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December 12, 1980

MEMORANDUM TO: James A. Baker, III
Director, White House/EOP Transition Team

FROM: Jacqueline Schafer

SUBJECT: Council on Environmental Quality

A. Current Status

1. Authorities and Functions:

Council on Environmental Quality is established in the Executive Office of the President by the National Environmental Policy Act (P.L. 91-190; January 1, 1970), or "NEPA"; chairman (Executive Level II) and two members (Executive Level IV) appointed by the President, by and with advice and consent of the Senate; must serve full time.

Office of Environmental Quality, established in the Executive Office of the President by the Environmental Quality Improvement Act of 1970 (P.L. 91-224; April 3, 1970), provides professional and administrative staff and support for CEQ; CEQ chairman serves as Director; authorizes employment of up to ten "specialists and other experts" excepted from civil services rules and regulations and paid at rates up to GS-18.

Both statutes set forth CEQ/OEQ duties and functions, including:

- Act'g Dir. Minor
off of Env. Q.
Act'g Dep.*
- assist the President in preparing an annual Environmental Quality Report (required by NEPA) and his Environmental Message to Congress (which articulates the Administration's environmental program)
 - provide President and EOP with environmental policy analysis and advice on issues affecting environmental quality
 - develop and oversee the system for implementing NEPA's procedural and environmental impact statement requirements by some 70 federal agencies
 - conduct studies on environmental trends and conditions, and develop national policies that promote improvements in environmental quality

Executive Order 11514 (March 5, 1970) as amended by E.O. 11991 (May 24, 1977), further defines the responsibilities of CEQ, especially with respect to its relationship with other Federal agencies. Carter revision (E.O. 11991) explicitly empowered CEQ to issue regulations binding on all Federal agencies to implement all procedural provisions of NEPA, replacing predecessor guidelines that applied only to environmental impact statements.

In addition, section 309 of the Clean Air Act establishes a formal means of resolving interagency disputes on legislation, projects or regulations (i.e., EPA versus any Federal department or agency), through referral to CEQ. Many other statutes specifically require participation by or consultation with CEQ in other agencies' activities.

2. Organization:

CEQ consists of three Council members, one of which serves as chairman, and an Executive Director; General Counsel's office; Public Information office; Public and Congressional Liaison offices; Administrative office; and six program staff units, each headed by a senior staff member. (See attached organization chart.)

3. Personnel:

CEQ consists of 32 permanent and 17 temporary full-time employees. At present, the staff also includes two part-time clerical assistants, four students, and three detailees (one full-time, from State; two part-time, from EPA).

The three Council members are Presidential appointees. Two secretaries to the Council members are Schedule C appointments. CEQ has authority for only one supergrade position, the General Counsel (GS-18) filled by noncareer executive assignment.

The Environmental Quality Improvement Act provides "public law" authority to hire experts (10) up to GS-18. CEQ has used this authority chiefly to hire senior staff of GS-15 or 16 equivalency. Other professional positions are filled through Schedule A appointments. Only one career professional (GS-15) is now employed at CEQ. Other career employees are secretarial or administrative office personnel. (See attached roster.)

4. Reporting Responsibility:

CEQ Chairman Speth actively runs the Council. The Carter-appointed Council initially determined that Council members each assume "lead" responsibility for specific substantive areas, principally to enhance the role of the two other members. Each of the six program staff units reports directly to a supervising Council member. Since Speth assumed chairmanship, this scheme atrophied somewhat, as he oversees all areas.

The Executive Director (and a deputy) advises the Chairman and Council on all policy and management issues and is responsible for coordination of all staff activities (budget, administrative and issues involving more than one unit). All outgoing materials of a policy nature that require signature by a Council member go through the Executive Director.

The report path to the President:

- 1) CEQ Chairman attends cabinet meetings regularly;
- 2) CEQ Chairman submits weekly short written report to President (via Domestic Policy Assistant);
- 3) Executive Director attends weekly meetings with other heads of EOP units;
- 4) Executive Director drafts weekly memo for White House staff director anticipating events of importance;
- 5) arrange meetings as necessary on special matters.

5. Budget:

CEQ's funding is provided in the HUS-Independent Agencies Appropriations Act. The Carter Administration requested \$3,436,000 for fiscal year 1981, but Congress appropriated \$3,250,000. Of this, \$2,250,000 is budgeted for personnel compensation and benefits, \$179,000 more than originally estimated. The Congressional cut and salary increases will be absorbed chiefly by reducing outside contracts for studies, from \$470,000 to \$169,500.

CEQ staff decline to disclose their request to OMB for FY 1982 or the passback/appeal outcome.

See Table I for CEQ budget history.

6. Housekeeping:

Most of CEQ's administrative needs are handled in-house, contributing to its independence.

CEQ occupies 16,285 sq. ft. of office space in three contiguous townhouses on Jackson Place, plus most of the fifth floor east wing of the New EOB (easily recognized from the courtyard -- every windowsill across the fifth floor is decorated with green plants).

The townhouses comfortably accommodate the three Council members, their three secretaries, the General Counsel, deputy General Counsel and their secretary, all on the second floor. The Executive Director, two senior staff, the directors of Congressional Affairs and Public Information, an assistant, the three detailees and three secretaries occupy the third floor. The first floor houses a receptionist and three Administrative Office staff, plus students and part-timers.

The rest of the staff, for the substantive work units, is located in 20 offices and 10 temporary carrels in the New EOB. Each professional staff member has his own office. CEQ also occupies an adjacent 1300 square feet of open space for the special National Agricultural Lands Study, which will conclude with a report in early January 1981.

CEQ is about to acquire its own word-processing equipment (Dek), with the cooperation of the EOP's Office of Administration which conducted a survey and handled procurement.

CEQ has developed and continues to refine a sophisticated computer-based environmental data display and analysis system called UPGRADE, the costs of which are shared among several users (mostly EPA). A display terminal and printers are located in the townhouse attic.

B. Issue Identification

1. Issues pending on Inauguration Day:

- Nominations of Council Members and determination on Council's role in EOP or restructuring, as appropriate
- FY 1982 Budget submission to Congress
- 1981 Annual Report -- preparations begin immediately on statutorily required report, a major CEQ staff effort
- Judgment now in effect for compliance with the requirements of the Government in the Sunshine Act. In *Pacific Legal Foundation v. CEQ* the U.S. Court of Appeals for the D.C. Circuit held CEQ's regulations invalid in part and ordered them set aside (October 27, 1980). CEQ is unlikely to ask for a rehearing or certiorari, but does not want to modify the Council's operating procedures during transition. Will have a major impact on Council operations.

2. Issues to be addressed in first three months:

- The principal environmental issue before the Congress and the Administration in 1981 will be amendments to the Clean Air Act, administered by EPA. To the extent the President wants to rely on CEQ in developing and coordinating policy in this matter, appropriate institutional arrangements must be established immediately.
- The outgoing Council is wrapping up several major studies which current staff believe will "raise issues" and "require response" early in 1981:

- a) Recommendations of 18-month CEQ-USDA study on National Agricultural Lands;
 - b) Interagency Task Force reports responding to CEQ-State Global 2000 report (on global conditions in the year 2000);
 - c) Recommendations from Federal Coastal Program Review, a CEQ-Commerce (Office of Coastal Zone Management) effort to protect coastal resources (from hazard mitigation, disaster relief, public works construction, energy facility siting).
- The United Nations Stockholm Conference on the Human Environment will mark its tenth anniversary in June 1982, probably at a large conference in Mexico City. Preparations begin in 1981. CEQ played a major role in coordinating U.S. activities at the original conference, and may be expected to do so again. The last conference cost the U.S. a bundle.

C. Management Evaluation

1. Size and Organization of Staff:

CEQ has been part of the EOP for 11 years, and appears to have no serious operating problems. The agency's statutory mandate is sufficiently flexible to permit the Council to set its own agenda. This circumstance gives a President wide latitude in defining a role for the Council and, consequently, in determining staff size.

Although personnel ceilings have been cut over the years from a peak of 57 permanent positions in 1972 under President Nixon to 32 during President Carter's term, CEQ has never had to operate on a de minimus basis. CEQ could arguably perform its bare-bones statutory functions (President's annual environmental report to Congress, oversight of Federal agencies' compliance with NEPA) with far fewer personnel, perhaps one-third its present strength, but it would be a far different institution.

CEQ makes creative use of its ceiling of 17 "temporary" personnel. All are professionals, usually hired under Schedule A. Increasing the use of temporary positions has softened the impact of gradual but persistent reductions in permanent staff by every administration. They are not temporary in the colloquial sense; they merely carry that status. Although key CEQ staff are carried as "temporary", their contracts are renewed regularly and routinely. Temporary staff tend to move into the permanent positions as they become available.

The current practice of senior program staff reporting to individual Council members is different than the structure which prevailed

from 1970-1976. Originally, senior staff of individual program units reported to the Staff Director, who worked for the Chairman primarily and for the two members. However, the responsibilities and opportunities of the two members to serve the Council were diminished.

The issue of whether the Council functions as a Federal Department (with the Chairman as agency head and members at subordinate levels) or as a collegial body in making decisions, or both, is at the heart of Pacific Legal's suit over CEQ's compliance with the Sunshine Act. Structural changes in the Council may be considered among options for conforming to the Court's judgment.

2. Career Personnel:

CEQ attracts senior technical, scientific and legal experts (GS 14-18) through its statutory authority (Public Law appointments), and other professionals under Schedule A. Thus, CEQ does not need to request supergrades or Senior Executive Service authority from OPM. These individuals characterize themselves as "nonpolitical professional personnel", employed solely on the basis of their professional training and experience. Indeed, the substantial professional credentials of its staff contributes to the impression of CEQ as an academy.

Only one professional staff member is a career government employee, a GS-15 who was hired from another agency. Several senior CEQ staff were appointed during the Nixon/Ford years. All CEQ staff, including the General Counsel and Executive Director (both hired since 1977) want to remain in their present positions at CEQ.

3. Internal procedures:

CEQ is sufficiently long-lived, its mission constant and its staff composition sufficiently stable that internal operating procedures are well established. No major problems are evident. Major work tasks appear to be completed on time. The atmosphere is relaxed, quiet, academic.

However, in effecting permanent personnel cuts imposed by the Carter OMB in early 1977 (from 40 to 32), CEQ's Administrative Office seems to have been most adversely affected, rather than professional staff.

A major staff burden was removed from CEQ as a result of the Executive Office of the President reorganization plan early in the Carter Administration: processing and filing of hundreds of environmental impact statements and monitoring each Federal agency's NEPA implementation at the individual project level was transferred to EPA. Thus relieved of these chores, "the Council (could) be more effective in formulating policy at the Executive Level." (OMB Director Bertram Lance in testimony before Senate Government Affairs Committee.)

CEQ as an institution survived two reorganization plans in 1977-1978: EOP and Natural Resources/Environment.

The Council faces important procedural changes to comply with the Sunshine Act under the Appeals Court's order (10/27/80) that will require public notice and possibly public sessions for any "meeting" between two Council members leading to a decision, i.e., "where deliberations determine or result in the joint conduct or disposition of official agency business."

4. Relationship to other WH/EOP Offices:

In a September 2, 1977, letter responding to a Congressional inquiry on reorganization, OMB Director Bertram Lance characterized CEQ's intended role in the Carter Administration: "... CEQ will provide advice to the President, input to the budget process and reorganization initiatives, and be a part of the network of key Presidential advisors..."

The present Council enjoys a higher degree of cooperation from and participation in the activities of the Carter White House than previously. For one thing, there is a high coincidence of policy views between them. Also, Council members and key White House staff were former colleagues in the environmental movement. In fact many environmental activists joined the Carter Administration in high level positions throughout the government. Relations in the latter part of the previous Republican Administration were characterized with "benign neglect".

President Carter's Council developed routine mechanisms to provide advice to the President: weekly memos and regular participation in cabinet meetings by the CEQ Chairman. CEQ takes part in the OMB clearance process for legislative proposals and Congressional testimony. The Council also participates actively with other EOP agencies and offices in preparing the Administration's budget, including the formal OMB Director's review of each Federal agency's budget in November and Presidential appeals. The Council on occasion used this opportunity to defend environmental programs.

However, CEQ never quite succeeded in becoming "a part of the network of key Presidential advisors" in the sense that it helped the President to govern. Rather, it became an in-house lobby, advocating environmental causes. In this role, however, CEQ was sympathetically received.

5. Relationship to Concerned Federal Departments and Agencies:

The Carter Council's premier effort was its two year development of a uniform, binding regulation for all Federal agencies in complying with the procedural requirements of NEPA, including the preparation of environmental impact statements, toward the following ends: reduce

paperwork, reduce delay and improve Federal decisions that have a significant impact on the human environment. While this new regulation established page and time limits and reduced confusion about requirements (a substantial body of case law has developed under NEPA), it also enhanced CEQ's ability to influence other agencies' decisions and strengthened NEPA as an environmental protection tool generally.

CEQ is monitoring the results of these reforms. It has found both improvements and new problems and is studying ways to provide further agency guidance. The NEPA compliance effort is centered in the General Council's Office.

The Carter Council received many mandates which involve it in other agencies' policies from Executive Orders, which CEQ itself helps draft. Also, a large number of directives from the President to Department and agency heads accompanied the President's 1979 Environmental Message, which CEQ drafted. These impose important policy and resource demands on affected agencies, largely at the Council's initiative.

6. Relationship to Concerned Parts of Congress:

The Council on Environmental Quality was created by an Act of Congress as was the Office of Environmental Quality. Any structural changes in the Council or Office would have to be approved by Congress, either through amendment to the authorizing statutes or by reorganization plan. These are the Committees which have jurisdiction and which must advise and consent to the President's nominations to the Council:

National Environmental Quality Act

- Senate Environment and Public Works (via 1977 Senate reorganization from Senate Interior and Insular Affairs, now Energy, Committee)
- House Merchant Marine and Fisheries

Environmental Quality Improvement Act

- Senate Environment and Public Works
- House Public Works and Transportation

The authorizing Committees have not held oversight on CEQ/OEQ for over five years. What oversight is performed is accomplished through the annual budget hearings of the HUD-Independent Agencies Appropriations Committees.

CEQ is occasionally invited to present testimony on current environmental issues, but the Council does not have much of a presence on the Hill. Here is another instance of benign neglect.

7. Relationship to non-Federal groups or constituents:

CEQ's greatest vulnerability as an institution lies in the perception that it has a narrow environmental perspective and functions as an in-house advocate for the political causes of environmental organizations.

The current Council members are all alumni of activist environmental organizations which made their reputations chiefly in the courts:

Gus Speth was a founder and attorney at the Natural Resources Defense Council (1970-1977)

Robert Harris was a staff scientist of the Environmental Defense Fund (1973-1979)

Jane Yarn in 1970 founded and had been active in SAVE, a statewide nonprofit environmental organization in Georgia and was once Vice-chairman of The Nature Conservancy, a national nonprofit conservation organization established in 1951.

All are capable, highly qualified, even brilliant. But their backgrounds and reputations contribute to the public perception of CEQ as an institution serving a narrow constituency, rather than serving as an objective, high level advisor on environmental policy.

D. Overall Management Assessment

1. Reasons for Successes and Failures during Carter Administration:

CEQ produced a prodigious amount of work during President Carter's term. The Council drafted two comprehensive environmental messages, numerous directives to agencies and several executive orders. It continues in collecting massive amounts of environmental data and making them available through its UPGRADE computer system. Its annual report on the condition of the environment and on environmental programs of all agencies is prepared in-house and is a widely-acknowledged, used work of definitive value. The two-year regulation development project to improve the NEPA process within Federal agencies was a major achievement, at least by its own terms.

The work tasks CEQ sets for itself are accomplished in a timely, scholarly fashion because the agency is small, and its staff exceptionally skilled, highly motivated and very well paid. There is broad consensus within the agency on its mission and its means.

However, the Carter Council can be fairly characterized as an in-house lobby advocating environmental causes. This is principally attributable to the interests and personalities of the President's appointments, as well as to the natural inclination of the Environmental Quality Office as an institution. That it effectively represented those causes is principally a function of the President's own tolerance and his Administration's receptiveness to the Council's policy biases.

However, thanks largely to policies promoted in the early 1970's with CEQ influence, environmental awareness and concern is pervasive in the U.S. and far broader than the policy interests and priorities of environmental groups. Cost-effectiveness and prompt, unambiguous decisionmaking must accompany environmental goals. For the Council to be useful to a President, these concerns must be integrated into its mandate.

The Council has innumerable opportunities to insert itself in the policymaking activities of any and all Federal agencies. The Council has not always conducted itself with sensitivity to the needs of other agencies and occasionally is perceived as an interloper, or high handed. This is a natural hazard for any group acting as mediator of agency differences or a catalyst for certain policy actions within the government.

The effectiveness of the Council in coordinating environmental activities and in helping to resolve conflicts over competing policies and activities depends on CEQ's acceptance by other agencies as the President's agent. The Council and its office are physically removed from the White House and the day-to-day tasks of helping the President govern. It is insulated from daily decisionmaking activities and can be easily isolated from the rest of the President's advisors.

The Council's physical (and possibly intellectual) remoteness, as well as a tendency to style itself, inhibit its role as Executive Office policy coordinator and as part of a network of key presidential advisors.

2. Recommendations:

The President-elect must first decide what he wants CEQ to be. There is no point to maintaining a Council and a staff of 50 with a \$3 billion-plus budget which will be ignored, or towards which the White House/EOP will be apathetic or hostile. A President whose policy interests are focused elsewhere could and should use his office's resources more effectively.

The Council on Environmental Quality was fashioned after the well-established Council of Economic Advisors created by the Employment Act of 1946. The parallels are very strong. Both prepare annual reports that are "bibles" in their respective fields. Both offices are peopled with highly qualified scholars. Both councils have political value to certain constituencies.

CEQ was created as part of a comprehensive effort to ensure that environmental consciousness would become a pervasive, natural part of Federal agency decisionmaking. That effort has largely succeeded. But to attempt to eliminate, reduce or reorganize CEQ out of the EOP would have political consequences, and may or may not be successful. Chances for success would improve if reorganization were part of a comprehensive effort to strengthen the EOP structure and effectiveness.

If the President-elect is interested in receiving information and policy advice on the environmental implications of Federal actions, and in coordinating diverse interests or resolving environmental conflicts among agencies, some mechanism will be required, even if it is not a CEQ as it has been known.

One alternative appeals to me: Name a top-level Counselor to the President for environmental affairs, with an office in the White House. This individual, rather than a tripartite council, would become the President's chief environmental advisor, and would be in a position to work closely with other White House advisors and staff.

Functions now performed by the Office of Environmental Quality which should, after closer evaluation, be retained, may continue to be handled by a staff located in the New EOB/Jackson Place or other suitable space, under an OEQ Director, who reports to the President's Counselor. This would of course depend on Congressional cooperation in securing legislative refinements. But such an arrangement ensures closer integration of environmental advice with that of other Presidential advisors, could permit some economies, yet communicates a concern and commitment to environmental values. It might even work.

E. Management Actions Required

1. Pre-Inauguration Day:

Decide on appropriate role for CEQ or alternatives to deliver environmental advice to WH/EOP and the President. Refrain from nominating any members to CEQ or making commitments which limit the President's options. Once an agency head is selected, the natural inclination is to advocate the continuation of existing structure and resources. Resist the temptations posed by political opportunities for patronage.

2. First three months:

Present to Congress the President's proposal for CEQ/OEQ in the new Administration and work for its acceptance. If CEQ is retained as is, secure confirmation of the President's nominees.

3. Long Term:

Beginning in the first three months and continuing through the 97th Congress, develop appropriate institutional arrangements to address potential conflicts arising from reauthorization of the Clean Air Act.

Develop a complete agenda for environmental policies of a first-term Reagan Administration.

Analyze literature and develop means to turn "cost/benefit" rhetoric into a practical means to reform environmental policymaking.

Council Staff as of December 8, 1980, with authority for appointments

PERMANENT

- C 1. Adams, Patti
- * 2. Alessio, Julie
- PL 3. Baldwin, Malcolm
- * 4. Brown, Doris
- ✓ A 5. Brubaker, Gerald
- * 6. Carney, Bernice
- * 7. Carmichael, Joan
- A 8. Davidson, John
- * 9. Davis, Marinda
- *10. Delaney, Thomas
- *11. Doggette, Odelia
- PL12. Ficke, John
- PL13. Gillman, Katherine
- *14. Gugino, Peggy
- X PAS15. Harris, Robert
- *16. Kane, Michael (GS-15)
- A17. Knight, Foster
- C18. Lucas, Mary Lou
- PL19. MacKenzie, James
- *20. Montgomery, Muriel
- A21. Mulvihill, Sheila
- PL22. Nicholas, Robert
- A23. Reuter, Caroline
- *24. Russo, Joan
- PL25. Smythe, Robert
- *26. Sorel, Grace
- PAS27. Speth, Gus
- *28. Stewart, Betty
- ✓ PL29. Strohschein, Ed
- A30. Williams, Larry
- X PAS31. Yarn, Jane
- ✓ NEA32. Yost, Nick

*= competitive civil service
(Secretaries, Administrative Office Personnel)

TEMPORARY

- A 1. Alles, Kathleen
- A 2. Benbrook, Charles
- A 3. Bramble, Barbara
- A 4. Burmaster, David
- A 5. Clark, Donna
- A 6. Halloran, Jean
- A 7. McManus, Roger
- A 8. Milvy, Paul
- A 9. Norse, Elliott
- PL10. Osolin, Charles
- All. Scroggin, Don
- A12. Shea, John
- A13. Tehan, Rita
- A14. Zimmerman, Charles
- 15. Bearden, Janet (Expert Consultant)

STUDENTS (Administrative Office)

- 1. Butler, Brenda (16 hrs.) (Phone)
- 2. Junious, David (12 hrs.) (Mail)
- 3. Harris, Kelly (12 hrs.) (chm/gc)
- 4. Thompson, Edith (20 hrs.) (Phone)

PART TIME (Administrative Office)

- 1. Lilly, Katherine (17 hrs.) (Phone)
- 2. Weldon, Patrick (30 hrs.) (Mail)

EXECUTIVE OFFICE

Chairman, Speth (Adams)
 Members, Harris/Yarn (Sorel, Lucas)
 Executive Director, Strohbehn (Carmichael)
 Deputy Ex. Director (vacant)

ADMINISTRATIVE OFFICE:		GENERAL COUNSEL:		PUBLIC INFORMATION:		PUBLIC AND CONGRESSIONAL LIAISON:	
Delany		Yost		Osolin		Reuter	
Carney		Knight - Dpty.		Mulvihill		Beardon	
Clark		Bramble		Tehan		Halloran	
		Shea		Allesi			
		(Alessio)					
		(Brown)					
POLLUTION CONTROL, HEALTH & ECONOMICS:		ENERGY:		ENVIRONMENTAL DATA AND MONITORING:		LAND USE AND WILDLIFE:	
*Nicholas		*Mackenzie		*Ficke		*Baldwin	
Burmaster		Davidson		(Montgomery)		Kane	
Zimmerman		Brubaker				Norse	
Milvy		Scroggin				(Gugino)	
(Stewart)		(Russo)					
		(Davis)					
						NATURAL RESOURCES:	
						*Smythe	
						Benbrook	
						Williams	
						(Doggette)	
						INTERNATIONAL AFFAIRS AND OCEANS:	
						*Gillman	
						McManus	

* A senior staff member heads each program unit.

Names in parenthesis are secretarial staff, some of whom assist more than one unit.

Council on Environmental Quality
Appropriations and Personnel History
FY 1971 - 1981

<u>Year</u>	<u>Appropriations</u> (in millions of dollars)	<u>Personnel Ceilings</u>	
		Total	(Permanent/Temporary)
FY 1971	\$ 1.500	57	(54/ 3)
FY 1972	2.300	67	(57/10)
FY 1973	2.550	68	(56/12)
FY 1974	2.466	58	(50/ 8)
FY 1975	2.500	62	(50/12)
FY 1976	2.736	56	(44/12)
TQ	.697	--	--
FY 1977	2.800	57	(40/17)
FY 1978	2.854	49	(32/17)
FY 1979	3.026	49	(32/17)
FY 1980	3.126	49	(32/17)
FY 1981	3.250	49	(32/17)

TABLE I

COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D. C.

Frank -


Here is the memo
that you didn't have,
along with a copy of
the oral statement I gave
at the hearings & the
full testimony.

It was a good chat
Malcolm

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

February 25, 1981

MEMORANDUM FOR JAMES A. BAKER III

FROM: Malcolm F. Baldwin 
Acting Chairman

SUBJECT: CEQ Oversight Hearings

Today I testified before the Subcommittee, chaired by Rep. John Breaux (D-La.), of the House Merchant Marine and Fisheries Committee which has oversight responsibility for the Council. The Committee is considering H.R. 1953, which would authorize funds for the Council for fiscal years 1982 through 1984.

Twelve members attended: all asked questions. I thought you would like a brief report about the proceedings.

Congressman Breaux asked me if I was aware of and concerned about stories that the Administration was considering the elimination of CEQ, and whether I had been able to learn from the White House what the Administration's intent is regarding CEQ. All Members were concerned about this issue. I noted that I was aware of the stories, that I had tried to determine their veracity, that yesterday I received what seemed a credible report from the Hill to the effect that the Administration was intending to eliminate CEQ, and that I was seriously concerned about the situation.

A remark of Rep. Schneider's (R-R.I.) best characterizes the general reaction of the Committee. She noted that I should be keeping track of "yeses" and "noes" on the issue of the Council's continued existence. No Member suggested terminating 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 EOP over the past 11 years. Recognizing the new priorities and policies of the Reagan Administration, Rep. Schneider, asked if CEQ could serve the current Administration effectively. I noted that the staff wanted to play a constructive and helpful role in the new Administration and that the effective service the Council gave the Nixon and Ford Administrations demonstrated that the Council could serve such a role. Rep. Breaux urged me, on behalf of the Committee, to make every possible effort to meet with White House leadership to help resolve the Council's role in the EOP.

I would like to meet with you to discuss the ways in which I believe the Council could help develop and implement President Reagan's programs. At the meeting I could give you a more detailed discussion of the Members' questions and concerns and my responses.

Baldwin
2/25/81

Oral Remarks Brearley Subcomm.

Good morning Mr. Chairman and Members of the Committee.

I am Malcolm F. Baldwin, Acting Chairman of the Council on Environmental Quality. Having served the Council under Presidents Nixon, Ford, and Carter, it is a pleasure for me to testify before you at these oversight hearings.

I have been asked by the Administration to make clear to you today at the outset that any policy positions I might make do not necessarily represent the views of the Reagan Administration. I am testifying not as a political spokesman for the Administration but as a senior staff member designated as acting Chairman according to the wishes of President's Reagan's Administration. In addition, with respect to your consideration of our appropriations authorization request for fiscal years 1982 through 1984, the Office of Management and Budget has authorized us to state that we will transmit a draft bill to the Congress as appropriate shortly after March 10.

I have submitted a written statement which I would like to have included in the record. That statement covers in considerable detail the duties, procedures, accomplishments and concerns of the Council over the past 11 years.. It is a record of an agency that I believe has been unusually effective and productive.

The National Environmental Policy Act, which speaks of the need to maintain the quality of the "human environment," requires agencies to balance competing economic, social, and environmental concerns. That mandate applies to the Council as well. Unlike any other federal agency CEQ must address the entire range of environmental policy issues and activities of concern to the federal government, and to the President as needed to help him develop Administration policy.

The Council deals with national environmental policy issues largely through direct advice to the President, others within the Executive Office, and the individual agencies, or through publicly available reports on troublesome federal, state or local environmental problems. It has often been said by others that the Council is to be the President's environmental conscience. I find that a bit heavy. If, however, it is understood that the Council is to provide careful, unemotional, balanced, scientific, at no time sanctimonious, and oftentimes confidential advice, that may be a somewhat apt characterization of the Council's role in government.

Looking back at the past 11 years, I see three particular achievements of the Council to highlight this morning.

First are the five environmental messages that CEQ has prepared -- three for Nixon and two for Carter. These have been comprehensive programs that set the important environmental

agendas for the agencies and the nation. . We look forward to continuing this role.

Second are the 11 annual environmental reports of the President to the Congress, prepared entirely by the Council staff, which have become the authoritative federal source of information on environmental conditions, activities and trends for professionals, academics, business, government, and citizen leaders. About 35,000 copies are distributed annually.

Third has been the Council's establishment of the environmental impact statement process and its constant refining to make it an efficient and helpful aid to the public, government and business. We have been pleased that NEPA was not the subject of Presidential debate before the election and that it was noted with favor in the recent, voluminous Heritage Foundation report. NEPA is working and it is widely supported by business and environmental groups. With careful attention it should continue to deserve that support.

Now my written statement contains several tables which show the history of the Council's appropriations, staffing, and expenditures for travel and studies. These tables demonstrate that the Council has considered it important to operate as a small, professionally staffed organization with a lean budget. The Council has reduced its expenses where possible, maintaining a strong staff while voluntarily absorbing significant portions of the increased expenses caused by inflation over of the past several years. Thus:

- o since 1977, in constant dollars the Council's budget has declined by 30 percent while its full-time permanent and temporary staff has declined by 15 percent;
- o in 1978, the Council reduced its travel expenses by more than 50 percent and has held these expenses essentially constant since then;
- o the Council's proposed FY 1982 budget for studies is only about one-fourth what it was in FY 1977; and
- o for FY 1981 the Council absorbed 50 percent of the cost-of-living pay increase rather than the 30 percent required by OMB.

Yet, throughout this period, as discussed in detail in my written statement and the attached document "Highlights of CEQ Activities: 1977-1980", the Council has been productive. It is my understanding that a recent GAO oversight audit of the Council's activities and operations points to the same conclusion.

Thank you for this opportunity to testify. I would be pleased to answer your questions. With me to help are Edward L. Strohbehn, Jr., Executive Director, Nicholas C. Yost, General Counsel, and Thomas J. Delaney, our Administrative Officer.

STATEMENT OF

MALCOLM F. BALDWIN

ACTING CHAIRMAN, COUNCIL ON ENVIRONMENTAL QUALITY

BEFORE THE

SUBCOMMITTEE ON FISHERIES AND

WILDLIFE CONSERVATION AND THE ENVIRONMENT

OF THE

HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES

FEBRUARY 25, 1981

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I. OVERVIEW

A. Introduction

This testimony is an overview of the Council's activities. With respect to our appropriations authorization request for fiscal years 1982 through 1984, the Council will transmit a draft bill to the Congress as appropriate shortly after the Reagan Administration FY 1982 Budget is sent to the Congress on March 10, 1981.

The Council on Environmental Quality was established by the National Environmental Policy Act of 1969 (NEPA) as a policy oversight and advisory unit within the Executive Office of the President. The Council's overall responsibilities are:

- o to provide policy advice to the President and the Congress;
- o to oversee agency implementation of NEPA;
- o to coordinate and to assist in resolving interagency environmental issues;
- o to develop and improve environmental data and monitoring capabilities governmentwide;
- o to assist and advise the President in the preparation of the Annual Environmental Quality Report to the Congress.

Because environmental issues and statutory requirements affect nearly every federal agency, CEQ's activities cut across agency jurisdictional lines. Providing interagency coordination and guidance are routine parts of CEQ's activities. Key agencies with which CEQ has almost daily contact are the Office of Management and Budget and other agencies and staff within the Executive Office of the President, the Environmental Protection Agency, the Departments of the Interior, Agriculture, Transportation, Energy, State, Housing and Urban Development, and Health and Human Services, and the National Oceanic and Atmospheric Administration.

Since 1970, the Council has performed the following duties:

- o Regularly provided the President, White House staff, and agencies in the Executive Office of the President with environmental policy analysis and confidential advice on critical environmental issues and proposed decisions.
- o Developed a system which applies to all federal agencies for implementing the National Environmental Policy Act's environmental impact statement requirement. In 1978, after extensive consultation with agencies and citizen and business interests, CEQ established one uniform set of regulations to replace the separate federal agency regulations. The new regulations are designed to reduce delays and paperwork and to make the impact statement process more useful for agency decisionmakers.
- o Prepared eleven Annual Reports for the President on the state of the national and global environment. These reports are widely circulated reference works serving federal agencies, the Congress, international and educational institutions, and the general public. About 35,000 copies are distributed each year.

- o Initiated, developed, and managed five Presidential Environmental Messages and Programs -- three for President Nixon and two for President Carter. In addition to launching new environmental policies and initiatives, these programs featured new ways to improve the coordination, integration, and efficiency of existing federal agency activities.
- o Prepared special reports for the President on matters of exceptional national and international importance, such as OCS Oil and Gas -- An Environmental Assessment (1974) and The Global 2000 Report to the President (1980).
- o Evaluated controversial proposed federal actions, such as major public works projects, referred to CEQ by the heads of other federal agencies because of significant adverse environmental effects.* CEQ mediated these interagency controversies for the Executive Office of the President and provided recommendations to the federal agencies.
- o Regularly provided information and analysis on conditions and trends in the environment to the President, the Congress, OMB, other federal policymakers, and the public. CEQ has taken the lead among federal agencies: in preparing publications on national environmental statistics and on environmental conditions and trends; in coordinating agency programs for environmental data collection; in analyzing environmental monitoring data for policymakers; and in cooperating with major international organizations to develop compatible international reporting of environmental statistics.

B. Origin and Legal Status

The Council was created to advise the President, the Congress, and the nation on environmental matters and to assist in ensuring that federal agency decisionmaking gives full consideration to environmental factors. NEPA is modeled on the Full Employment Act of 1946, which likewise established CEA. Members of Congress wanted CEQ in the Executive Office to ensure direct access to the President, to maintain independence from the special mission orientation of line federal agencies, and to provide the President and the EOP agencies with impartial advice through CEQ's professional staff. The Council was intended to provide an independent policy review function with regard to agencies directly administering major environmental programs, such as the Departments of the Interior, Agriculture, Transportation, Energy, Housing and Urban Development, and Health and Human Services, the Army Corps of Engineers, and the Environmental Protection Agency.

Soon after CEQ was established, it replaced the interagency cabinet group created by President Nixon in March 1969 by Executive Order 11472. This group had been designed to coordinate and oversee federal environmental programs and policies.

*The Council has a mandated statutory role in resolving interagency disputes. Section 309 of the Clean Air Act requires the Environmental Protection Agency to review and comment on environmental impact statements within its jurisdiction and to refer to CEQ "any such legislation, action, or regulation [that] is unsatisfactory from the standpoint of public health or welfare or environmental quality." The Council has established procedures under Part 1504 of its regulations for resolving referrals from agency heads pursuant to NEPA and Section 309.

The fundamental consideration underlying the creation of the Council was recognition by Congress of the breadth of environmental quality concerns. In the hearings held before the enactment of NEPA, Congress learned that almost all federal activities affected environmental quality in one way or another and that only rarely did the agencies consider the effects of their activities on the environment before making decisions and taking actions. Thus, in Title I of NEPA, Congress declared a national environmental policy. The policy explicitly recognizes that conflicting human requirements in the use of living and nonliving resources require balancing of policy interests. One of CEQ's important responsibilities is to aid the President and the EOP in striking the balance among competing priorities. To implement the policy declared by NEPA, Congress established several mandatory requirements, binding on all federal agencies, and the Council on Environmental Quality.

Title II of the National Environmental Policy Act of 1969* created the Council. Its principal statutory responsibilities are:

- o to advise the President on environmental policies and issues and to provide recommendations which foster and promote the improvement of environmental quality;
- o to oversee implementation of the National Environmental Policy Act by the federal agencies;
- o to review and appraise federal programs affecting the environment;
- o to analyze important environmental conditions and trends;
- o to assist and advise the President in the preparation of the Annual Report to the Congress on environmental conditions and trends and on environmental activities;
- o to undertake investigations, studies, surveys, research, and analyses relating to environmental issues; and
- o to undertake other duties and responsibilities as directed by the President.

The Council's duties under NEPA were elaborated by Executive Order 11514, issued in March 1970. That Executive Order requires CEQ to:

- o "recommend to the President policies and programs to achieve more effective protection and enhancement of environmental quality;"
- o "recommend to the President and to the agencies priorities among programs designed for the control of pollution and for enhancement of the environment."

*The Environmental Quality Improvement Act of 1970 (EQIA) established the Office of Environmental Quality in the Executive Office of the President. The EQIA makes the Chairman of CEQ the Director of the Office of Environmental Quality. Since its inception, the Council has subsumed the Office of Environmental Quality and has operated as a single entity under both statutes. The EQIA provides the Council with its staff and with other important responsibilities and authorities.

- o "determine the need for new policies and new programs dealing with environmental problems not being adequately addressed;"
- o "advise and assist the President and the agencies in achieving international cooperation for dealing with environmental problems, under the foreign policy guidance of the Secretary of State;"
- o "coordinate Federal programs related to environmental quality;"
- o "assist the President in preparing the annual Environmental Quality Report;"
- o "issue such other instructions to agencies, and request such reports and other information from them, as may be required to carry out the Council's responsibilities under the Act;" and
- o "issue guidelines to federal agencies for implementing the environmental statement requirement of NEPA."

In May 1977, by Executive Order 11991, the President amended Executive Order 11514 and directed CEQ "to issue regulations to Federal agencies for the implementation of the procedural provisions of the Act." The Executive Order stated that the "regulations will be designed to make the environmental impact statement process more useful to decisionmakers and the public; and to reduce paperwork . . ." Executive Order 11991 also directed the Council to establish procedures for implementing NEPA and Section 309 of the Clean Air Act under which agencies refer environmental disputes to CEQ.

In addition to NEPA, Congress has enacted several statutes which assign specific responsibilities to CEQ. For example:

- o Section 25(b) of the Toxic Substances Control Act required CEQ, in consultation with the Environmental Protection Agency, Department of Commerce, Department of Health and Human Services, and others, to prepare a report for Congress by July 1978 on the feasibility of establishing (1) a standard classification system for chemical substances and related substances and (2) a standard means for storing and for obtaining rapid access to information concerning such substances. In addition, under the mandate of Section 25(b) an interagency committee was established which CEQ cochairs with EPA and which is charged with developing and implementing the classification and data retrieval system noted above.
- o Section 709 of the Surface Mining Control and Reclamation Act of 1977 directed the Council to study the surface mining of minerals other than coal to determine whether coal mining and reclamation technologies required by that Act could be applied to other mineral production activities to achieve the purposes of the Act.

- o The Alaska Natural Gas Transportation Act of 1976 required the Council to review the adequacy of the environmental impact statements prepared by the Department of the Interior and the Federal Power Commission on the proposed Alaskan Gas Pipeline Systems and to make environmental recommendations to the President. The Council completed this duty in June 1977.
- o Section 11 of the Non-Nuclear Energy Research and Development Act of 1974 gave CEQ responsibility to analyze the energy efficiency and environmental soundness of energy production technologies. In 1977, this function was transferred to EPA by a Presidential Reorganization Plan.
- o Section 703 of Title VII of the Energy Security Act establishes an Acid Precipitation Task Force and designates the Council as a member. The Task Force is to prepare a comprehensive research plan for a 10 year program.

C. Council Organization

The Council consists of three Council Members appointed by the President with the advice and consent of the Senate in accordance with criteria set forth in Section 202 of NEPA. The President designates one of the Members as Chairman. The Chairman is a Level II appointment; the Members are Level IV. The staff consists of 29 permanent and 17 temporary employees. Professional staff represent a broad range of professional disciplines including physics, chemistry, ecology, economics, engineering, toxicology, and law.

The Council's organization consists of: the Executive Office, comprised of the Chairman, the two Members, and the Executive Director; the General Counsel's Office; the Public Information Office; the Administrative Office; and six program staff units. These units are: Energy; Environmental Data and Monitoring; International Affairs and Oceans; Land Use and Wildlife; Natural Resources; and Pollution Control, Health and Economics. An organization chart is attached.

All Senior Staff (Public Law) positions are filled by professional personnel identified and appointed to carry out specific technical and scientific responsibilities involving environmental quality. Other professional staff are also employed solely on the basis of their professional training and experience.

D. Budget/Staffing History

In May 1980, pursuant to the Environmental Quality Improvement Act of 1970, the President submitted to the Congress an authorization request for the Council for FY 1982 of \$3 million and for such sums as are necessary for FY 1983 and FY 1984. In addition, the Council is authorized \$1,000,000 per year under NEPA.

The table below sets out CEQ's appropriations and staffing since its inception:

<u>Fiscal Year</u>	<u>Budget (\$000)</u>	<u>Budget in 1980 Dollars (\$000)</u>	<u>Permanent Staff</u>	<u>Temporary Staff</u>	<u>Total Staff</u>
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++

In 1978, CEQ reduced its travel expenses by more than one-half and since then has continued to hold its travel expenses essentially constant.

	<u>FY 1975</u>	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>FY 1980</u>	<u>FY 1981</u>
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.

++ 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 allocation was increased by 5 people by OMB in order to provide CEQ with the same number of full-time-equivalent staff as CEQ has had in prior years. Thus this increase in temporary staff does not represent an increase in personnel strength or costs.

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

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

*** Estimate for FY 1982 (which is President Carter's appropriations request for the Council) assumes that the GNP deflator will be 10 percent.

E. Studies and Research Activities

NEPA requires the Council "to conduct investigations, studies, surveys, research and analyses relating to environmental quality." (Section 204(5)). Under NEPA and EQIA, CEQ is expected to undertake studies that are policy relevant, are concerned with the future, and address issues not otherwise being examined by other federal agencies.

CEQ devotes only a modest portion of its own funds to research and study activities.

<u>Fiscal Year</u>	<u>CEQ Study Funds*</u>	<u>CEQ Study Funds in 1980 Dollars</u>	<u>Percent of Adjusted Appropriations** Devoted to Studies</u>
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

To ensure that CEQ accomplishes the statutory objectives which govern its research and analysis activities, the Council has developed a special system for obligating funds available for studies and research. During the development of the Council's appropriations request, the Council compiles a list of potential study proposals. These proposals are generally broad in concept and scope. At this stage, the purpose is to identify important research topics and not to determine the best market price for the studies on whether other agencies, for example, are doing similar work.

Next, shortly after the fiscal year begins, when the amount of funds available for studies is known, the Council asks each staff unit to define as precisely as possible the study proposals the staff consider important for accomplishing the Council's responsibilities. Staff units note the priority rank of each study proposal. Proposals recommended by Council Members are included in the list. By compiling research proposals at the beginning of the fiscal year and setting them in order of priority, the Council ensures to the best of its ability that the proposals are relevant, timely, and keyed to Council and Administration environmental priorities.

After all of the studies have been identified, the Executive Director compiles for the Council a list of all of the study proposals, identifies the funds needed for each and provides recommendations for obligating the Council's funds. The Council reviews the recommendations and the Chairman

* 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.

** "Adjusted Appropriations" means CEQ's total appropriations less the amount of funds provided for the nonnuclear energy research and development program that were devoted to studies.

+ Includes transitional quarter.

makes the final decisions. This process ensures that the Council undertakes studies which can best accomplish the Council's duties to provide timely and authoritative policy advice to the President and the Executive Office of the President, to monitor and provide reports on the condition of the environment, and to develop new and needed policy initiatives.

Study proposals which ought to be undertaken on an interagency basis are identified at the same time and evaluated in the same manner as CEQ studies. Many of the Council's studies are interagency efforts, particularly those that involve relatively large amounts of money. This has a number of advantages. Involving several agencies in the process brings additional expertise to the development of the proposal, helps refine it to meet the mutual needs and interests of several agencies, and eliminates redundancies.

The brief description below of several of the Council's recent studies is presented to show the various ways in which they were generated and how they address important issues in an objective and timely manner.

- o Mining and Reclamation Technologies for Non-Coal Minerals Study

In the 1977 Surface Mining and Reclamation Act, Congress directed CEQ to contract for a detailed study of mining and reclamation technologies for minerals other than coal. A principal purpose of the study was to evaluate the applicability of the Act's coal mining reclamation requirements to other minerals. CEQ will be submitting to the Congress in the near future a report based on this study and the interagency and public evaluation process that was conducted by CEQ following the completion of this study. As requested by the Congress, this report will contain CEQ's recommendations regarding the next policy steps needed.

- o Global 2000 Study

In his 1977 Environmental Message, the President directed CEQ and the State Department, in cooperation with other federal agencies, to conduct a study of probable changes in global population, resources, and environment by the year 2000. The result of this study was The Global 2000 Report to the President, submitted in July 1980.

- o National Agricultural Lands Study

The fact that significant amounts of the nation's agricultural lands were being irreversibly converted to other uses was brought to the attention of the staff and policy officials of the Council and the Department of Agriculture by discussions over the past few years with local government officials and members of the public and from information from a variety of other sources. The heads of the two agencies decided to undertake a joint study of the nature and effects of the conversion of agricultural lands. The agencies also decided to consult closely with ten other federal agencies, state and local governments, and the public. The study was undertaken by an interdisciplinary staff largely made up of professionals detailed from the federal agencies. The Final Report was completed in January 1981, and it was the subject of a National Agricultural Lands Conference held in Chicago last month, where Secretary Block endorsed its principal findings.

o Rural Growth Study

The impetus for this study came from CEQ staff who have been following closely the trends in rural population growth and their concomitant effects on the environment. Over the past 5 years, for the first time since the industrial revolution, the rate of population growth in rural America exceeded the rate of growth for urban America. The study is designed to illustrate with case studies the various population shifts that are occurring and their effects on land resources. The result will provide insights which will be useful over the next decade for developing federal policies that affect rural America.

CEQ's study and research activities are not only published independently, if appropriate, but are also reported in its Annual Report to ensure their wide dissemination and use. It is worth emphasizing that each year the Annual Report is a new "book," of about 600 pages produced by the staff with considerable interagency participation. The staff's experiences over the years are the instrumental factors which guide the development and content of the Report. The Report is a reference document which provides a synthesis of data and research and analyses on environmental quality developed by many federal agencies.

One other aspect of the Council's research activities warrants emphasis. Over the last 6 months of 1980 CEQ developed a new contract manual which will ensure that the Council follows correct procurement practices and documents its actions properly. A GAO audit of CEQ's procurement practices over the last 3 months of 1980 revealed several deficiencies, a principal one being that CEQ had failed to keep adequate records.

II. ACHIEVEMENTS AND ACTIVITIES OF THE COUNCIL

Attached is a document which lists the Council's significant accomplishments since the oversight hearings before this Committee in October 1977. It is entitled "Highlights of CEQ's Activities: 1977-1980". A general discussion of the Council's activities and accomplishments follows. To provide continuity, the discussion touches on some activities that preceded 1977.

A. Oversight of Agency Implementation of the National Environmental Policy Act (NEPA)

One of the Council's principal statutory duties has been to "appraise the various programs and activities of the Federal Government in the light of the policy set forth in title I" of the National Environmental Policy Act and to determine "the extent to which such programs and activities are contributing to the achievement of such policy." (NEPA, Section 204(3)) These duties have been fulfilled first by maintaining a regular liaison between designated CEQ staff and individual agencies and, second, by CEQ's periodic, comprehensive reviews of agency NEPA implementation. Over the past 10 years CEQ has devoted substantial staff time and resources to both of these efforts.

Routine results of CEQ's regular liaison with agencies include:

- o CEQ advice to agencies on how to simplify environmental review procedures to comply with NEPA in difficult cases;
- o CEQ recommendations on ways to focus environmental analyses on key issues and alternatives and to combine the NEPA process with other existing planning and decisionmaking processes of the particular agency; and
- o designation of the "lead agency" having environmental review responsibilities from among two or more federal agencies.

CEQ's regular and comprehensive reviews of agency implementation of NEPA began in the early 1970's and resulted in continued refinement of the Council's impact statement guidelines. In 1976 CEQ published its "Analysis of the Environmental Impact Statement Process of 70 Federal Agencies," and began to revise substantially the existing guidelines. In 1977, following directives in Executive Order 11991, CEQ began to develop a uniform, binding regulation for all agencies to replace the scores of existing, sometimes conflicting regulations then in existence. In writing the regulations, CEQ's goal was to streamline the NEPA process by reducing delay and duplication of effort and paperwork.

The regulations were developed over an eighteen month period in an open process, with extensive participation by representatives of business and industry, labor, and environmental groups. The regulations have received widespread support from major business and environmental groups concerned with implementation of NEPA. Among other features, the regulations establish page limits for Environmental Impact Statements (EISs), provide for setting time limits on completing the EIS process, and require federal agencies to work with federal permit applicants and the public at the earliest possible stage in order to encourage cooperation and to minimize major rewriting of EISs from the draft to the final document.

The regulations became effective on July 30, 1979. Since then CEQ has worked with federal agencies to make sure the improvements called for in the regulations are carried out. Toward that end the Office of the General Counsel has:

- o Reviewed, in the Spring of 1980, new impact statements prepared by the agencies to determine whether they were indeed shorter, more analytical, and helpful to decisionmaking. Over 250 EISs were examined and 10 regional meetings were held with EIS preparers. CEQ found marked, but by no means universal, improvements. To help solve the problems identified, CEQ has prepared and will soon publish further guidance on the NEPA process.
- o Conducted a study of the different methods agencies have used to focus impact statements on major issues and alternatives at the earliest possible stage. "Scoping," a new public process to achieve that result, is required in CEQ's regulations. The process has been well received in and out of government, but improvements are needed. CEQ will soon publish a report on agency experiences with scoping to explain what works and what does not.

Other environmental oversight activities of the Office of the General Counsel include initiation and supervision of the following:

- o Analyzing environmental decisionmaking in 19 major federal agencies, to determine what organizational structures work best toward improved decisionmaking under NEPA; and
- o Developing a comprehensive directory of federal permit and license requirements which involve NEPA and environmental reviews.

B. Dispute Resolution

Since its creation the Council has been involved in resolving major environmental disputes among agencies.

Referrals: Section 309 of the Clean Air Act and Part 1504 of the NEPA regulations provide for referral to the Council of major disagreements among federal agencies on environmental matters. This procedure provides a forum whereby the agencies can work out their differences under the auspices of the Executive Office of the President. The Council generally makes recommendations and exercises the powers of a mediator. It has negotiated successful conclusions to a number of the controversial projects that have been referred to it.

A recent example of a project referral was the proposed construction of I-84 from Hartford, Conn. to Providence, R.I., which EPA found environmentally unsatisfactory and referred to CEQ in December 1979. After considerable staff analysis, in 1980 the Council recommended that DOT make several changes in the I-84 project. DOT substantially agreed with the Council's recommendations and modified its action accordingly.

Mediation: Over the past two years President's Carter's Steel Tripartite Committee, composed of agencies of the federal government and representatives of major steel companies and labor unions, developed a series of consensus recommendations aimed at revitalizing the American steel industry and restoring it to a productive and competitive level. When this report was transmitted to President Carter in 1980, it contained several recommendations either to relax or stretch out compliance with air and water pollution laws and regulations. The Council acted as mediator between the environmental community and representatives of industry and labor in this matter and helped produce a consensus proposal for the President.

In the belief that agency use of environmental mediation can be an important and fruitful alternative to litigation and protracted administrative wrangling, CEQ cooperated with the Department of the Interior in a major study of environmental mediation opportunities and pitfalls. The study results are being published along with CEQ's own review and analysis.

C. Development of Federal Environmental Policies and Programs

The broad legislative mandate of NEPA and several specific provisions of Executive Order 11514 require that CEQ deal with a wide variety of environmental problems and issues, most of which cut across individual federal agency responsibilities.

One of the principal means by which CEQ accomplishes this duty is to develop environmental messages and programs for the President. The Council developed three for President Nixon and two for President Carter. The most recent Environmental Message

was issued in August 1979. It contained 12 initiatives in four general areas: land and resource management; agricultural conservation; urban quality; and the global environment. Many of the initiatives are discussed below.

The following discussion of CEQ's activities is divided into substantive categories: energy; environmental data and monitoring; global environment and oceans; land use and wildlife; natural resources; and pollution control, health and economics. These categories correspond to the present organization of the CEQ program staff units, each of which is headed by a Senior Staff Member, who is generally supported by 1 to 3 staff members.

ENERGY

Over the past decade the Council has initiated or participated in numerous activities to coordinate and simplify compliance with federal environmental statutes and regulations, to improve federal environmental research and development programs related to energy development, to examine ways to increase national energy productivity, and to identify and resolve the technical and social problems inhibiting the use of available domestic energy sources. Examples of these initiatives follow.

- o Balancing Energy/Environment Conflicts: The Council has, for example:
 - Worked with EPA and NRC to develop an interagency agreement to integrate the two agencies' permit and NEPA responsibilities on nuclear power plant proposals into an efficient EIS process. A memorandum of understanding was signed.
 - Conducted interagency meetings to determine the scope and timing of environmental analyses and interagency NEPA coordination needed to issue permits for electric power plants and oil pipelines.
- o Improving Federal Energy/Environment R&D Programs: The Council has:
 - Chaired or coordinated several task forces over the past 7 years to identify gaps and overlaps in federal environmental-energy research programs. By performing this function the Council assisted the development of environmentally and occupationally safe new energy technologies.
 - Conducted hearings and made recommendations pursuant to Section 11 of the Non-Nuclear Energy

Research and Development Act of 1974 on energy efficiency and environmental protection in federal energy R&D programs. (In 1977, this function was transferred to EPA by reorganization plan.)

- o Increasing National Energy Productivity: CEQ has:
 - Sponsored research and helped organize a major national workshop on the identification of institutional barriers to increased energy efficiency in buildings. The proceedings of this 1980 workshop will soon be published. Numerous low cost opportunities for assisting the market place to achieve higher productivity were identified.
 - Developed, in 1979, Administration initiatives to encourage energy efficiency, including a proposal to remove the National Energy Act provision which prohibited utilities from investing in energy conservation technologies. A repeal of this prohibition was enacted in 1980. Many utilities around the nation are now rate-basing conservation investments where they have been found to be the most cost effective means available to meet consumer energy needs.
- o Provided Independent Assessments of Several Important Energy Issues:
 - CEQ has prepared and published studies reviewing: (1) the national benefits offered by increasing national energy productivity; (2) the potential role of renewable energy sources in meeting national energy needs; and (3) the implications of the carbon dioxide problem on long-term national energy policy.

ENVIRONMENTAL DATA AND MONITORING

In response to its statutory mandate the Council has developed and maintained a comprehensive data and monitoring program to analyze environmental conditions and trends and to cooperate with agency programs that collect environmental data. Major Council activities and accomplishments in this area are described below.

- o Data Assembly and Analyses: Each year CEQ publishes in its Annual Report information based on its own independent analyses of national environmental conditions and trends, as required by Section 204 of NEPA.
- o Agency Coordination: Section 203(d) of the Environmental Quality Improvement Act charges CEQ with responsibility to review the adequacy of agency programs

for collecting environmental data. During 1977-1980, CEQ led an Interagency Task Force that reviewed federal data and monitoring programs and recommended program changes to the major agencies. In addition, CEQ staff worked with agencies to improve interagency coordination of data programs, both within and among environmental disciplines. CEQ also has been coordinating U.S. environmental data and statistics programs with similar international programs, including the UN Environmental Program, the UN Statistics Office, and the Organization for Economic Cooperation and Development (OECD).

- o UPGRADE Project: Several years ago CEQ's staff determined that agency data on environmental conditions and trends were in widespread data bases and formats, were of variable or unknown validity, and were not easily susceptible to statistical and interdisciplinary analyses. CEQ, with cooperation and assistance from other agencies, developed the User Prompted Graphics Data Evaluation (UPGRADE) system. UPGRADE provides CEQ staff and other users, who are not computer specialists, with the capability to process and analyze environmental data for graphics, mapping, and statistical analyses. It provides a way to handle interdisciplinary data from various data bases for analyses of causes and effects and to study how environmental factors relate to each other. CEQ first used UPGRADE for analyses of water quality data for the Seventh (1976) Annual Environmental Quality Report. The UPGRADE system has been used extensively for analyses of air and water quality for each subsequent Annual Report. In addition, CEQ staff frequently use UPGRADE for analyses to support policy reviews and recommendations.

UPGRADE, which CEQ developed and leads, has become a major interagency project in which many agencies share data and resources. Last year CEQ accomplished a basic goal of the UPGRADE project, which was to place the UPGRADE computer program on a commercial computer. This action permits other federal agencies, state and local governments, industry, and the public to use the system in a more cost-effective way and should improve environmental data analysis on a national basis.

- o Publications in Environmental Statistics: CEQ has taken the lead among U.S. agencies in assembly and publication of statistics on the environment. Environmental Statistics 1978 contains more than 200 time-series sets of environmental data, such as amounts of solid waste disposed of, diet intake of pesticides, automobile emissions, automobile fuel efficiency, air quality, water quality, water consumption, and status of endangered species. The document was published in March 1979 in cooperation with the Geological Survey and EPA,

and has received a very favorable response from agencies, environmental groups, and the public. A new Environmental Statistics 1981 is in production. CEQ cooperated with OECD and was a lead organization in publication of State of the Environment in OECD Countries. A major publication on Environmental Conditions and Trends, with extensive maps, graphics, and text in 13 environmental areas, is in the final stage of publication.

GLOBAL ENVIRONMENT AND OCEANS

The Council has maintained a strong role in global environment issues initiating a number of policies in cooperation with other agencies. Because of the wide variety of environmental problems involved, the Council's global environment and oceans program also draws on the expertise and experience of other staff units.

- o International Wildlife: The Council led in the development of many major U.S. policies on international wildlife management and conservation. Two examples:
 - Whales. CEQ led an interagency task force which developed the U.S. position on whale conservation for the 1972 Stockholm Conference on the Human Environment; the U.S. proposal was adopted unanimously by the Conference. CEQ continues to play a major part in interagency development of U.S. policy on whales and serves on the U.S. delegation to meetings of the International Whaling Commission.
 - Trade in Endangered Species. CEQ led the U.S. effort to achieve international control of trade in endangered and threatened species. It established an interagency committee to draft U.S. proposals for a convention, and chaired the U.S. delegation at negotiating meetings and the conference where the Convention was signed. The Convention came into force in 1975. CEQ continues to help coordinate U.S. actions to implement the Convention.
- o Oceans: The Council led two U.S. government efforts to control pollution of the world's oceans.
 - Oil pollution. CEQ co-chaired with OMB an interagency task force which developed U.S. national and international policy to reduce pollution of the ocean by ships. The 1978 international conference on Tanker Safety and Pollution Prevention adopted most of the U.S. proposals that the task force had developed. CEQ continues to help coordinate implementation of U.S. policy on tanker pollution.

- Ocean dumping. CEQ established an interagency task force to develop the U.S. proposal for international control over the dumping of hazardous and polluting waste materials in the oceans. CEQ chaired the U.S. delegation to the negotiating meetings. The convention was signed in 1972 and came into force in 1975.
- o Global Resources and Environment:
 - Economic development assistance. CEQ was instrumental in the development of policies to assure that sound natural resource management and environmental protection are included in U.S. economic development assistance programs for Third World countries. The results were: amendments to the Foreign Assistance Act in 1977, 1978, and 1979, which encourages AID to fund effective projects for sustained use of renewable natural resources and conservation of energy; and AID's adoption in 1976 and 1980 of simple, effective procedures that guide country missions in evaluating the impacts of proposed projects on natural resources and the environment.
 - Global 2000. CEQ, with the Department of State and 11 other agencies, sponsored the comprehensive Global 2000 study of probable changes in world population, resources, and environment through the year 2000. The results of the study were contained in The Global 2000 Report to the President, issued in July 1980 by CEQ and State. The Report points to a serious degradation of the world's renewable resource base and to reduction in the earth's carrying capacity, if present trends and policies continue. In response to the Report, President Carter established a task force, chaired by CEQ, to coordinate a review of U.S. policies related to global population, resource, and environment problems. In January 1981, CEQ and State issued a report -- Global Future: Time to Act -- which assembles suggestions from experienced people within and outside the government on actions the United States could take in response to problems identified in the Global 2000 Report
 - World Forests. CEQ worked with the Departments of State and Agriculture and with other agencies to develop a U.S. strategy in response to the global problem of tropical forest loss. Loss of tropical forest not only has serious immediate impacts -- soil erosion, siltation of rivers, destruction of fish habitat, destabilization of water supplies, intensified flooding -- but also destroys essential

habitat where the world's greatest diversity of plant and animal species exists. In 1980 CEQ coordinated Presidential policy directives to assure that relevant U.S. agencies give adequate attention in their budget and program planning to world forest problems, and raise this issue in appropriate international meetings.

- Antarctica. CEQ is participating with the Department of State and other agencies in developing the U.S. position on possible mineral activities in Antarctica, to be discussed at several forthcoming meetings of the Antarctic Treaty parties. CEQ is developing with other interested agencies proposals to assure that the unique, essentially pristine Antarctic environment will be adequately protected. CEQ serves on the U.S. delegation to Antarctic Treaty meetings. It is also taking part in interagency policy development to implement the Antarctic Living Resources Convention which was just signed and is not yet in force. This Convention is based on conservation principles drafted by CEQ and other agencies as part of the U.S. position.

LAND USE AND WILDLIFE

Land use: Since 1970 the Council has worked closely with other federal agencies in developing better coordination, wider understanding, and appropriate revision of federal land resource policies. The economic and environmental costs of federal actions that affect the nation's private land resources have received the Council's particular attention. Major staff activities include environmental oversight of federal departments and agencies, especially the Departments of the Interior, Agriculture, Transportation, Commerce, and Housing and Urban Development. Some of the Council's major activities are summarized below:

- o Urban and Rural Public Works Programs: Sewers, water treatment plants, highways, airports, and other urban and rural infrastructure development programs of federal agencies can cause inadvertent, adverse economic and environmental effects. The following CEQ activities were undertaken to respond to this problem.
- CEQ developed recommendations in 1976 for EPA on ways to avoid oversizing of sewage treatment plants and to improve economic and environmental analyses; in 1979 for the Economic Development Administration on ways to avoid environmental problems with its public works program; and in 1979 for HUD on remedies to the environmental and legal problems of its Urban Development Action Grant program, and on ways to improve public participation in the UDAG program.

- Since CEQ's inception, CEQ has worked in cooperation with the OMB on ways to reduce or eliminate public works programs causing substantial economic and environmental costs and on procedures to help local governments assess the long-term operating and maintenance costs of federally supported development projects.
- CEQ has published reports on infrastructure development problems, such as Costs of Sprawl (1974), Growth Shapers (1976), and Subdividing Rural America (1976).
- o Coastal Resources: Following enactment of the Coastal Zone Management Act of 1972, CEQ worked closely with all major federal agencies to develop coordinated coastal zone programs that recognize the environmental and economic values of the coastal zone and the management role of state and local governments.
 - In 1974, CEQ coordinated the execution of federal agency responsibilities for preparing the environmental analysis of a major east coast refinery proposal.
 - In 1977, CEQ prepared and published the comprehensive report entitled Oil and Gas in the Coastal Lands and Waters.
 - In 1977, CEQ initiated a comprehensive analysis by the Department of the Interior of appropriate federal policies toward undeveloped barrier islands of the east and Gulf coasts.
 - In 1979, CEQ initiated a comprehensive review by the Office of Coastal Zone Management in the National Oceanic and Atmospheric Administration of major federal programs affecting the coasts, concentrating on ways to improve coordination, resource protection, and energy development planning.
 - In 1980, in consultation with the Department of the Interior, the Corps of Engineers, and EPA, and in cooperation with NOAA, CEQ developed an atlas of 130 maps displaying resource, socio-economic, jurisdictional, and environmental impact data for the Atlantic Coast in order to aid planning by business, industry, state and local governments, and other government agencies.
- o Rural Conservation: the reversal of the decline of rural population after 1970, and the changing rural population patterns in all parts of the country that has occurred since 1970, have raised important policy questions that CEQ addressed by:

-- highlighting the reasons for and the effects of these new demographic trends in a series of Annual Report analyses and in a forthcoming publication on rural growth;

-- preparing, in cooperation with the Department of Agriculture, guidance for federal agencies which was designed to help protect prime and unique agricultural land from inadvertent and unnecessary loss caused by federal programs; the latest guidance was issued in 1980 and applies to all federal agencies;

-- developing, in cooperation with the Departments of the Interior and Commerce and OMB a new approach to the protection of outstanding scenic resources of rural America that will enhance economic development and will not require federal acquisition and management.

- o Housing Development: CEQ has initiated and is supervising a basic restructuring and simplification of the application process for housing assistance from the Department of Housing and Urban Development, the Veterans Administration and the Farmers Home Administration. The new process will follow a uniform handbook to be used by developers and all three agencies to speed the application review process, reduce housing costs, and improve sensitivity to environmental issues.
- o Urban Noise Program: CEQ worked closely with the Environmental Protection Agency on an urban noise program designed to achieve noise abatement benefits from better coordination of existing federal programs. The energy weatherization program, for example, produces noise abatement benefits without additional cost. Another example is the "Buy Quiet" program, which is a voluntary effort of state and local procurement officials to use their purchasing power in the marketplace to specify the quiet equipment they intend to purchase.
- o Urban Transportation Policy: CEQ has worked with the Department of Transportation on the development of urban transportation programs designed to meet goals of energy conservation and urban quality and to increase mobility in more cost-effective ways. New DOT policies which CEQ helped to develop include encouragement of ridesharing; discouragement of projects that cause unmanageable sprawl; a first-time review of all federal grants for parking facilities; greater reliance on nonconstruction alternatives to improve urban mobility; and stronger measures to reduce the adverse impacts of transportation projects on the environment.

Wildlife: The Council's involvement in wildlife conservation issues has responded to the substantial impacts of federal agency programs on wildlife resources, the need to coordinate federal policies and programs with the essential role of state governments, and the broad public interest in a wide variety of wildlife protection and management problems.

- o Conservation of Wildlife and Wildlife Habitat: The Council has had a long-standing involvement in U.S. efforts to conserve wildlife and wildlife habitat, here and abroad. It has:
 - sponsored symposia, published books, and conducted studies on trends in wildlife populations and habitats, and on private, state, and federal efforts to conserve game and nongame species. Examples are The Evolution of National Wildlife Law, published in 1977, and Wildlife and America, published in 1978.
 - participated in and headed interagency groups concerned with federal and state efforts to manage and conserve selected species and habitats, and concerned with ecological research on federal lands. CEQ has co-chaired, with NSF, the interagency Federal Committee on Ecological Reserves, and chairs the International Convention Advisory Committee on endangered species trade.
 - helped to develop Administration policies affecting wildlife and the ecosystems in which they live, particularly policies involving two or more federal agencies, through reviews of the budget, proposed regulations, and legislation.
 - worked with private organizations and state and federal agencies to assess efforts to conserve wildlife habitats, to identify trends in those habitats, and to identify state and federal policies and programs that affect those trends.
- o Regulation of Trade in Wild Animals and Plants: Numerous state and federal laws govern trade in wild animals and plants in order to control disease, to prevent introduction of unsuitable exotic species, and to maintain healthy populations of harvested species. The Council has been involved in many efforts to make federal controls more effective and efficient. CEQ has:
 - drafted Executive Order 11911 issued by President Ford to standardize and simplify the permitting system;

- drafted Executive Order 11987 issued by President Carter to standardize and simplify controls restricting the introduction of exotic species into lands under control of executive branch agencies;
- initiated and monitored Administration efforts, such as the 1979 Wildlife Law Enforcement Coordinating Committee, to improve federal wildlife law enforcement.

NATURAL RESOURCES

The Council appraises and oversees federal programs that affect our nation's land, water, and mineral resources. These programs include management of our National Forests, Parks, and public rangelands; agriculture; water resources programs; and mining and reclamation of minerals other than coal. Major staff activities include environmental oversight of several federal departments and agencies, especially the Departments of the Interior and Agriculture, the Army Civil Works program, and the Tennessee Valley Authority. Recent accomplishments are described below:

Public Land Resources

- o Forest Management Policy: CEQ worked closely with the Forest Service, OMB, and the White House staff to develop a comprehensive multi-year program for management of the 187-million acre National Forest System and for related programs to assist state and private forestry as required by the 1974 Renewable Resources Planning Act.
- o Management of Public Lands by the Bureau of Land Management (BLM): A new "organic act" for BLM, the Federal Land Policy and Management Act, was passed in 1976. CEQ helped develop this legislation which was needed to clarify BLM's authority for long-term management of the 417 million acres of public range and forest lands that are under BLM's jurisdiction. In 1979 CEQ prepared Presidential directives to replace the BLM's fragmented planning and decisionmaking process with a more systematic management approach. CEQ is now working with BLM staff to expedite implementation of NEPA and, as part of its land management planning process, to help resolve environmental conflicts over specific issues.
- o Forest Service-BLM Coordination: These two agencies often manage adjacent lands for similar purposes. In 1979, CEQ prepared a Presidential directive to establish formal interagency coordination designed to ensure that agency management policies and procedures are

consistent. The coordination which has resulted from this effort reduces public confusion and improves the efficiency of field-level activities, including the sharing of agency facilities and personnel where reductions in cost can be achieved.

- o Wild and Scenic Rivers: The process for studying and recommending rivers to be added to the National Wild and Scenic Rivers System has been criticized as being slow and costly. To remedy this problem CEQ prepared in 1979 a Presidential directive to the Departments of Agriculture and the Interior which has led to an agreement to streamline the process, reducing average study time from 6 1/2 years to 2 years. Other federal agencies were directed to integrate the evaluation of potentially eligible river segments into their planning and environmental evaluation processes. CEQ is monitoring the implementation of both efforts.
- o Environmental Planning and Decisionmaking: CEQ staff is working actively with the major federal land management agencies -- Forest Service, BLM, Park Service, Fish and Wildlife Service -- to develop coordinated, efficient procedures for environmental analysis in accordance with NEPA and the CEQ regulations. This effort is intended to improve integration of environmental analysis into land and management planning, to improve agency consideration of alternatives, and thereby to reduce paperwork, delay, and potential litigation.

Agriculture

- o Soil and Water Conservation: In 1977 Congress passed the Soil and Water Resources Conservation Act (RCA) which directed the Secretary of Agriculture to develop an appraisal of the Nation's nonfederal soil and water resources and to recommend a comprehensive program for their conservation and enhancement. After the Act was enacted, CEQ and OMB began working with USDA to develop new approaches to increase the effectiveness and reduce the conflicts and overlaps in the 34 different USDA programs relating to soil and water conservation. The draft Appraisal was published in 1980. The Program is still being developed and is expected to be issued in 1981.
- o Agricultural Land Availability: As noted on page 8 above, CEQ and USDA jointly initiated and directed the National Agricultural Lands Study. The final Report was issued in January 1981.
- o Integrated Pest Management (IPM): Since 1972, when the Council's first report on integrated pest management was published, CEQ has helped to encourage improved

understanding of the theory and practice of IPM. In many situations, IPM is a safer, more cost-effective, and more environmentally sound approach to pest control than is exclusive reliance on synthetic organic pesticides. In part as a result of this effort, IPM has become widely accepted for control of pests on certain agricultural crops. In 1979 CEQ published a second, more comprehensive report on IPM, and the President directed CEQ to chair an interagency committee to modify federal pest management programs to support and adopt IPM strategies wherever practicable. The Committee has established a series of interagency task forces, which are coordinated by CEQ, to carry out this effort.

Water Resources

- o National Water Policy: In 1977, at the President's direction, CEQ participated with OMB and other federal agencies in developing a comprehensive Executive Branch water resources policy for planning and evaluating federal water projects and for expanding technical and financial assistance to state water resource agencies. The policy review established uniform criteria for economic (benefit/cost) analysis and for compliance with environmental laws and other planning procedures.
- o Floodplain Management: In an effort to reduce the growing costs to taxpayers of storm and flood damage (now more than \$3 billion per year), in 1977 CEQ drafted and the President issued Executive Order 11988. The Order requires all federal agencies to reduce risks of flood losses by not conducting, supporting, or allowing development in known flood hazard areas unless there is no practicable alternative. CEQ and the Water Resources Council are working with other federal agencies to establish uniform procedures for implementing the Order and to evaluate federal agency compliance.
- o Wetlands Protection: Over several years, CEQ developed an overall federal policy to protect the Nation's remaining wetlands (approximately 60% have been drained, filled, or otherwise lost) for their natural values as fish and wildlife habitat, groundwater recharge areas, and buffers against storm and flood damage. This policy includes Executive Order 11990, prepared for the President by the Council, which was issued in 1977 to establish conditions for federal construction in wetlands. Other elements of this wetlands protection policy include increased provision of federal funds for acquisition of wetlands important to migratory waterfowl and changes in the Corps of Engineers' regulatory program for dredge and fill activities in order to distinguish between major wetland alterations and normal farming activities that qualify for general permits.

Mineral Resources

- o Mining and Reclamation of Non-Coal Minerals: As noted on page 8 above, the 1977 Surface Mining and Reclamation Act directed CEQ to contract for an in-depth study of mining and reclamation technology for minerals other than coal, and to evaluate the applicability of the Act's coal mining reclamation requirements to other minerals. CEQ is now developing a final report and recommendations for the President and the Congress as required by the statute.
- o Mining on Public Land: In 1976-1977, the Council, in cooperation with the Department of the Interior, developed a legislative proposal to reform the 1872 Mining Law, which governs most hard-rock mining on public land. The purpose of this proposal was to establish a more flexible system that would allow the government to recover royalties on extracted minerals and would establish more effective environmental standards for mining and reclamation.

POLLUTION CONTROL, HEALTH, AND ECONOMICS

Pollution Control and Health: CEQ has worked to develop and disseminate information on the effects of pollution, to encourage the integration and coordination of research and control activities across media and agencies, and to encourage methods for setting priorities and improving the cost effectiveness of efforts to control the adverse effects of pollution. CEQ is an Executive Office of the President liaison for research and regulatory groups including the National Toxicology Program, the HHS Committee to Coordinate Toxicological Research, and the Interagency Regulatory Liaison Group. Examples of CEQ activities are described below.

- o Assessments of Environmental and Health Problems:
 - CEQ chaired an interagency task force in 1973-74 on the Health and Environmental Effects of Energy Use. This group examined the programs of a number of federal agencies (Atomic Energy Commission, the Departments of the Interior and Health, Education, and Welfare, and the Environmental Protection Agency) to identify gaps and overlaps in their environmental research programs. As a result of the task force, substantial redirecting of research funding occurred, which improved the overall federal effort in this area.
 - For the last two years CEQ has played a key role in developing a coordinated Federal Acid Rain program.

Currently, CEQ is the Executive Secretary for the Interagency Task Force on Acid Precipitation established under Title VII of the Energy Security Act. The task force is developing a coordinated 10-year research plan on acid rain for 10 agencies and departments. The plan will set research priorities, assign lead agency responsibilities, assist in budget decisions, and provide guidance to other agencies and to the public. A draft of the plan was released in January 1981 for public review and comment.

- CEQ has studied the contamination of ground water. Ground water supplies 25 percent of the fresh water used for all purposes in the nation -- including irrigation, industry, and drinking water. About half of the U.S. population relies on ground water for its primary source of drinking water. In January 1981 CEQ issued a report which examines the sources and effects of contaminated ground water and efforts and authorities to protect it.
- In a 1980 CEQ directed study, jointly funded and overseen by five other agencies, which evaluated recent evidence that suggests a relationship between environmental exposures and effects on human reproduction (infertility, spontaneous abortions, birth defects). The study assessed the nature and extent of the public health problem and the existence and quality of data gathering and research efforts. In January 1981 CEQ issued a report containing the results of the study.
- In 1975, CEQ with the National Science Foundation initiated and coordinated a major federal interagency review of the effects of fluorocarbons on stratospheric ozone. The effort included 14 federal agencies. It resulted in a report recommending research redirection and regulatory action.

o Coordination of Research, Information Systems, and Regulation:

- In 1973, CEQ coordinated the federal response (except for litigation strategies) to the discovery of asbestos contamination in Lake Superior. This activity involved coordination with local governments, three state governments, regional federal representatives, and Congress. Research was coordinated by CEQ. Activities included multiple agency research efforts, emergency water supply availability, and emergency manpower assistance.

- More than 200 separate data bases containing information on chemical substances are maintained by federal agencies. Many are specialized, having been established to meet specific statutory responsibilities. To fulfill their mandate under the Toxic Substances Control Act, CEQ and EPA established and co-chair the Interagency Toxic Substances Data Committee. The Committee, whose membership is comprised of 23 agencies, seeks to coordinate and integrate agency data collection, storage and retrieval; to eliminate duplicate efforts; to increase the efficiency of the data and information-gathering and sharing process; and to reduce the reporting burden on the private sector. In 1978, CEQ prepared a report to Congress on the feasibility of a standard chemical classification system and chemical substances information network. The Committee is now coordinating and implementing the phased development of a Chemical Substances Information Network (CSIN), a coupled network of federal and commercial data and information sources. Some of the major components of CSIN will be operational this year; others will be available in the near future to federal and state agencies, industry, universities, labor, trade associations, and cooperating international groups.
- Section 4(e) of the Toxic Substances Control Act establishes an Interagency Testing Committee (ITC) consisting of representatives of eight agencies. In 1978, CEQ organized the ITC and was its first chairman. The ITC prepares recommendations for EPA on chemicals which should be given priority for testing because of the potential for causing adverse health or environmental effects.
- In 1977, pursuant to a Presidential directive, CEQ established and chaired the Toxic Substances Strategy Committee (TSSC) to develop an interagency program to eliminate overlaps and fill gaps in collection of data on toxic chemicals, and to coordinate federal research and regulatory activities affecting them. The TSSC was chaired by CEQ and was comprised of representatives of 18 agencies and departments with major policy, research, or regulatory responsibilities relating to toxic substances. The TSSC report, issued in 1980, made recommendations in the areas of toxic substance information systems, treatment of confidential data, research priorities, response to chemical emergencies, regulatory programs and their coordination, cancer policy, and international issues.

Economics: CEQ provides data on the economic impact of environmental regulation to the Executive Office of the President, the Congress, federal agencies, and the public, and has initiated and participated in reviews designed to enhance the cost effectiveness of environmental regulation. These review efforts have included participation by CEQ in the Regulatory Analysis Review Group (RARG), the Regulatory Council, the National Productivity Council, and the OMB budget process. Examples of CEQ activities are described below.

o Studies to improve the understanding of the relationship between the cost of environmental controls and the economy.

- A 1980 CEQ study on the economic benefits of air and water pollution control analyzed existing benefit estimates and established a common matrix for the estimates.
- Since 1971 CEQ has developed information on the costs of compliance with pollution abatement and environmental quality programs. The data are presented each year in the CEQ Annual Report and cover expenditures made in the absence of and in response to federal regulation.
- Since 1972 CEQ together with EPA has conducted periodic studies of the macroeconomic effects of environmental quality programs.

o Actions to Improve Environmental Regulation:

- CEQ, in cooperation with EPA, conducted a series of studies in 1977-1980 to evaluate: (1) approaches to air quality management by several states; (2) effluent charges in the United States, France, and Germany; and (3) sewer charges assessed by municipalities and sanitary districts. The studies also assessed how a hydrocarbon emission charge system might be devised for stationary sources of air pollution.
- The construction grants program under the Clean Water Act has become one of the largest public works programs in the federal government. CEQ has regularly evaluated this program and has suggested measures to improve its cost effectiveness and its achievement of water quality goals and objectives. For example, in 1976, CEQ, together with OMB, the National Science Foundation, and the Environmental Protection Agency, sponsored a case study of the water quality goals, objectives, and alternatives

in the Boston Metropolitan Area. In 1978, when the study was completed, it concluded that the proposed \$855 million Eastern Massachusetts Metropolitan Area management plan, if implemented, would not produce significant water quality improvements and, in some areas, would lead to further degradation in water quality.

- In 1980, CEQ, EPA, and other federal agencies held a conference to explore the possible benefits of using sludge from municipal waste water treatment plants to assist in reclaiming strip-mined land.
- As directed by the Resource Conservation and Recovery Act, in 1976, CEQ and eight other federal agencies formed a task force for the purpose of studying policies that might affect the choices to consume or conserve nonfuel material resources. In July 1979 the Committee made recommendations to the President and the Congress.
- CEQ worked closely with other Executive Office of the President agencies and with EPA to develop the Administration's position on the 1977 amendment to the Clean Air Act. CEQ played a key role in helping to formulate the economic incentive provision of the amendments.

Economic Assistance: In 1977 CEQ organized and chaired the Economic Assistance Task Force to review the need for and the effectiveness of federal economic assistance to communities experiencing economic dislocation due to federal pollution control programs. The review led to the establishment of EPA's Economic Assistance Program.

THE WHITE HOUSE
WASHINGTON

March 13, 1981

Dear Tom:

Thank you for your memorandum of March 3 on CEQ. As you may know, we have decided to retain CEQ. We are, however, eliminating overlap with EPA, focusing CEQ on controversial NEPA cases and providing environmental advice to the President. The details of the budget and personnel cuts are contained in our March 10 budget recommendations to the Congress.

We hope soon to be in a position to nominate a new Chairman of CEQ. I quite agree that there is room on our conservative agenda for a commitment to environmental quality. The President, as you know, views himself as an environmentalist.

Best personal regards,

Sincerely,

James A. Baker III
Chief of Staff and
Assistant to the President

Honorable Thomas B. Evans, Jr.
U.S. House of Representatives
Washington, D.C. 20515

THOMAS B. EVANS, JR.
DELAWARE

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MEMORANDUM

TO: JIM BAKER
FROM: TOM EVANS *Tom*
RE: COUNCIL ON ENVIRONMENTAL QUALITY
DATE: MARCH 3, 1981

*JAB
FYZ*

It is my understanding that in the March 10 budget proposal the President may recommend elimination of the Council on Environmental Quality (CEQ). Before arriving at this decision, I hope you will consider the political ramifications.

It is essential that we quickly win approval of the President's economic program, and to do so will require the support of many constituencies and opinion leaders. Elimination of CEQ would, at high political cost, result in FY '82 savings of only about \$3.7 million. The Council stands as a visible and effective symbol for those who believe that environmental concerns should be integrated into decision-making at the highest levels of government. To eliminate CEQ, or to remove it from the Executive Office, would send a message not only to environmentalists, but also to the general public (which all polls show remains strongly supportive of environmental goals) that this Administration simply does not care about the environment. There is room on our conservative agenda for a commitment to environmental quality, and we can, in part, demonstrate that by maintaining CEQ in the Executive Office.

Each agency must bear a fair share of the responsibility to reduce Federal expenditures, and obviously CEQ should be no exception. I would be pleased to offer suggestions on how this might be done.