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OA/ID Number:	29189
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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Memo	From William Reilly to Carla Hills Re: Environmental Appointments to USTR Advisory Committees on the North American Free Trade Agreement (1 pp.)	7/16/91	P-2 , P- 5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
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Open on Expiration of PRA
(Document Follows)
By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-012
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
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P-4 Release would disclose trade secrets or confidential commercial or
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P-5 Release would disclose confidential advice between the President
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(b)(9) Release would disclose geological or geophysical information



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

JUL 16 1991

*Talked
to Hills
7-23*

THE ADMINISTRATOR

MEMORANDUM FOR AMBASSADOR CARLA HILLS

SUBJECT: Environmental Appointments to USTR Advisory Committees
on the North American Free Trade Agreement

I spoke with Jay Hair to inform him of your intention to invite a member of the National Wildlife Federation Board to serve on one of your advisory committees. He said he represented the group, that NWF did not use its Directors to serve in such capacities, and that no one should think it possible to go around him to his Board.

He further said that he had been "very helpful" to the Administration on fast track, that NWF would continue to be a major player on the NAFTA, would perforce approach the issue "from the outside", not having been part of the process, and would insist on very high standards of environmental performance in the agreement. He is clearly angry, the more so upon learning that other environmental groups he regards as marginal on free trade are to be given places on advisory committees.

Friends of the Earth is trying to turn NWF around on free trade with Mexico and, as you know, that is pushing on an open door where NWF staff are concerned.

Bie
William K. Reilly

cc: ~~Governor~~ Sununu



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United States
Environmental Protection Agency
Washington, D.C. 20460

91 JUN 18 AM 10:54

JUN 14 1991

The Administrator

MEMORANDUM FOR THE PRESIDENT

SUBJECT: ENVIRONMENTAL CONDITIONS IN KUWAIT

Personal Assessment

I went to the Persian Gulf last week at your direction to assess the environmental situation. I spent two days in Riyadh and Dhahran and two days in Kuwait. I suppose there is some value in being reminded that there is still evil in the world. Confronting its consequences first hand is disturbing and unforgettable.

Almost 600 oil well fires were set deliberately and with often skillful malevolence to make capping them more difficult. Some 4 to 6 million barrels per day are consumed in the fires, resulting in large amounts of smoke and soot that blanket the area with acrid pollution, blacken the desert crust for miles, and deposit oily globules as far as Riyadh.

To put the magnitude of the fires in perspective: 6 million barrels equals one third the daily U.S. oil consumption. To date about 150, or one-fourth, of the damaged wells have been extinguished or capped. EPA experts and other authorities who have monitored the pollution since early March say that it has noticeably decreased. Still it casts enough of a pall that noon-time visibility in Kuwait City during the month of May averaged 50 percent of normal.

At the moment, Kuwait's Health Minister is absorbed in the treatment of children who are brought in daily with nasty wounds from picking up unexploded ordnance. He also spoke movingly of the psychological scars of the war, the young girls and wives violated in large numbers, the victims of torture and mutilation, photographs of which he showed me after inviting a television crew to come into the room to record my reaction.

Overall, we are seeing slow yet reasonably steady progress on the environmental front as the fires are put out and oil from the spill is recovered. Damage from war and the acts of environmental vandalism by Hussein have taken a heavy toll and the Kuwaiti priorities are understandably directed to restoring basic services. This is the context in which U.S. environmental assistance must progress.

Congress, the media, private groups, and others will have a continuing interest in our follow through. We need to manage these relations carefully as there is a growing

press perception that we're not seriously interested in the Gulf environment. We have won the war, yet more seems to be expected of us.

Environmental and Health Effects: An Overview

The oil fires raise two principal concerns -- health impacts and atmospheric effects. The interagency team led by EPA in early March assessed the ground level pollution at 14 locations in both Kuwait and Saudi Arabia, looking for particulates, sulfur dioxide, hydrogen sulfide and heavy metals. Particulate levels were extremely high in March, and remain so today. The area has background particulate levels from fine sand that are naturally very high, however, and it has not yet been possible to separate out precisely the natural from the oil fire pollution particulates.

The operating pollution monitors in the two countries have never detected hydrogen sulfide, sulfur dioxide or heavy metals at levels of concern. Experts are surprised by this because Kuwaiti oil contains sulfur and one would expect to detect it in ground level pollution. Whether it's transformed chemically by the intense heat of the fires no one yet knows for sure. But the evidence we have to date indicates that, except for particulates, oil fire pollution is relatively free of the toxins that would cause acute health effects.

Hospital admissions data for respiratory illness in Kuwait bear this out: they are no higher for May 1991 than they were in May 1990. So short-term health effects of oil fire pollution do not appear to be serious for most people in Kuwait.

A responsible health policy would be to continue to monitor, issuing daily health advisories warning when children, asthmatics and others with cardio-pulmonary problems should stay indoors, wear masks, refrain from strenuous activity. I suggested such an approach to the Kuwaiti Health Minister; he is extremely frustrated that the press believes the health problem to be very serious and that the government is suppressing information in order not to discourage Kuwaitis abroad from returning. One advantage of daily advisories is that they would contain specific data, serving as constant reminders that the government is on top of the problem. The Minister neither endorsed nor rejected this proposal. We have designed a health alert system based on U.S. standards which lower level officials in the ministry have agreed to implement. It has green, yellow and red categories to communicate the severity of pollution.

As for longer term health effects, no one can say. The press uses the Agent Orange analogy and asks whether our forces will one day develop lung cancer in disproportionately high numbers. No doubt some of those who do eventually develop lung disorders will blame their service in Kuwait. (I was tempted at one point to tell the press that one out of four troops is likely to develop cancer. This is the U.S. national average but I suspect that fact would have been lost.) The best way to prepare for the inevitable questions is to research very carefully now the levels of exposure, the locations of high levels, and the precise character of pollutants. Pilots complain about having to clean their windshields constantly, and the helicopter crews say they always feel dirty. Based on all that I have seen, the vast majority of our forces, who are located upwind of

the fires, are out of harm's way, though the air crews who fly through the plume may be somewhat worse off. (Due to our inability to obtain approval for use of a helicopter and the flight plans from the Saudi Foreign Ministry, we still have not been able to characterize precisely what is in the plumes above the fires; Ambassador Freeman has tried to break these free, so far without success.)

As for the atmospheric effects, there are incidents of reduced visibility, black rain, acid rain and transport of pollutants in Iran, Iraq, Saudi Arabia and even in areas outside the Gulf Region. Some plant life in Kuwait has been affected, and the changes in temperatures and visibility could alter growing cycles. Thus far, there are many reports but not much conclusive data. I haven't seen anything to indicate that regional atmospheric impacts are on the nuclear winter scale but we will want to watch the situation. Reports of sheep and camels dying after eating contaminated plants bear following up. Thus far we have no animal data. So, too, aside from limited soil sampling by DOD where our troops were, there is little underway to assess soil contamination.

Fears of a global atmospheric disturbance appear unfounded. The pollution plumes typically rise to between 8,000 and 10,000 feet, sometimes to 12,000 feet. One aerial observation had the pollution at 18,000 feet. All of these readings are well below the 38,000 to 40,000 feet altitude where long range transport -- in the jet stream -- would risk affecting global climate. A British team has confirmed U.S. observations and drawn the same conclusions.

Turning to the oil spill, I would note two unique characteristics: it is the largest oil release in history, some 25 times larger than the Exxon Valdez, and it is the only major spill deliberately released. Some 6 to 8 million barrels of oil (there is some dispute over the amount but I believe 6 million barrels is reasonable, maybe even conservative, given that more than 2 million barrels of net oil have been recovered), released in a huge surge, in a warm, shallow sea, confined to a relatively enclosed coast with modest gradients, no high rocks and none of the constant flushing by wind and wave and weather that helped so much in Alaska.

The oil is relatively confined, impacting 540 kilometers (compared with 1150 miles in Alaska). The Gulf requires 20 years for full exchange with the Indian Ocean. Because the beaches and marshes rise gradually from the water's edge, the oil penetrated well inland, fouling salt marshes and desert. Birds have been hard hit and will be more so in the fall as they migrate South. I did not learn of other severe wildlife impacts but I suspect the numerous mines are keeping the fishermen and scientific investigators away.

The recovery of 1 million barrels of net oil, and 2 million more of a 50 percent oil/water mix, attests both to the size of the spill and to a relatively vigorous recovery, especially by Saudi Arabia. They cleaned up an island in preparation for turtle nesting, they boomed off the desalinization plants and, aided by the wind, successfully confined a lot of the oil.

The Saudis have just completed a section by section analysis of their shoreline, reviewing the likely impacts of the oil and the most appropriate clean up methods. We can help them avoid making destructive interventions, e.g bulldozing salt marshes.

Most of the work will be done by nature, just as in Alaska. The Saudis have asked for specific scientific help, marine biologists, salt water marsh specialists, bioremediation experts and others, which we will make every effort to provide.

The Coast Guard has done very good work there. Once the remaining leaks from terminals or damaged tankers are clearly identified, I understand the Coast Guard is anxious to pull out. I would advise that a Coast Guard On Scene Coordinator be assigned to stay, to work with relevant Saudi agencies for a period of time to provide ongoing liaison and technical help.

Recommendations

The U.S. contribution has already been significant. Our basic air quality plan is the one adopted by the Saudis, Kuwaitis and the World Meteorological Organization. We are now moving into a new phase, away from emergency response toward a more focused effort to meet clearly identified needs and bridge the gaps over the next several months. The Saudis and Kuwaitis both have sophisticated environmental agencies with considerable capabilities. Yet there are significant gaps, in equipment, specialized expertise, lab analytical capabilities, and the like, which we can help meet.

The next phase will require a new relationship among the many contributing U.S. agencies. We will continue providing operational assistance and we will need to assure that research activities produce direct payoffs to justify their expense. Both Ambassadors Freeman and Gnehm requested help in coordinating logistics in-country, and in coordinating the many public and private U.S. efforts on behalf of the environment.

The United States has no excuses or apologies to make for our role in the clean-up efforts. Our help has been spontaneous, respectful of local concerns and priorities, modest in subordinating to international organizations and very professional. The work of the Army Corps of Engineers in rebuilding the decimated infrastructure of Kuwait is dazzling. We have an impressive story to tell, and it hasn't been fully reported. I will do what I can to draw attention to it, even as we mount the next stage of our assistance.

1. CURIOSLY, PEOPLE DO SEEM TO NEED TO BE REMINDED THAT THE EXTRAORDINARY ENVIRONMENTAL DAMAGE IN THE REGION IS THE FAULT OF ONE MAN, SADDAM HUSSEIN.

- o However uncoordinated or bureaucratic Kuwait's cleanup efforts, they are coping with a tragedy not of their making.
- o This is an unprecedented environmental disaster, both in size and also for its having been deliberately caused. International condemnation should make clear that large scale environmental vandalism such as this will be

condemned. Saying this prompts the press to ask whether we need a new treaty on environmental terrorism or international environmental manipulation. I have responded by saying existing rules of war and applicable protocols already preclude environmental disruptions which are widespread, massive and long-lasting.

2. WHAT THE UNITED STATES DOES IN THE REGION MUST CONFORM TO THE HOST COUNTRIES' PRIORITIES, WORKING THROUGH INTERNATIONAL INSTITUTIONS.

- o The World Meteorological Organization, the World Health Organization, the International Maritime Organization, the United Nations Environment Programme -- all are developing plans and to a greater or lesser extent are active in the field. They do not have substantial resources, however, and are likely to turn to the United States and other developed countries to assure the plan's elements are carried out.
- o The international organizations serve the practical role of coordinating the activities of the many countries working in the region -- Britain and other EC countries, Japan, as well as the United States -- to avoid duplication. To date, there has not been much coordination but we all have been in an emergency response mode.
- o The question remains of who will pay for these efforts. The WMO air monitoring and modeling plan could cost up to \$10 million. Clearly, the host countries will bear a large part of the cost over the long term. In the immediate future, we might anticipate that the United States will be asked for support. NOAA is already providing funds to WMO and detailing staff to the region; other agencies may be asked for support as well to provide specialists or equipment and to cover travel, lab costs and related expenses. Ambassador Gnehm gave me a copy of the standard "607" draft agreement under which Kuwait commits to reimburse for agreed-upon help. We will have to ascertain exactly what they are prepared to support.

3. FOR SAUDI ARABIA, THE PRINCIPAL CONCERNS APPEAR TO BE ASSURING CONTINUED U.S. INVOLVEMENT IN THE ENVIRONMENTAL FOLLOW UP AND AIR QUALITY RESEARCH.

- o The Saudis could use a more aggressive regional spill prevention and emergency response capability. The infrastructure is there but there's little experience with regional cooperation. The Coast Guard could be helpful on this.
- o I've already cited the air monitoring and modeling needs, and our efforts to provide equipment and technical expertise. We also will work with the Saudis to build a comprehensive air quality data base. The Saudis appear to fear abandonment of the environmental cleanup effort, and they also believe they are not getting good information or cooperation out of Kuwait. Their emphasis on the need for the U.S. to remain involved in the

environmental cleanup effort, and in the need to mount environmental programs in the coalition mode that won the war, may be inspired by fear that otherwise the Kuwaitis will give the issue a low priority or freeze them out.

4. FOR THE KUWAITIS, THE HIGHEST PRIORITY MUST BE PUTTING OUT THE OIL FIRES; CLEAN UP, RESTORATION, AND REDUCING HEALTH RISKS ALL DEPEND ON THIS.

- o Red Adair testified in the Senate that putting out the oil fires will require 4 to 5 years. Privately with Senate staffers he belittled the capability of the other contractors working to extinguish well fires in Kuwait.
- o An air monitoring system is increasingly operational; the U.S. can and will provide technical help where gaps exist. Two stations, lacking certain equipment, are operational; a third was destroyed and needs to be rebuilt; WMO (EPA, in fact) will help set up two more. Together these stations should provide adequate information for populated areas. NOAA has people who will provide the necessary meteorological expertise. The air quality information and the weather conditions will provide the basis for a system I mentioned earlier of daily air alerts and health advisories.
- o In other areas, raw sewage from 37 outfalls is being deposited directly into the Gulf. The Iraqis neglected to operate the sewage treatment plant, and for eight months sewage was not treated. The results are contaminated water, unusable seafood and fisheries. The Army Corps has a sanitation team on the way to develop a plan for bringing the plants back on line.
- o The Kuwaitis asked for our help on hazardous wastes, and we will make that available. They face an enormous problem of unexploded ordnance, which will take some time to clean up. Disposal of oil wastes, ordnance, asbestos in damaged buildings, and the detritus of war will require specialized assistance.

5. REGIONAL COOPERATION OF GULF ENTITIES NEEDS TO BE ENCOURAGED.

- o For both historical and funding reasons, regional institutions are weak, yet the potential exists for their increased role - in particular, the Gulf Cooperation Committee and the Regional Organization for the Protection of the Marine Environment.
- o Sharing of air quality data has been a problem. We have an agreement from the Kuwaitis to share their data, and King Fahd University in Dhahran is compiling an extensive data base to insure that all information is centrally available. Illustrative of the problem concerning regional cooperation is that the Kuwaitis prefer to give us their air quality data to pass along to the Saudis rather than provide it directly.

6. RESEARCH BENEFITS FROM THIS EXPERIENCE ARE CONSIDERABLE, IN BOTH SHORT AND LONG-TERM EFFECTS. BUT WE NEED TO ASSURE THERE ARE DIRECT, TANGIBLE PAYOFFS FROM OUR RESEARCH INVESTMENTS.

- o Our own scientists have not had experience with the kind of exposure to particulates Kuwait now has and will find this information useful as we review U.S. particulate standards. Since most of the world relies on U.S. research and standards, this work would have benefits internationally.
- o Similar benefits could accrue in oil spill cleanup and shoreline restoration. The Saudis have fashioned new equipment and tried new methods.
- o Our own agencies need a screening mechanism to assure that the research we sponsor has direct, tangible payoffs. We learned in Alaska that left to their own devices, scientific agencies could spend a lot of money without adequate regard to priorities or budget constraints. In addition to the particulates research, my staff believe that long term exposure to air pollutants and epidemiological and animal studies should prove beneficial. Other agencies will have their priorities, which need to be integrated and coordinated.

7. THE U.S. ENVIRONMENTAL ROLE IS SHIFTING FROM EMERGENCY RESPONSE TO A FOCUSED EFFORT TO HELP IN-COUNTRY INSTITUTIONS AS THEY COME BACK INTO OPERATION. THIS MEANS RESTRUCTURING THE WAY U.S. AGENCIES ARE ORGANIZED AND COORDINATED.

- o The priority, as expressed by both our Ambassadors, is for coordination among U.S. agencies in their assistance. This will require a White House directive to assure we are not stymied by interagency differences.

In a conversation with Governor Sununu subsequent to our lunch, he indicated that I should take the lead in assuring a reasonable, coordinated U.S. response to the environmental situation in the Gulf, consistent with U.S. foreign policy interests and in consultation with the State Department.

Accordingly, I propose that I chair a senior advisory council comprised of Dr. John Knauss, Administrator of NOAA; Deputy Assistant Secretary Dr. Frank Young, representing the Public Health Service; Admiral J. William Kime, Commandant of the Coast Guard; and Assistant Secretary of State for Oceans, Environment and Science Curtis Bohlen. I would propose these individuals' agencies assume operational leads in priority areas, and charge them with relating to the relevant international organizations working in the Gulf (NOAA with WMO, PHS with WHO). Each of the agencies would assign personnel, some in Washington and some in-country, on short and longer-term status, as needed. This is consistent with their

current plans. I would be responsible for overall coordination, for following up to assure agreed-upon assistance is delivered, for sorting out duplication and limiting demands on our Embassies and on the Kuwaitis from U.S. teams. This structure for coordination, or some other equivalent approach, will need your explicit endorsement to be effective. The question of size of our response efforts (up to \$10 million looks about right to me), and who's to coordinate U.S. efforts, are important to establish soon.

We would coordinate our work with DOD, of course, and assure that our in-country personnel would be accountable to the respective Ambassadors regarding in-country operations. In Washington, we would assure that the work being done is consistent with U.S. interests, meets the research criteria we establish, and is communicated to the press and Congress in a timely way.

The Ambassadors, in particular, requested help with support of in-country personnel; we will assign people to help with the logistics. I am very impressed by the degree of commitment and the challenge before our embassies and do not want to see the environmental side stretch already strained resources.

- o Core funding and dedicated staff will be necessary to provide the equipment and staff that has been requested of us. We are working on dollar estimates which should be considered for inclusion in requests from Kuwait to assume payment responsibility.

8. COMMUNICATION OF ENVIRONMENTAL CONDITIONS IN THE AREA IS IMPORTANT. A NUMBER OF ENVIRONMENTAL GROUPS AND REPORTERS ARE CLAIMING THE SITUATION IS WORSE THAN ACKNOWLEDGED OR ARGUING THAT THE U.S. RESPONSE NEEDS TO BE SUBSTANTIALLY GREATER.

- o The challenge is to demonstrate concern and compassion and acknowledge frankly where we lack conclusive information; we should also show a readiness to continue to provide assistance and support, making clear we are part of an international response effort but we do not own the problem.
- o We are seeing criticism that we are not doing enough, spending enough. Countering this will require continual contact with press, releases of newly available information in timely fashion, periodic accounting of what we have done, and the like. I already have testified in the Senate, with more requests likely. And I agreed to provide a comprehensive report on U.S. assistance on the environmental cleanup, and the international plans now in effect.

- o You may wish to find an occasion, in an interview or speech or before the White House press to speak to your concern about environmental conditions and to provide a progress report.
- o We owe Congress a 60 day report on the U.S. efforts, as required in P.L. 102-27. We are beginning to prepare this. We are also considering preparing another document, more for public relations purposes, that sets out our efforts.

9. THE INTEREST OF PRIVATE GROUPS IN THE U.S. IN PROVIDING AID IS SUBSTANTIAL, AND WE MUST DETERMINE HOW TO CHANNEL THIS WITHOUT OVERWHELMING OUR EMBASSIES OR THE HOST GOVERNMENTS.

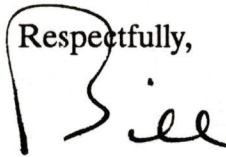
- o The competing interests of U.S. agencies and other developed nations is itself a problem for the region as many technical people descend on already overloaded capabilities. A full time coordinator needs to be assigned to set some ground rules as part of our interagency effort.

10. INCREASINGLY, EPA AND OTHER AGENCIES ARE BEING CALLED ON TO PROVIDE EMERGENCY ENVIRONMENTAL ASSISTANCE INTERNATIONALLY. ESTABLISHING A CORE OPERATION, ABLE TO MOBILIZE THE RIGHT STAFF AND CAPABILITIES QUICKLY, WITH ITS OWN ACCOUNT TO DRAW ON, COULD BE A BUSH ADMINISTRATION INITIATIVE.

- o In the past two years, EPA's mission to Morocco to assist on an oil spill, and to Latvia on a toxic spill in drinking water, have earned our government plaudits. (Latvia's President said that EPA's little team was the most important foreign visit since Lindbergh!) Our emergency preparedness training and consultations with Mexico are proving an important part of our environment plan for the border, and such training has become popular in Eastern Europe where we have organized conferences through the Budapest regional environmental center you created in 1989.
- o Without an account to draw on, at EPA at least, we must borrow travel funds from already stretched accounts.
- o Your support for EPA Cabinet status also should help give the Agency authority in international areas; our current authority is not statutorily explicit for many of the areas in which our help is solicited.
- o Conceivably, the question of international emergency response to environmental disasters could be the focus of an initiative at the G 7 Summit.

In conclusion, I very much appreciated the chance to visit the region and report back to you. What's happening in the Mid-east, in my view, is one of the four great environmental dramas in the world today (the rainforests, Eastern Europe, and global change are the others). It is a signal issue both in itself and for what it stands for in people's minds: wanton destruction of nature, the limitless pursuit of war, the unequal contest of power between man and the environment, the huge commitments to war versus the paltry allocation to cleanup. To shed the aura of "indifference" the New York Times and others seem to see in our approach to Kuwait's environmental restoration, I think that a tighter, more coordinated and better communicated U.S. response, and possibly a bit more funding, is desirable.

Respectfully,

A handwritten signature in black ink, appearing to read "Bill", written over a large, stylized capital letter "R" that serves as a signature flourish.

William K. Reilly



United States
Environmental Protection Agency
Washington, D.C. 20460

JUN - 3 1991

The Administrator

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Upcoming Visit by President Collor

The visit this month by President Collor of Brazil presents an opportunity to remind him directly of U.S. objectives for the most important international environmental conference in 20 years, and also to help him ensure the meeting he will host enhances his and Brazil's reputation. I would like to suggest some points you might make to him, early enough from him to respond and set the conference on a course designed to avoid a fiasco for him and for us in June of 1992.

The UN Conference on Environment and Development, scheduled for Rio de Janeiro in June 1992, is expected to set the course for international environmental priorities for the next 10 years. The Stockholm Conference on the Human Environment in 1972, on which the Rio conference is modeled, did have a profound effect, contributing to the creation of numerous environmental ministries in the developing world, increased spending on the environment, the establishment of the UN Environment Programme, and a number of treaties.

People have similarly high expectations of the Rio meeting. Environment ministers tell me that Kohl, Mitterand, Mulroney, Major and many other heads of government plan to attend, and the Brazilians hope and expect you to be there.

A few weeks ago I went to Brazil at the invitation of Prince Charles to spend 24 hours on the Britannia sailing up the Amazon with him, President Collor and various Brazilian, British and EC officials. We discussed priorities for this conference and my message was essentially as follows:

President Bush and the U.S. government attach a high priority to the success of the UNCED Conference and we will do what we can to see to it that important treaties on climate, forestry, biological diversity, and possibly, technology cooperation, are ready for signature in Rio next June. But I warned that there is very little time remaining to prepare these, and that Brazil's position at various international fora needs to be more constructive, less confrontational and better adjusted to the realities of what is attainable in so short a time. Specifically, Brazil needs to support a "framework" convention on climate, dropping its demand for a simultaneous protocol committing countries to reduce

emissions of carbon dioxide. I suggested Brazil also help us gain support from developing countries for a forestry agreement, as you proposed at the G7 Summit last summer in Houston, and not demand from the U.S. commitments to reductions in CO₂ as a condition for embracing a forest convention. (Brazil now has little to fear from a forest agreement since they have cut the subsidies to clearing the Amazon forest and reduced the rate of loss.)

Finally, I suggested Brazil's rhetoric about North-South transfers of funds as a conference theme was divisive and could ruin what ought to be a unifying environmental stock-taking. Although one Brazilian minister argued with me about climate change in the meeting, a week later he was removed as Brazil's chief negotiator and a group of Brazilian officials led by the Deputy Foreign Minister arrived in Washington to reassure me Brazil would under no circumstances plan the Rio meeting in a way that would embarrass the U.S. For the first time the three Brazilian ministries involved in the conference preparations appear to be cooperating. You might, therefore, lightly acknowledge our two governments cooperation now in preparing for the Rio conference.

I would like to suggest that you also propose to Collor that he consider taking the lead on the issue of protecting the ozone layer. Under the Montreal Protocol, nations will within the next six months consider revising their commitments to phase out use of ozone destroying chemicals. According to a schedule agreed upon in London last summer, developed countries are to phase out manufacture of these chemicals by the year 2000, and developing countries are to do so by 2010. Recent data on the rapid rate of ozone depletion suggest we need to move faster and U.S. industry is prepared to embrace a 1997 phaseout. (The European Community last year committed to a 1997 phaseout date.)

Mexico has recently committed to phaseout on the U.S. schedule, or by 2000. (This was yet another instance of Mexican environmental seriousness which helped us make the case for Fast Track.) Brazil could significantly enhance its international environmental stature by emulating Mexico. As a major user of chlorofluorocarbons, Brazil's decision would also have great impact on India, China and other third world countries.

We could promise Brazil accelerated financial and technical assistance in moving to replace ozone depleting CFC's with substitutes by tapping the international fund established last year for Brazilian conversion projects. Given the availability of international funding and the heavy participation in Brazil of DuPont, which is the leading manufacturer of CFC substitutes and stands ready to provide technical assistance, this could occur at no cost to the U.S.

Were Collor to step out front on the need to revise the Montreal Protocol, he could easily assure that the signing of the inevitable revisions would occur in Brazil at his conference. And if he were to embrace the Salinas position of advancing by ten years his own country's schedule for phaseout, he would genuinely affect environmental history and

possibly achieve by example what otherwise he would be very hard pressed to do: change developing countries plans without offering them a large, new bribe. Thus, Collor could take a major step toward assuring that at least one important agreement is reached at his conference.

I will be back from Kuwait by Thursday, June 6, and can follow up on these points if you wish. I have discussed the above with Brent Scowcroft.

Respectfully,

A handwritten signature in dark ink, appearing to read "Bill", written in a cursive style.

William K. Reilly

Identical letter sent to:

The Honorable John Glenn
Chairman
Senate Committee on Governmental Affairs

The Honorable William V. Roth, Jr.
Ranking Republican Member
Senate Committee on Governmental Affairs

The Honorable John Conyers, Jr.
Chairman
House Committee on Government Operations

The Honorable Frank Horton
Ranking Republican Member
House Committee on Government Operations

Courtesy copies sent to:

The Honorable George J. Mitchell, Senate Majority Leader
The Honorable Wendell H. Ford, Senate Assistant Majority Leader
The Honorable Robert Dole, Senate Republican Leader
The Honorable Alan K. Simpson, Senate Assistant Republican Leader
The Honorable Thad Cochran, Senate Republican Conference Chairman
The Honorable Thomas S. Foley, Speaker of the House
The Honorable Richard A. Gephardt, Majority Leader
The Honorable William H. Gray III, Majority Whip
The Honorable Steny H. Hoyer, Democratic Caucus Chairman
The Honorable Robert H. Michel, Republican Leader
The Honorable Newt Gingrich, Republican Whip
The Honorable Jerry Lewis, Republican Conference Chairman

THE WHITE HOUSE

WASHINGTON

May 22, 1991

Dear Mr. Chairman:

Fifteen months after you, and others, joined me in calling for elevation of the Environmental Protection Agency to a Cabinet-level Department, Congress has not yet passed this legislation. I continue to believe that the Nation's environmental policies and the work of the EPA are sufficiently important to merit making the Agency a Cabinet-level Department.

This debate involves matters of national environmental priority and enduring institutional commitment. Consideration of this issue should stand on its own, apart from the tactical maneuvering and problematic amendments that plagued efforts in the last Congress.

I continue to support establishing a Department of the Environment. I am concerned, however, that some proposals, as presently structured, raise jurisdictional problems or may invite inappropriate amendments, which will prevent enactment. I believe that a "clean" bill, limited to making EPA a Department, best frames that choice for your colleagues and offers the only realistic prospect for success.

Again, I want to emphasize my appreciation for the leadership that you have provided on this critical issue. I look forward to working with you to achieve our shared goal of establishing a Department of the Environment this year.

Sincerely,



The Honorable John Glenn
Chairman
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

May 22, 1991

Dear Senator Roth:

Fifteen months after you, and others, joined me in calling for elevation of the Environmental Protection Agency to a Cabinet-level Department, Congress has not yet passed this legislation. I continue to believe that the Nation's environmental policies and the work of the EPA are sufficiently important to merit making the Agency a Cabinet-level Department.

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Sincerely,



The Honorable William V. Roth, Jr.
Ranking Republican Member
Committee on Governmental Affairs
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

May 22, 1991

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Again, I want to emphasize my appreciation for the leadership that you have provided on this critical issue. I look forward to working with you to achieve our shared goal of establishing a Department of the Environment this year.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Conyers", written in a cursive style.

The Honorable John Conyers, Jr.
Chairman
Committee on Government Operations
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

May 22, 1991

Dear Congressman Horton:

Fifteen months after you, and others, joined me in calling for elevation of the Environmental Protection Agency to a Cabinet-level Department, Congress has not yet passed this legislation. I continue to believe that the Nation's environmental policies and the work of the EPA are sufficiently important to merit making the Agency a Cabinet-level Department.

This debate involves matters of national environmental priority and enduring institutional commitment. Consideration of this issue should stand on its own, apart from the tactical maneuvering and problematic amendments that plagued efforts in the last Congress.

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Again, I want to emphasize my appreciation for the leadership that you have provided on this critical issue. I look forward to working with you to achieve our shared goal of establishing a Department of the Environment this year.

Sincerely,



The Honorable Frank Horton
Ranking Republican Member
Committee on Government Operations
House of Representatives
Washington, D.C. 20515

WHITE HOUSE STAFFING MEMORANDUMDATE: 5/20/91 ACTION/CONCURRENCE/COMMENT DUE BY: TUESDAY 5/21/91 2:00 p.m.PRESIDENTIAL LETTER URGING CONGRESSIONAL ACTION ON A "CLEAN"
ENVIRONMENTAL PROTECTION AGENCY CABINET ELEVATION BILL

SUBJECT: _____

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	☐	☒	MCCLURE	☒	☐
SUNUNU	☐	☒	PETERSMEYER	☐	☐
SCOWCROFT	☐	☐	PORTER	☒	☐
DARMAN	☐	☒	ROGICH	☐	☐
BRADY	☐	☒	SMITH	☐	☐
BROMLEY	☐	☐	UNTERMAYER	☐	☐
CARD	☒	☐	<u>DELAND</u>	☒	☐
DEMAREST	☒	☐	_____	☐	☐
FITZWATER	☐	☐	_____	☐	☐
GRAY	☒	☐	_____	☐	☐
HOLIDAY	☒	☐	_____	☐	☐

REMARKS:

Please forward your comments/recommendations directly to this office no later than 2:00 p.m., TUESDAY, MAY 21. Thank you.

RESPONSE:

The draft Reilly sent you earlier is attached.

k

PHILLIP D. BRADY
Assistant to the President
and Staff Secretary
Ext. 2702



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

91 MAY 20 PM 1:27

May 20, 1991

MEMORANDUM FOR PHILLIP D. BRADY

FROM: Bernard H. Martin *BHM*
Assistant Director for
Legislative Reference

SUBJECT: Presidential Letter Urging Congressional Action on
a "Clean" Environmental Protection Agency Cabinet
Elevation Bill

We are forwarding, on the Director's behalf, a letter for Presidential transmittal reiterating his support for the elevation of the Environmental Protection Agency (EPA) to Cabinet status. The Senate Governmental Affairs Committee has scheduled a May 23rd markup on S. 533, the "Department of the Environment Act of 1991." The letter, drafted by EPA, urges congressional enactment of a "clean" elevation bill.

This package contains the draft letter and list of House and Senate addressees. The letter has been reviewed and approved by this Office and the White House Offices of Policy Development, Presidential Personnel, Cabinet Affairs, and Counsel. It has also been reviewed and approved by the Departments of Agriculture, Commerce, Energy, Justice, State, and the Interior, and other interested agencies.

THE WHITE HOUSE

WASHINGTON

Dear Senator/Congressman _____:

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Again, I want to emphasize my appreciation for the leadership that you have provided on this critical issue. I look forward to working with you to achieve our shared goal of establishing a Department of the Environment this year.

Sincerely,

Presidential letter is to be sent to these addressees

Honorable John Glenn
Chairman, Committee on
Governmental Affairs
United States Senate
Washington, D.C. 20510

Honorable John Conyers, Jr.
Chairman, Committee on
Government Operations
U.S. House of Representatives
Washington, D.C. 20515

Honorable William V. Roth, Jr.
Ranking Minority Member
Committee on Governmental
Affairs
United States Senate
Washington, D.C. 20515

Honorable Frank Horton
Ranking Minority Member
Committee on Government
Operations
U.S. House of Representatives
Washington, D.C. 20515

Courtesy copy of the Presidential letter is to be sent to these addressees

Honorable Richard Gephardt
Majority Leader of the
U.S. House of Representatives
H-114 Capitol
Washington, D.C. 20515

Honorable George J. Mitchell
Majority Leader
United States Senate
Washington, D.C. 20510

Honorable Robert Dole
Republican Leader
United States Senate
Washington, D.C. 20510

Honorable Thomas S. Foley
Speaker of the House of
Representatives
Washington, D.C. 20515

Honorable Robert H. Michel
Minority Leader of the
House of Representatives
Washington, D.C. 20515

Honorable Wendell Ford
Majority Whip
United States Senate
S-148 Capitol
Washington, D.C. 20510

Honorable William Gray
Majority Whip of the
U.S. House of Representatives
H-148 Capitol
Washington, D.C. 20515

Honorable Steny Hoyer
Chairman, Democratic Caucus
U.S. House of Representatives
718 Annex I
Washington, D.C. 20515

Honorable Newt Gingrich
Minority Whip of the
U.S. House of Representatives
1620 Longworth House Office
Building
Washington, D.C. 20515

Honorable Jerry Lewis
Chairman, Republican Conference
U.S. House of Representatives
1618 Longworth House Office
Building
Washington, D.C. 20515

Honorable Alan Simpson
Assistant Republican Leader
United States Senate
S-229, Capitol
Washington, D.C. 20510

Honorable Thad Cochran
Chairman, Republican Conference
U.S. House of Representatives
Washington, D.C. 20515

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Memo	From William Reilly to John Sununu Re: Letter from the President on Cabinet Elevation (1 pp.)	n.d.	P5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [2]

Open on Expiration of PRA
 (Document Follows)
 By JA (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-012
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

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

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

4/19 to Porter



United States
Environmental Protection Agency
Washington, D.C. 20460

AC/ER

The Administrator

THE CHIEF of STAFF
has seen

MEMORANDUM TO JOHN H. SUNUNU
CHIEF OF STAFF

SUBJECT: Letter from the President on Cabinet Elevation

Attached for your review is a draft of the letter which we discussed yesterday. We would propose that the President's letter be sent directly to the Chairmen and ranking members (Glenn, Roth, Conyers, Horton) of the two authorizing committees (Senate Governmental Affairs/House Government Operations).

House and Senate leaders should receive copies of the President's letter (at a minimum, Foley, Michel, Mitchell, and Dole). Given the involvement of some additional members of the leadership in these issues (see attached list), broader distribution might be desirable.

Thanks for your assistance on this matter.

A handwritten signature in dark ink, appearing to read "Reilly".

William K. Reilly

Attachments

P.S. - This will put to rest the questions we get repeatedly about whether the President really cares about cabinet elevation for EPA. And it will place the burden squarely on the Democrats to make it happen. Thanks, John.

SUGGESTED LETTER FROM THE PRESIDENT TO GLENN/ROTH, CONYERS/HORTON
ON CABINET ELEVATION

Dear Senator/Congressman _____:

Fifteen months after you, and others, joined me in calling for elevation of the Environmental Protection Agency to a Cabinet-level Department, I am convinced that Congress remains faced with a simple yet important question:

"Are the Nation's environmental policies and the work of the EPA sufficiently important to merit the Agency's inclusion in the Cabinet?"

This debate involves matters of national environmental priority and enduring institutional commitment. Consideration of this issue should stand on its own, apart from the tactical maneuvering and problematic amendments that plagued efforts in the last Congress.

I continue to support a Cabinet-level Department of the Environment. I am concerned, however, that some proposals, as presently structured, may raise jurisdictional problems or may invite inappropriate amendments, which will prevent passage in this Congress. I believe that a "clean" bill, limited to the Cabinet elevation question alone, best frames the choice for your colleagues and offers the greatest prospect for success.

Again, I want to emphasize my appreciation for the leadership that you have provided on this critical issue. I look

forward to working with you to achieve our shared goal of
establishing a Department of the Environment this year.

Sincerely,

George Bush

HALEY BARBOUR

POST OFFICE BOX 960
YAZOO CITY, MISSISSIPPI 39194

(601) 746-2134
FAX (601) 746-2167

SUITE 1010
600 NEW HAMPSHIRE AVE., N.W.
WASHINGTON, D.C. 20037

(202) 333-8767
FAX (202) 338-5950

MEMORANDUM

TO: Governor John S. Sununu
FROM: Haley Barbour *Haley B.*
DATE: May 2, 1991
RE: EPA Inspector General Statement on Superfund Cleanup Status

THE CHIEF of STAFF
has seen

Some weeks ago I wrote you about Congressman Dingell's averment EPA has exaggerated the number of Superfund sites at which significant cleanup had begun. Attached is an Inside EPA article, from the April 26 issue, that addresses that subject.

This is one reason I consider it appropriate for the Administration, via the EPRG, DPC or whatever, to conduct a comprehensive review of CERCLA/Superfund and particularly its liability scheme, which I consider the principal culprit in impeding cleanup.

Inside E.P.A. Weekly report

An
Inside
Washington
Publication

An exclusive report on the U.S. Environmental Protection Agency -
providing weekly coverage of federal environmental programs and policies.

Vol. 12 No. 17 - April 26, 1991

Concerned about wetlands loss

EPA REGIONS SHARPLY OPPOSE ADMINISTRATION PLANS FOR WETLANDS MANUAL CHANGE

EPA's regions have sharply protested Administration and EPA Water Office proposals to revise a highly controversial wetlands identification manual, arguing that the proposals lack technical merit and would dramatically shrink the range of wetlands protected under federal law.

The wetlands manual, used by EPA and other federal agencies to assess whether a piece of land is a wetland and therefore subject to regulatory protection, exploded into controversy when it was issued in 1989. Farmers and developers attacked the manual, charging that its criteria for defining a wetland dramatically expanded the areas to be regulated under the Clean Water Act's wetlands protection provisions. The furor led to an interagency effort to address the concerns that were raised, with an eye to improving the manual. Environmentalists have expressed alarm that proposed changes would exclude thousands of wetlands acres from being defined and protected as wetlands (*Inside EPA*, March 22, p11).

continued on page 7

INSPECTOR GENERAL CHARGES EPA FALSIFIED SUPERFUND PROGRESS REPORT

EPA's Inspector General is accusing the agency's Superfund office of intentionally exaggerating cleanup progress in order to appear to have attained cleanup deadlines set out by Congress. Under the 1986 Superfund Amendments & Reauthorization Act, EPA was required to begin cleanup at 175 Superfund sites by Oct. 16, 1989. EPA reported to Congress on Oct. 18, 1989 that "substantial and continuous" on-site remedial action had begun on 178 sites. But according to a March 30 Inspector General's audit, EPA's report was "inaccurate and unreliable," and claimed progress at sites where none was made in order to appear to meet the 175-start goal. EPA sources vehemently deny that the agency intentionally misled Congress, arguing that at the time of the report, all of the sites appeared to be making progress, although some later did grind to a halt (*see related story*).

The IG report states that of 42 sample sites chosen from four regions, 28 sites were improperly claimed as remedial action starts by EPA. These sites were claimed by the agency to have "substantial and

continued on page 9

EPA FEDERAL FACILITIES OFFICE SEEKS TO REDUCE STUDY TIME TO EXPEDITE CLEANUPS

EPA officials say they are launching a major effort to speed cleanups of federal facilities by streamlining requirements and reducing review time before cleanup can begin. Defense and Energy Dept. sources say their agencies together may have over 20,000 contaminated sites around the country, and congressional staff say cleanup of those sites has moved at an alarmingly slow pace. While the President's 1992 budget proposes doubling the staff of EPA's federal facilities enforcement office, EPA officials say they are attempting to speed cleanup by addressing "institutional bottlenecks" that have plagued the program in the past. The agency plans to convene a panel of EPA regional staff and office directors to propose procedural changes that could make it easier to begin cleanup activities at federal sites. Congressional staff and environmentalists applaud EPA's desire to speed the process but caution that the agency should not skirt environmental requirements or public comment simply to get something done faster.

continued on page 10

Warning EPA against vast reprioritizing

SCIENCE ADVISORS URGE RISK REPORT RECOMMENDATIONS BE EMPLOYED CAUTIOUSLY

EPA's Science Advisory Board last week urged EPA deputy administrator Henry Habicht to cautiously interpret recent recommendations to address the worst environmental risks first, concerned the agency may reprioritize current efforts and abandon valuable programs. The science advisors' comments represent an apparent backing away from thinking unveiled in a major 1990 report, that the agency should deal with the worst environmental risks first, even if that entails some agency reprioritizing (*Inside EPA*, Sept. 21, p3). EPA has touted that report in congressional hearings, and EPA administrator William Reilly has made an examination of "relative risks" one of his top priorities.

continued on next page

Could trigger state, local objections**EPA MAY DISAPPROVE FORMERLY APPROVABLE SIPS UNDER NEW CAA POLICY**

A draft EPA policy states that additional requirements under the new Clean Air Act may force the agency to disapprove some backlogged state implementation plans that may have previously been approved, potentially raising the ire of states and localities that submitted their plans for EPA to review years ago. While state sources regard the policy as generally reasonable, at least one key provision could potentially arouse opposition from states and localities that feel EPA's delay in approving their SIPs has caused them to be disapproved, according to state sources.

In a March 22 memo from EPA's Air & Radiation air quality management division director John Calcagni to EPA's regions, the agency notes that regions should resume processing SIP revisions "under certain conditions" following a temporary suspension put into effect Dec. 5, 1990. EPA had halted processing to assess the impacts of the new Clean Air Act amendments on SIPs. In the memo, Calcagni says that the impacts "will vary from having no impact to requiring disapproval of actions that previously may have been approvable," depending on the changes to their plans that states sought in their SIP submittals.

Under section 107(d)(3)(E)(iv) of the new law, before an area may be redesignated to attainment it must submit an approved plan demonstrating that it will maintain the relevant standard, the memo notes. "Most areas of the country that are subject to a pending redesignation request have not addressed (let alone met) the maintenance plan prerequisite for redesignation to attainment," Calcagni notes. For that reason, he adds, the regions should notify affected states that their pending requests are not "complete" under the amended law and therefore EPA does not believe it must process the request at this time.

Some states have applied all the controls needed to bring their areas into attainment and monitored their air quality for years prior to submitting a redesignation request to EPA, says a state source. But the agency has not processed those submittals, allowing them to sit for years, the source says. Such areas are in attainment, even without a maintenance plan, but may be disapproved for processing only because EPA has failed to act upon its large backlog of SIP submittals, the source says. "The older the submittal, the more it will rub localities the wrong way because EPA should have acted earlier," the source says, adding that states may argue for a different legal interpretation of the Clean Air Act than is contained in EPA's policy memo.

EPA's memo also addresses a number of other key SIP-related issues. For instance, in a SIP revision a source or states may argue that the reasonably available control technology designated for an emission source is different than the previously selected one. EPA is prohibited from approving an "alternative RACT" that decreases emissions reductions, unless "equivalent reductions" are made somewhere else within the same nonattainment area, the memo says. It also notes that EPA's "emissions trading policy statement" of Dec. 4, 1986 continues to be in effect, even though the agency is forming a work group to address how the amendments may affect that policy. That policy allows for an increase of emissions at one point in the nonattainment area if it is offset by a decrease at another point.

IG ACCUSES EPA OF FUDGING SUPERFUND PROGRESS REPORT . . . begins page one

continuous" remedial action on-going when in fact, some had no cleanup agreement, some had only preliminary actions taken, and some had cleanup contracts awarded but had not actually begun cleanup. In some cases, the report concludes that EPA awarded a cleanup contract prematurely and considered it a "start action", despite the fact that no cleanup had actually begun. In one such case, the IG notes that "the Region apparently encouraged the [potentially responsible party] to award a contract in order to meet the SARA mandate for cleanup starts." The IG notes that they chose their sample group from sites that showed signs of being problematic, and that therefore one cannot assume the same rate of failure for the entire pool of 178 sites. Nevertheless, congressional staff and environmentalists say the report casts serious questions on whether EPA actually did meet its statutory mandate.

The IG audit does not pinpoint any particular office for blame in the audit, noting that although regional offices and headquarters had sufficient information to know they were wrongly classifying sites as "starts", it is possible that some officials were confused or misled. The report notes that some regional officials interviewed had differing definitions of what constitutes a cleanup start. In addition, the IG maintains that EPA guidance on the issue conflicted with SARA by maintaining that only a cleanup contract was necessary for a site to be classified as a remedial action start. The audit quotes a regional official as saying that "toward the end of the . . . reporting period, headquarters accepted anything" as a cleanup start. "No documentation was required to be submitted from the regions. . . The agency's desire to meet the post-SARA RA requirement became a dominant goal."

EPA sources say the audit represents a fundamental disagreement between the Office of Solid Waste &

CLAY DENIES IG ACCUSATION OF OVERSTATING SUPERFUND PROGRESS

Office of Solid Waste & Emergency Response chief Don Clay has denied charges by EPA's Inspector General that his office knowingly overstated Superfund progress in a key report to Congress, contending that the report was accurate at the time it was prepared. The IG has accused OSWER of overstating cleanup progress in a 1989 report in order to meet targets mandated by Congress in the 1986 Superfund Amendments & Reauthorization Act (see *related story*). But Clay, in a recent letter, says he stands by the report, arguing that it is only actions subsequent to the report that suggest problems with some of the sites listed.

Clay responds to the IG that he takes "strong exception to the principal finding of the report that the agency significantly overstated its achievements." In his March 8 letter, Clay notes that the original report, dated Oct. 17, 1989, "was based on available information on project status and accurately represented the program at that point in time." In contrast, Clay argues that the IG bases its critique on subsequent developments that, while valid for consideration of the program now, "are not relevant to the status of the program on Oct. 16, 1989." Clay goes on to take exception "with the tone of the report." He finds "particularly troublesome" comments which suggest "the agency was more concerned with meeting the SARA target for remedial action starts than achieving public health goals and that we may have somehow systematically manipulated the program . . . in an effort to meet the target." Clay calls these allegations "incorrect."

As to the overall conclusions of the report, Clay writes that "I do not concur" with the IG finding that "inadequate controls, conflicting criteria, and misinformation resulted in an overstatement of post-SARA remedial actions reported to Congress." Clay suggests "alternate wording" for this finding: "The October 17, 1989 Report to Congress contained the best information available at the time of the report. Subsequent events may or may not require slight revisions of this number." He also requests that the final IG report "be revised to incorporate the corrections noted herein" rather than simply appending the OSWER comments as IG reports generally do. Clay's request was apparently not honored by the IG.

Emergency Response and the IG. OSWER looks at the 1989 report as a "snap shot" of the program's progress, for which there was sufficient information to justify the agency's claim of success. IG, on the other hand, is viewing the report from a hindsight perspective, judging sites on information about their current status. These sources agree that since the report was submitted, several sites have bogged down and may not still belong on the list of remedial action starts. But an OSWER source says there are likely to be no more than a dozen sites that fit in this category. This source says the office is planning to do a "second look" report to identify any sites that may have to be removed from the start list.

FEDERAL FACILITIES OFFICE EYES CURBING STUDIES TO SPEED CLEANUP . . . begins page one

EPA federal facilities office sources say they are attempting to "expedite the cleanup process where possible" by scaling back some of the study requirements for federal Superfund cleanups. The agency is looking for ways to "shorten the study and feasibility process," says one official. For instance, congressional sources say cleanup contractors have complained that EPA takes too long to process studies they produce, slowing cleanup interminably. An EPA source notes that the agency may commit itself to a 30-45 day time limit for reviewing these materials. This source also suggests that EPA could reduce the level of certainty required for decisions at federal sites because federal agencies will not challenge EPA decisions in court. The studies need to be scientifically justifiable, this source says, but not "litigation quality." In addition, agency sources explain that EPA wants to make it easier for regional officials to pursue "interim" cleanup activities, such as removing leaking barrels or containing pollutants so they cannot cause further contamination. These sources emphasize that EPA in no way means to skirt federal requirements or circumvent public input. "We're not out trying to railroad plans through," says one EPA official. "We want to move as quickly as we can and still be protective" of human health and the environment.

To coordinate these plans, EPA's office of federal facilities enforcement has convened a Federal Facilities Cleanup Leadership Council, made up of attorneys, branch chiefs and waste management officials from each of the 10 regions to improve federal facility cleanup procedures. OFFE sources say the group will address four primary areas: 1. expediting cleanups by improving use of removal actions, identifying common problems at various sites and compressing schedules for studies and reports; 2. developing new technologies using federal facilities as test sites; 3. improving internal planning by classifying sites and addressing resources to greatest risks first (*Inside EPA*, April 12, p15); and 4. the developing guidance for

THE WHITE HOUSE

April 9, 1991

EPA

Dear Julie -

Thank you for your FAX regarding EPA's role in the debate of issues affecting the redevelopment of Pease Air Force Base. I appreciate knowing of the op-ed article you wrote for New Hampshire newspapers.

Keep in touch.

Sincerely,
Andy Card

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

The Honorable Julie Bedaga
Regional Administrator
Environmental Protection Agency
J. F. Kennedy Federal Building
Boston, Massachusetts 02203-2211



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION I

J.F. KENNEDY FEDERAL BUILDING, BOSTON, MASSACHUSETTS 02203-2211

1202.5
F-HI

April 8, 1991

Andy Card
Special Assistant to the President and Deputy Chief of Staff
The White House
Washington, DC 20500

Dear Andy,

Lot's of noise around right now about the EPA's response to the Air Force on the Pease Air Force Base redevelopment. It's classic New Hampshire noise. We have not stalled the project but have merely given the state a roadmap through the regulatory process.

Enclosed is an op-ed piece I wrote for the New Hampshire papers. Just wanted you to know what was happening... in case someone calls you.

Sincerely,

Julie
Julie Belaga
Regional Administrator

Enclosure

P.S. I've sent this to Ron Kaufman as well.



I am astonished by the negative response from some in New Hampshire, including Foster's Daily Democrat, concerning the Environmental Protection Agency's (EPA) comments on redevelopment of Pease Air Force Base. EPA's letter, which offers the state of New Hampshire a comprehensive roadmap toward environmentally sound redevelopment of Pease, was meant to be constructive and helpful. Based on what I've read in your newspaper, EPA's position and responsibility have been extraordinarily misunderstood, and the facts have been lost.

I hope that the following facts will clarify EPA's actions on Pease:

- 1) EPA is not trying to slow down or stop redevelopment at Pease. On the contrary, EPA believes environmentally sound development at Pease is entirely possible and very desirable. The Air Force's Environmental Impact Statement (EIS) identifies wetland, noise, and air impacts that we believe can and should be avoided or mitigated, and our comments suggest ways to do that. EPA's comments drew entirely from impact data provided by the Air Force in its EIS.
- 2) EPA and 400-500 others commented to the Air Force by the deadline of April 1, as is required by law. The April 1 deadline was set by the Air Force, not EPA, nearly two months ago when it released its EIS. The timing of EPA's comments related to the deadline, not the more recently scheduled Pease Development Authority (PDA) vote on April 4, 1991.
- 3) EPA has a mandatory duty under federal law to comment on the Air Force's EIS on redevelopment alternatives for Pease. EPA is required to advise the Air Force as to the environmental impacts of the redevelopment, to object to those impacts we believe need to be avoided, and to recommend mitigation measures. We must carry out this responsibility even if doing so is not welcomed by project proponents.

We know full well how important it is for the state to have interim and long term tenants at Pease. We are fully aware of the economic fragility of the region. It is for that reason that we worked as speedily as possible to evaluate the Air Force's EIS, and completed our review within the established deadline, not at the "eleventh hour" as has been stated. We offered to work with the state to see to it that the issues we have raised are addressed and resolved by the Air Force before it turns over the land to the PDA, which will in turn save the state from having to inherit unresolved issues. Had we waited until after the EIS process and after, for example, wetland permit applications are filed before we raised concerns, we could indeed be accused of "eleventh hour" objections.

It should be in everyone's interest to resolve these issues now rather than turning a blind eye to them. To that end, EPA is meeting this week with Henry Powers, chairman of the PDA, and in several weeks with the Air Force to work cooperatively to address the environmental concerns.

We urge the people of New Hampshire to consider that protecting public health and the environment and redeveloping Pease is not an either/or proposition as the criticism of EPA's comments implies. Confrontation will accomplish nothing. We need to work collaboratively with the appropriate State and federal agencies to put in place a development package that makes sense from an economic and environmental standpoint. In other states such a collaborative agenda works in a timely fashion. Let's make that happen in New Hampshire too.

Julie Belaga
Regional Administrator
Environmental Protection Agency

April 8, 1991

ENVIRONMENTAL PROTECTION AGENCY

Region I

John F. Kennedy Federal Building
Boston, Massachusetts 02203

TELECOPIER REQUEST

TO: Andy Card
OFFICE: White House PHONE: 202/456-2533
TELECOPIER #: 202/456-2397 CONFIRMING #: _____

FROM: Julie Belaga
OFFICE: EPA PHONE: 617/565-3400

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

THE CHIEF of STAFF
has seen

OFFICE OF
THE ADMINISTRATOR

April 25, 1991

MEMORANDUM FOR KATIE WINKELJOHN

FROM; DENISE SCHWARZ

When Mr. Reilly left for the Soviet Union he asked me to send Governor Sununu the attached speeches that he gave before the Debt for Nature Conference on April 17, 1991 and the Joint Session of the Texas State Legislature on February 19, 1991.

Also attached are clippings that were in the April 16 LA Times and April 19, Wall Street Journal.

He also asked me to list the people that he and Carla Hills have met with in regard to Mexican Free Trade.

John Adams
Executive Director, Natural Resources Defense Council, Inc.

Jay Hair
President, National Wildlife Federation

Fred Krupp
Environmental Defense Fund
McCloskey

Paul Portney
Director, Center for Risk Management
Resources for the Future

John Sawhill
Nature Conservancy

Attachment

ENTERPRISE FOR THE AMERICAS

Remarks by

WILLIAM K. REILLY

Administrator
U.S. Environmental Protection Agency

DEBT-FOR-NATURE CONFERENCE

Smithsonian/NRDC

April 17, 1991
Washington, D.C.

FOR DISTRIBUTION

Thank you Tom (Lovejoy, Assistant Secretary, Smithsonian).

1990 was quite a year. The Persian Gulf. President Bush signing an historic Clean Air Act. Yet, perhaps one of the most significant events of 1990 occurred on a steamy day last June.

That afternoon, President Bush addressed a small gathering of Latin American business and political leaders in the East Room of the White House. There, he announced his "Enterprise for the Americas" Initiative. I was particularly pleased because the initiative builds upon the "Debt-for-Nature" concept pioneered by Tom Lovejoy and the former organization we both served, World Wildlife Fund. The aim of debt-for-nature swaps is straightforward: to increase the resources allocated to the environment while reducing burdensome debt. It is visionary. It is practical. And it works.

On that June day, the President spoke of the tide of political freedom sweeping through the Americas. And he called for a three-tier plan throughout the hemisphere that would complement new-found political liberation with economic freedom. Through free trade, increased investment, and debt reduction, the President said, the Americas have the potential to become the "first fully free hemisphere in all of history."

Today's conference assembles distinguished guests to explore the many details of Enterprise for the Americas. Let me take a few minutes to explain why I am so excited about the President's initiative. To discuss the broader context from which "Enterprise for the Americas" will ultimately be judged. (By the way, I'm aware that you haven't had lunch yet -- neither have I -- trust me, I'll be brief.)

Enterprise for the Americas brings a new sophistication to international policymaking: weaving together trade, debt relief, investment, economic development, and environmental protection. In fact, the initiative gives full expression to one of the great ambitions of the Bush Administration: To reconcile economic and environmental priorities.

Incidentally, to those who may still believe that there is a conflict between economic growth and environmental protection -- let them travel to Eastern Europe. Let them see (as President Bush and I have seen) the Vistula River in Poland, over 80% of its waters so corrosive that it is useless for even cooling machinery. Let them experience sulfur dioxide levels in Cracow, so high that 500-year-old monuments have crumbled in just 40 years. Let them confront Eastern Europe's high rates of infant mortality, lung disorders, worker absenteeism, and premature deaths.

Poland, Hungary, Bulgaria, Romania, and Czechoslovakia, not to mention the Soviet Union itself -- these are entire nations now living in the dark shadow of an environmental catastrophe. These nations chose to forgo controls on pollution in order to stimulate economic growth. They ended up wrecking their economies even as they ravaged their environments. Poland's former Environment Minister told me that Poland's environmental

contamination is causing a 15% drag on the nation's GNP. We hear similar estimates from Soviet officials.

Enterprise for the Americas takes the lesson of Eastern Europe as its compass for economically and environmentally sound development in the Americas. Consider the initiative's proposal for a free trade hemisphere. A free trade agreement between the United States, Mexico, and Canada has already been proposed. Presidents Bush and Salinas, along with Prime Minister Mulroney, have given the swift completion of such an agreement high priority.

As I have testified before Congress, the President's efforts to secure "fast track" authority from Congress for the negotiation of a free trade agreement is essential. Without doubt, in my mind, it is in the best interest of the environment. As a practical matter, we find "fast track" of this sort the only way to negotiate immensely complicated trade deals. You cannot negotiate in Congressional offices that which you have in good faith already negotiated with your prospective trading partner. If negotiators from other countries know that the U.S. can't deliver, where's the incentive to offer your best deal? It simply doesn't work.

Contrary to what you may have heard from some environmental critics, a free trade agreement represents a once-in-a-lifetime opportunity to help Mexico improve the environment for its 85 million people. For if the Mexican environment is degraded (along the border or in Mexico City or in other areas), it is the historical lack of money -- the lack of resources -- that explains this neglect.

Some environmentalists have raised questions about a free trade agreement. They fear that some U.S. firms will migrate to Mexico as a haven from strict U.S. environmental laws. We have examined this issue at EPA, and I have reason to believe that Mexico will insist on compliance with world standards for environmental performance by new industries.

This past November, in fact, I accompanied President Bush to Monterrey. There we heard President Salinas tell U.S. and Mexican business leaders that:

"Mexico wants no dirty jobs. That was our past. We want to raise our standard of living, and a better environment is a vital part of a higher standard of living. Send us only clean growth. That's all we will allow."

Environmentalists should not get this one wrong. Free trade will lead to growth and (just as in the United States where growth has paid for wastewater treatment plants, catalytic converters and scrubbers, and the other expensive investments necessary to protect our environment) growth will allow Mexicans to improve their environment.

Within the past two years, Mexico has already taken major steps to better its environment. Removing lead from gasoline, for example, and requiring catalytic converters

in cars. The Salinas administration has closed down numerous industrial plants, while opening 44 new parks. In fact, I know of no other developing country that has surpassed these efforts.

A free trade agreement will allow Mexico to do so much more. So let us not (out of concern for the environment) deny Mexicans the free access to new markets they seek.

Clearly, Mexico must (and I think the country will) increase the resources allocated to environmental protection. In San Antonio just last week, in fact, President Salinas pointed out to business leaders that the Mexican government's environmental spending has risen eightfold in the past three years alone. A free trade agreement will spur economic growth to provide further resources for the environment. The bottom line is that only through economic growth will Mexico ever be able to address critical issues of environmental protection adequately.

A second environmental question about a free trade agreement with Mexico is whether it would aggravate pollution problems along our border. Here, too, I think the prospects are for marked improvement.

The U.S. and Mexican governments (working through EPA and our Mexican counterpart SEDUE) have greatly strengthened our joint programs addressing border environmental problems. Since Presidents de la Madrid and Reagan signed the Border Environmental Agreement in 1983, we have had a broad framework on border area environmental problems. A framework that is growing stronger.

EPA and SEDUE have also been greatly helped by the pre-existing joint US-Mexican International Boundary and Water Commission, which has taken on the job of building and managing joint water and sewage treatment plants along the border. This commission is managing well over \$200 million in new investment (in such border facilities as Laredo, Texas; Nogales, Arizona; and Tijuana and San Diego, California.)

President Bush's Fiscal Year '92 budget further proposes \$116 million for expanding wastewater treatment capacity at these sites. And EPA and SEDUE will continue to conduct joint inspections of industrial plants on both sides of the border, while developing the first joint air basin study covering the El Paso/Texas-Juarez area.

In order to strengthen cooperation, Presidents Bush and Salinas (at their meeting in Monterrey last November) directed EPA and SEDUE to prepare an integrated environmental plan for the border area covering all of its significant environmental issues. As well as the ways and means to reinforce border cooperation in order to solve air, water, and hazardous waste problems.

EPA and SEDUE were directed to involve state and municipal authorities in both countries, as well as private sector and environmental organizations. EPA is consulting these

groups, and we will put out the first draft of the border plan for public comment in late June.

The principle of environmental improvement through economic growth applies throughout the hemisphere. Economic growth in Latin America will generate the resources needed to sustain a clean environment. Conversely, the health of the Latin American people (and the productivity of their natural systems) will strengthen the economies of Latin America. Free trade allows our countries to promote economic prosperity at home, while protecting the environment.

President Bush's Enterprise for the Americas Initiative incorporates the vital link between a prosperous economy and a healthy environment into its agenda. Consider the President's proposal to renegotiate some \$7 billion of official public debt owed to the United States by Latin American countries.

Much of the interest on this renegotiated debt can be allocated directly to environmental trusts. For protection of rapidly disappearing forests and parks, for example. Some of the greatest parks in the world (with more bird species than exist in the entire United States) have not a single ranger; nobody to protect them against loggers, poachers, or miners. Further consider an additional \$16 billion in debt owed by Latin American countries to Europe and Japan. Success of the President's initiative could encourage similar debt-for-nature swaps in the future.

Enterprise for the Americas will extend a global partnership into our own backyard. And we are right on schedule. Just last week, U.S. Trade Representative Carla Hills met with Venezuelan Minister of Foreign Affairs Reinaldo Figueredo. They signed the U.S.-Venezuela Trade and Investment Framework Agreement. This is the sixth such agreement already signed under Enterprise of the Americas.

Perhaps when we think of our neighbors to the south, it is convenient to reflect on our differences. Those things that divide our countries and cultures. And yet when Teddy Roosevelt visited South America in 1913, he said that "our likenesses are more important than our differences...both young, both vast of physical area, both growing."

These likenesses are highlighted as we approach the 500th anniversary of Columbus' encounter with what we call the "New World." With your help -- with a collective commitment to free trade and debt-for-nature -- Enterprise for the Americas will capitalize on our similarities, creating a partnership among North, Central, and South America. A partnership to pursue common economic and environmental aspirations. Enterprise for the Americas will capitalize on (and realize) what Mexican poet Octavio Paz called our "unity of purpose."

Thank you very much.

TEXAS LEGISLATURE

Address By

WILLIAM K. REILLY

Administrator
U.S. Environmental Protection Agency

JOINT SESSION OF THE
TEXAS STATE LEGISLATURE

February 19, 1991
Austin, Texas

FOR DISTRIBUTION

An address to a Joint Session of the Texas Legislature is unprecedented for an EPA Administrator, and I am pleased and honored to have this opportunity. In fact, we have a great deal to say to each other. We usually communicate through the laws you write and the regulations I prescribe. But we have not heretofore interacted so directly. I very much want to make the most of my moment, my time with you, as with my time at E.P.A.

You are genuinely vital to the success of much that I do, whether it's implementing the new Clean Air Act, or managing hazardous waste safety, or controlling the pollution that contaminates our rivers and lakes. Many of the decisions I make create difficulties for you, add to state expenditures, increase costs to the private sector, or are just plain unpopular. Unlike me, you have to go before the voters regularly and justify your actions, whereas I am accountable to the environmental President George Bush.

But otherwise we have a lot in common, we are partners in a common enterprise of giving expression to a noble ideal, assuring the continued health and productivity of the natural systems on which all human activity depends. That's the high-toned inspiration that gives us a common cause, but it doesn't always seem that way when we're in the middle of a wetlands controversy, or a fight about an incinerator, or a Superfund cleanup or an inspection and maintenance requirement for people's cars.

I have a philosophy about the state-federal relationship. I believe the innovative ideas for federal laws and programs invariably start in a state, get tried and tested there and then make their way into federal law. And when that hasn't been the progression, when a program starts as an abstraction in the mind of a federal bureaucrat, then states often play an equally important role; they often torpedo and sink those top-down ideas.

The real world between the coast and the hill country, the Red River and the Rio Grande, can be hard on an impractical idea. A delineation manual for determining what is a wetland and therefore subject to federal regulatory jurisdiction is one such idea that nobody thought to test. It came into effect a few weeks before we took office, and we are in the process of fixing it.

The object of our efforts will be to give a higher measure of protection to the wetlands that really matter, which the nation is losing so fast, along with the ducks and geese and other waterfowl that depend on them. On wetlands as on other environmental issues, we need to take stock of the resource, listen to the scientists, distinguish what matters, and then move to a new, higher plateau of environmental performance.

According to the pollsters, a very substantial number of Americans see the environment differently today from 20 years ago. Increasingly, Americans expect a higher standard of environmental quality. Far from being an amenity --nice-to-have-if-you-can-afford-it, environmental quality is now seen as vital to health.

The air we breathe and the water we drink, the food we eat and the chemicals we

use, the fuels and packaging, the way we extract, transmit and burn energy, whether there is asbestos in our workplace or radon in our homes, whether the climate is heating up and drying out or the ozone layer is being stripped away -- these are increasingly very mainstream concerns.

President Bush has brought a new vigor and definition to the nation's environmental agenda. In just 25 months his leadership has been vital to the enactment of a comprehensive new Clean Air Act. Under that law, America will have cleaner fuels, factories, cars, and healthier cities. President Bush has committed the nation and then led the world to agree to a new treaty whereby ozone destroying chlorofluorocarbons will be banned.

He has proposed a new initiative, "Enterprise for the Americas," whereby we will renegotiate some \$7 billion of concessional debt owed to the U.S. Government by the nations of Latin America; and, provided these nations embrace free trade and foreign investment, some of the interest on the renegotiated debt will be allocated to the protection of fast disappearing forests and parks and the control of mounting pollution and waste.

That initiative has a special meaning to me, both as a former president of World Wildlife Fund whose program was concerned with Latin America, but also because it expresses one of the great ambitions of the Bush Administration: it reconciles our economic aspirations with our environmental goals. In our policies toward Latin America, as in many other Bush initiatives, we recognize that in bringing these two vital goals together, we are making it possible to achieve both. Economic growth will generate the resources to pay for a better environment, and the health of the people and integrity of the natural systems will strengthen them economically.

For an object lesson in what happens when nations forego environmental protection in order to stimulate their economies, look to Eastern Europe. There, vast areas are contaminated beyond redemption, lung disorders caused by air pollution have created a double digit drag on Gross National Product, infant mortality is 10 times higher than in nearby western Europe. Policies which aimed to hype their economies by ignoring the environment ravished their environment and also wrecked their economies!

President Bush, President Salinas of Mexico and Prime Minister Mulroney of Canada recently announced intentions to negotiate a free trade agreement with Mexico. Such an agreement offers the promise of a higher standard of living to the people of all three countries. It also promises a better environment to the people of Mexico.

In early December I accompanied President Bush and several members of our Cabinet to Monterrey. (In the Bush Administration the EPA Administrator is part of the Bi-national consultations with Mexico that take place each year.) In Monterrey I heard President Salinas say to his industrial leaders and to several leading CEO's of U.S. industries active in Mexico, "Mexico wants no dirty jobs. We want to raise our standard

of living, and a better environment is a vital part of a higher standard of living. So send us only clean growth for that's all that we will allow."

Mexican Environment Minister Patricio Chirinos and I are committed to developing an integrated environmental plan for the border area. In this plan we will address the full range of the problems we share -- hazardous waste disposal, air and water pollution -- and we will give special attention to reinvigorating our enforcement of the laws.

I am aware that some environmentalists object to a free trade agreement because they fear U.S. firms will seek out new sites in Mexico as a haven from strict U.S. environmental laws. I believe Mexico will in fact insist on compliance with world standards of environmental performance by new industry, and that even existing Mexican industry will feel the pressure to conform to higher standards, from a government that has already moved to require catalytic converters on cars, remove lead from gasoline, lower the sulfur content in diesel fuels, invest in new clean buses and take other important, expensive and painful initiatives on behalf of the environment.

Clearly, Mexico must, and I believe will, increase the resources for environmental protection. A free trade agreement offers the promise of providing those resources. Let those who are concerned about the environmental problems allegedly caused by maquiladora plants work with us to document and then address them. Several industries with maquiladora facilities have indicated their readiness to work with EPA.

The United States' two existing bilateral agreements with Mexico provide a foundation on which we can build. The 1983 La Paz Agreement established a framework for solving border environmental problems in the areas of air, water and hazardous waste. And in October 1989, Chirinos and I, and Secretaries of State for both countries, signed an agreement to govern joint environmental projects in and around Mexico City.

EPA and Mexico's Urban Development and Ecology (SEDUE) are making progress under these agreements. We've joined with the U.S. State Department and the International Boundary and Water Commission to tackle several large-scale border projects.

For example, the U.S. State Department is contributing \$19 million toward construction and rehabilitation of treatment and collection facilities in Nuevo Laredo, Mexico, across the border from Laredo, Texas, to solve a severe raw sewage and industrial waste problem on the Rio Grande. And our budget request for fiscal year 1992 includes \$16 million for expanding wastewater treatment capacity in Nogales, Arizona, and \$100 million for wastewater treatment for Tijuana and San Diego.

EPA has the first-ever environmental attache at our Embassy in Mexico City, and she is giving a high priority to border issues. So let us not

get this one wrong. The truth is that only through economic growth will Mexico ever be able to address critical issues such as the dumping of untreated sewage into the rivers that form the border between our two countries and link our environment.

Together our two countries have the opportunity to promote our economies and at the same time improve our environment.

Now, I'd like to do something many Texans have been waiting for: I want to sign the final rule closing the last ocean incineration site in the Gulf -- something Senator Phil Gramm worked arduously to accomplish. This site has not been used since the early 1980s. My action today sends a message, consistent with the Ocean Dumping Ban Act, that the seas and oceans of this good earth are no place to dump our wastes!

(Incidentally, we do recognize that properly designed and operated incineration can be a safe method of waste disposal -- although we at EPA believe waste reduction, re-use and recycling are preferable.) This signing is more than a routine regulatory action. It symbolizes EPA's commitment to the Gulf of Mexico. I chose to sign it in Texas because the impetus behind our Gulf program goes back several years to when 6,000 citizens showed up in Brownsville to protest the prospect of burning wastes at sea.

And now, we must do more. Under the Cartagena Convention developed as part of the United Nations' Regional Seas Program, the United States is working with countries in the wider Caribbean to prevent marine pollution from all sources. And I support establishing the Gulf as a "Special Area" under the so-called MARPOL -- MARine POLLution -- Treaty to prohibit all garbage disposal from ships in the Gulf, and we have provided technical documentation explaining why the Gulf is a unique resource that merits this designation. The proposal is now before the International Maritime Organization for consideration, a process that generally takes about two years to complete.

Surely, America's Sea deserves this status. The Gulf receives drainage from about 2/3 of the Continental United States, largely through the Mississippi River. It boasts almost half of the nation's coastal wetlands and five of the top 10 U.S. fishing ports. Gulf shrimp are the nation's second most valuable fishery, trailing only Alaska salmon. Seventy-two percent of the country's offshore oil and 97 percent of our offshore gas production come from rigs in the Gulf. This is a highly productive, biologically rich, unique ecosystem.

I do not need to tell you this resource is imperiled. River channelization and encroaching development threaten fragile estuaries and wetlands. More than one million tons of nutrients each year make their way into the Gulf. These nutrients, we believe, are responsible for the increase in the size and frequency of the so-called "dead zone," or hypoxia, phenomenon.

Fish kills and toxic "red tide" blooms have increased dramatically, and over half of Gulf Coast shellfish growing areas have been closed. Marine debris along Gulf coast beaches has averaged better than 1 ton per mile -- and almost 2 tons per mile along some stretches of the Texas coastline. In December, with Congressman Jack Fields and others, I toured the Houston Ship Channel and reviewed a range of Gulf pollution issues with the Corps of Engineers and Coast Guard and Texas Water Commission.

These challenges call upon us as never before to look beyond isolated pollution problems and outline a course of action broadly based on the health of the entire ecosystem. Since I became EPA Administrator, I have intensified the Agency's commitment to special bodies of water. The Gulf of Mexico is one resource that deserves prominence on our agenda.

We have a strong foundation on which to build. Two years ago, EPA opened the Gulf of Mexico Program Office in Mississippi. More than a dozen federal agencies and over 30 state agencies from all five Gulf states are part of this program. In addition, a score of academic and research institutions, over a dozen private organizations, and several environmental groups work closely with us. Many agencies provide funding, staff and technical support. This is an unprecedented level of cooperation.

EPA's Gulf program budget this fiscal year is \$1.4 million. But that's just part of the picture. EPA is providing more than \$6 million this year to other Gulf-related projects. If funding for wastewater treatment in the Gulf catchment area is included, EPA's support totals many hundreds of millions of dollars.

Other federal agencies are also making substantial investments this year. The National Oceanic and Atmospheric Administration is spending almost \$2 million on studies related to the Gulf's "dead zone" phenomenon. The Interior Department has allocated \$6.5 million to assess the environmental effects of offshore oil and gas operations in the Gulf. The Army Corps of Engineers has another \$2 million for restoration projects in coastal wetlands. And Congress has authorized \$2.5 million in the next fiscal year to assess the condition of Texas wetlands.

Moreover, the Gulf of Mexico is one of the places targeted under President Bush's new \$23-million Coastal America initiative designed to restore the nation's shell and salt-water fisheries and to protect marine life.

Still, we must do more.

The opportunity for greater EPA investment in the Gulf may be ripe. Yet, for me the question is, how do we ensure that we spend scarce dollars wisely, getting the most for our money? This question is vital to the Gulf of Mexico program, indeed, for all EPA initiatives.

That's why one of my first actions as new Administrator of the Environmental Protection Agency was to ask the Agency's Science Advisory Board, an independent panel of scientists and engineers chaired by University of Texas civil engineering professor Ray Loehr, to take an in-depth look at our environmental quality objectives, to determine the greatest risks to natural systems and to human health and to identify strategies to reduce those risks and serve as a foundation for all we do.

The Science Board produced a provocative report, entitled, **Reducing Risk**, and unveiled it last September. To start, the report said that over the past 20 years, EPA -- taking its statutory cues from Congress -- has spent much of its time and energy responding to episodic alarms and public anxieties, to the press' and Congress' latest "pollutant of the month." Today, the report advised, EPA must refocus its efforts on the most serious threats to human health and the environment. We must return to EPA's original mission -- to see the world whole -- as diverse, productive and interconnected.

With the Gulf of Mexico program, as with the Great Lakes, the Chesapeake Bay and our National Estuary Programs, we have an advantage over other programs at EPA. These programs are designed to place a greater emphasis on ecology and the health of natural systems. They recognize, as conservationist Aldo Leopold suggested almost 50 years ago, "Instead of learning more and more about less and less, we must learn more and more about the whole biotic landscape."

To adopt an ecosystem approach, we have to address pollution from many diffuse and difficult-to-pinpoint sources. We need to stop the destruction of natural habitats. And we must move beyond the traditional command-and-control approach that has served us so well in the past in regulating belching smokestacks and untreated sewer discharges. (You know, one reason the environmental task is more difficult today is that so much of the stuff we worry about now is diffuse or invisible.

Twenty years ago the environment was a story of belching smokestacks and big dirties, of viscous green and brown stuff oozing from pipes. It was a story made to order for color TV. The next phase of the war for the environment will be less telegenic.)

This report from the Science Board gives us guidance, then, on priorities that we can apply to our strategy for the Gulf:

First, we should prevent pollution, rather than make costly and sometimes ineffective cleanup a way of life -- as Buck Wynne and the good folks at the Texas Water Commission are trying to do. As part of preventing pollution, we need to foster new and innovative technologies that use resources more efficiently, generate less waste in the first place and reuse materials.

Last month I wrote to the CEO's of over 600 U.S. companies across the country to ask them to reduce pollution caused by 17 high priority toxic chemicals voluntarily. I

have set a goal to reduce by one-third the total releases of these 17 chemicals by 1992 and by 50 percent by 1995 -- 700 million pounds per year -- all through voluntary reductions that promise not only significant environmental benefits to areas like the Houston Ship Channel, but also substantial economic gains as companies save on waste management, reduce their use of raw materials, avoid regulation and reduce exposure to financial liability. Companies with facilities in Texas, we estimate, contribute almost 84 million pounds of toxics a year, making Texas number 2 among the states in total toxic releases. So we are talking about the chance for significant reductions here.

Still, we must do more.

We need to protect our fragile wetlands -- through sensitive local planning; where need be, through enforcement; and through model state programs involving research, mitigation banking, conservation and restoration. We must protect high-value wetlands such as those along coasts and rivers that improve water quality, prevent flooding and provide so many other benefits.

When states take the lead in wetland protection and wetland restoration, we at the federal level are better able to defer to their programs. We must do still more to improve farming practices so that animal wastes, pesticides and fertilizers carried by storm water runoff no longer threaten the Gulf's productivity.

And, as we are doing in the Great Lakes, we must reorient our enforcement efforts to look at all the media through which individual industrial and other pollutants reach the Gulf -- by air, water, and the disposal of hazardous waste.

How we spend our money, EPA's Science Advisory Board said, is just as important as what we spend it on.

And, thus, a second major recommendation of the Science Advisory Board report is that we must harness the power of the marketplace and economic incentives on behalf of environmental protection.

Perhaps the most significant example of the power of economic incentives is in the new Clean Air Act. Under this law, acid rain emissions will be cut almost in half; more than 30 million tons of noxious air pollutants will be removed from the air every year; and the risk from toxic air emissions -- and, consequently, from toxic deposition that threatens many of the nation's water bodies -- will be cut by three-fourths.

President Bush's proposals, on which the new legislation is largely based, were not only sensitive to the costs of pollution control; they also included provisions to supplement command-and-control regulations with flexible, market-based programs.

As our Science Advisory Board concluded, solving this country's continuing

environmental problems is not something EPA can do by itself: all parts of government and all sectors of society must participate. The first Biennial Gulf Symposium, jointly sponsored by federal and state agencies last December, heralded a new era of prominence for the Gulf of Mexico.

Thus, I intend to ask my regional administrators and my assistant administrators in Washington, in our upcoming budgeting and planning meetings, to elevate the Gulf of Mexico program, to unleash the ingenuity and energy of our people, and to develop a vigorous action plan to assure that what we've started, to restore and protect the Gulf, is fully realized. And I hope Texas will join with us in celebrating 1992 as the Year of the Gulf of Mexico and support our efforts to make the 1990s a decade of progress and renewal for America's Sea.

The environment today is increasingly central to policies affecting agriculture, energy, transportation and urban development. The issue is moving into the mainstream. We must therefore approach it with a heightened degree of maturity and responsibility, with a greater regard for science and more sophisticated understanding of economics.

For the border and for the Gulf of Mexico, the economy and the environment -- we can and must reconcile these great goals. As our economic commitment to the environment approaches 3 percent of GNP, we are under an even higher obligation to ensure that for these costs we get commensurate environmental benefits. You may recall that in 1988 Time Magazine abandoned its "Man of the Year" award in favor of planet earth. On its cover, after that year of unprecedented medical waste washups, record high summer temperatures, and an ozone hole over the Antarctic larger than the United States, on its cover was "Earth: Planet of the Year."

The comedian Jay Leno suggested the voting was rigged. "What could you expect," he asked. "All the judges came from earth."

In that spirit, let's go all out, shamelessly, for our side. The message for Texas as for all of humankind: let us protect the vitality of nature's productive systems and do so in a way that secures the vital link between a healthy environment and a prosperous economy.

Thank you very much.

Mexico Trade Pact Shuns Environmental Issues

■ **Policy:** Congress wants tough pollution standards but the Administration believes that would be counterproductive.

By KAREN TUMULTY
and RUDY ABRAMSON
TIMES STAFF WRITERS

WASHINGTON—The Bush Administration's top environmental official warned Monday that the White House will not agree to environmental concessions that Congress is seeking in a forthcoming U.S.-Mexico free-trade pact.

While the pact may ban the import of certain pesticides and other chemicals, Environmental Protection Agency Administrator William K. Reilly said, it probably will not seek to remedy pollution along the border or force Mexico to tighten its environmental standards.

"I think [those concerns] don't belong in the free-trade agreement," Reilly said at a breakfast session with The Times' Washington Bureau. "To the degree that we put them there, we will find it's difficult to be very specific about precisely what it is we want to have happen."

It would be hard, he added, to force the Mexicans to comply.

Reilly's comments drew an immediate reaction from Capitol Hill, which has scheduled a crucial vote next month on whether to authorize continuation of the talks.

Rep. Robert T. Matsui (D-Sacramento), a member of the House Ways and Means Committee, which deals with trade issues, said Reilly's remarks will have a "profound impact" on next month's vote.

"Bill Reilly has a lot of credibility," Matsui said. "If he of all people in the Administration says that there is a problem, that's going to have an impact."

The trade talks with Mexico are one of President Bush's top economic priorities, representing a



BERNIE BOSTON / Los Angeles Times

EPA Administrator William K. Reilly discusses Mexican trade pact.

crucial step toward his goal of establishing a free-trade zone that extends from Alaska to the tip of

South America. At a time of growing protectionism worldwide, supporters argue that such an alliance is this country's best hope of competing with trading blocs that are forming in Europe and Asia.

In a letter last month to Bush, Congress' two most powerful leaders on trade issues—Senate Finance Committee Chairman Lloyd

Bentsen (D-Tex.) and House Ways and Means Committee Chairman Dan Rostenkowski (D-Ill.)—noted that the talks raise "legitimate

concerns that, in our judgment, should be addressed in a meaningful way."

Among those concerns, they wrote, are the disparity between the United States and Mexico "in the adequacy and enforcement of environmental standards."

If the two countries establish a free-trade zone without requiring Mexico to toughen its environmental policies, opponents insist, that will only encourage industry to move operations south of the border, where it can escape the enormous costs of complying with U.S. standards.

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They warn that the agreement could worsen Mexico's already serious pollution problems, which even now spill across the border in the form of foul air and water.

But Bush argued Monday that a free-trade agreement is the best means of ensuring a cleaner environment in both countries. "Only through economic growth will Mexico obtain the resources necessary to address its tremendous environmental needs," Bush said in a speech to the Assn. of General Contractors.

Reilly agreed Monday, describing the free-trade agreement as "an unprecedented opportunity to ratchet up the standards of environmental protection for 85 million people."

He warned that environmentalists who oppose the negotiations "could wake up the day after [defeating the free-trade agreement] and find that the environment is in very bad shape and likely to stay so in much of Mexico, as a consequence of a failure to get the resources that free trade might have made available."

end

The Washington Times

PAGE A2 / TUESDAY, APRIL 16, 1991

Army dropped chemical over 40 states

SALT LAKE CITY — Army researchers dropped a dangerous chemical over 40 states in the late 1950s to determine the effectiveness of scattering biological weapons in the wind, a newspaper reported Sunday.

Cadmium sulfide was used in tests over states east of the Rockies in 1957 and 1958, the Deseret News said in a story based on Army documents obtained through the Freedom of Information Act.

Researchers at the Army's Dugway Proving Ground in Utah conducted the tests despite warnings the chemical could cause disease and death, the newspaper said. Dugway spokesman Dick Whitaker said the Army didn't realize the chemical was dangerous until a meteorologist pointed it out.

THE WALL STREET JOURNAL FRIDAY, APRIL 19, 1991, A 15

Mexico's Environment Will Improve With Free Trade

Almost every international issue today has consequences for the environment. And few environmental issues can be fully addressed without international cooperation. Thus, it comes as no surprise that the proposed free-trade agreement with Mexico has raised fears about pollution problems along the border with Mexico and about disparities between environmental-protection standards and enforcement in that country and the U.S.

Critics argue that pollution-intensive U.S. firms might relocate to Mexico to

environmental-quality standards and put pressure on existing facilities to improve their operations.

Our two governments already are taking steps to address the most critical issues—both along the border and across all of Mexico. This is one of the many important reasons the U.S. Environmental Protection Agency now has the first-ever environmental attaché posted at the U.S. Embassy in Mexico City.

Along the border, the environmental issues are twofold: pollution from the so-called *maquiladora* industries, and pollution from untreated or insufficiently treated air emissions or water discharges, some attributable to rapid population growth. At the direction of Presidents Bush and Salinas, the EPA is working with Mexico to develop an integrated environmental border plan.

We are documenting the extent and causes of pollution from the *maquiladora* plants and are developing collaborative solutions. When hazardous waste that is supposed to return for disposal in the U.S.

vanishes south of the border, we will cooperate closely with Mexico to crack down on the offending companies. Mexico has recently added 50 new enforcement professionals to police environmental violations in the border area.

Officials from the EPA and Mexico's environmental agency—Urban Development and Ecology (SEDUE)—have joined with the U.S. State Department and the International Boundary and Water Commission to tackle several large-scale border projects. Most notably, the U.S. and Mexico agreed last July to construct a \$200 million treatment plant to solve the serious water-pollution problem from Tijuana, Mexico, that has closed San Diego beaches and threatens to destroy the Tijuana Estuary. The EPA's fiscal 1992 budget includes \$100 million for this project.

In Arizona, the U.S. State Department and Mexico are investing \$16 million in Nogales to expand its overburdened international sewage-treatment plant. Our State Department is contributing \$19 million for sewage-treatment facilities in Nuevo Laredo, Mexico, across the border from Laredo, Texas.

We also are cooperating on the broader range of environmental issues that involve Mexico's interior. In October 1989, SEDUE Secretary Patricio Chirinos and I, and secretaries of state for both countries, signed an agreement to promote cooperative environmental projects in and around Mexico City. To illustrate his seriousness, President Salinas on March 18 closed a major Pemex refinery in Mexico City to eliminate its unacceptable pollution.

Finally, what we know about Mexico's 1988 comprehensive environmental law indicates that it may be sufficiently stringent

to rebut the "pollution haven" argument. Properly enforced, the law should result in greatly improved environmental protection.

The U.S. will continue to work with

Mexico to achieve the environmental safeguards both countries seek. Yet we must be realistic and sensitive to Mexican concerns. Had we insisted that Canada meet U.S. acid-rain requirements, we might never have negotiated a free-trade agreement with our northern neighbor. As it was, we not only successfully concluded that agreement, but we also recently signed an historic air-quality accord in which the Canadians agreed for the first time to new emissions-monitoring requirements, new standards to protect visibility, and a permanent, nationwide cap on sulfur-dioxide emissions.

Canadians were moved to make these commitments by the same considerations that will motivate Mexicans to upgrade their environmental standards: a desire to improve the health and environment of their people. They did not need, and wouldn't have accepted, Americans threatening tariff retaliation if they failed to cease polluting.

We will address legitimate environmental issues with a direct bearing on trade relations—such as pesticide standards—in a free-trade agreement. But don't ask that we encumber negotiations on this agreement with unrelated, albeit valid environmental concerns that we can address readily in other forums, and that imply that Mexico will not improve its environment unless we make it do so.

I urge Congress to support the "fast-track" procedures that will allow negotiations between our two countries to proceed expeditiously. Environmental improvement will not occur in Mexico or any other developing country without the money to reduce pollution, apply new technologies, support government programs, and pay for inspectors, regulators and prosecutors.

Mr. Reilly is administrator of the U.S. Environmental Protection Agency.

The Americas

By William K. Reilly

take advantage of less-stringent environmental standards or laxer enforcement, as some believe already is occurring along the border. Others raise questions about air and water pollution and untreated waste in the border region. Some contend that the proposed free-trade agreement would bring more people, more cars, more industrial activity, more of everything to an already stressed environment.

These are not trivial concerns. But I part company with those who prophesy environmental degradation if such an accord is negotiated. To the contrary, I believe the economic opportunities arising from a free-trade agreement would offer an unprecedented chance to improve environmental protection, not just along the border, but throughout Mexico.

Some want to use Mexico's and the U.S.'s interest in free trade to ratchet up Mexican commitment to environmental protection. That is a reasonable tactic. But I strongly caution against abetting protectionist arguments against free trade and urge environmentalists not to permit the environment to be used to defeat what can

be a major advance for the environment: an invigorated economy able to provide a better standard of living for 85 million Mexicans. This, in turn, will include a much higher measure of protection for their health and environment.

Mexican President Carlos Salinas de Gortari has made it clear that his country has never been more committed to its environmental responsibilities. Indeed, Mexico now requires an environmental-impact assessment before any new industrial facility can be built. On Wednesday, Fernando Menendez, chief air-pollution monitor for Mexico City, announced in Southern California that any company seeking to relocate to Mexico would have to comply with emission standards at least as strict as where it came from, and possibly more so. Thus, any new development spurred by free trade is likely to raise Mexican envi-

Secondhand Smoke Status As Cancer Causing Backed

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—An independent scientific panel has endorsed a proposal by the Environmental Protection Agency's staff that secondhand tobacco smoke be declared a known human carcinogen.

The agency's science advisory board backed the conclusions of an EPA draft report on secondhand smoke, although the board did say the final report should give more weight to the actual experience of smokers, among other recommendations.

The next move is up to EPA Administrator William Reilly; if he decides to list secondhand smoke as a Class A carcinogen, that would put it in the same category as such pollutants as asbestos and benzene. The EPA can't regulate smoking, but if it classifies secondhand smoke as a known cause of cancer that would increase pressure on the Occupational Safety and Health Administration to act on smoking in the workplace. It also might increase the already rapid spread of no-smoking signs in all kinds of public places.

An EPA spokesman said there is no timetable for Mr. Reilly's action.

The American Lung Association hailed the advisory board action. At the same time, Thomas Borelli, a Philip Morris Cos. scientist, said he was encouraged that the panel found fault with the study and that he hoped the EPA would revise it before Mr. Reilly makes a decision.



**WORLD
WIRE**

NEW CHERNOBYL DATA RELEASED

Five years after the Chernobyl nuclear disaster, the Soviet Union has identified 500,000 people contaminated by radiation and is giving medical care to 300,000 a year. Moscow left unchanged at 31 or 32 the deaths resulting directly from the Ukrainian power plant explosion on April 26, 1986. Many Soviet and Western researchers dispute the official death toll, which has stood for three years, and assert that at least 500 and as many as 10,000 people have died of cancer and other illnesses caused by the accident.

NORWAY CANCELS WHALING SEASON

For the first time since the 16th century, Oslo called off its whale hunt this year. The International Whaling Commission for five years has banned Norway and other nations from commercial whale hunting, but allowed them to kill a few whales each year for scientific purposes, such as gathering birth-rate and mortality data. Norway said research hunting would resume next year. Environmentalists say the research kills by Norway, Iceland and Japan are disguised commercial hunts, as much of the meat is sold.

GIRAFFE BARBECUE PLAN PROTESTED

A South African social group's plan for what could be the world's first giraffe barbecue has drawn flak. Die Afrikaner Klub has already sold 300 tickets at \$40 each for the May 4 roast of a 2,800-pound giraffe. Barbecues, or braais, are a popular entertainment in South Africa. Animal advocates denounced killing a wild animal as "a gimmick." The barbecue isn't illegal, as giraffes aren't endangered.

GLOBAL EFFORTS ARE REWARDED

German Foreign Minister Hans-Dietrich Genscher received the Athinai Prize for Man and Mankind for advancing East-West relations. Also in Athens, former U.S. President Jimmy Carter was awarded the Aristotelis Prize for Man and Society. The Greenpeace International environmental group also won a prize. The awards and \$100,000 each are given annually by the Alexander S. Onassis Public Benefit Foundation to honor contributions in scholarship, human rights and the environment.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
05. Memo	From Robert Grady to John Sununu Re: EPA Stormwater and Wood Preserver Rules (2 pp.)	3/18/91	P 5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [2]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-012
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

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

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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(b)(1) National security classified information [(b)(1) of the FOIA]
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 (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 18, 1991

THE CHIEF of STAFF
has seen

f
MEMORANDUM FOR: GOVERNOR SUNUNU
FROM: Robert E. Grady *BBG*
SUBJECT: EPA Stormwater and Wood Preserver Rules

This is in response to your inquiry about two recent EPA rules.

Stormwater Regulations

- o In October 1990 EPA published a final rule indicating who needs to file for a permit to discharge stormwater. This rule is required by the Clean Water Act and was published under a court-ordered deadline.
- o The Clean Water Act exempts the stormwater sewer systems from regulation in cities with populations of less than 100,000 people until October 1992. However, EPA believes that the statute does not allow them to exempt industrial facilities owned by those municipalities (e.g. school bus depots) from the rule.
- o The municipalities only recently realized that these facilities were subject to the rule making it difficult for them to meet a March 18, 1991 deadline for filing a group permit application. Applying as a group will substantially reduce the reporting and compliance burden for a municipality.
- o The National League of Cities has been lobbying this week for a 6 month extension for municipalities to file group permit applications. This morning EPA decided to provide the requested deadline extension. Congress may also try to extend the deadline in the supplemental appropriations bill.
- o Further relief would be provided to municipalities by a general permit currently under OMB review. Compliance with the terms of the general permit would eliminate the need for a permit application.

Wood Preservers Rule

- o A final wood preserver rule was promulgated in December 1990 under a court-ordered deadline. The Resource Conservation and Recovery Act (RCRA) required EPA to regulate one wood preservative, but in an affidavit to the court EPA proposed to regulate two additional wood preservatives.

- o The rule affects about 600 plants, most of which are small businesses not previously subject to RCRA regulation. Facilities must install drip pad liners and leak detection equipment, and comply with recordkeeping, inspection, closure, and corrective action requirements.
- o OMB argued to regulate wood preservers under pesticide and water legislation rather than RCRA, which is less flexible and, therefore, more costly. OMB also strenuously objected to the scope, the stringency, and cost of the rule to no avail, as EPA -- faced with the court deadline -- disregarded our arguments.
- o Industry met with EPA in February 1991 to seek relief from certain provisions. These include extension of the June 6, 1991 effective date to December 6, 1992, allowing a de minimis level of storage yard drippage, and changing the designation of process wastewater as a hazardous waste.
- o EPA has indicated that its intent is to accommodate industry on the drippage issue, and that it is sympathetic to a deadline extension but has made no decision pending receipt of additional data. The industry has not yet challenged the rule in court.

c: Director Darman



State of South Carolina

Office of the Governor

CARROLL A. CAMPBELL, JR.
GOVERNOR

Post Office Box 11389
COLUMBIA 29211

February 25, 1991

THE CHIEF of STAFF
has seen

The Honorable William P. Reilly
Administrator
Environmental Protection Agency
401 M Street S. W.
Washington, DC 20460

Dear Bill:

Pursuant to our meeting earlier this month, I am enclosing draft legislation which would do much to address the problem of hazardous waste management in the United States. It would provide for a systematic regulatory method of interstate cooperation and serve as a catalyst for states to work together to address this vexing issue. This bill was drafted after consultation with environmental officials in several other states.

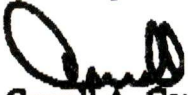
Moreover, I am convinced that such legislation would address inequities in the current regulatory environment which in essence penalize states attempting to deal with this problem, while rewarding states which are doing nothing. As we discussed, this is a national problem which requires a national solution.

I am sending this draft legislation to South Carolina's congressional delegation for consideration. You and I discussed the possibility of a national task force composed of interests associated with hazardous waste. Creation of such a panel is of course your decision, but this might be the opportune time if you think it is prudent to do so.

I know you share my concerns about a fair and just national policy. I am hopeful that you will have your staff examine this legislation and let me know what you think.

Thank you for your consideration of this issue and I look forward to hearing from you at your convenience.

Sincerely,



Carroll A. Campbell, Jr.
Governor

CACjr/for

Katie Winkeljohn

2-27-91

Governor would like to meet
with Andy Card and Roger Porter
regarding the attached from
Campbell

Call
Campbell
done - 3-6-91 3/4
gdb

**PROPOSED FEDERAL LEGISLATION REGULATING
THE TRANSPORTATION, TREATMENT, STORAGE
AND DISPOSAL OF HAZARDOUS WASTE**

BACKGROUND:

As added by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Section 104(c)(9) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA," commonly referred to as the "Superfund" statute) requires states to enter into a contract or cooperative agreement with the President providing assurances that they have adequate capacity for the management of their hazardous waste for the next twenty years. States are allowed to assure capacity through the use of self-certification, or interstate or regional agreements with other states. The Environmental Protection Agency (EPA) is required under Section 104(c)(9) to withhold federal Superfund money for remedial actions from states which fail to meet the capacity assurance requirements.

Since the October, 1989, deadline set by Congress, at least 38 states have received approval from the EPA for their Capacity Assurance Plans ("Plan"). However, 36 of the 38 plans have supplemental conditions tied to approval. EPA has taken no action to withhold Superfund money from those states which have not completed the planning process. Likewise, EPA has given its approval to a number of state plans which, in reality, do not adequately assure future capacity. EPA's failure to act is due in large part to a belief that the enforcement mechanism associated with the capacity assurance process -- the withholding of Superfund money -- is too severe a penalty for noncomplying states and is environmentally counterproductive.

While EPA has failed to exercise its authority to require states to manage their hazardous waste under the auspices of Section 104(c)(9), the U.S. Supreme Court and subsequent lower court rulings have thwarted state efforts to individually manage

hazardous waste. Courts have found that, while the U.S. Constitution gives Congress the power to regulate commerce among the states, it also limits the ability of states to discriminate against interstate commerce. In determining that hazardous waste is an article of interstate commerce, courts have severely limited states' ability to regulate the flow of out-of-state hazardous waste within their borders.

The resulting predicament for states that comply with congressional mandates are court-imposed restrictions that prevent states from acting on their own, and a refusal by EPA to exercise its enforcement authority over noncomplying states. Yet, in order to assure adequate future capacity to manage its own hazardous waste, a state must have some ability to control the amount of waste it receives from other states.

LEGISLATIVE PROPOSAL:

The proposed legislation amends Subtitle C of the Solid Waste Disposal Act. The proposal works within the existing framework established by Congress under Section 104(c)(9) of CERCLA and strengthens the enforceability of the capacity assurance requirements.

The proposal allows a state that is in compliance with the terms or conditions of any agreements entered into as part of its approved Capacity Assurance Plan to impose fees on hazardous waste which is generated in another state and transported to hazardous waste facilities located in the approved state. The criteria for establishing this fee include costs for: managing out-of-state waste; environmental monitoring; ensuring adequate future capacity; and future potential environmental liabilities. States with approved plans may also limit or prohibit the expansion or construction of facilities which are not consistent with the plan, and regulate the flow of out-of-state hazardous waste to permitted facilities within the state.

States that do not have an approved Capacity Assurance Plan have up to six months to submit a plan for approval to the EPA Administrator. Criteria for the contents of the plan are specified. States with approved plans may impose a surcharge in addition to any other fees or charges against generators of hazardous waste located in a non-approved state as well as against the non-approved state itself.

If, at the end of the six month period, a state still has not complied with the capacity assurance planning requirements, an approved state may restrict or ban all shipments of hazardous waste from the noncomplying state. Further, the EPA is authorized to withhold from the noncomplying state federal dollars for any environmental programs in that state.

Exemptions are provided for waste which is generated under CERCLA and the Toxics Substances Control Act ("TSCA") unless the receiving state can demonstrate to the EPA Administrator that its capacity to manage hazardous waste is adversely affected or there are health or environmental reasons why such waste should be refused.

CONCLUSION:

The legislation will enable states to properly address the management of hazardous wastes as intended by Congress in the passage of the CERCLA capacity assurance provisions. It extends the deadline given to a state for obtaining approval of its Capacity Assurance Plan. By the same token, the proposal establishes an escalated enforcement approach against states that continue to refuse to accept responsibility for managing their

hazardous waste. The approach outlined in the proposal maintains the free movement of hazardous waste within agreement states while restricting hazardous waste shipments from noncomplying states. It encourages multi-state cooperation and solutions that utilize long-range planning for hazardous waste management. The proposal recognizes the national and interstate significance of the hazardous waste issue without compromising a state's ability to manage its hazardous waste in accordance with federal law.

A BILL

To Regulate the interstate treatment, storage, disposal and transportation of hazardous waste.

Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Hazardous Waste Management Act of 1991."

SECTION 2. INTERSTATE TREATMENT, STORAGE, DISPOSAL AND TRANSPORTATION OF HAZARDOUS WASTE.

(a) IN GENERAL.--Subtitle C of the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) is amended by adding at the end the following new section:

"SECTION 3021. INTERSTATE TREATMENT, STORAGE, DISPOSAL AND TRANSPORTATION OF HAZARDOUS WASTE.

"(a) Any state that has entered into a contract or cooperative agreement with the President pursuant to Section 104(c)(9) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9604(c)(9)), (CERCLA) either through self-certification or through an interstate agreement or regional agreement or authority, and is in compliance with any terms or conditions of such contract or cooperative agreement and the terms or conditions of any self-certification, regional or interstate agreement or authority entered into pursuant to such contract or cooperative agreement, is authorized to enact and enforce laws to:

(1) impose and collect from the generator fees or other charges in connection with the treatment, storage, disposal or transportation of hazardous waste within such state for hazardous waste generated in another state. Any state imposing and collecting any such fee or charge may differentiate between two or more states in which hazardous waste is generated as to the amounts charged or other aspects of payment. The amount of the fee or charge may include, but not be limited by:

(A) the costs incurred for the management of hazardous waste generated out-of-state;

(B) the costs of environmental monitoring to detect environmental impacts or risks;

(C) the costs associated with ensuring adequate treatment, storage and disposal capacity; and

(D) the availability of funds for future potential environmental liabilities;

(2) regulate the treatment, storage, disposal or transportation of hazardous waste within the state to:

(A) prohibit the expansion of existing facilities or the construction of new facilities within such state if additional capacity is not in accordance with such state's approved Capacity Assurance Plan; and

(B) regulate the flow of out-of-state hazardous waste to permitted facilities within such state to ensure consistency with the Capacity Assurance Plan.

(b) Upon the effective date of this Act, any state that has failed to enter into a contract or cooperative agreement with the President pursuant to Section 104(c)(9) of CERCLA, or that has failed to act in accordance with any terms or conditions of such contract or cooperative agreement, or is in violation of any terms or conditions of any self-certification, regional or interstate agreement or authority entered into pursuant to such contract or cooperative agreement, must comply with Section 104(c)(9) within six months of the effective date of this Act or by the first renewal date for agreements to be submitted to the President after the effective date of this Act, whichever is sooner. The Administrator shall not approve any plans submitted by any states during this time unless such plans include, at a minimum, the following:

(1) the amount of hazardous waste which is reasonably expected to be generated within the state or accepted for treatment, storage, disposal or transportation from another state during the twenty year period;

(2) the state's existing capacity to manage such amount of hazardous waste by treatment, storage or disposal facilities which meet existing environmental standards;

(3) the methods by which the state plans to have new capacity available by its planning dates; and

(4) if managing hazardous waste generated within the state during the twenty year period requires the use of treatment, storage or disposal facilities in other states, contracts or agreements with such states.

(c) Any state that has entered into a contract or cooperative agreement with the President pursuant to Section 104(c)(9) of CERCLA, and is in compliance with any terms or conditions of such contract or cooperative agreement and any terms or conditions of self-certification, regional or interstate agreement or authority

entered into pursuant to such contract or cooperative agreement, is authorized to enact and enforce laws pertaining to states subject to paragraph (b), to:

(1) impose and collect from a generator located in such state a surcharge for the treatment, storage, disposal or transportation of hazardous waste at rates which may be significantly higher than the fee or charge authorized in paragraph (a)(1) that may be imposed upon other states; and

(2) impose and collect a surcharge from the state where the waste was generated.

(d) Any state that has entered into a contract or cooperative agreement with the President pursuant to Section 104(c)(9) of CERCLA, and is in compliance with any terms or conditions of such contract or cooperative agreement and any terms or conditions of self-certification, regional or interstate agreement or authority entered into pursuant to such contract or cooperative agreement, may, in addition to the imposition of a surcharge as authorized in paragraph (c), enact and enforce laws limiting or prohibiting the importation of hazardous waste, or particular types of hazardous waste, from any state that has failed to comply with paragraph (b) of this section.

(e) The Administrator may withhold federal funds for environmental programs from any state which fails to comply with the requirements of paragraph (b) of this section, and such funds shall be reinstated only upon the state's compliance with the requirements of paragraph (b).

(f) The following wastes are exempt from paragraph (d) relating to the limitation or prohibition on the importation of hazardous waste:

(1) Any solid waste, hazardous waste, hazardous substance, including contaminated soil, and debris resulting from a response action taken under Section 104 or 106 of CERCLA or a corrective action taken under this Act unless a state has demonstrated to the Administrator that refusal of such waste is necessary for the protection of public health and the environment, due to capacity limitations, or because of an adverse effect upon the certification process of that State; and

(2) Any chemical substance or mixture regulated under Section (6)(e) of the Toxics Substance Control Act (15 U.S.C. 2605(e)) unless a state has demonstrated to the Administrator that refusal of such waste is necessary for the protection of public health and the environment, due to capacity limitations, or because of an adverse effect upon the certification process of that State.

SECTION 3. Section 1001 of the Solid Waste Disposal Act in the table of contents for Subtitle C is amended by adding at the end the following new item:

"Section 3021. Interstate treatment, storage, disposal, or transportation of hazardous waste."

HALEY BARBOUR

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FAX (202) 338-5950

MEMORANDUM

TO: Governor John S. Sartinu
FROM: Haley Barbour *Haley B.*
DATE: January 31, 1991
RE: Elevation of EPA to departmental status

THE CHIEF OF STAFF
has seen

CONFIDENTIAL

Although the simple elevation of EPA to departmental status was not included in the State of the Union, I assume it was a matter of not fitting into the speech rather than opposition to the idea.

Reportedly, Senator Glenn, at the urging of his staff, has a bill tying a lot of bad crap to elevation. I urge you to get ahead of this by urging the President's becoming the principal advocate of making EPA a department.

I believe the environmental issues that come before the 102nd Congress will be even more difficult and contentious than clean air. Whether Clean Water (wetlands and municipal problems), RCRA (production wastes, etc, ad infinitum) or amendments to Superfund (local government and lender liability exemptions), I do not see a lot of political upside in this area.

But elevation of EPA can be the emblem of the Environmental Presidency. While it will not be easy to accomplish legislatively, it has few of the negative fissures of substantive policy issues.

I can put together a small group to assist you and whomever, if you see fit.

HALEY BARBOUR

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FAX (202) 338-5950

MEMORANDUM

TO: John Sununu
FROM: Haley Barbour *Haley Barbour*
DATE: January 15, 1991
RE: Meeting with Bill Reilly

THE CHIEF of STAFF
has seen

CONFIDENTIAL

It is my understanding EPA Administrator Reilly will be briefing you soon on issues confronting his agency in 1991. While a number will be difficult and controversial, there is one that uniquely needs to be handled right.

A major issue in the reauthorization of the Resource Recovery and Conservation Act (RCRA) will be the treatment of oil and gas production waste. Currently production waste is not treated as hazardous waste subject to Subtitle C of RCRA. It is treated as Subtitle D, non-hazardous waste, and is so categorized by law, not regulation.

Some in the EPA bureaucracy continue to want to move production waste to the hazardous waste category, subjecting it to a very expensive cradle-to-grave regulatory scheme and, probably, exposing operators to greatly increased liability. DOE and others believe production waste is non-hazardous, and they consider the \$40-80 Billion annual cost of Subtitle C treatment unnecessarily burdensome, especially since states already have extensive regulatory controls for oil and gas waste.

The reason I suggest you need to get on top of this with Reilly is that I am told the President expressed his opinions of this issue during meetings when I was in the White House in 1986. The last thing we need is for EPA to get on record on this issue before the President, because he is very knowledgeable and may already have established a position on this issue in his own mind. Reilly needs to make sure his people do not get ahead of the process and either embarrass or box-in the President on this one.

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
06. Memo	From Roger Porter to John Sununu Re: EPA Draft Report on Policy Options for Stabilizing Global Climate (2 pp.)	10/31/90	P-5	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, White House Office of
Series: Sununu, John, Files
Subseries: Cabinet Agencies Files
WHORM Cat.:
File Location: Reilly (EPA) [1991] [2]

Open on Expiration of PRA
 (Document Follows)
 By JP (NLGB) on 10/28/05

Date Closed:	1/3/2005	OA/ID Number:	29189-012
FOIA/SYS Case #:	1998-0004-F[2]	Appeal Case #:	
Re-review Case #:	2005-0426-S	Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

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 (b)(9) Release would disclose geological or geophysical information

THE WHITE HOUSE

WASHINGTON

AC/ER

October 31, 1990

THE CHIEF of STAFF
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MEMORANDUM FOR GOVERNOR SUNUNU

FROM: ROGER B. PORTER *RBP*

SUBJECT: EPA Draft Report on Policy Options for
Stabilizing Global Climate

This morning I first learned of a draft EPA Report on Policy Options for Stabilizing Global Climate. Bill Reilly has written to you on this. There is an assertion, which I have no sound reason to question, that this report has received extensive interagency review as well as review by EPA's Scientific Advisory Board.

Upon learning about this I asked Teresa Gorman to take a look at the executive summary and to find out more about it. I have not yet been able to determine what is the action forcing event triggering delivery of this congressional mandated report.

I am, however, disturbed by the thrust of the report in view of the emphasis we have consistently sought to give in this administration to carefully measuring and weighing costs and benefits. It is an emphasis that often receives all too little attention in the Congress. No report on environmental issues that we transmit, in my view, should fail to acquaint people not only with the environmental benefits of particular actions but also with the economic costs associated with those actions.

Report Summary

In 1986 Congress requested EPA to undertake an examination of policy options that would stabilize current levels of atmospheric greenhouse gas concentrations. In the legislation, Congress specifically requested that EPA address "the need for and implications of significant changes" in a broad number of policy areas.

The EPA report responding to this request develops two major scenarios of the future --a rapidly changing world (RCW) and a slowly changing world (SCW) -- and then examines the effectiveness of various policy options on these scenarios. Because EPA analysts believe that the stabilization of atmospheric concentrations of greenhouse gases will require a 50 to 80 percent reduction in current emissions (the IPCC

report contemplates a 60 percent reduction), the report examines a number of very aggressive control options, including:

- carbon fees equivalent to \$100 per ton of coal or \$19 per barrel of oil; and
- increases in corporate average fuel economy standards to 50 miles per gallon for new cars in 2000, and 65 miles per gallon for new cars in 2025.

Potential Problems

The problem with the report lies in its inadequate treatment of the costs of the policy options examined and its often simplified portrayal of the scientific issues. The report states in the Executive Summary that a full analysis of the costs was beyond the scope of the report. The report goes on, however, to describe the policy options and to discuss in positive terms their impact on reducing global greenhouse gas emissions. The casual reader might easily overlook the issue of cost and feasibility as he reviews these options. Furthermore, in Chapter V of the report, it describes several options as being "relatively cost-effective," including 50 mile per gallon vehicles.

The second problem with the report is its treatment of projections of global warming. While the report presents the appropriate scientific caveats in some sections, these caveats are not discussed in a consistent manner in the conclusions of the report. For instance, in presenting the two major scenarios, the report refers to "realized global warming increases" of 2-3 degrees centigrade for the slowly changing world scenario and 3-5 degrees centigrade for the rapidly changing world without underscoring the scientific uncertainty associated with these estimates. Again, the casual reader might assume the estimates have greater certainty than is warranted.

A short term remedy to address these concerns would be to ensure that the report more carefully presents the options and the scientific estimates, underscoring at each turn the lack of analysis on cost and the scientific uncertainties. A longer-term remedy would be to delay the report until we have greater information on the actual costs of implementing the options discussed. We need to know more about when this report is required and how much additional time we can get before deciding which if either of these alternatives to pursue.



Office of the Governor-Elect
Richard A. Snelling

THE CHIEF of STAFF
has seen

EPA

State House
Montpelier, VT 05602

(802) 828-3800

20 December 1990

William K. Reilly, Administrator
U.S. Environmental Protection Agency
401 M Street S.W.
Washington, D.C. 20460

Dear Administrator Reilly:

This letter is to follow up our recent conversation regarding the proposed shopping center in Rutland, and the process the developers and the community have encountered in their efforts to secure a federal Nation Wide Permit from the New England Division of the Army Corps of Engineers.

After two years of efforts and several redesigns, community leaders have been told by the New England Division staff that the issuance of the permit is imminent. As currently proposed, the development would require the filling of four acres of wetland. It would preserve 13 acres of wetland on-site, and the applicant has agreed to preserve 15 acres of wetland/upland complex off-site (within the same watershed) as mitigation. It should be noted that the applicant agreed to this investment voluntarily when it was suggested by state officials. Vermont law does not provide sufficient state jurisdiction in these matters to compel off-site mitigation.

The wetlands in question have been exhaustively studied by the State of Vermont, the applicant, special-interest group advocates, the Corps, U.S. Fish and Wildlife Service and EPA. The analysis which is serving as the basis for the current proceedings was conducted by Col. Daniel Wilson, former Division Engineer of the New England Division. His analysis considered the impacts of a previous design which would have filled over eight acres, and has served as a guide for project redesign. Col. Wilson concluded that the wetlands in question rated three "moderate" and eight "low" scores according to the Wetland Evaluation Technique measurements of the eleven functional values associated with wetlands. No "high" values were determined to be present.

This result was consistent with the evaluation of Dr. Carl Pagel, the Wetland Coordinator for the Vermont Agency of Natural Resources. Expert testimony on the nature, value and uniqueness of

Resources. Expert testimony on the nature, value and uniqueness of these wetlands was presented during Vermont's Act 250 environmental review by the applicant, EPA, the state and the special interest groups. The District Environmental Commission unanimously endorsed the issuance of a permit (which would have filled eight acres), finding that the wetlands in question were neither rare, irreplaceable nor of significant ecological value. This decision was appealed by the special interest groups to the State Environmental Board, who reached the same conclusion and likewise voted unanimously to issue the permit.

The applicant has initiated a wildlife enhancement plan to mitigate proposed loss of habitat. The plan will insure the continued existence of suitable habitat for certain species of plants which occur naturally on this site.

Fish and Wildlife and EPA concur with the Corps that the reduction of impacts to four acres through re-design is a significant improvement, but both are continuing to recommend that the project undergo the more rigorous individual Permit review. Given that the applicant has been pursuing the project for over four years and that even the acquisition of an individual Permit will not prevent lengthy litigious delays, they have decided to make the necessary design modifications and seek the more definitive Nation Wide Permit.

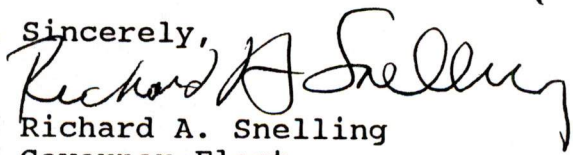
Although it is not unusual for the Corps and EPA to disagree in these matters, EPA has only rarely used its authority to veto the Nation Wide Permit and require the Individual. These rare vetoes are usually accompanied by extensive litigation which is very taxing of the agency's resources.

Given the limited resources of the Agency and assuming that the Corps issues a Nation Wide Permit, I encourage EPA to consider the marginal environmental benefits and the exhaustive review to which this project has been subjected prior to deciding the issue of a permit veto.

I very much enjoyed the opportunity to meet with you and follow-up with this letter. I would be happy to travel to Washington and discuss the matter in greater detail if you would like.

Thank you again for your interest in this important matter.

Sincerely,


Richard A. Snelling
Governor-Elect

RAS/j

cc: Sen. James M. Jeffords
Sen. Patrick Leahy
Gov. John Sununu