTON YEUTTER

SUBJECT: Ethanol

CY

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THE WHITE HOUSE
WASHINGTON

DATE: 8/10

TO:

SKS

FROM:

D. CAMERON FINDLAY 
Deputy Assistant to the President and
Counselor to the Chief of Staff
1st Floor, West Wing, x6594

☒ FYI

☐ Appropriate Action

☐ Let's Discuss

☐ Per Our Conversation

☐ Per Your Request

☐ Please Return

COMMENTS:

I put this list
together for tomorrow's
Reilly meeting.

ISSUES FOR REILLY MEETING

1. Ethanol -- Whether to join Senator Dole in supporting legislation to amend the Clean Air Act to permit the use of ethanol during the summer months.
2. Wetlands -- Whether to issue a revised delineation manual before the election and, if so, how to define them.
3. Campaign -- Need to be team player, both by not criticizing President/White House and by vigorously attacking Clinton/Gore.

GEORGE BUSH LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER .2
LISTED IN THE WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

OCF
8/7

THE WHITE HOUSE

WASHINGTON

August 6, 1992

MEMORANDUM FOR SAMUEL K. SKINNER

FROM: CLAYTON YEUTTER

SUBJECT: WETLANDS

*Don
see me*
[Signature]

Sam, in response to your query this morning, Gary Blumenthal has been working the issue on my behalf, and has done an outstanding job of narrowing differences among the relevant agencies. He has made more progress on that in the last three weeks than they've made in the last three years! But one very fundamental issue remains, the question of hydrology.

In defining the degree of wetness of a delineated wetland, EPA and the Corps insist that we are fighting science if we change the 1987 Manual's definition: free water up to 12" below a surface comprised of capillary soils. They contend that a "sponge effect" results in saturation/inundation at the surface sufficient to support wetland vegetation. Meanwhile, the Competitiveness Council, on behalf of the regulated community, insists on retaining the proposed 1991 Manual definition: free water at the surface, because they believe it is also scientifically supportable, comports better with the public's perception of wetlands and is a better regulatory threshold from the standpoint of private property owners. Attempts have been made to split the difference, but both sides in the dispute contend that any compromise would be viewed as a major defeat by their respective constituencies.

Gary feels he has taken the process as far as he can go, so has asked me to intervene. Agencies other than the Competitiveness Council are essentially in agreement on the hydrology test, so I need to determine whether the position of the Council can be moved. Gary and I will meet with Kristol and McIntosh to make that determination, but we cannot do so until early next week because Kristol is traveling.

If they take a rigid position, the next step is for me to call a PCG meeting and see if we can hammer out a consensus.

I'll keep you informed.

*WHICH WOULD BE NEXT WEEK, PROBABLY
WITH JUST AN AD HOC GROUP OF THE
MAJOR PLAYERS.*

JOHN McLAUGHLIN "ONE ON ONE"
WITH GUEST: WILLIAM K. REILLY, EPA ADMINISTRATOR

TAPED: FRIDAY, AUGUST 7, 1992
FOR BROADCAST: WEEKEND OF AUGUST 8-9, 1992

.STX

NARRATOR: From Washington, DC, John McLaughlin's "One on One," an unrehearsed, probing, inside exchange with the people making the news. Sponsored in part by Payne-Webber, "We believe our most important investment is an investment in relationships." And by the Archer-Daniels-Midland Company, "ADM: Supermarket to the World." Here's the host, John McLaughlin.

MR. McLAUGHLIN: It's not easy being green. Remember this?

PRESIDENT BUSH: (From videotape.) I'm going to be a good environmental president. We need a president who's going to be committed to clean up the environment, and I'm that man. (Applause.)

MR. McLAUGHLIN: What a difference four years makes. In 1988, George Bush campaigned for the White House, promising to be the environmental president. This week in California, Al Gore, the Democratic candidate for vice president, had a different take on the President's environmental record.

SEN. GORE: (From videotape.) The American people trusted George Bush when he said he was going to be the environmental president. When George Bush came here, he was the hypocritical president, not the environmental president.

MR. McLAUGHLIN: It's not only the Democrats who are critical of the Bush environmental record. In a memorandum recently leaked, the President's own top environmental advisor, EPA chief William Reilly, criticized the Bush staff's handling of the Earth Summit in Rio de Janeiro two months ago. Reilly wrote to EPA staffers that his Rio trip was like taking a quote, unquote, "bungee jump," and that the administration might cut his bungee cord at any minute.

So, what about George Bush's pledge to be the environmental president? Has he lived up to it? We'll ask the man in the eye of the storm.

Born: Decatur, Illinois; 52 years of age. Wife: Libby; two children. Yale University: BA. Columbia University: MS, urban planning. Harvard University: Doctor of Laws. US Army: Captain, two years. Nixon administration: President's Council on Environmental Quality; senior staffer, two years. The Conservation Foundation: president, 16 years. World Wildlife Fund and the Conservation Foundation, merged: President, four years. Bush administration: Environmental Protection Agency; EPA Administrator, three years and currently. William Kane Reilly, it's one on one.

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Sam —

The following is weak politically and
may well come back to haunt us.

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Administrator Reilly, as you know, the environment is a major issue in this presidential campaign. Would you care to comment or rate the Clinton-Gore team on environment?

MR. REILLY: I'm not going to rate them on the environment. I'm not going to attack or criticize them, other than to say, when they talk about the President being hypocritical on the environment, they are doing very serious violence to the Bush record.

The last 3-1/2 years have been a period of unprecedented environmental progress for America, on all fronts. In terms of enforcement vigor, we have had more civil fines and penalties, jailed more people for environmental crimes in three years than in the whole previous 18-year history of the Environmental Protection Agency. My budget has gone up 50 percent at a time when domestic discretionary spending went up about 5 percent. We've added 6-1/2 million acres of wilderness, 20 new national parks, 57 new wildlife refuges, almost 3,000 new miles of wild and scenic rivers. It's an extraordinary record, and I hope that as this campaign goes forward, we can draw attention to the fact that the consensus is broader now. Things that Governor Clinton says he's for -- debt for nature swaps, pollution trading, performance-based standards -- they're pioneered by the Bush administration. We say more power to him if that's what he's going to talk about.

MR. MCLAUGHLIN: The EPA is an enforcement agency, correct?

MR. REILLY: Right.

MR. MCLAUGHLIN: So you have to study all the states of the union, is that right?

MR. REILLY: We're certainly familiar with all of them, sure.

MR. MCLAUGHLIN: And you're familiar with Arkansas?

MR. REILLY: Uh-huh.

MR. MCLAUGHLIN: What do you think of the environmental status of Arkansas?

MR. REILLY: I don't think that the Clinton administration gave very high priority to the environment. I think that, as he has said in his Earth Day speech, he gave his priority to jobs and economic development. The environment of Arkansas I think reflects that. It's an issue, I suppose that he's going to have to speak for. I think Senator Gore, obviously, is very proud of his environmental record, and he has done some important things.

MR. MCLAUGHLIN: You are aware, are you not, that 600 miles of streams in northwest Arkansas are so polluted as to be unswimmable because of chicken parts dumping by Don Tyson, who has a \$4 billion

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plant in Arkansas. And the booming of that plant -- the boom years coincide -- parallel the gubernatorial terms of the candidate -- the Democratic candidate for president. Does that suggest anything to you?

MR. REILLY: There are problems there in Arkansas, there are pollution problems related to the pulp and paper industry, there are problems related to chicken, poultry industry, and --

MR. MCLAUGHLIN: Do you think that Bill Clinton was accommodative to business rather than being aggressively environmental?

MR. REILLY: I'm a regulator, and I want to be very careful to distinguish between the kinds of things that we're responsible for and criticisms that I will respond to -- criticisms of the President's environmental record or of EPA's, versus making blanket condemnations of the governor's own environmental record. I might well be in the position at some point of taking an enforcement action against a violator in Arkansas. I don't at that time want the implication to arise that somehow this is a politically motivated thing. So I'm going to stay somewhat back from the involvement in that kind of --

MR. MCLAUGHLIN: Well, let's talk a little bit about his running mate, and you point out correctly that he is strongly environmentalist; in fact, he's written a book, "Earth in the Balance," which I'm sure you are familiar with, and you like.

→ MR. REILLY: I have a lot of respect for that book. I think the kinds of issues he addresses, the fact that he wrote it himself and it is obviously the product of a lot of concern and passion --

MR. MCLAUGHLIN: He's going to help in California, politically speaking, is he not, because Gore is so environmentally oriented?

→ MR. REILLY: Well, I suppose he will.

MR. MCLAUGHLIN: The current issue of the Economist magazine writes about you, and it writes about environmentalism, and it writes a little bit about the politics of environmentalism.

MR. REILLY: I haven't seen it.

MR. MCLAUGHLIN: And it comments on Mr. Gore -- Senator Gore -- and his book, "Earth in the Balance." He says that he's got some good ideas, like we must -- with its call for green taxes, which is a good idea, according to the Economist. But he also has assertions like this: "We must make the rescue of the environment the central organizing principle for civilization," which the Economist says, quote, unquote, "is a nutty idea." Do you think it's a nutty idea?

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MR. REILLY: Well, I think he defines the environment very broadly. I think if you were to -- at least I assume he does, and the book suggests that -- he includes questions of economic development, safe drinking water, population, raising standards of living to allow people to address their own problems of an economic sort as well as the traditional pollution control. If you define it in terms of pollution control, it is a nutty idea.

MR. MCLAUGHLIN: Do you define it that way?

(MORE)

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MR. REILLY: I certainly -- I certainly would define the environment, broadly speaking, as we tried to do --

MR. MCLAUGHLIN: But not as broadly as Senator Gore.

MR. REILLY: Well, I think most of those things are implied. If you're going to use the phrase like the principle organizing idea of civilization, then I think you've got to be talking about culture as well as nature.

MR. MCLAUGHLIN: But then it loses its meaning.

MR. REILLY: Well, it becomes so broad as to --

MR. MCLAUGHLIN: That it becomes --

MR. REILLY: It's a big tent which --

MR. MCLAUGHLIN: It becomes co-terminus with religion, or philosophy, or what have you.

MR. REILLY: Yes. I think that's right.

MR. MCLAUGHLIN: But he says it's the central organizing principle for mankind. And that's -- makes him look like an environmental extremist.

MR. REILLY: I think he's --

MR. MCLAUGHLIN: Do you think he's an environmental extremist?

MR. REILLY: No. I don't think he's an environmental extremist. I think that he's got a philosophy that believes in significantly more taxes, certainly, as he makes clear in the book, than we do. He strongly supported a series of initiatives that -- like a 45 mile per hour -- 45 mile per gallon gasoline -- fuel efficiency requirement --

MR. MCLAUGHLIN: The CAFE (regime ?).

MR. REILLY: -- which our analyses show technologically is not cost effective and probably not achievable in the timeframe that he advocates it. It might be very disruptive.

He refers to a wrenching transformation of society. I guess that's the phrase that I recalled as most graphic and with which I disagree most strongly. I don't think that the course we are on is going to require "a wrenching transformation" somehow to get it right. I think if you look at recycling rates in the country, if you look at the pollution control progress we're making, if you look at the rising concern throughout the developed world or the

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environment, the fact that we're getting out of these ozone-depleting chemicals, we're headed in the right direction. I don't think we have to wrenchingly transform society.

MR. MCLAUGHLIN: Let me ask you this about yourself and your mindset -- your environmental mindset. Are you more simpatico with Bush-Quayle or with Clinton-Gore?

MR. REILLY: I am far more comfortable with the philosophy that we have had, which is one of looking for ways to create new incentives, paying more attention to economics, being much more attentive to science that I associate with, going beyond traditional command and control. Command and control is the philosophy that I associate with the other side.

MR. MCLAUGHLIN: All right, let me -- let me clear up one thing before we move on, and that's this: the criticism that we saw in the opening by Senator Gore calling the President hypocritical took place at a place called the Evergreen Oil Company Inc. in Newark, California where Bush spoke in June. Now, that company -- correct me if I'm wrong -- is suing the EPA for not encouraging oil recycling. Okay? So Gore says that Bush is a hypocrite for saluting the importance of the environment at this plant, which recycles oil, while this plant is suing the government for not -- for not doing enough.

MR. REILLY: This is something that is a sort of thing that happens in a campaign, and it seems to me is very regrettable.

Look, we are in favor of recycling oil. The idea that somehow the way you get the best result with respect to a product you want to see recycled is to declare it a hazardous waste is not correct.

MR. MCLAUGHLIN: So you don't think Bush is a hypocrite for --

MR. REILLY: Absolutely -- absolutely not.

MR. MCLAUGHLIN: You don't think Bush is a hypocrite for saluting that company while it's suing the EPA?

MR. REILLY: Absolutely not. Absolutely not. Bush -- the President wanted to make the point that he is favor of recycling on his watch. He signed an executive order to promote recycling. We're doing more of it at the federal level than we've ever done before. Virtually all our paper products are now recycled at the federal level, and the federal government knows a lot about paper and uses a lot of paper. He is a very strong recycler.

MR. MCLAUGHLIN: We'll be right back.

(Commercial break)

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MR. MCLAUGHLIN: Could you clear up one thing? Richard Darman is the head of the Office of Management and Budget. He described you as a global rock star. Do you regard that as a compliment?

MR. REILLY: Absolutely. You know, I went home the evening that that was in the paper, my daughter saw it, and the new look of respect in her eyes was something to behold. Clearly, I was doing important work after all.

MR. MCLAUGHLIN: But he's not really sympathetic with your environmentalism, is he?

MR. REILLY: Well, he and I have done very well in the one area, I think, that a budget director is most responsible for, and that is budget support. The Environmental Protection Agency budget has done very well in the Darman watch.

MR. MCLAUGHLIN: You don't think he sabotaged you behind your back?

MR. REILLY: He has differences of opinion with me on any number of issues, as economic officials tend to with environmental officials.

MR. MCLAUGHLIN: All right. Let me ask you this. This is a memorandum that you put out on July 15th after you returned from the Rio summit. In it you said -- you thanked your staff for their tremendous help and for their greeting you on your return. You talked about the huge importance of the Rio summit. And you said, "For me personally, it was like a bungee jump. You dive into space secured by a line on your leg, and trust it pulls you up before you smash to the ground. It doesn't typically occur to you that someone might cut your line." Now, are you talking about Darman or Boskin or anybody in the administration?

MR. REILLY: The bungee jump analogy is -- you have to see that the position of the United States at that conference, where we were alone in declining to sign one of the treaties and had fought very hard to get a change, against much of the rest of the world -- really, all the rest of the world -- in the other key treaty, we were under constant attack and criticism by some 3,000 journalists who were down there. That was the bungee jump. I mean, we knew we were going into something. We had made a conscious choice --

MR. MCLAUGHLIN: So this is not a complaint against Dan Quayle, for example --

MR. REILLY: No.

MR. MCLAUGHLIN: -- who runs the regulatory reform group.

MR. REILLY: No. The bungee jump analogy is just because of the position we had. Having withheld the commitment of President

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Bush in order to effect the treaty, the climate treaty, which we did successfully, we had to pay a public relations price.

As to the cutting your line, that referred to the fact that somebody leaked a confidential memo and made our already difficult position even more so from a public relations point of view.

MR. MCLAUGHLIN: You're talking about your memo to the White House for the okay to negotiate changes in the biodiversity treaty.

MR. REILLY: That's correct.

MR. MCLAUGHLIN: That memo was leaked.

MR. REILLY: That was leaked.

MR. MCLAUGHLIN: And the White House said no.

MR. REILLY: And the reporter who wrote the story said it was leaked by someone opposed to my position.

MR. MCLAUGHLIN: Didn't you blame conservatives at the time within the White House?

MR. REILLY: I don't blame anybody. I was 5,000 miles away. When the President said I'm going to have an investigation of this by the Justice Department. I'm going to get to the bottom of it, and if I find out who did, I'm going to fire him, that's good enough for me.

MR. MCLAUGHLIN: But it was leaked internally, obviously. It was leaked, right?

MR. REILLY: Yes.

MR. MCLAUGHLIN: So someone at the White House must have leaked it.

MR. REILLY: I think that's right.

MR. MCLAUGHLIN: Well, who are the likely suspects? You've got Darman, OMB Director. You've got Quayle, the head of the regulatory reform group, who is a great exponent of the importance of competitiveness. He believes that your regulations, a lot of them, impose excessive economic costs, especially on small businesses. Who else have you got? You've got Michael Boskin, the head of the Office of Economic Advisers. It's got to be one of those three, wouldn't you say?

MR. REILLY: No, I don't think for a minute it has to be one of those three.

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MR. REILLY: You take a memo like that, it gets fairly widespread distribution -- in this instance I have heard that it did -- and there's no way to say --

MR. MCLAUGHLIN: But a conservative

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did it, right? A conservative -- an environmental conservative.

MR. REILLY: I would not want to say that because I think the burden of the kinds of policies I've been responsible for at the Environmental Protection Agency have been conservative. We've had much more attentiveness to science, which has been a claim of conservatives for years. We've had very good relations with some key industries. We've had voluntary programs. We've had a very vigorous enforcement program, but we've built on that and I think been very reasonable.

MR. MCLAUGHLIN: The Economist says that the time is coming, and it's coming shortly, when George Bush is going to have to choose between Dan Quayle and you. Do you believe that?

MR. REILLY: No, and I'm certain that he doesn't either.

MR. MCLAUGHLIN: The Economist also says "whatever the outcome of the election, Mr. Reilly will almost certainly leave the administration within the next six months." Is that true?

MR. REILLY: I haven't made any plans for the next six months. I got into this for four years, I wanted to serve out the term. I've approached the job in the manner of the old spiritual -- one day at a time, sweet Jesus -- and I want to complete the term. As to what I'll do in the next term, it depends a lot on the President as well as on me.

MR. MCLAUGHLIN: Do you have any intuition as to whether the President will ask you to stay as EPA administrator?

MR. REILLY: No, I don't, no, I don't.

MR. MCLAUGHLIN: We'll be right back.

(Commercial break.)

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MR. MCLAUGHLIN: Let's go back to the memorandum, which is a lengthy document. On page four, you say this, "Another key question, frankly" -- you're writing this to your staff; you're talking about the Rio summit. "Another key question, frankly, is why did the United States play such a low-key, defensive game in preparing for Rio? We assigned a low priority to the negotiations of the biodiversity treaty, were slow to engage the climate issue, were last to commit our president to attend Rio. We put our delegation together late, and we committed few resources. No doubt this contributed to the negative feelings towards the United States."

MR. REILLY: I think the way you need to understand that memorandum, you say it's a long memorandum, which is an important point. Most of the memorandum I devote to explaining the achievements of Rio that I don't think the press did at all. I have about 18,000 people --

MR. MCLAUGHLIN: You fault the press a lot.

MR. REILLY: I do, indeed. On the -- Rio took place on two levels. One was the substantive agreements we reached on a whole range of subjects, most of them in a 900-page document called Agenda 21 --

MR. MCLAUGHLIN: What's the second level?

MR. REILLY: -- which is a tribute to the United States and to environmental achievements --

MR. MCLAUGHLIN: To have accomplished it.

MR. REILLY: That's right. On the second level --

MR. MCLAUGHLIN: You were the engine driving those agreements.

MR. REILLY: We were indeed, and we negotiated them over the last two years. And my staff, my people at EPA, had a real confusion and disappointment that the experience in the United States, which they know is better than anybody else's and they had a lot to do with, somehow got missed.

MR. MCLAUGHLIN: They got missed because the press concentrated on the biodiversity treaty.

MR. REILLY: That's exactly right.

MR. MCLAUGHLIN: Now, what did you -- what position did you take on biodiversity? Biodiversity, by the way, means what?

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MR. REILLY: Biodiversity means the whole panoply of species of plant and animal life, all of which interact and have relationships that support one another.

MR. MCLAUGHLIN: The preservation of same.

MR. REILLY: That's right. I don't exonerate myself for not giving a higher priority to the biodiversity convention. I gave a speech in March at the United Nations. I forgot to mention that as one of the priorities of the United States, and a European delegate said, does that mean that you have given up on it? And I said, my God, I forgot to mention it. But the reason was that we didn't think we were going to get it. The negotiations had been so contentious up until that time that many of us didn't focus on it.

MR. MCLAUGHLIN: Was it a miscalculation on your part?

MR. REILLY: Yes.

MR. MCLAUGHLIN: Or was it a strategic move?

MR. REILLY: No, I think it was a miscalculation. It was the fact that there was a lot going on. It was a very busy period. And biodiversity began to come together relatively late. When it did, we --

MR. MCLAUGHLIN: But the treaty -- the treaty is economically onerous, is it not?

MR. REILLY: The treaty has got provisions in it that have nothing to do with biological diversity, and they're provisions that, had they been presented to Helmut Kohl, for example, as part of the GATT, the Uruguay Round, as trade constraints on intellectual property, he wouldn't have agreed to them. Coming to him and to others --

MR. MCLAUGHLIN: But Germany and Japan did sign it, did they not?

MR. REILLY: They did because it came to them under the guise of a biodiversity convention, which it has very little to do with. And so, we stood on principle. We had a very valid reason for not agreeing to some of those provisions. The funding provisions give to the developing world basically the total control over how money is spent. We've never agreed to anything like that as a major donor country. No, it's a defective treaty.

MR. MCLAUGHLIN: Why did the United States commit few resources to it?

MR. REILLY: The United States committed \$250 million in additional annual funding, which is about a 50 percent increase for developing countries.

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MR. MCLAUGHLIN: You think that's excessively low.

MR. REILLY: No, I don't. In fact, six months ago, I would not have expected we'd have committed that much. The problem, from the public relations point of view, again, is the Japanese committed \$8 billion, and the Germans committed a substantial, three-fold increase in their funding, and the European Community did. A conference which had never been conceived as a moment to transfer resources became judged on that basis. And I'm simply saying as a candid fact that once that happened, the United States committing the amount of money it did simply caused us to be criticized. I think it's a perfectly defensible position that we had, and given these times, it's more than I would have thought we could have come up with.

MR. MCLAUGHLIN: We'll be right back.

(Commercial break.)

MR. MCLAUGHLIN: Administrator Reilly of the Environmental Protection Agency, are you going to speak at the convention?

MR. REILLY: I am, indeed -- looking forward to it.

MR. MCLAUGHLIN: What are you going to say?

MR. REILLY: I'm going to say that George Bush has been the environmental president. By the traditional measures that you judge such people on, he has been very strong. Budget: our budget is up substantially at a period when budgets have not gone up.

MR. MCLAUGHLIN: What's the second diagnostic?

MR. REILLY: Enforcement is more vigorous in the Bush administration than it has ever been in any previous era. For all of the laws that I administer, this -- the third is, if you look at nature protection and you look at the large number of new national parks, marine sanctuaries -- a big one in California, you look at the new wilderness, the wild and scenic rivers, this is a president who's done it. Add to that the most innovative environmental law that has been seen in this country or any country, which is the Clean Air Act, he's achieved the results that we've set out to achieve.

MR. MCLAUGHLIN: Administrator William Reilly, thanks for being my guest on "One on One."

MR. REILLY: A pleasure.

END OF REGULAR SEGMENT - CONTINUED ON PBS SEGMENT

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PBS SEGMENT

MR. MCLAUGHLIN: The Economist magazine again, it congratulates you for pushing through the 1990 amendments to the Clean Air Act and forcing a tough stance on ozone depleting chemicals. However, in the editorial section -- the whole issue is focused on environment -- it has a very powerful editorial that says environmentalism has gone cuckoo, crazy and I'll read you the opening paragraph.

"So effectively have environmentalists greened public opinion that it takes an unashamed reactionary to question the wisdom of becoming even greener and cleaner. Most environmental pressure groups are convinced that the environment is so important that standards cannot be set too high and must be met regardless of cost. When an annual public opinion poll asks Americans whether they share that view, a large majority agrees. Europeans too now tend to believe that anything greener must be better, but such belief will gradually come to haunt greeneries advocates, for nothing, not even cleanliness comes free, and the cost of environmental policies are likely to rise sharply over the rest of the century. If the green enthusiasm generated over the past four years is to survive in public policy, the enthusiasts must learn the language of priorities and of course, and of benefits."

Do you agree with all that?

MR. REILLY: I do. I do. I didn't use to call myself an environmentalist when I was leading the Conservation Foundation and World Wildlife Fund. I referred to myself as a conservationist because I thought environmentalism then had a connotation of anti-business, anti-growth, anti-government. I don't think it should have that connotation any longer. We have tried to redefine it in the Bush administration to show that you can have your economic growth, in fact that's what's going to pay for further environmental progress.

We have had 60 percent improvement in our GNP in the last 20 years, at the same time as we've gotten 97 percent of our lead out of the atmosphere and two-thirds of the particulates out of our cities' air and sulfur dioxide and carbon monoxide down. That's how we financed those gains. That's what I think some advocates forget.

MR. MCLAUGHLIN: You really do a remarkable job at walking a tightrope, because while this magazine commends you for the Clean Air Act, at the same time it says this: "Mr. Reilly accepts that the costs imposed on the economy by many regulations accede their environmental benefits." True statement?

MR. REILLY: Well, that's certainly true in the hazardous waste area, but not as a consequence of choices we make, but rather

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because the Congress has required that we do certain things that do not allow us to weigh the benefits against the cost, just tell us we're supposed to do them.

MR. MCLAUGHLIN: Okay, but, this is what I was actually getting to, and that's the Clean Air Act of 1990. This magazine says in its lead editorial that Paul Portney (sp), an American economist, guesses that the cost of the 1990 Clean Air Act, which you were largely responsible for, may be 29 billion to \$36 billion a year in exchange for benefits worth anything from six billion, versus 29 billion, to 25 billion versus 36 billion. Do you accept Portney (sp)?

MR. REILLY: No. The administration, the Council of Economic Advisers figures the cost of the Clean Air Act in the year 2005 at about \$25 billion. I think that is the upper range, because in the short time that law has been in effect we have already seen the cost come down at least two billion dollars. Natural gas prices have plummeted, coal prices are coming down, the cost of scrubbers is significantly less than it was partly because we have a competitive approach to pollution control. We don't tell people to put in this technology or that fuel, we let them choose provided they get the reductions. I think you're going to find that the Clean Air Act is significantly less costly as we have found for all previous clean air acts.

MR. MCLAUGHLIN: Is the White House blocking hundreds of regulations connected with the Clean Air Act and needed to implement it?

MR. REILLY: No. Most of the regulations that we're required to issue under the Clean Air Act are statutory milestones where we have deadlines for them. We are behind some months, but historically I mean we're way ahead of where we usually are, and those are exempted from the regulatory moratorium the President declared.

MR. MCLAUGHLIN: What about pesticides? Has not George Bush proposed weaker standards on pesticides?

MR. REILLY: We propose significantly strengthening the federal pesticide law and Congress has had our proposals for three years and done nothing with them. We want to get a quicker action -- when we use the modern science to decide what chemicals should be gotten rid of, we want to be able to act.

MR. MCLAUGHLIN: Is the White House onboard?

MR. REILLY: Absolutely. This was a proposal that Secretary Yeutter, was then Agriculture Secretary --

MR. MCLAUGHLIN: Okay. On recycling, did George Bush force the EPA to adopt regulations requiring 25 percent recycling?

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MR. REILLY: The Competitiveness Council had a strong problem with using the Clean Air Act to require municipal waste to be recycled. It said look, it doesn't belong in the Clean Air Act. Senator Baucus, who is the legislative oversight committee chairman, agreed. We did as well, finally.

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THE WHITE HOUSE
WASHINGTON

DATE: Aug. 10, 1992

DCF HAS SEEN

TO: Sam Skinner

FROM: EDE HOLIDAY
Assistant to the President and
Secretary of the Cabinet
2nd Floor, West Wing, x2174

Regarding your meeting with Bill
Reilly tomorrow, just wanted to be
sure you had seen this.

Attachment

[Faint, illegible handwritten text]



**Document Originally
Attached to
Following Page**

HILLARY AND THE PALESTINIANS: W. TIMES editorial: "It is time to pay a little more attention" when Hillary Clinton's "leftish tendencies cause her to aid and abet organizations with ties" to the PLO. While Hillary served as chair of the board of the New World Foundation, the group gave a \$15,000 grant to a group in which some members "had ties" to the PLO (8/10).

TIPPER: On ABC's "GMA": "I think it speaks well of Governor Clinton that he chose Al, because he could serve as President ... The amazing thing is he does not feel awkward at all -- we both feel that it is an unexpected honor to be a part of this ticket" (8/10).

*14 GORE: EPA'S REILLY "BREAKS RANKS" WITH CAMPAIGN

EPA Admin. Wm Reilly, "who has been at loggerheads with the [WH] for months ... again broke ranks" with the WH, this time over defining Al Gore (REUTERS, 8/8). Although Reilly, on "John McLaughlin's One on One," said the Dem ticket is doing "very serious violence" to the Bush enviro record, he said Gore "is very proud of his environmental record and he has done some important things. ... I don't think he's an environmental extremist" ("One on One," 8/9).

BATTLE IS JOINED: The '92 campaign's battle over the environment "was joined ... not by the presidential candidates but by their running mates." Quayle "accused" Clinton-Gore of "favoring 'excessive regulation' over jobs and \$100 billion in new environmental taxes to aid Third World Cleanups." Gore "fired back" that Bush represents "the inefficient, polluting ways of the past." Quayle: "I'm sure that during their bus trip through the area ... our opponents never mentioned their idea to put taxes on everything from gas and coal to paper and packaging. Well, what about all the jobs and money these plans will cost." Quayle "estimated that one [Dem] proposal to increase the fuel efficiency of U.S. autos would cost 250,000 jobs." Gore: "They pull their numbers out of thin air ... Since they have no ideas to propose, they concentrate on mischaracterizing the proposals of others." Gore: "While Bush and Quayle are concentrating on protecting the outdated, inefficient polluting ways of the past, Japan and Germany are openly proclaiming new products that do not destroy the environment." Gore's spot on the Dem ticket "forced a change in the [GOP] strategy. The original plan by the Bush campaign was to seize the initiative by spotlighting Clinton's meager environmental record in [AR], GOP sources said. ... Unable to out-green the [Dems], the administration decided to portray" Gore "as 'an environmental extremist,' in the word of" WH press sec. Marlin Fitzwater (Weisskopf, W. POST, 8/8).

*15 CANDIDATE SCHEDULES

	8/10	8/11	8/12	8/13	8/14
CLINTON 501/399-3840 D. Seldin	NYC Phila. PA Miami	Miami FL	Pittsbrgh PA	L.A. CA	CA
GORE 501/399-3840 K. McKiernan	Stratford Waterbury H'ford CT	Boston MA BrlngrtnVT Prtlnd ME	Prtlnd ME DC ChicagoIL	ChicagoIL Mneapolis MN	TN

ADDENDUM FOR REILLY MEETING: NOx RULES

Talking points:

- o EPA has drafted guidance to help state air authorities implement Title I of the Clean Air Act Amendments, but has been withholding it until the Title IV NOx issue is resolved.
- o Now that a compromise on Title IV has been reached, EPA should issue the Title I guidance immediately. States are already beginning to adopt more stringent NOx controls than are specified by the guidance.

Background:

Title I of the Clean Air Act Amendments requires States to implement certain rules to reduce NOx emissions from stationary sources. EPA was required to provide guidance to the States by November 15, 1991 on how to implement those rules. That guidance, which would allow States to take a flexible approach, is ready to go, but has not been released. This overdue guidance is badly needed by the States, which, without it, will very soon start to implement more stringent NOx controls than are necessary. (Virginia has already gone this route).

EPA has been withholding the Title I guidance pending resolution of a separate NOx matter: issuing a proposed rulemaking on Title IV of the Clean Air Act, specifically aimed at utilities. Until your recent intervention (7/22 note to Reilly) EPA was deadlocked against DOE and the White House staff on Title IV. Now a compromise has been reached, and a proposed rule can be issued in a few weeks. However, now that a compromise has been reached on Title IV, it no longer seems necessary for EPA to withhold the Title I guidance -- especially with the States and other parties urgently asking for it.

- Scott Collins

The President's Record On the Environment

Promises Made

► "One of my first priorities will be to win passage of clean air legislation." --Oct. 14, 1988

► "A Bush Administration will enforce environmental laws aggressively."

--May 16, 1988

► "Polluters should pay."

-- Aug. 31, 1988

► "The Environmental Protection Agency...will have my support... my ear...my confidence, and... my mandate: go after the polluters." --Aug. 31, 1988

Promises Kept

✓ The Clean Air Act Amendments of 1990 were signed into law on Nov. 15, 1990.

✓ EPA has assessed more in civil and criminal penalties in the last three years than in its entire previous history.

✓ EPA's operating programs have increased by 54 percent since 1988. The governmentwide environmental budget has grown from \$7.4 billion to \$18.3 billion proposed for Fiscal Year 1993.

► "In George Bush, you will have a President who is committed to conservation."

--Oct. 14, 1988

► "If I am elected President, I will undertake a program to strengthen and preserve our parks." --Oct. 14, 1988

► "I'm for a complete ban on the ocean dumping of sewage sludge after 1991."

--Sept. 2, 1988

► "We must speed up the cleanup of toxic waste dumps." --May 16, 1988

✓ The Administration has doubled funding for national parks, wildlife and outdoor recreation. In June 1990 the President declared a moratorium on offshore oil and gas development off most of the West Coast, Southern Florida, and New England; his "America the Beautiful" program encourages planting one billion trees a year.

✓ The last ocean dumping site, off New York Harbor, was closed on June 30, 1992.

✓ EPA has completed cleanups at 106 Superfund sites as of August 1992; cleanups are now being completed at the rate of one per week. Nearly three-fourths of all private party commitments to pay for cleaning up Superfund sites have been secured since Fiscal Year 1988.

► "Successful economic development and environmental protection go hand in hand."

--Aug. 31, 1988

► "International environmental cooperation will be one of my foreign policy priorities."

--May 16, 1988

► "Those who think we're powerless to do anything about the greenhouse effect are forgetting about the 'White House effect.' As President, I intend to do something about it."

--May 16, 1988

✓ New voluntary programs are in place to reduce toxic emissions while saving money: 800 companies have pledged to cut emissions of 17 high-priority chemicals by 340 million pounds, while more than 400 companies have agreed to install more energy-efficient lighting, saving energy costs while reducing powerplant emissions by more than 7 million metric tons a year.

✓ A responsible treaty committing the nations of the world to develop climate change action plans was signed at the Rio "Earth Summit" in June 1992.

The Administration has invested about \$2.6 billion since 1989 to learn more about the causes and effects of global climate change.

► "I will insist that in the future federal agencies meet or exceed environmental standards: The government should live within the laws it imposes on others."

--May 16, 1988

► "I'm for working to preserve the capacity of our wetlands, because they are too valuable to let disappear."

--Sept. 2, 1988

► "I believe this should be our national goal--no net loss of wetlands." --Aug. 31, 1988

✓ Since 1989 EPA has negotiated 103 enforceable interagency agreements requiring government cleanups at federal facilities; only two such agreements were in place when the President took office.

✓ The President has increased funding for wetlands programs from \$295 million in 1989 to over \$800 million proposed for 1993. On Aug. 14, 1991, the Administration proposed a series of steps to increase protection of certain wetland areas, streamline existing permit processes, and strengthen state wetland programs.

CLEAN AIR ACT

PROMISE MADE

- ☐ **PROPOSE TOUGH NEW CLEAN AIR ACT**
- ☐ **WORK WITH CONGRESS TO PASS ACT**
- ☐ **IMPLEMENT VIGOROUSLY**

PROMISE KEPT

- ☐ **BUSH AMENDMENTS PROPOSED JULY 1989**
- ☐ **PRESIDENT SIGNED ACT NOVEMBER 1990**
 - ☐ **MARKET-BASED ACID RAIN PROVISIONS**
 - ☐ **AGGRESSIVE PROGRAM TO CUT SMOG AND TOXICS**
- ☐ **ALL-OUT IMPLEMENTATION BY EPA**

CLEAN AIR ACT

ACID RAIN

10 MILLION TON REDUCTION IN SULFUR DIOXIDE

OZONE LAYER

ACCELERATED PHASE-OUT OF CFC'S BY 1995

SMOG

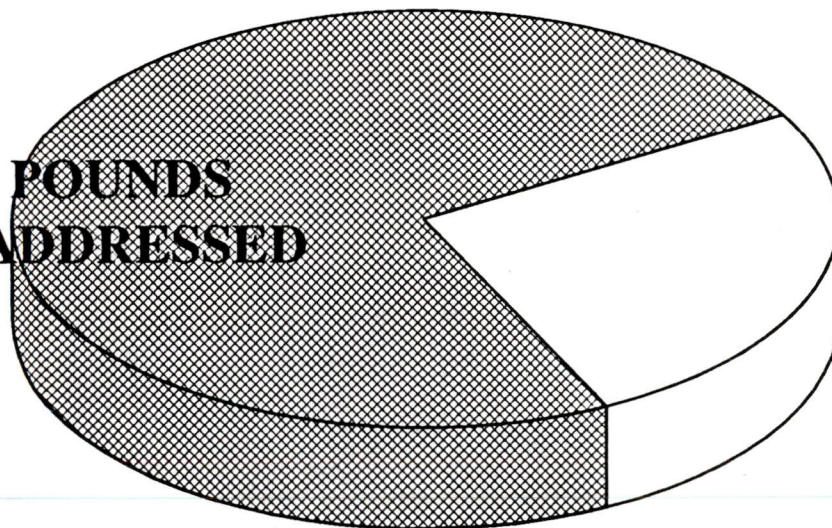
**86 OF 95 NONATTAINMENT CITIES MEET STANDARDS
BY END OF DECADE**

TOXICS

**75 % REDUCTION IN CANCER-CAUSING CHEMICALS
BY END OF DECADE**

**ALREADY ISSUED OR FORMALLY PROPOSED RULES TO
ELIMINATE 3/4 OF THE 56 BILLION POUNDS OF AIR
POLLUTION THAT THE NEW ACT PROMISES TO REMOVE BY 2005**

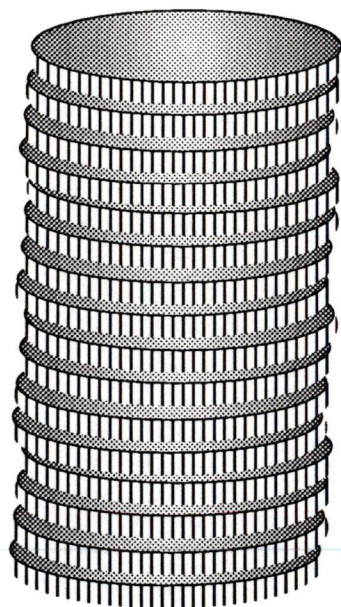
**41 BILLION POUNDS
ALREADY ADDRESSED**



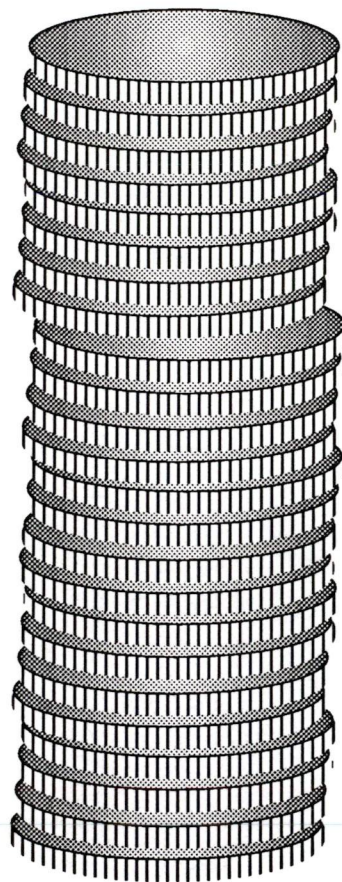
CLEAN AIR ACT

Record Level of Enforcement

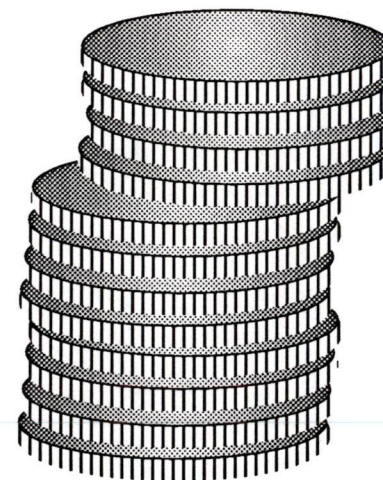
Total Criminal Fines and Civil Penalties Assessed



1972 to 1988:
17 Years,
\$166 million



1989 -1991:
3 Years,
\$232 million

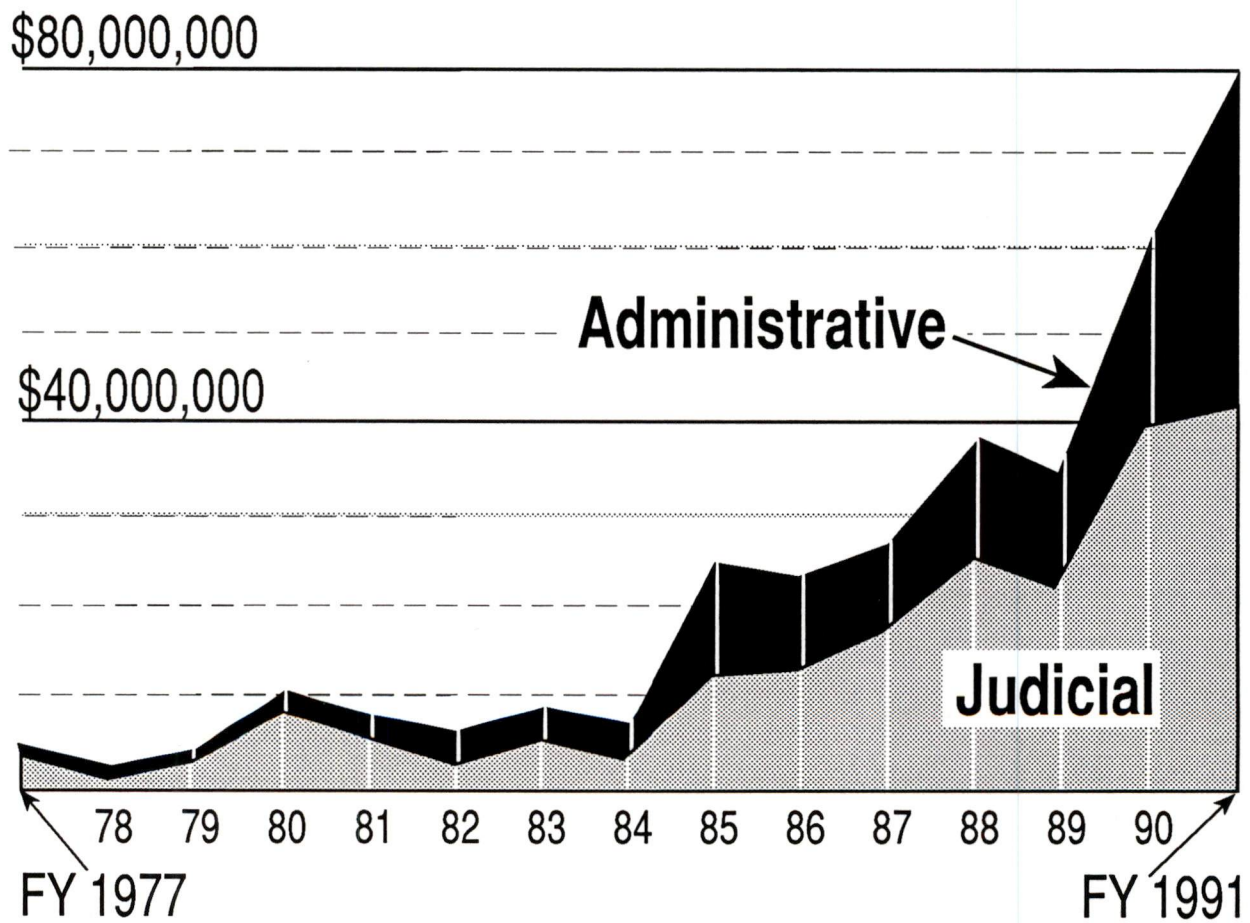


1992 Estimate:
1 Year, \$70 to
\$100 million*

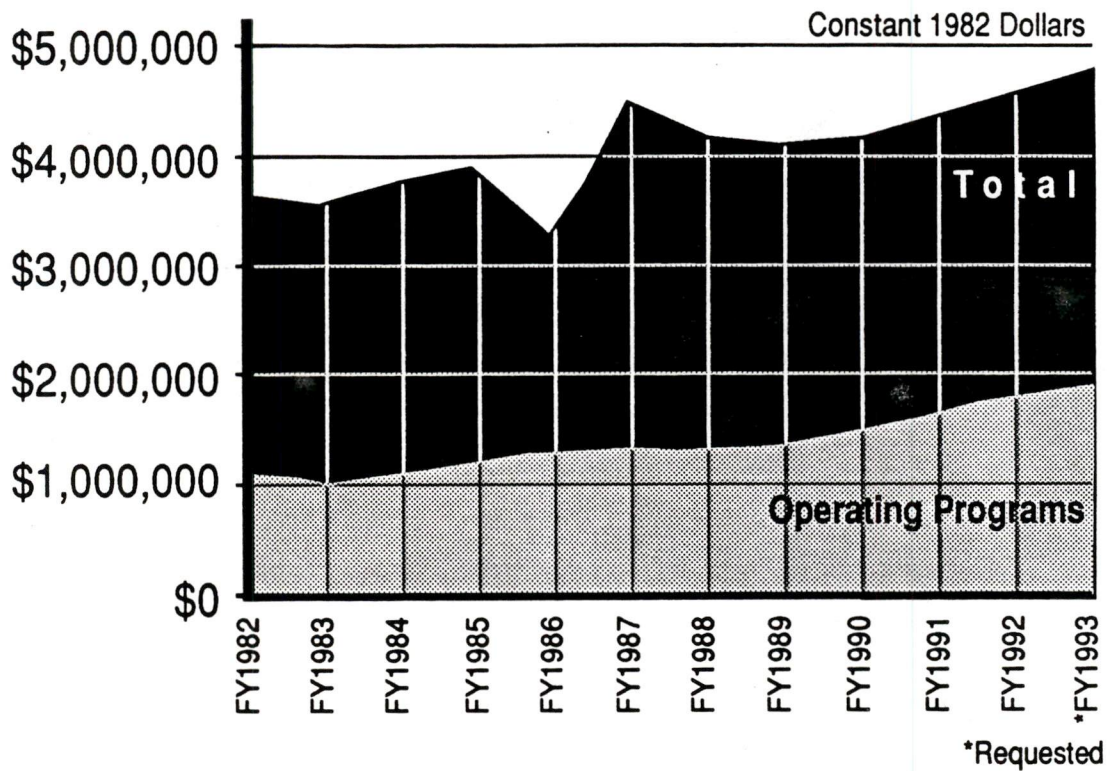
*Includes Exxon-Valdez settlement

Record Enforcement

Federal
Judicial and Administrative
Penalties Assessed



Budget Support for EPA



U.S. Budget for the Environment

Summary of proposed major Initiatives for fiscal 1993	1989 Actual	1992 Enacted	1993 Proposed	1992-1993 dollar	Change percent
	million \$				%
America the Beautiful	863	1,491	1,653	+162	+11
Reforestation	12	66	139	+73	+111
State LWCF: Partnership with States for Parks and Outdoor Recreation	17	23	60	+37	+158
Federal Facility Cleanup:					
DOE	1,762	4,407	5,534	+1,127	+26
DOD	1,155	2,761	3,718	+957	+35
Other Agencies	106	203	236	+33	+16
U.S. / Mexico Border	34	103	201	+98	+95
Clean Waters for Cities:					
Boston	25	100	100	—	—
New York	—	70	70	—	—
Baltimore	—	40	40	—	—
Los Angeles	—	55	55	—	—
San Diego	—	40	40	—	—
Seattle	—	35	35	—	—
EPA Operating Budget	1,752	2,578	2,698	+120	+5
Superfund	1,410	1,616	1,750	+134	+8
Protecting America's Wetlands	295	600	812	+212	+35
Army Corps of Engineers:	196	361	408	+47	+13
Global Change Research	—	1,110	1,372	+262	+24
TOTAL**	7,388	15,132	18,292	+3,160	+21

Source: Executive Office of the President, Office of Management and Budget, *Budget of the U.S. Government*, (Washington, DC: U.S. Government Printing Office 1992).

U.S. Budget for the Environment (Continued)

Source: Executive Office of the President, Office of Management and Budget, *Budget of the U.S. Government*, (Washington, DC: U.S. Government Printing Office 1992).

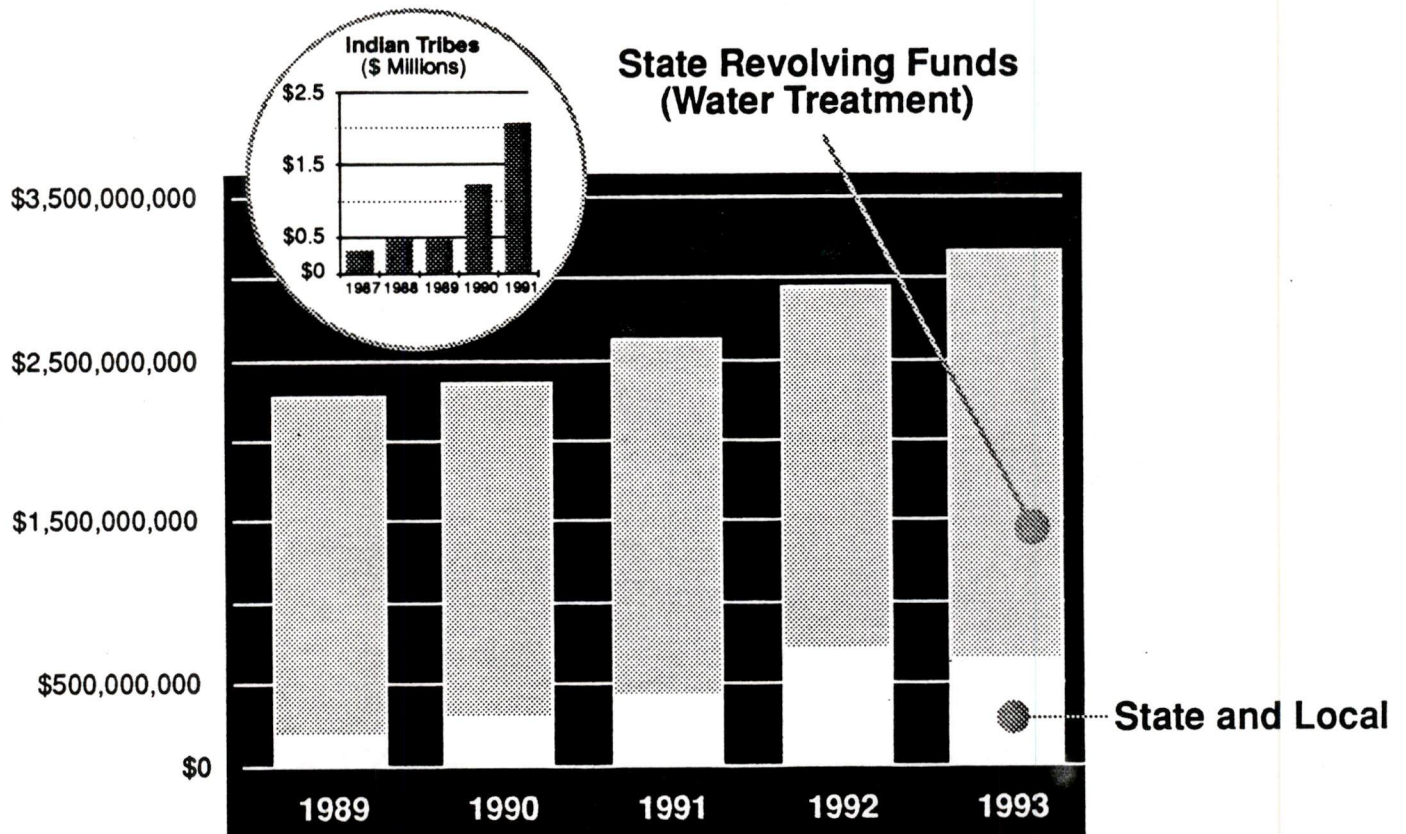
Note: EPA = U.S. Environmental Protection Agency; LWCF = Land and Water

Conservation Fund; and NAFTA = North American Free Trade Agreement.

* Does not include anticipated \$1 billion 1992 supplemental.

** Total has been adjusted to eliminate double counting, including DOI wetlands and federal facility cleanup in America the Beautiful and global change research, border pollution, and wetlands activities in the operating budgets of EPA and the Army Corps of Engineers.

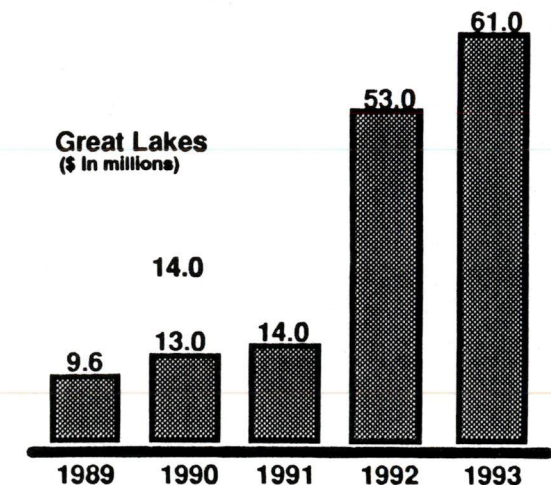
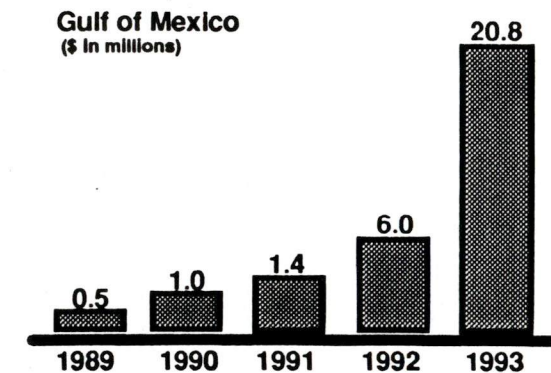
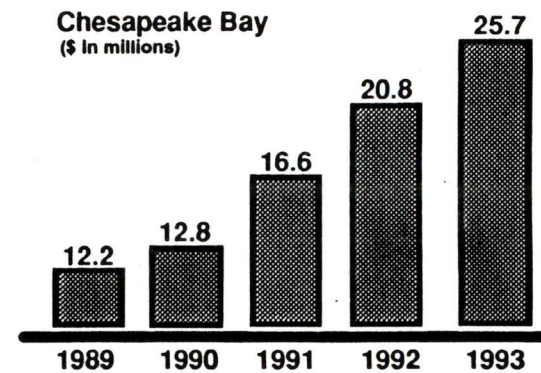
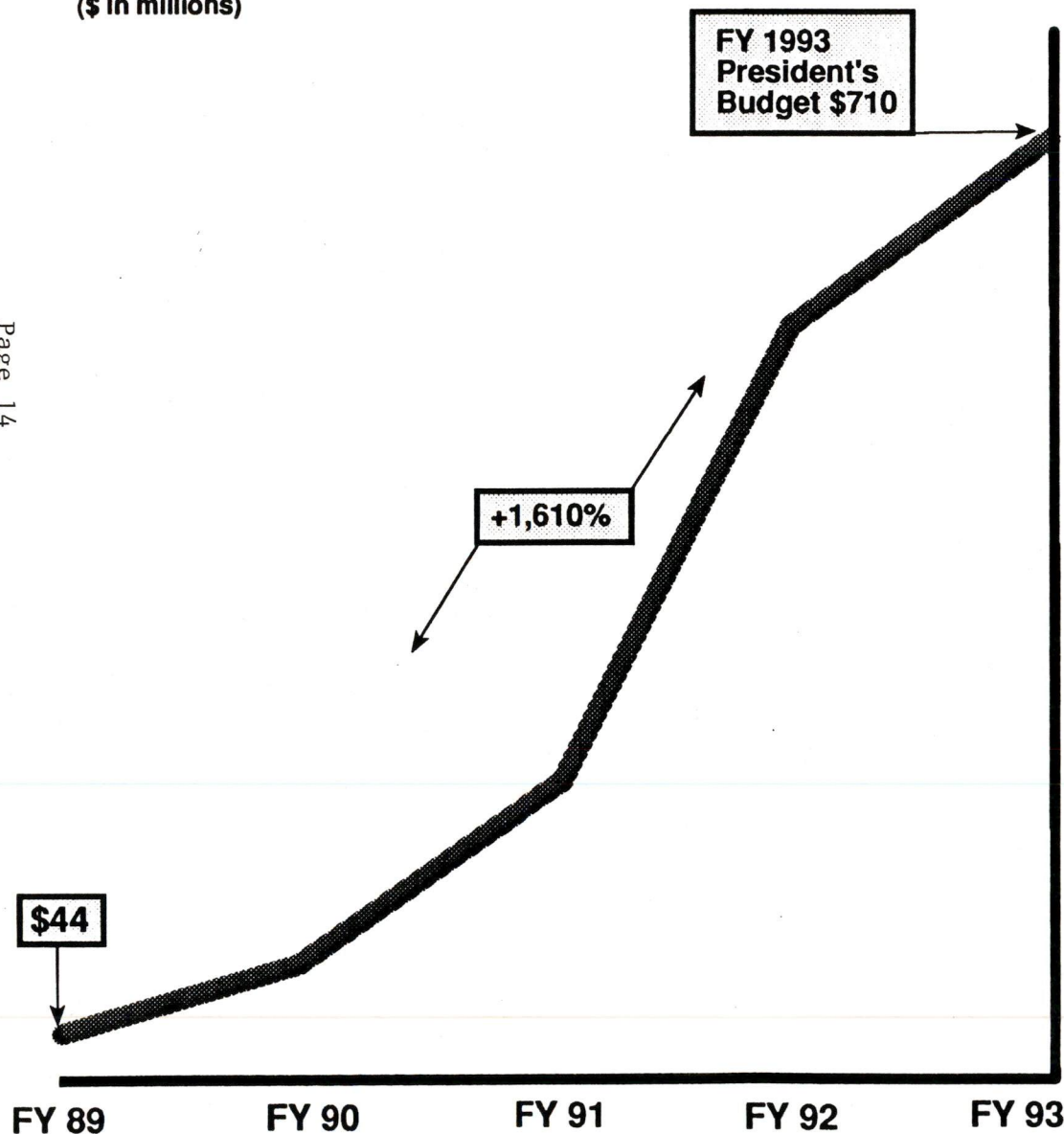
Grants to States



Targeted Geographic Investments Increased Dramatically

(\$ In millions)

Page 14



TARGETED GEOGRAPHIC INVESTMENTS

<u>Geographic and Ecological Initiative</u>	<u>FY 1993 proposed funding</u>
Great Lakes	\$61 Million
Chesapeake Bay	26 Million
Gulf of Mexico	21 Million
Caribbean	1.6 Million
Nonpoint Source	\$51 Million
Wetlands	32 Million
Estuaries	28 Million
Mexican Border	12 Million
<u>Special Regional Initiatives</u>	\$7.7 Million
<u>Mexico Border Wastewater Treatment</u>	\$130 Million
<u>Wastewater Treatment Plants in 6 Cities</u>	<u>\$340 Million</u>
	Total \$710 Million

Great Outdoors Program Sites

● Wildlife Refuges
750,000 new acres

▲ Wilderness Areas
6.4 million new acres

▦ Scenic Rivers
2,700 new miles

🏞 National Parks
1.5 million new acres

🌊 Marine Sanctuaries
9,000 new square miles

▨ Moratorium on
OCS Drilling

🏝 U.S. Virgin Islands

Promise:

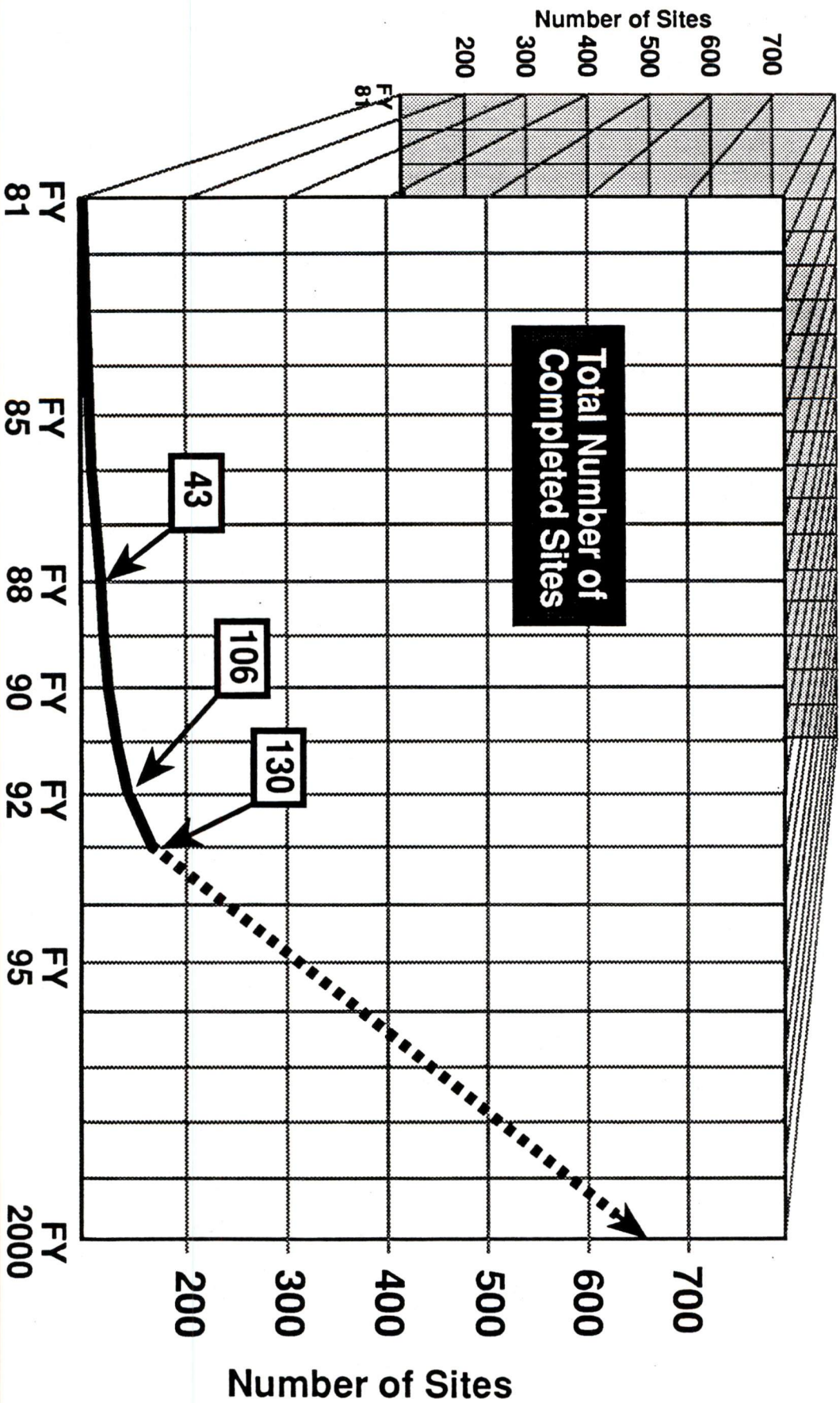
*"I'm for a complete ban on the ocean
dumping of sewage sludge after 1991."*

--September 2, 1988

Result:

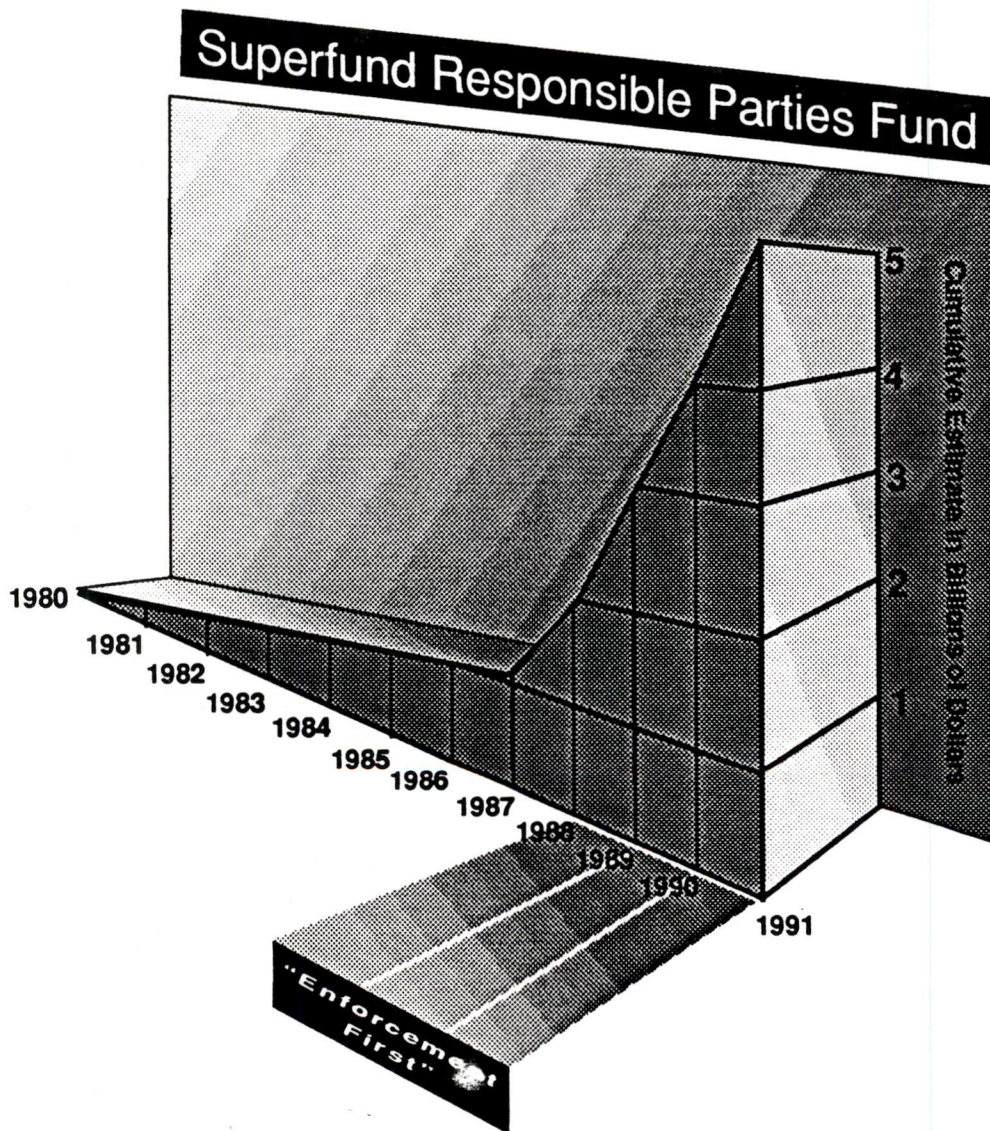
The last ocean dumping site, off of New
York Harbor, was closed on June 30, 1992

Accelerating Superfund Cleanups

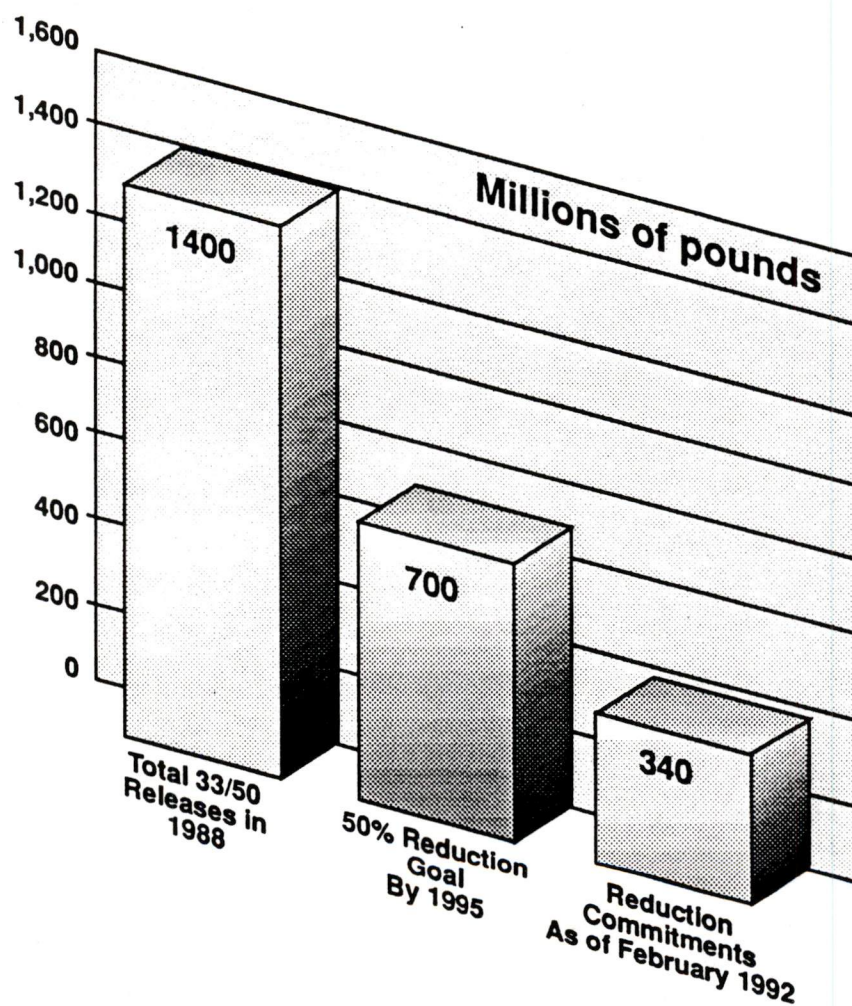


Accelerating Superfund Cleanups

Nearly 3/4
of all private party
commitments to pay for sites
secured during Bush term



New Voluntary Approaches: *The 33/50 Program*



New Voluntary Approaches

GREEN LIGHTS

PARTNERS INSTALL ENERGY EFFICIENT LIGHTING WHEREVER PROFITABLE

CURRENT:

3% U.S. COMMERCIAL SPACE

\$812 MILLION REDUCED ELECTRICITY BILLS

CO₂ SAVINGS = 1.75 MILLION CARS OFF
THE ROAD

BY 2000:

60-70% U.S. COMMERCIAL SPACE

\$15.8 BILLION REDUCED ELECTRICITY
BILLS

CO₂ SAVINGS = 44 MILLION CARS OFF
THE ROAD

THE RESULTS -- POLLUTION PREVENTED:

CURRENT:

CO₂ 7.44 MILLION TONS

SO₂ 59,500 TONS

No_x 25,300 TONS

BY 2000:

202 MILLION TONS

1.3 MILLION TONS

6 MILLION TONS

Global Environmental Leadership

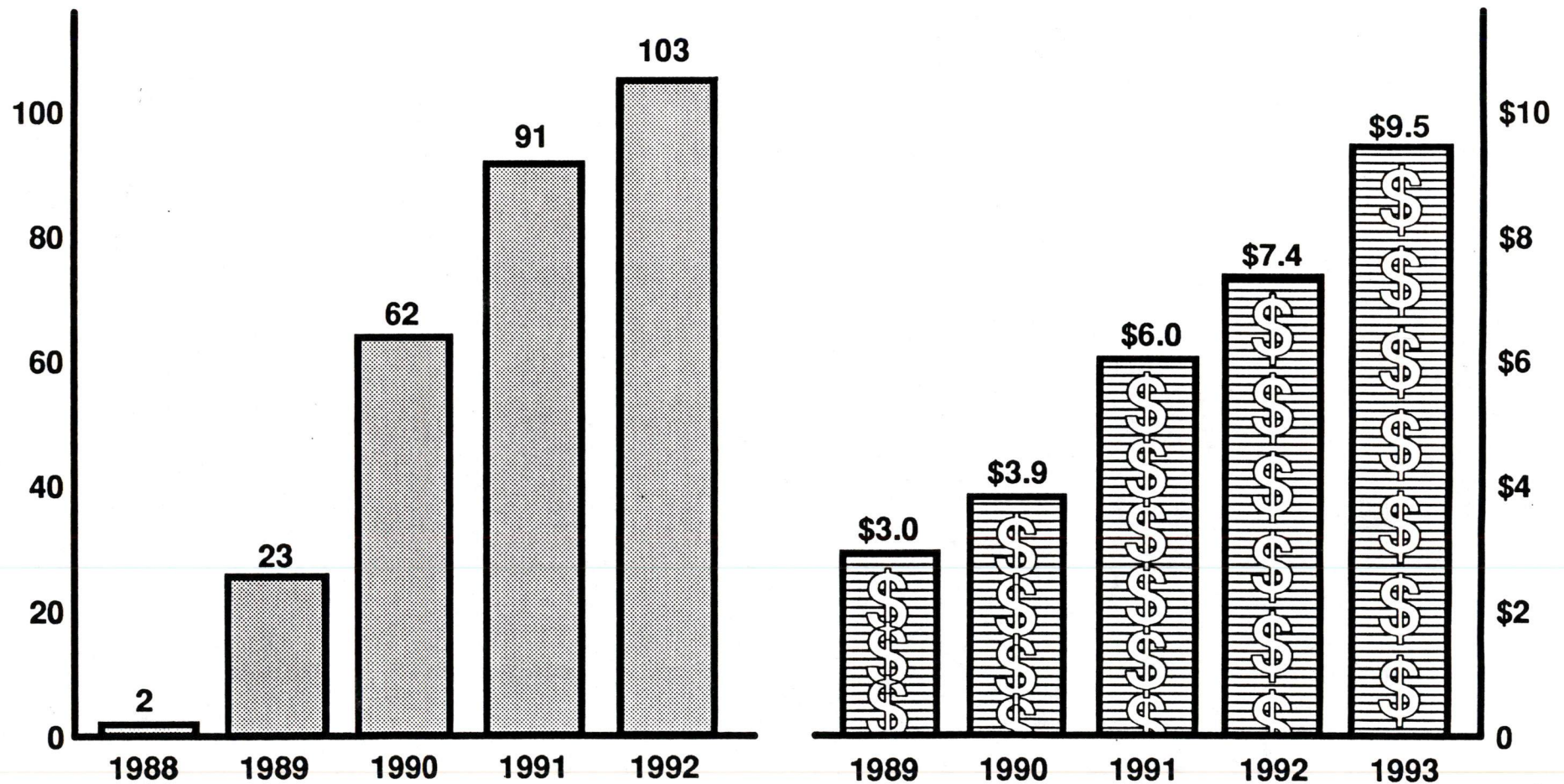
- **REGIONAL ENVIRONMENTAL CENTER FOR CENTRAL AND EASTERN EUROPE** (THE "BUSH CENTER" IN BUDAPEST) -- STRENGTHENING PRIVATE GROUPS AND DEMOCRACY.
- **ENTERPRISE FOR THE AMERICAS/DEBT FOR NATURE**--\$263 MILLION DEBT REDUCTION AND \$32.4 MILLION IN FUNDS FOR NATURE.
- **BUSH COMMITMENT TO FULL PHASE - OUT OF CFCs BY DEC. 31, 1995.**
- **U.S. - MEXICO ENVIRONMENTAL BORDER PLAN** -- \$241 MILLION PROPOSED FY 1993 BUDGET.
- **NAFTA** -- "GREENEST" TRADE AGREEMENT EVER NEGOTIATED.
- **ACID RAIN ACCORD WITH CANADA** -- RESOLVING LONG-STANDING DISPUTE WITH OUR NEIGHBOR TO THE NORTH.
- **BILATERAL PROGRAMS** WITH RUSSIA, TURKEY, POLAND, UKRAINE, ISRAEL, KOREA AND MORE -- THE ENVIRONMENT AS A CENTRAL ELEMENT IN U.S. FOREIGN POLICY.
- **RIO CONFERENCE** -- CLIMATE TREATY, FORESTS FOR THE FUTURE, AGENDA 21 -- DRAWING LARGELY ON THE U.S. EXPERIENCE OVER THE PAST 20 YEARS.

Federal Facilities Cleanup

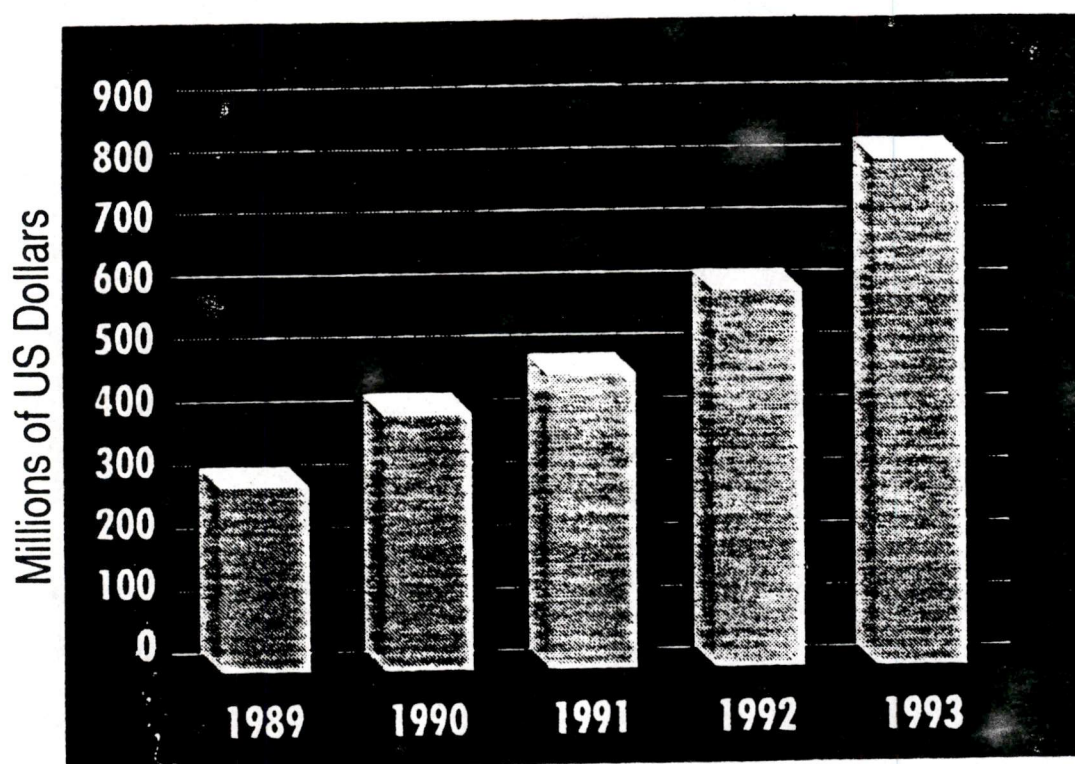
**Cumulative Number
of Agreements**

**Total
Funding
(\$ Billions)**

Page 23



Wetlands Funding



Source: Budget of the United States, 1993 & 1992

FIGURES INCLUDE:

- o Grants to States and Tribes
- o Research
- o Acquisition

THE WHITE HOUSE
WASHINGTON

12/13

Saw,

Thought you might
find the attached
of interest which
was requested
by your predecessor.

I'd recommend a
"close hold." Ronbr. fliD.

THE WHITE HOUSE
WASHINGTON

November 22, 1991

OCF
12/16

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Phillip D. Brady

SUBJECT: Staff Secretary Functions and the Campaign

tested
Thouss
file

The prospect of a formal campaign organization presents a number of issues regarding staff secretary functions, which this memo seeks to address.

Presumably, the campaign will appoint someone to serve in a staff secretary role, and we would serve as the primary White House contact for that person. We propose that the roles of our office and the campaign's staff secretary should be divided as follows:

First, this office should continue to serve as the President's "in box" and "out box," i.e., all material for the President -- including material from the campaign -- should be forwarded through this office.

The staffing process on speeches should continue to work as it has in the past, assuming there is no legal prohibition. We would anticipate utilizing greater care in staffing speeches for campaign events to the agencies. Any speeches written in the campaign should be sent to us for appropriate staffing within the White House (e.g., NSC should see a speech on Middle East policy written by the campaign).

This last point is important: when the President speaks as a candidate, he is still speaking as President of the United States, and his pronouncements are authoritative. This is particularly the case in the area of foreign policy. Thus, simply because a speech is written at the campaign does not mean it is devoid of official purpose.

Second, With the possible exception of photographs of official campaign events, this office should retain control of the use of the President's signature. (We have already instructed the campaign to cease using the poor quality autopen matrix they have for fundraising letters.)

Third, the campaign will be responsible for forwarding all official correspondence to this office as soon as it is received. In other words, the campaign will not maintain an agency liaison function of any kind, nor will it be responsible for responding to letters which are primarily official in nature. Similarly,

we will forward to Political Affairs or the campaign all political correspondence.

Fourth, we propose that gifts be handled as at present. A gift presented to the President at a campaign event or through the campaign is still covered by the relevant statutes and should be handled by the Gift Unit.

Similarly, recommended telephone calls for the President should be handled as at present; i.e., submitted to this office and presented for your approval before they are forwarded to the President.

We believe the campaign should not have the authority to produce Presidential messages without White House approval. While we are happy to receive drafts from the campaign, there are so many issues to be considered in Presidential messages -- the reputation of the group, clearing the message with appropriate White House offices, consistency of policy -- that some White House approval is necessary.

The campaign should be responsible for the preservation of all records pertaining to the campaign. They will be handled in accordance with the relevant statutes. (Eventually, of course, this material would be sent to the Bush Presidential Library; even if the President were to lose the election, the campaign documents would be Federal property, since the President will receive major-party Federal financing for the campaign after the convention.)

Please let us know if you would like to discuss this further. Thank you.



OFFICE OF THE
CHIEF OF STAFF
COVER PAGE

TO: Bob Teeter

FROM: Sam Skinner

TOTAL NUMBER OF PAGES: 2
(including cover page)

DATE: 12/26/91

TIME: 10am

MESSAGE:

?

If you have any questions or problems with the transmission, please call:

202-456-6797

THE WHITE HOUSE

WASHINGTON

July 2, 1992

MEMORANDUM FOR ROGER B. PORTER

FROM: Betsy Anderson ^{BLA}
Robert B. Charles ^{RBC}

SUBJECT: Standardizing Federal Agency and Department
Administrative Procedures

You have asked for our thoughts on the proposal to set up a task force to review existing agency administrative procedures and suggest ways to standardize them.

The idea certainly is consistent with the President's deregulatory initiative and his effort to reduce unnecessary litigation costs through proposed civil justice reforms. However, a top-down review and effort to develop standardized rules may not be the most effective approach.

Although neither of us is an administrative law expert, it would seem likely that many of these unique practice rules evolved to address the particular demands of each agency's specialized area of expertise. A small group in the White House could spend an enormous amount of time and money sifting through various agencies' special rules in order to suggest ways to harmonize them.

We would suggest instead that the group wait until the Administrative Conference of the United States completes its work on a set of "Model Adjudication Rules," which Charlie and Diana say represents a standardized and simplified approach to agency litigation. According to their memorandum, that work should be completed soon.

The Administrative Conference's recommendations could then serve as a starting point for further discussions. An interagency group, perhaps composed of agency General Counsels and key White House staff, could work together to see if a consensus on certain standard provisions could be developed.

Such a cooperative, bottom-up approach -- building on the work of the Administrative Conference and involving the White House -- would in our view be the most effective way to achieve maximum consensus on standard rules at the minimum cost.