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WITHDRAWAL SHEET **Ronald Reagan Library**

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OA 9108 BOX (

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F99-016 **Date** 7/9/99

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	Frank Hodsoll to Jim Baker re: CEQ and OSTP: Personnel, 3p.	3/2/81	P5 86
2. memo	Same as Item # 1 w/annotations, 3p.	3/2/81	-P5 86
3. memo	Same as Item # 1, 3p.	3/2/81	P5 86
			P5 86

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 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-8 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].
- Closed in accordance with restrictions contained in donor's deed of gift.

- Freedom of Information Act [5 U.S.C. 552(b)]
 F-1 National security classified information [(b)(1) of the FOIA].
 F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-3 Release would violate a Federal statue [(b)(3) of the FOIA].
 F-4 Release would disclose trade secrets or confidential commercial or financial information [(b)(4) of the FOIA].
- Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]. Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].

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Environmental Programs Facing Deep Budget Cuts

By Lance Gay
Washington Star Staff Writer

The Reagan administration yesterday asked for deep cuts in most environmental programs while promising accelerated exploration for oil, natural gas and coal to increase federal revenues.

The administration proposed cutting \$2.1 billion out of the \$14.1 billion fiscal 1982 budget for environmental and natural resources, largely through delaying planned parkland purchases, postponing some water project spending, ending coastal zone management funds and cutting municipal waste treatment grants.

But President Reagan decided to continue the White House Council on Environmental Quality – an 11-year-old agency that aims at deflecting disputes between the president and the environmental community.

The future of CEQ remained up in the air until this week. Malcom Baldwin, acting CEQ administrator, said yesterday that Reagan's decision to continue the agency "is an important, positive sign."

The Reagan budget calls for cutting \$708,000 out of CEQ's current spending allocation of \$3.2 million, and reducing the agency's budget by two-thirds – to \$1.04 million for fiscal year 1982. Baldwin said that will mean cutting 16 persons from the staff of 50.

Environmentalists were not happy with the thrust of the budget message.

"It's certainly in line with some of the rhetoric we have been hearing in recent weeks," said Charles Clusen, conservation director for the Wilderness Society.

Pete Laffen of Friends of the Earth said he was disturbed by what he saw as efforts by the Reagan administration to change transportation policies through the budget.

"It looks as if the administration is shifting policies towards highway transportation and 'fly' or 'drive' options and away from rail transportation and mass transportation," he said. "This is a questionable decision given the reliance we already have

on liquid fuels and fuels coming from potentially troublesome parts of the world."

"The nuclear industry is alive and well looking at the Department of Energy budget," said Rene Parsons, the energy expert at Friends of the Earth.

The administration did target some Corps of Engineers water projects for extinction, saying they were "incompatible with the current austere budget environment."

The budget for the Red River Waterway – a \$1.1 billion barge canal between the Mississippi River and Shreveport, La. – was cut from a proposed \$120 million to \$27 million in fiscal year 1982, with future construction work eliminated. Opponents have claimed the channel would destroy some 5,500 acres of natural river channel and some 33,000 acres of woodlands and wetlands.

Also cut was all \$6.9 million allocated for the Yatesville Dam in Kentucky, a project that made the Carter administration "hit list" of water projects but survived because of congressional support! The Kentucky Rivers Coalition, which opposes the project, has argued that the reservoir would inundate 12 million tons of recoverable coal deposits and drown producing oil and gas wells.

But most of the other reductions were minor in the huge water projects environmentalists regard as "pork barrel projects" because of their political sensitivity. For example, the controversial Tennessee-Tombigbee Waterway in Alabama and Mississippi would be reduced by only \$2.9 million, from \$204 million to \$201.1 million.

The budget also proposed a moratorium on any new purchases of federal parkland, with the allocations for the heavily used and popular parks being increased.

Some \$300 million was cut from proposed municipal sewage treatment plant grants.

On the other hand, the administration said that accelerated leasing of public oil, gas, coal and mineral bearing water and lands would increase government income by \$200 million.

MITH LOVE (Farm)

File

ators Are Major Suoget Gasualles DOE, FTC, Other Agency Payrolls Slashed ety of Tax Trims

By Peter Behr and Joanne Omang Washington Post Staff Writers

dividends that Congress approved through calendar d that the administration would like to continue, only major tax changes taken into account are proposed 10 percent across-the-board cuts for

e also would reduce revenues.

with those large proposed tax cuts — to total \$44.2

als and much faster depreciation for businesses.

or individual taxpayers in fiscal 1982 and \$9.7 bil-

lepreciation — taxes in dollar terms still would rise for individuals and would dip only in the first year

imated \$162.4 billion by fiscal 1986, and faster at and building write-offs would take \$59.3 billion

inesses' tax bills that year. Still, total tax receipts crease from an estimated \$650.3 billion in fiscal \$940.2 billion in fiscal 1986, the administration

percentage of gross national product — another

-percent-a-year-for-three-years cuts would amount

esses before starting upward again.

The federal regulators that Ronald Reagan so often denounced in his political campaigns were among the chief casualties of the new administrations's deep budget cuts.

tion of regulatory programs and other cutbacks in energy At the Department of Energy, for instance, the terminaroll from 19,827 full-time employes at the end of last year to 17,178 at the end of 1982, the administration said. And conservation and development activities will lower the paythat decline is a net reduction, after DOE adds personnel to carry out a planned increase in nuclear programs totaling \$400 million in budget authority over the 1981-82 fiscal 1982 to begin construction of the controversial Clinch cal years. The Reagan budget includes \$254 million in fis-River, Tenn., nuclear breeder reactor.

Raymond Romatowski, the acting deputy energy secretary, said the department indicated that significant RIFs (reductions in force) lie ahead, and spoke of "telescoping

some of our people" as programs are reduced or eliminated and staffs combined.

DOE's Energy Regulatory Administration, which has enforced the government's energy price controls and planned a standby gasoline rationing scheme, will see its staff reduced from 1,300 now to 250 by the end of the towski said that, despite the reduction, the department 1982 fiscal year, under the administration's plan. Romations of federal energy price controls. He did not have details on how the ERA's enforcement staff would fare under would not "walk away from" the prosecution of past violahe cutbacks.

get reductions include the Federal Trade Commission, the Consumer Product Safety Commission, the president's Council on Environmental Quality, the Environmental Pro-Other regulatory agencies truncated by the Reagan budtection Agency and the Labor Department's Occupational Safety and Health Administration.

See REGULATQRY, D9, Col. 1

Hearing Starts on Riggs Takeover

Allbritton Disclosures

Called Innidominto be

pany spokesman said.

Federal Regulators Are Budget Casualties

ered doing away with the CEQ, whose advocacy of environmental causes had on Environmental Quality was glad to be alive, even in a diminished condiannoyed many conservative Republi-The small but very visible Council tion. The administration had consid-REGULATORY, From D7

still exists at all is "a very positive sign. It does show administration senstaff members will be cut about in half. But Acting Chairman Malcolm Baldwin said that the fact the council income reduced from \$3.7 million to \$1.04 million, CEQ's 32 permanent CEQ barely survived. With its 1982 sitivity to environmental issues."

EPA's operating budget dropped

\$150 million in what an OMB official called "a large number of small slices across the board." Heavier, hit were radiation control programs "have been on the back burner here and aren't a deal anyway," the source almost silenced by a reduction from \$13 million to \$5 million. Low-level programs to regulate excessive noise, said and they dropped from \$17 mil-

pesticides, \$3 million less for drinking water and \$17 million less for solid "Private companies will be picking this up more and more," the OMB official explained. The budget also control programs, \$17 million less for water programs, \$9 million less for allocates \$13 million less than former president Carter's for air pollution tion control technology fell 15 percent, from \$197 million to \$169 million. EPA's research programs on polluion to \$13 million.

waste disposal programs. achieved over the past decade," said The largest EPA cut, as expected, society conservation director Charles

Car-Buying Plans U.S. Won't Alter

the ailing domestic automobile industry, President Reagan has He is keeping in his budget a holdover from the Carter budcome up with a partial answer. get: \$100 million for the pur-As a battle raged within his administration on how to aid chase of new vehicles.

with new vehicles," the admin-istration said in its revised pool vehicles over five years of age, will be changed to include replacing some leased vehicles "The original proposal, which would have replaced all motor

hicles will assist the automobile industry during a particularly "These purchases of new ve-

"This program absolutely does not treatment grants for 1982, leaving zero dollars. If Congress passes legisla-tion to reform the program in line ever, the administration will propose with Reagan's recommendations, howwas \$3.7 billion from the \$2.4 billion for that year.

tains \$200 million for 1982, which is \$50 million less than Carter's proposal but is "definitely enough to do the ob." The overall budget, he said, "cuts out program inefficiencies and retarprogram to finance the cleanup of sisted. He noted that the Superfund toxic waste dumps and spills still congets money to projects that are imporinflict major damage" to environment al programs, the OMB official in-

terfuge for doing away with the gains The Wilderness Society disagreed. "The proposed cuts are really a sub-

Clusen. "They go way beyond the fat and very deeply into the muscle,"

have imposed the cuts specifically on the FTC's Bureau of Competition, the tration's proposal, Regional offices would be phased out and the size of However, the administration did not carry out an early plan that would The Consumer Product Safety Commission faces a proposed 30 peryear, and the staff of Federal Trade Commission would be reduced by 40 percent by 1986 under the administhe Washington headquarters reduced. cent budget cut, to \$31.3 million next agency's antitrust arm.

At Mary for you you are where s much a contrib must be your co Maryla certifica tax-def For mc Accour hidden financi

> said that the administration is not using control over spending to carry out major shifts in policy - such as a ment. Instead, it will ask Congress to Office of Management and Budget, reduction in FTC's antitrust enforcemake such changes directly, through David A. Stockman, director of the legislation.

Don't Leave Room for Promised Trims corporate profits for the next four fiscal years by \$4 billion President's 5-Year Budget Projections

TAXES, From D7

Reagan's rejection of a proposed gasoline tax hike in the jected, and helped offset losses from other revised economic boosted tax estimates of about \$2 billion. This made up for Feb. 18 hudget figures, which President Reagan later reassumptions. ison being skewed so much by inflation — taxes are projected to drop from a fiscal 1981 level of 21.1 percent to 19,3 percent in fiscal 1984, about the same as it was in way of measuring the nation's tax bite without the compar-1978. Under the Carter administration budget, they would have risen to 22.1 percent of GNP in fiscal 1982.

But the administration still is counting on its tax plan to viduals and more capital expansion and productivity from come, more tax receipts and contribute to a balanced bud-"provide increased incentives for work and saving" for indibusiness. This, in turn, is supposed to result in higher inget in later years.

One simple change in the administration's economic as-

side in the Treasury Department budget by scrapping Carter's proposal for refundable tax credits for business. That plan would have allowed some unprofitable businesses to The Reagan budget-cutters lost a net of \$2.5 billion by dumping all of the tax changes proposed by Carter in his January budget, which included a substantial gasoline tax The administration gained \$3.5 billion on the outlays increase.

over the figures given in the Feb. 18 budget, resulting in

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EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY

722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006



March 13, 1981

MEMORANDUM FOR FRANK HODSOLL

FROM:

Malcolm Forbes Baldwi

Acting Chairman

SUBJECT: Location of the Council

On Tuesday, when OMB gave the Council its pass back for the FY 1982 Budget, OMB informed us that in FY 1982 the Council would be relocated from its Jackson Place Townhouse to the fifth floor of the NEOB.

I understand that the Council's continued Townhouse use is a White House, not an OMB decision. I do, however want to urge in behalf of the future Council that it should remain in the Townhouse. It has been here since its creation, when Russell Train, the first Chairman, brought the Council to the Townhouse and helped design the offices to accommodate it.

The Administration's decision to retain the Council in the Executive Office of the President was important as a demonstration of Administration concern for and commitment to environmental quality. the Council to the NEOB fifth floor would convey a contrary message. The public would likely interpret the 70 percent reduction in resources and the NEOB office location as simply the first step towards the eventual abolition of the Council. It is critically important to the future success of the Council that it remain in the Townhouse.

This decision is also the most practical one. The Townhouse has three offices designed for the three Council Members and appropriate office space for the rest of the Council's staff. No redesign or office construction would be needed. No change would be required in stationery and other items which identify the Council. This would not be true if the Council were relocated to the NEOB.



DATE: 3/5/81

To: Frank Hodsell

FROM: ASSOCIATE DIRECTOR
NATURAL RESOURCES, ENERGY AND SCIENCE

Attached is detailed budget data on CEQ.

F. Khedouri

D'E

COUNCIL ON ENVIRONMENTAL QUALITY (\$ in thousands)

	Revised Total	Elimination of all Non-Mandatory Activities	Carter Budget	•
	2,542	-803	3,345	1981 BA
by '	685	-703	1,388	<u>81</u> <u>10</u>
by mid May	685 1,044 1,044 1,044 1,044	<u>-703</u> <u>-2,624 </u>	3,345 1,388 3,668 3,668	BA 19
	1,044	-2,624	3,668	1982 BA 0
	1,044	-2,624	3,668 3,668	<u>BA</u>
	1,044	-2,624	3,668	1983 0
	1,044	-2,624	3,668	BA 15
	1,044 1,044	-2,624 -2,624	3,668 3,668	1984
	1,044 1,044	-2,624 -2,624	3,668 3,668	BA 19
	1,044	•	3,668	1985
	1,044 1,044	-2,624 -2,624	3,668	BA 1:
	1,044	-2,624	3,668 3,668	<u>1986</u> 0

Council on Environmental Quality
REPORT ON EMPLOYMENT CHANGES TO THE 1982 BUDGET

Revised estimate: EOY	Total employment: January Budget EOY FTE Change (-) EOY FTE	Revised estimate: EOYFTE	Full-time permanent: January Budget EOY	Description
16 42	54 54 -38 -12	16 27	32 32 -16	1981 Estimate
16 16	-38 -38	16 16	32 32 -16 -16	1982 Estimate

NOTE:

EOY = end of year FTE = full-time equivalent

number of current functions will be reduced. In reducing CEQ's activities to only those statutorily determined, a

- efforts involved in prior year publications. EPA's already major role in preparation of this publication will be increased and formalized. The Annual Report will be reduced in size and scope from the major
- to controversial cases requiring third opinions, and to any necessary changes in the EIS regulations. EPA, which has already assumed much of this activity, will continue as the lead agency for NEPA review. The review and appraisal activities related to NEPA will be limited
- requests from Agencies. Special projects initiated by the Council will be limited by the availability of resources. Special analytical studies and reports will only be prepared in support of Executive Office of the President's needs, or special
- 4) needs. The existing UPGRADE system has been completed and will be transferred and incorporated in EPA, USGS, or DOI data/computer systems. Data acquisition and analysis will no longer be a major activity for the Council. Staff involvement will be limited to maintaining an inventory of available sources and analysis of future data resource

NEPA. This provision states that "...the Council's activities will not unnecessarily overlay or conflict with similar activities authorized by law and performed by established agencies" (NEPA, Section 205(2), 1969). This proviperson of the p sion allows Administrative discretion to discontinue any activities felt more appropriate in line agencies. Virtually all of the duties and functions identified in Section 204 (NEPA) are currently undertaken by line agencies. The statutory justification for a majority of the changes proposed lies in

COUNCIL ON ENVIRONMENTAL QUALITY SUMMARY REPORT ON REVISIONS TO THE 1982 BUDGET (In thousands of dollars)

		1981	1982	1983	1984	1985	1986
January budget estimate	BA O	3,345 1,388	3,668 3,668	3,668 3,668	3,668 3,668	3,668 3,668	3,668 3,668
Revised economic assumptions	BA 0						
Policy changes	BA O	-788 -688	-2,624 -2,624	-2,624 -2,624	-2,624 -2,624	-2,624 -2,624	-2,624 -2,624
Travel reductions: Not included in policy changes above Included in policy changes above	BA O	(-15)	(-59)				
Consulting services reductions: Not included in policy changes above	BA O BA	-9 (-30)	(-166) (-166)				· · · · · · · · · · · · · · · · · · ·
Procurement reductions: Not included in policy changes above Included in policy changes above	BA O BA	(-163) (-63)	(-609)				
Personnel compensation savings: Not included in policy changes above Included in policy changes above	BA O BA	(- 580)	(-1,790) (-1,790)				
Technical reestimates	BA O						
Total, Council on Environmental Quality	BA	2,542 685	1,044 1,044	1,044 1,044	1,044 1,044	1,044 1,044	1,044 1,044

Rescission	Proposal	No:	 -
BUDGET AU	THORITY		

PROPOSED RESCISSION OF BUDGET AUTHORITY Report Pursuant to Section 1012 of P.L. 93-344

gency Executive Office of		New budget authority \$	3,250,000
ureau Council on Environme Office of Environme		New budget authority \$ (P.L. 96-526) Other budgetary resources	242,000
ppropriation title & symbol		Total budgetary resources	3,492,000
1111453 Council on Environmental Quality and Office of Environmental Quality		Total budgetaly resources	
		Amount proposed for rescission	708,000
MB identification code: 11-1453-0-1-802		Legal authority (in addition to sec. Antideficiency Act	1012):
rant program Yes	X No	Other	
ype of account or fund: X Annual		Type of budget authority: Appropriation	
Multiple-year (exp		Contract authority	
□ No-year	iration date)	Other	•.
Justification			

The Council on Environmental Quality (CEQ) performs studies and analyses related to current environmental issues, as well as other activities related to the National Environmental Policy Act.

This rescission proposal is an integral component of President Reagan's attempt to achieve spending reductions, to reduce duplicative regulatory activities, and to reduce the size of the Executive Office.

In compliance with Section 205(2), CEQ's activities will be reduced to those statutorily mandated which do not unnecessarily overlap or conflict with established agency activities.

Estimated Effect

The duplication of activities among established agencies and CEQ will be eliminated. Responsibility for various activities will be formally recognized in established agencies.

Outlay Effect: (in thousands of dollars)

1981 Outla	y Estimate		Qutlay	Sayings	
Without Rescission 3,250	With Rescission 2,642	1981 608	1982 100	<u>1983</u>	<u>1984</u> 0

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Council on Environmental Quality and Office of Environmental Quality

Of the funds appropriated under this head in the Department of Housing and Urban Development - Independent Agencies Appropriation Act, 1981, \$708,000 are rescinded.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

1982 Budget Appendix Page	F	 1981 Budget Request Pending	^	1981 Proposed Amendment	1981 Revised Request
III-57	Council on Environmental Quality and Office of Environmental Quality			-\$95,000	

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

1982 Budget Appendix Page	Heading	1982 Budget Request Pending	1982 Proposed Amendment	1982 Revised Request
Quality	on Environmental and Office of mental Quality	\$3,668,000	-\$2,624,000	\$1,044,000

This amendment reduces the request for salaries and expenses and would reduce 1982 outlays by \$2.6 million.

ft.

EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY

722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006



February 28, 1981

MEMORANDUM FOR THE VICE PRESIDENT

AND JAMES A. BAKER, III

FROM:

Malcolm Forbes Baldwi

Acting Chairman

SUBJECT:

Role of the Council

We have heard recent reports that serious consideration is being given to eliminating the Council. Because I have not had the opportunity to discuss this with you, I would like to explain why I believe it would be a serious mistake to eliminate the Council or weaken it substantially.

I have served the Council under Presidents Nixon, Ford, and Carter, and understand well how the Council has done effective, competent work for Presidents with different priorities. There are several important ways in which the Council can serve the President. Let me underscore the staff's sincere desire to help President Reagan achieve his goals, meet his responsibilities, and implement his programs.

The Council's Statutory Basis

The Council is required by statute to perform several Executive Office type functions which require the absence of a vested agency interest and a responsibility only to the President. In a July 1977 letter to President Carter, Senator Jackson, Congressman Dingell, and other Members of Congress explained the Council's statutory basis:

"Those of us who were involved with the drafting of the National Environmental Policy Act spent a considerable amount of time —— in hearings, mark—up, and the other legislative processes —— determining what would be the single best method for assuring meaningful consideration of environmental issues in the Executive Branch. We were unanimous in concluding that, since virtually every policy decision taken by the American government affects the environment in one way or another, the best device would be a small staff of generalists with environmental expertise, located within the Executive Office of the President. A very important consideration is that an agency within one department, however much it may be cloaked with the semblance of independence, is not going to have adequate influence over the actions of other departments and agencies."

Implementing the National Environmental Policy Act

A principal Council responsibility is to oversee the implementation of the National Environmental Policy Act (NEPA). A major Council activity is helping agencies meet their NEPA obligations more efficiently and expeditiously.

One of the Council's outstanding achievements is in the area of In 1977-1978, the Council revised the process for regulatory reform. preparing environmental impact statements under NEPA in order to reduce paperwork and delay and to make the environmental impact statement a better tool for decisionmakers. In developing the final regulations, the Council adopted virtually every recommendation of the Federal Paperwork Commission. The Council's revision process and its regulations earned the praise of the Chamber of Commerce, the National Governors Association, and the Edison The NEPA regulations were noted with Electric Institute, among others. approval in the Heritage Foundation study, Mandate for Leadership. response to a 1980 inquiry from Senator Proxmire, the Council provided him with an estimate of the savings achieved by the NEPA regulations. Just one part of the program -- the provisions designed to reduce the time required to complete the NEPA process and to improve its management -- should save at least \$100 million in the first year.

Mediating and Resolving Agency Disputes

The Council has a statutory mandate to receive from the heads of agencies referrals of environmental disputes over proposed federal actions in order to mediate or otherwise seek to resolve the dispute. The important role that the Council serves here is to prevent agency concerns from becoming Presidential issues. The Council has been successful in helping agencies work out differences and develop compromises. Since 1970 over a dozen formal referrals have been made from agency heads to the Council concerning major federal transportation, water resource, and energy projects. The Council reviews conflicting agency views for the EOP and makes recommendations to the agencies. In no case has one of these referrals been taken to the President.

Preparing the President's Environmental Quality Report

The Council has the important statutory responsibility of preparing the President's Annual Environmental Quality Report to the Congress. The report details the nation's progress in achieving its environmental quality goals and in describing the Administration's accomplishments in helping to improve the environment. This widely read report — each year about 35,000 copies are distributed world wide — is relied on by federal, state, local, and international agencies and is used as a text throughout the Nation for college and university courses. It is generally considered the best such report by any nation in the world.

Working with Executive Office Staff

The Council has worked closely and confidentially with OMB, the President's domestic policy advisors, and other agencies and staff in the Executive Office in helping to develop and improve Presidential programs and legislative proposals. The Council alerts the Executive Office staff and the President to environmental issues and provides advice on the environmental implications and tradeoffs involved in proposed actions.

Identifying Issues and Producing Special Reports

Over the past ll years, the Council has been unique in identifying national environmental problems and in initiating processes for dealing with them. The July 1980 Global 2000 Report to the President was issued pursuant to a Presidential directive in an Environmental Message prepared by the Council. This report, produced by the Council and the Department of State, was described by James Kilpatrick in the Nation's Business as "an immensely important study, staggering in its implications." In a similar manner, the Council and the Department of Agriculture co-chaired the National Agricultural Lands Study which was published in January 1981. The study's basic findings and conclusions were endorsed by Secretary Block at a national conference in Chicago in February.

Communicating with the Conservation Constituency

The President has no obvious connections with the large, bipartisan constituency that cares about conservation and environmental issues, which involve all major agencies, especially DOT, HUD, DOE, DOD, HHS, USDA, DOI, NRC, and EPA. A 1980 national poll by Roper and Cantril found that a substantial majority of Americans strongly support the nation's programs to produce a more healthful environment. Throughout its history the Council has been an important link between the conservation constituency and the Administration. The Council can play an important role for the President in keeping communications with this constituency open, and can explain to this constituency what the Administration's programs and activities are and how they help achieve the President's goals.

Maintaining Relationships with the Congress

Members of Congress have traditionally strongly supported the Council. At our oversight hearings last Wednesday before Congressman Breaux, Chairman of our oversight committee, no Member favored eliminating the Council and most, such as ranking minority member Rep. Forsythe (R-N.J.), expressed strong support for the Council's work and its role as a policy advisory agency in the Executive Office over the past 11 years. Maintaining an effective Council in the Executive Office would likely be well received by the Congress. In addition, the Council can help explain to the Congress the Administration's environmental actions and activities and help to implement the President's programs.

Conclusion

As a lifelong Republican and a supporter of the President in the last election, I have a very strong personal interest in helping this Administration implement its conservation and environmental programs and achieve its goals of maintaining the quality of our environment. I firmly believe that the Council can be especially useful and effective in this effort.

I would like to meet with you to discuss in greater detail the Council's role in the Executive Office and how we can most effectively help to implement the President's programs. Should serious consideration be given to eliminating the Council or weakening it substantially, I would like to discuss the matter with you personally before such a decision is made.

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

February 28, 1981

MEMORANDUM FOR THE VICE PRESIDENT

AND JAMES A. BAKER. III

FROM:

Malcolm Forbes Baldwi

Acting Chairman

SUBJECT:

Role of the Council

File

We have heard recent reports that serious consideration is being given to eliminating the Council. Because I have not had the opportunity to discuss this with you, I would like to explain why I believe it would be a serious mistake to eliminate the Council or weaken it substantially.

I have served the Council under Presidents Nixon, Ford, and Carter, and understand well how the Council has done effective, competent work for Presidents with different priorities. There are several important ways in which the Council can serve the President. Let me underscore the staff's sincere desire to help President Reagan achieve his goals, meet his responsibilities, and implement his programs.

The Council's Statutory Basis

The Council is required by statute to perform several Executive Office type functions which require the absence of a vested agency interest and a responsibility only to the President. In a July 1977 letter to President Carter, Senator Jackson, Congressman Dingell, and other Members of Congress explained the Council's statutory basis:

"Those of us who were involved with the drafting of the National Environmental Policy Act spent a considerable amount of time — in hearings, mark—up, and the other legislative processes — determining what would be the single best method for assuring meaningful consideration of environmental issues in the Executive Branch. We were unanimous in concluding that, since virtually every policy decision taken by the American government affects the environment in one way or another, the best device would be a small staff of generalists with environmental expertise, located within the Executive Office of the President. A very important consideration is that an agency within one department, however much it may be cloaked with the semblance of independence, is not going to have adequate influence over the actions of other departments and agencies."

Implementing the National Environmental Policy Act

A principal Council responsibility is to oversee the implementation of the National Environmental Policy Act (NEPA). A major Council activity is helping agencies meet their NEPA obligations more efficiently and expeditiously.

One of the Council's outstanding achievements is in the area of In 1977-1978, the Council revised the process for regulatory reform. preparing environmental impact statements under NEPA in order to reduce paperwork and delay and to make the environmental impact statement a better tool for decisionmakers. In developing the final regulations, the Council adopted virtually every recommendation of the Federal Paperwork Commission. The Council's revision process and its regulations earned the praise of the Chamber of Commerce, the National Governors Association, and the Edison The NEPA regulations were noted with Electric Institute, among others. approval in the Heritage Foundation study, Mandate for Leadership. response to a 1980 inquiry from Senator Proxmire, the Council provided him with an estimate of the savings achieved by the NEPA regulations. Just one part of the program -- the provisions designed to reduce the time required to complete the NEPA process and to improve its management -- should save at least \$100 million in the first year.

Mediating and Resolving Agency Disputes

The Council has a statutory mandate to receive from the heads of agencies referrals of environmental disputes over proposed federal actions in order to mediate or otherwise seek to resolve the dispute. The important role that the Council serves here is to prevent agency concerns from becoming Presidential issues. The Council has been successful in helping agencies work out differences and develop compromises. Since 1970 over a dozen formal referrals have been made from agency heads to the Council concerning major federal transportation, water resource, and energy projects. The Council reviews conflicting agency views for the EOP and makes recommendations to the agencies. In no case has one of these referrals been taken to the President.

Preparing the President's Environmental Quality Report

The Council has the important statutory responsibility of preparing the President's Annual Environmental Quality Report to the Congress. The report details the nation's progress in achieving its environmental quality goals and in describing the Administration's accomplishments in helping to improve the environment. This widely read report — each year about 35,000 copies are distributed world wide — is relied on by federal, state, local, and international agencies and is used as a text throughout the Nation for college and university courses. It is generally considered the best such report by any nation in the world.

Working with Executive Office Staff

The Council has worked closely and confidentially with OMB, the President's domestic policy advisors, and other agencies and staff in the Executive Office in helping to develop and improve Presidential programs and legislative proposals. The Council alerts the Executive Office staff and the President to environmental issues and provides advice on the environmental implications and tradeoffs involved in proposed actions.

Identifying Issues and Producing Special Reports

Over the past ll years, the Council has been unique in identifying national environmental problems and in initiating processes for dealing with them. The July 1980 Global 2000 Report to the President was issued pursuant to a Presidential directive in an Environmental Message prepared by the Council. This report, produced by the Council and the Department of State, was described by James Kilpatrick in the Nation's Business as "an immensely important study, staggering in its implications." In a similar manner, the Council and the Department of Agriculture co-chaired the National Agricultural Lands Study which was published in January 1981. The study's basic findings and conclusions were endorsed by Secretary Block at a national conference in Chicago in February.

Communicating with the Conservation Constituency

The President has no obvious connections with the large, bipartisan constituency that cares about conservation and environmental issues, which involve all major agencies, especially DOT, HUD, DOE, DOD, HHS, USDA, DOI, NRC, and EPA. A 1980 national poll by Roper and Cantril found that a substantial majority of Americans strongly support the nation's programs to produce a more healthful environment. Throughout its history the Council has been an important link between the conservation constituency and the Administration. The Council can play an important role for the President in keeping communications with this constituency open, and can explain to this constituency what the Administration's programs and activities are and how they help achieve the President's goals.

Maintaining Relationships with the Congress

Members of Congress have traditionally strongly supported the Council. At our oversight hearings last Wednesday before Congressman Breaux, Chairman of our oversight committee, no Member favored eliminating the Council and most, such as ranking minority member Rep. Forsythe (R-N.J.), expressed strong support for the Council's work and its role as a policy advisory agency in the Executive Office over the past 11 years. Maintaining an effective Council in the Executive Office would likely be well received by the Congress. In addition, the Council can help explain to the Congress the Administration's environmental actions and activities and help to implement the President's programs.

Conclusion

As a lifelong Republican and a supporter of the President in the last election, I have a very strong personal interest in helping this Administration implement its conservation and environmental programs and achieve its goals of maintaining the quality of our environment. I firmly believe that the Council can be especially useful and effective in this effort.

I would like to meet with you to discuss in greater detail the Council's role in the Executive Office and how we can most effectively help to implement the President's programs. Should serious consideration be given to eliminating the Council or weakening it substantially, I would like to discuss the matter with you personally before such a decision is made.

DEPOTY APPT. SECT. TO
PRESIDENT WHITE
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ADMIN-ETA

W. Ernst Minor 8350 Remington Road Cincinnati, Ohio 45242

EDUCATION

Hotchkiss School, Lakeville, Connecticut Brown University, Providence, Rhode Island

MILITARY SERVICE

U.S. Naval Amphibious Forces ~

EMPLOYMENT	E.P.A. TRANSITION TEAM
August 1980 - November 4	National Reagan-Bush Committee, Arlington, Virginia, Director, Family Scheduling
May 1972 - August 1980	Environmental Protection Agency Director, Public Affairs Environmental Research Center Cincinnati, Ohio
1971 - 1972	Assistant to the Chairman Republican National Committee
1969 - 1971 -	Assistant to the Vice President of the United States for Scheduling and Appointments
1968	Presidential Campaign Committee, New York
	Scheduled Vice Presidential candidate.
1964 - 1968	President and General Manager Major-Minor Corporation radio stations in northern California and Ohio
1958 - 1964	General Manager Ideal Printing Company Cincinnati, Ohio

EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY

722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006



March 3, 1981

MEMORANDUM FOR JAMES A. BAKER, III

EDWIN MEESE, III

FROM:

MALCOLM FORBES BALDWII

Acting Chairman

SUBJECT:

President's Meeting with Prime Minister Trudeau

I understand that the Prime Minister is likely to discuss environmental problems that the Canadians have in common with the United States, notably acid rain and Great Lakes pollution. The Council staff would be glad to provide you and the President with a brief, objective analysis of some of these problems if that would be useful.

cc: Danny Boggs

EXECUTIVE OFFICE OF THE PRESIDENT

COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

March 2, 1981

MEMORANDUM FOR FRANK HODSOLL

FROM:

Malcolm F. Baldwin

Acting Chairman

SUBJECT: CEQ's FY 1982 Budget

I have not received our pass back of CEQ's FY 1982 Budget, and I assume that a decision on our budget must be made early this week. I trust that I will have the opportunity to discuss with you and other key White House staff any proposed reductions in the Council's budget before a final decision is made.

Attached is a memorandum I sent to Fred Khedouri on our FY 1982 budget. In the memorandum I emphasized that the key value of the Council to the White House and the Executive Office is its small, professional staff. And I underscored the fact that, except for the Council's modest budget for studies, budget reductions almost necessarily mean staff reductions.

When President Reagan issued the hiring freeze, small organizations (less than 100 people) were exempted from its provisions, in part, in order to enable them to continue to function effectively as an organization. As we discussed, we do not expect to be exempted from the general belt tightening which the President is seeking, but it is important to consider carefully any proposed reductions in the Council's staff so that we preserve an effective Council for the President and the Executive Office. I look forward to discussing any proposed reductions in the Council's FY 1982 budget so that I can apprise you of their effects on the organization.

Attachment

EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY

722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006

February 24, 1981

MEMORANDUM FOR FRED KHEDOURI

FROM:

1000

Malcolm Baldwin

Acting Chairman

SUBJECT:

CEQ FY 1982 Budget

In response to our phone conservation earlier this week, I thought the following information would be helpful to our discussion of the Council's FY 1982 Budget.

Attached are several tables which show the history of the Council's appropriations, staffing, and expenditures for travel, and studies. These tables demonstrate that:

- o The Council's budget has remained relatively stable over the years and, in constant dollars, has declined by about 30 percent since 1977;
- o The Council's permanent and full-time temporary staff* has declined about 15 percent since 1977;
- o In 1978 the Council voluntarily reduced its travel expenses by more than 50 percent and has held its travel expenses essentially constant since then;
- o The Council's proposed FY 1982 budget for studies is only one fourth what it was in 1977, primarily as a result of voluntary Council actions over the past three years to absorb increased cost-of-living expenses for personnel; thus, for example, we requested no supplementals for increased cost-of-living expenses until FY 1981, when we absorbed 50 percent of the increase, rather than only 30 percent as required by OMB.

^{*}For FY 1982, personnel accounting will be on a full-time-equivalent basis. As a result, CEQ's temporary personnel strength was increased by 5 positions which cover the part-time students, 1040 appointments, and interns that CEQ has used for the past four years to do routine administrative tasks such as deliver mail, xeroxing, filing, and answering phones. This increase, however, does <u>not</u> represent an increase in actual personnel or personnel expenses.

In sum, the Council has considered it important to operate on a lean budget, and, over the years, has voluntarily absorbed significant portions of inflation caused increased expenses.

The key value of the Council to the EOP is its small, professional staff who provide experience and expertise in helping to advance and implement Presidential policies which involve environmental issues. Attached is a copy of the statement which we submitted to the House Committee which will hold oversight hearings tomorrow regarding the Council's authorization. The statement documents the Council's actions in helping to improve and implement Administration programs.

A review of the Council's current FY 1982 Budget Estimates demonstrates that, except for the modest budget for studies, budget reductions almost necessarily mean staff reductions. We do not expect to be exempted from the general belt tightening which the President is seeking. But the decision to exempt small organizations from the hiring freeze was in part designed to enable them to continue to function effectively as an organization. For similar reasons, we look forward to discussing with you any proposed reductions in the Council's FY 1982 budget so that we can appraise you of their effects on the organization.

cc: Don Crabill
Dave Gibbons
Eric Won

Table 1

 $\begin{array}{c} \text{History of CEQ} \\ \text{Appropriations and Staffing} \end{array}$

Fiscal Year	Budget (\$000)	Budget in 1980 Dollars (\$000)	Permanent Staff	Temporary Staff	Total Staff
1970	300	582	15	0	15
1971	1500	2772	26	9	35
1972	2300	4081	57	10	67
1973	2550	4281	56	12	68
1974	2466	3808	50	8	58
1975	2500	3533	50	12	62
1976	4058+	5451+	44	12	58
1977	3300	4188	40	17	57
1978	2854	3375	32	17	49
1979	3026	3299	32	17	49
1980	3126	3126	32 •	17	49
1981	3345	2986*	32 °	17	49
1982	3668	2977**	32	22	54++
		• • .			

⁺ Includes transitional quarter.

⁺⁺ In FY 1982, personnel for CEQ will be accounted for on a full-time-equivalent basis which differs from previous years. As a result of this change in accounting technique, CEQ's temporary staff does not represent an increase in personnel strength.

^{*} Estimate assumes 1981 GNP deflator will be 12 percent.

^{**} Estimate asumes 1982 GNP deflator will be 10 percent.

CEQ Travel Expenses

	FY 1975	FY 1976	FY 1977	FY 1978	FY 1979	FY 1980	FY 1981
Travel (actual expenses)	88	141+	96	41	53	51	58.5*
Travel (actual expenses in 1980 dollars)	124.4	189.4	121.8	48.5	57.8	51	51.5**

⁺ Includes transitional quarter.

^{*} This amount reflects the 15 percent reduction in FY 1981 travel expenses over the January-September period required by President Reagan.

^{**} Estimate for FY 1981 assumes that the GNP deflator will be 12 percent.

CEQ * Study Funds

Fiscal Year	CEQ Study Fund	Study Funds in Constant 1980 Dollars	Percent of Adjusted Appropriations** Devoted to Studies
1975	660,000	933,000	28.2
1976	1,020,000+	1,370,000	26.9
1977	890,000	1,129,000	28.4
1978	610,000	721,000	22.0
1979	330,000	360,000	10.9
1980	441,000	441,000	14.1
1981	176,000	155,000	5.2
1701	2,0,000		3.2

⁺ Includes transitional quarter.

^{*} These amounts approximate the funds which were available for studies and computer expenses, excluding study funds derived from the nonnuclear energy research and development program that CEQ performed in fiscal years 1975, 1976, and 1977 before that function was transferred to EPA.

^{** &}quot;Adjusted Appropriations" means CEQ's total appropriations less the amount of funds provided for nonuclear energy research and development that was devoted to studies.

EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY 722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006

March 2, 1981

MEMORANDUM FOR JAMES A. BAKER, III

EDWIN MEESE, III

THROUGH:

FRANK HODSOLL

FROM:

Malcolm Forbes Baldwin

SUBJECT:

Status of Council

I understand that there has been a perception among some White House people that I may have been overly active in behalf of CEQ, especially in seeing members of Congress, and that perhaps a new acting head more closely tied to the Reagan campaign should be appointed. Simply for the record I want to outline very briefly the efforts I have undertaken since January 20 to build solid communication with and seek guidance from the White House. Then, and more importantly, I want to suggest steps that might be taken by the Administration to maximize the Council's effectiveness once the decision is made to retain the Council (which is the subject of my February 28 memorandum to the Vice President and Mr. Baker).

On January 18, I was asked to be Acting Chairman (not Acting Executive Director) by Ray Peck of the transition staff and was so designated formally on the 19th by the former Chairman of CEQ in accordance with communications to us from Jack Watson who had been asked to do this by the Reagan transition team. Mr. Peck and I agreed that no further designation paper was needed from President Reagan. Two weeks later, I reconfirmed with Ray that such designation had indeed been approved by top Reagan transition officials on January 19 or 20. I understood that this included Mr. Meese.

Since January 20, the lines of communication between the Council and the White House have been almost non-existent, despite my efforts to establish them. I sought contact with Martin Anderson and Frank Hodsoll in late January, and in the course of February, with Michael Deaver, and each of you. I did have two short and helpful meetings with Danny Boggs. But throughout this period, unsubstantiated rumors persisted that CEQ was to be eliminated. I was unable to obtain information which would either confirm or deny these rumors. During this period I received numerous calls from the press seeking confirmation of rumors about the Council, on which I could not and did not comment.

Since January 20 I have sent weekly status reports to each of you, and numerous other memoranda to White House and OMB officials regarding matters of concern to the Administration and the Council. All these communications went unanswered.

Clearly, the Administration has had, as it ought to have had, other priorities. I therefore assumed that having heard nothing, my actions were satisfactory.

Because the Council has to be reauthorized under the Environmental Quality Improvement Act for the next three fiscal years, I knew that Congressional hearings would begin shortly. Therefore, I paid short courtesy calls on the ranking Senators of our Public Works & Environment Committee and the ranking House members of our Fish & Wildlife & Environment Subcommittee. When the House Subcommittee scheduled its hearings I immediately sought a meeting with Mr. Baker to discuss the Council's testimony. I was told by his appointment secretary that he was unable to meet with me. Requests for meetings with other White House staff were also unsuccessful. On February 25 the House Subcommittee held oversight hearings on CEQ, and as usual we cleared our testimony through OMB.

Under uncertain circumstances I pursued the ordinary obligations of an acting chairman of CEQ according to my own best judgment. I did not see my role as simply that of a caretaker, in the sense that I was to do as little as required to maintain the status quo at the Council. Rather I sought to continue the Council's work and maintain the morale and effectiveness of its able staff, with due regard to policies I thought consistent with the President's wishes and to the statute under which CEQ operates.

I might add also that in my House testimony, and in other public contexts, I noted that I am a Republican and was a supporter of President Reagan in the last election.

Assuming the Council is to be retained, I believe it would be most desirable to appoint a permanent Chairman immediately in order to pursue the Council's mission within the Administration as quickly and effectively as possible. As the President's environmental advisor that person should have stature, substantial environmental concern and knowledge, and a personal relationship with the President and the White House staff.

If it is not possible to find such a person immediately, then I would hope that the White House could have confidence in my continued interim leadership. I believe it would be a serious mistake and damage staff productivity and the work of the

Council, to designate another interim head of the Council, especially someone lacking intimate knowledge of CEQ's work and mandate. Although I would, of course, consider that action a statement of no confidence in my leadership, far more important is the signal that it would give to the public and to the Council staff that the Administration views CEQ as a suspect group in need of close supervision and control while permanent leadership is sought.

Quite frankly, I believe I can fulfill an interim role to your satisfaction if I can develop and maintain the routine links to the White House that I have sought and which will be essential in the weeks ahead. If, however, I am to be replaced by an Acting Chairman lacking experience in CEQ's affairs, I believe it would be in the best interests of the Council for me to reassume my senior staff responsibilities.

I do believe that CEQ can be an important asset to the Administration, and I stand ready to help make that possible.

THE WHITE HOUSE

WASHINGTON

March 2, 1981

NOTE FOR JIM BAKER

FROM: FRANK HODSOLL

SUBJECT: CEQ and OSTP: Personnel

1. CEQ

Since our meeting 2/27, we have done the following:

o Called Ernie Minor, who was enthusiastic about going over to CEO to run it in the interim.

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The NEW YORK TIMES today claims in its lead editorial (attached) that RR is seen as callous about environmental values and that his appointments in the environmental area (Watt and Gorsuch) reflect this. The TIMES editorial then advocates that appointing a respected Republican environmentalist to CEQ could show that he weighs environmental advice in the balance. "The advice can be ignored, but it should be heard." If we go the NEW YORK TIMES route, we need to appoint a moderate permanent Chairman as soon as possible. Ike Livermore could fill this bill; Marty Anderson and Danny Boggs agree.

With regard to the interim at CEQ, if we could move fast on a permanent Chairman, it might be wise to leave Baldwin in place but rein him in. The problem is we have to discuss the CEQ cuts with somebody at CEQ before March 10. Baldwin's stance would make it difficult to gain acceptance of the major cuts envisaged (roughly 60% of current budget and slots).

RECOMMENDATION

- Move forward immediately to see if Livermore (or some other middle-of-the-road person) can be persuaded to be Chairman.
- 2. Move forward to appoint Ernie Minor as Acting Chairman. He cannot easily be appointed Acting Executive Director; there is a career incumbent, and there are questions as to whether an Executive Director can run the agency. We would try to persuade Baldwin to become Deputy Director of OEQ, making him #2 to Minor. If Baldwin quits, we would have to take whatever heat; on the other hand, when the budget cuts become known, there will also be heat. The lawyers tell me the way to appoint Minor is: (i) make him an SES at CEQ, (ii) elevate him to Acting Chairman, and (iii) demote Baldwin to Acting Deputy Director of OEO.

APPROVE	DISAPPROVE
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2. OSTP

Again, since our meeting 2/27 and subject to whatever advice Ed Meese may have from Ed Harper, I have done the following:

o Called Ben Huberman, currently Associate Director on the international side, who has recently been picked up by Dick Allen for the NSC staff job normally associated with this OSTP position. Ben feels OSTP could sustain the 50% cuts we spoke of by having a domestic and international group, each with five persons, plus the Science Advisor and his secretary, for a total of twelve (versus 24). Huberman feels this can be done by FY'82.

I understand Phil Smith (currently Acting Director of OSTP at our behest) plans to leave shortly for the private sector. Regarding a permanent Science Advisor, Huberman believes we should go for someone low-key, with a technological (rather than scientific) background. He believes Art Bueche would be an ideal candidate; so does Marty Anderson. Other potential candidates recommended by Huberman are attached.

RECOMMENDATION

- 1. Move now to see if Art Bueche would be willing to take the post.
- 2. Make Ben Huberman Acting OSTP Director in the interim, replacing Phil Smith. Given Dick Allen's confidence in Huberman (who has been at OSTP since the Ford days and is well known to me), I think he would be a logical interim appointment.

APPROVE	DISAPPROVE

ATTACHMENT

EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY

722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006

March 2, 1981

MEMORANDUM FOR JAMES A. BAKER, III

EDWIN MEESE, III

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FRANK HODSOLL

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Quite frankly, I believe I can fulfill an interim role to your satisfaction if I can develop and maintain the routine links to the White House that I have sought and which will be essential in the weeks ahead. If, however, I am to be replaced by an Acting Chairman lacking experience in CEQ's affairs, I believe it would be in the best interests of the Council for me to reassume my senior staff responsibilities.

I do believe that CEQ can be an important asset to the Administration, and I stand ready to help make that possible.

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The New York Times

Founded in 1851

ADOLPH S. OCHS. Publisher 1896-1935 ARTHUR HAYS SULZBERGER. Publisher 1935-1961 ORVIL E. DRYFOOS. Publisher 1961-1963 ARTHUR OCHS SULZBERGER, Publisher

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Endangered Species in the White House

The Council on Environmental Quality, a tiny but important unit that advises the White House, has been placed on the endangered species list. High officials of the Reagan Administration are considering doing away with the council as part of a reorganization of the President's executive office. The stated reason is that other agencies could perform its functions. An unstated reason may be that the council's environmental thinking is not welcome in an Administration pledged to rapid economic revival and development of energy.

Whichever the case, the President is free to choose his advisers and organize his office any way he wants to. But he would be wise to tread warily.

Abolition of the council would be a political mistake because it would diminish the credibility of much of Mr. Reagan's program. Rightly or wrongly, he is seen as callous about, even hostile to, environmental values. In his campaign, he repeatedly debunked concern for the environment and complained that regulation has gone too far. His famous statement that trees are the major cause of nitrogen pollution evoked titters, and nervous shudders, from the knowledgeable.

Once in office, the President began to hand the levers of power to people perceived as ready to sacrifice environmental gains. His Interior Secretary, James Watt, has been portrayed as an advocate of un-

bridled development at the expense of protection. His choice to head the Environmental Protection Agency, Ann Gorsuch, is viewed in her home state of Colorado as an opponent of tough pollution programs.

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HANS MARK

Consultant; Former Secretary of the Air Force; Director Ames Laboratory of NASA

CC: EM, MD, PJ,

THE WHITE HOUSE

WASHINGTON

March 2, 1981

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FRANK HODSOLL Frank

SUBJECT: CEQ and OSTP: Personnel

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ATTACHMENT

The New York Times

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Endangered Species in the White House

The Council on Environmental Quality, a tiny but important unit that advises the White House, has been placed on the endangered species list. High officials of the Reagan Administration are considering doing away with the council as part of a reorganization of the President's executive office. The stated reason is that other agencies could perform its functions. An unstated reason may be that the council's environmental thinking is not welcome in an Administration pledged to rapid economic revival and development of

Whichever the case, the President is free to choose his advisers and organize his office any way he wants to. But he would be wise to tread warily

Abolition of the council would be a political mistake because it would diminish the credibility of much of Mr. Reagan's program. Rightly or wrongly, he is seen as callous about, even hostile to, environmental values. In his campaign, he repeatedly debunked concern for the environment and complained that regulation has gone too far. His famous statement that trees are the major cause of nitrogen pollution evoked titters, and nervous shudders, from the knowledgeable.

Once in office, the President began to hand the levers of power to people perceived as ready to sacrifice environmental gains. His Interior Secretary, James Watt, has been portrayed as an advocate of unbridled development at the expense of protection. His choice to head the Environmental Protection Agency, Ann Gorsuch, is viewed in her home state of Colorado as an opponent of tough pollution programs.

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EXECUTIVE OFFICE OF THE PRESIDENT COUNCIL ON ENVIRONMENTAL QUALITY

722 JACKSON PLACE, N. W. WASHINGTON, D. C. 20006

March 2, 1981

MEMORANDUM FOR JAMES A. BAKER, III EDWIN MEESE. III

THROUGH:

FRANK HODSOLL

FROM:

Malcolm Forbes Baldwin

SUBJECT:

Status of Council

I understand that there has been a perception among some White House people that I may have been overly active in behalf of CEQ, especially in seeing members of Congress, and that perhaps a new acting head more closely tied to the Reagan campaign should be appointed. Simply for the record I want to outline very briefly the efforts I have undertaken since January 20 to build solid communication with and seek guidance from the White House. Then, and more importantly, I want to suggest steps that might be taken by the Administration to maximize the Council's effectiveness once the decision is made to retain the Council (which is the subject of my February 28 memorandum to the Vice President and Mr. Baker).

On January 18, I was asked to be Acting Chairman (not Acting Executive Director) by Ray Peck of the transition staff and was so designated formally on the 19th by the former Chairman of CEQ in accordance with communications to us from Jack Watson who had been asked to do this by the Reagan transition team. Mr. Peck and I agreed that no further designation paper was needed from President Reagan. Two weeks later, I reconfirmed with Ray that such designation had indeed been approved by top Reagan transition officials on January 19 or 20. I understood that this included Mr. Meese.

Since January 20, the lines of communication between the Council and the White House have been almost non-existent, despite my efforts to establish them. I sought contact with Martin Anderson and Frank Hodsoll in late January, and in the course of February, with Michael Deaver, and each of you. I did have two short and helpful meetings with Danny Boggs. But throughout this period, unsubstantiated rumors persisted that CEQ was to be eliminated. I was unable to obtain information which would either confirm or deny these rumors. During this period I received numerous calls from the press seeking confirmation of rumors about the Council, on which I could not and did not comment.

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Clearly, the Administration has had, as it ought to have had, other priorities. I therefore assumed that having heard nothing, my actions were satisfactory.

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Under uncertain circumstances I pursued the ordinary obligations of an acting chairman of CEQ according to my own best judgment. I did not see my role as simply that of a caretaker, in the sense that I was to do as little as required to maintain the status quo at the Council. Rather I sought to continue the Council's work and maintain the morale and effectiveness of its able staff, with due regard to policies I thought consistent with the President's wishes and to the statute under which CEQ operates.

I might add also that in my House testimony, and in other public contexts, I noted that I am a Republican and was a supporter of President Reagan in the last election.

Assuming the Council is to be retained, I believe it would be most desirable to appoint a permanent Chairman immediately in order to pursue the Council's mission within the Administration as quickly and effectively as possible. As the President's environmental advisor that person should have stature, substantial environmental concern and knowledge, and a personal relationship with the President and the White House staff.

If it is not possible to find such a person immediately, then I would hope that the White House could have confidence in my continued interim leadership. I believe it would be a serious mistake and damage staff productivity and the work of the

Council, to designate another interim head of the Council, especially someone lacking intimate knowledge of CEQ's work and mandate. Although I would, of course, consider that action a statement of no confidence in my leadership, far more important is the signal that it would give to the public and to the Council staff that the Administration views CEQ as a suspect group in need of close supervision and control while permanent leadership is sought.

Quite frankly, I believe I can fulfill an interim role to your satisfaction if I can develop and maintain the routine links to the White House that I have sought and which will be essential in the weeks ahead. If, however, I am to be replaced by an Acting Chairman lacking experience in CEQ's affairs, I believe it would be in the best interests of the Council for me to reassume my senior staff responsibilities.

I do believe that CEQ can be an important asset to the Administration, and I stand ready to help make that possible.

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EDWIN MEESE, III

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# The New York Times

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## Endangered Species in the White House

The Council on Environmental Quality, a tiny but important unit that advises the White House, has been placed on the endangered species list. High officials of the Reagan Administration are considering doing away with the council as part of a reorganization of the President's executive office. The stated reason is that other agencies could perform its functions. An unstated reason may be that the council's environmental thinking is not welcome in an Administration pledged to rapid economic revival and development of e energy.

Whichever the case, the President is free to choose his advisers and organize his office any way he wants to. But he would be wise to tread warily.

Abolition of the council would be a political mistake because it would diminish the credibility of much of Mr. Reagan's program. Rightly or wrongly, the is seen as callous about, even hostile to, environmental values. In his campaign, he repeatedly debunked concern for the environment and complained that regulation has gone too far. His famous statement "that trees are the major cause of nitrogen pollution evoked titters, and nervous shudders, from the knowl-

Once in office, the President began to hand the relevers of power to people perceived as ready to sacritofice environmental gains. His Interior Secretary, "James Watt, has been portrayed as an advocate of unbridled development at the expense of protection. His choice to head the Environmental Protection Agency, Ann Gorsuch, is viewed in her home state of Colorado

as an opponent of tough pollution programs.

Whether these judgments are right is not yet certain. But they reflect widespread unease, even among many people who applaud the President's broad economic strategy. What Mr. Reagan badly needs is a measure of trust on environmental issues. It is not enough for him to declare himself a friend of unpolluted and undamaged air, water and land. He needs to show that he weighs environmental advice in the balance. That is what the Council on Environmental Quality can do for him.

The council's main job is to serve as the "environmental conscience" of the executive branch. It evaluates environmental progress, mediates disputes between agencies, oversees the preparation of environmental impact statements and studies major issues, like which global resources require Government-wide attention. With a small staff and limited powers, it is most influential when its views are most truly persuasive.

Instead of abolishing the council, the President should consider appointing to it respected Republican environmentalists whose advice he, and the public, would trust. The advice can be ignored. But it should be heard.

## The Case Against Mr. Lefever

inominate Ernest Lefever as director of the State Department's human rights office? There can be no quar-**h assigning the post to a certified conservative.

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What has prompted the Reagan Administration to of foreign policy decision-makers. But Mr. Lefever's view, as he has frankly characterized it, is "radical."

In his own sweeping formulation, "It is arrogant for us to attempt to reform the domestic behavior of our allies and even of our adversaries." This doctrine puts him in curious accord with the Soviet Union, which rejects as inadmissible meddling any Western attempt to obtain compliance with the human rights provisions of the Helsinki agreements that it signed.

It is also his habit to turn a complex argument into caricature. For example: No revolution has ever promoted the cause of human rights. (The American

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#### ARTHUR M. BUECHE

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#### THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR W. ERNST MINOR
Council on Environmental Quality

I hereby authorize you to become Acting Executive Director of the Council on Environmental Quality effective March 3, 1981.

Ronald Reagan

EPA 2000

THE WHITE HOUSE

July 21, 1976

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W. ERNST MINOR Ernie Minor

Assistant Secretary of the Navy (I&L)

in accordance with the provisions of section 3347 of title 5, U. S. Code, you are directed to perform the duties of the Office of Under Secretary of the Navy.

Invite anthorn you to brome actus Eduction to the Lound on Emissionente Frankly effected to 3-3. Heart A. J. J.

Omegas. delivered by receipted W.H. Messenger to his office in 326 Crystal Plaza, Bldg 5: 7/21/76)