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JH

Page 1072

ID #

189128

WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

- ☐ X-MEDIA
☐ H-INTERNAL

Name of Document: BRIEFING PAPERS
FOR PRESIDENT'S
SCHEDULED
APPOINTMENTS FOR

SEP 28 83

Subject Codes:

1) Subject: Meeting with Republican Congressional
Leadership regarding the upcoming
legislative agenda

P	R	0	0	7	-	0	1
P	L	0	0	5	-	0	4
FE					-		
F	G	0	3	1	-	0	1
L	E				-		
C	C	0	8	6	-		
N	D				-		
					-		
F	G	0	3	5	-		
					-		
					-		
					-		
F	G	0	3	2	-		
					-		
					-		
					-		
M	A				-		
E	D				-		
					-		

2) Meeting ~~with~~ to discuss Lebanon
and the War Powers Resolution with
Senators:

- A) Howard Baker
B) Charles Percy
C) Larry Pressler

3) Meeting with select Republican
House members regarding the
Lebanon Resolution

4) Recognition Ceremony of 152 secondary
schools for "Excellence in Education"

ROUTE TO:		ACTION		DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMHENL		RSZ			C	

Referral Note:

Page 2 of 2

ID # 189128

WHITE HOUSE
OFFICE OF RECORDS MANAGEMENT
WORKSHEET

- ☐ X-MEDIA
☐ H-INTERNAL

Name of Document: BRIEFING PAPERS
FOR PRESIDENT'S
SCHEDULED
APPOINTMENTS FOR

SEP 28 83

Subject Codes:

P	R	0	0	7	-	0	1
FG	0	1	0	-	0	2	
				-			
RA				-			
PE	0	0	2	-	0	1	
PE	0	0	8	-			
RS				-			
FG	0	0	6	-	1	1	
PE	0	0	2	-			
RA	0	0	2	-			
FG	1	2	8	-			
BE	0	0	3	-	0	4	
UT				-			
FI				-			
				-			
CO	0	0	9	-			
RE	0	0	4	-			
				-			
				-			

- 5) Subject: Meeting of the Cabinet Council on Management and Administration to discuss:
- A) Senior Executive Service Bonus Policy
 - B) Federal Civilian Employment
 - C) Reform 88-Third Quarterly Report
 - D) OMB Management Review
 - E) Work Space Management
- 6) Meeting with Mark Fowler, Chairman of the Federal Communications Commission to discuss the Syndication and Financial Interest Rules.
- 7) Meeting with representatives of American and Australian America Cup sailing syndicates.

ROUTE TO:		ACTION		DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
RMHENL		RSZ			C	

Referral Note:

THE SCHEDULE OF
PRESIDENT RONALD REAGAN

The President has seen



Wednesday, September 28, 1983

9:00 am (30 min)	<u>Staff Time</u> (Baker/Meese/Deaver)	Oval Office
9:30 am (45 min)	<u>Meeting with GOP Congressional Leadership</u> (Duberstein)	Cabinet Room
10:15 am (15 min)	<u>Congressional Meeting</u> (Duberstein)	Oval Office
10:30 am (15 min)	<u>National Security Briefing</u> (Clark)	Oval Office
10:45 am (45 min)	<u>Congressional Meeting</u> (Duberstein)	Cabinet Room
11:30 am (15 min)	<u>Secondary School Recognition Ceremony</u> (Fuller/Henkel)	South Lawn
11:45 am (15 min)	<u>Drouth Relief Announcement</u> (Fuller)	Oval Office
12:00 m (60 min)	<u>Lunch</u>	Oval Office
1:00 pm (60 min)	<u>Personal Staff Time</u>	Oval Office
2:00 pm (60 min)	<u>Cabinet Council on Management and Administration</u> (Fuller)	Cabinet Room
3:00 pm (30 min)	<u>Cabinet Affairs Briefing</u> (Fuller)	Oval Office
3:30 pm (15 min)	<u>Greet Australian and American Crews for the Americas Cup Race</u> (Castine)	Rose Garden
3:45 pm	<u>Personal Staff Time Remainder of the Day</u>	Oval Office/ Residence

UNP Revised
9/28/83
10:45 am

THE SCHEDULE OF PRESIDENT RONALD REAGAN

The President has seen



Wednesday, September 28, 1983

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (45 min)	<u>Meeting with GOP Congressional Leadership</u> (Duberstein)	Cabinet Room
	(TAB A)	
10:15 am (15 min)	<u>Congressional Meeting</u> (Duberstein)	Oval Office
	(TAB B)	
10:30 am (15 min)	<u>National Security Briefing</u> (Clark)	Oval Office
10:45 am (45 min)	<u>Congressional Meeting</u> (Duberstein)	Cabinet Room
	(TAB C)	
11:30 am (15 min)	<u>Secondary School Recognition Ceremony</u> (Fuller/Henkel)	South Lawn
11:45	<u>DROUGHT RELIEF ANNOUNCEMENT</u> (BLOCK)	OVAL
12:00 m (60 min)	<u>Lunch</u>	Oval Office
1:00 pm (60 min)	<u>Personal Staff Time</u>	Oval Office
2:00 pm (60 min)	<u>Cabinet Council on Management and Administration</u> (Fuller)	Cabinet Room
	(TAB E)	
3:00 pm (30 min)	<u>Cabinet Affairs Briefing</u> (Fuller)	Oval Office
	(TAB F)	
3:30 pm (5 min)	<u>Greet Australian and American Crews from the Americas Cup Race</u> (Castine)	Oval Office
	(available later) INSERTED	
3:35 pm	<u>Personal Staff Time</u> <u>Remainder of Day</u>	Oval Office/ Residence

UNP 9/27/83
5:30 pm

JCF

THE SCHEDULE OF
PRESIDENT RONALD REAGAN



Wednesday, September 28, 1983

9:08 — OVAL

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (45 min)	Meeting with GOP Congressional Leadership (Duberstein) (TAB A) <i>10:20-10:27 Em, JB, Bush, Clark, Darman, Duberstein,</i>	Cabinet Room
10:15 am (15 min)	<u>Congressional Meeting</u> 10:30-10:44 (Duberstein) (TAB B)	Oval Office
10:30 am (15 min)	<u>National Security Briefing</u> (Clark)	Oval Office
10:45 am (45 min)	<u>Congressional Meeting</u> 10:49- (TAB C) (Duberstein)	Cabinet Room
11:30 am (15 min)	Secondary School Recognition Ceremony 11:30-11:40 (Fuller/Henkel) (TAB D) <i>11:40-11:43 Em - 12:06</i>	South Lawn
12:00 m (60 min)	<u>Lunch</u> 11:45 JB, Gergen, Starnes, Fielding, Darman - 11:50 <i>Em, JB 11:43-12:06</i>	Oval Office
1:00 pm (60 min)	<u>Personal Staff Time</u> 12:40-12:46 CAB. Rm. - <i>CHOTO OFF.</i> <i>12:46-12:51 MKO</i>	Oval Office
2:00 pm (60 min)	<u>Cabinet Council on Management and Administration</u> 2:07- (Fuller) (TAB E)	Cabinet Room
3:00 pm (30 min)	<u>Cabinet Affairs Briefing</u> 3:08- (Fuller) (TAB F)	Oval Office
3:30 pm (5 min)	Greet Australian and American Crews from the Americas Cup Race 3:38- (Castine) (available later)	Oval Office
3:35 pm	<u>Personal Staff Time</u> <u>Remainder of Day</u>	Oval Office/ Residence

3:46 Clark, Ron Lehman - 4:03

4:05 - 4:17 - Dr. Ruge's Office

4:18 RESIDENCE

UNP 9/27/83
5:30 pm

THE WHITE HOUSE

WASHINGTON

September 28, 1983

MEMORANDUM FOR DAVE FISCHER

FROM: M. B. OGLESBY, JR. *h*

SUBJECT: Attendance for Congressional Meeting

The following individuals attended the 10:45 a.m. meeting in the Cabinet Room with the President today:

The Vice President
Deputy Secretary of State Kenneth Dam

- o Congressman Steve Bartlett
- o Congressman Thomas Coleman
- o Congressman Barber Conable
- o Congressman Larry Craig
- o Congressman Dan Crane
- o Congressman Bill Emerson
- o Congressman Bill Frenzel
- o Congressman Phil Gramm
- o Congressman James Hansen
- o Congressman Elwood Hillis
- o Congressman Henry Hyde
- o Congressman Ken Kramer
- o Congressman Dave Martin
- o Congressman Robert Michel
- o Congressman Clarence Miller
- o Congressman Carlos Moorhead
- o Congressman Norman Shumway
- o Congressman Bob Stump
- o Congressman Gene Taylor
- o Congressman Bob Walker
- o Congressman Michael DeWine
- o Congressman Rod Chandler
- o Congressman Robert Davis
- o Congressman Ralph Regula

Staff

Edwin Meese, William Clark, Dick Darman, Craig Fuller, Larry Speakes, M. B. Oglesby, Jr., David Wright, Randall Davis, Thomas Donnelly, Howard Teicher

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 28, 1983

TO: DAVE FISCHER
FROM: PAM TURNER
SUBJECT: Senate Attendance at Presidential Meeting

The following Senators attended a meeting with the President in the Cabinet Room on Wednesday, September 28, 1983 at 11:45 a.m. for 10 minutes.

ACCEPT

Senator Jepsen
Senator Lugar
Senator Thurmond

REGRET

Tower
Dole
Percy
Cochran
Boschwitz
Helms

Staff

Ed Meese
Dave Gergen
Dick Darman
Ken Duberstein

THE WHITE HOUSE

WASHINGTON

September 28, 1983

MEMORANDUM TO DAVE FISCHER

FROM: M. B. OGLESBY, JR. *ho*

SUBJECT: ATTENDEES AT MEETING IN OVAL OFFICE

The following Members of Congress were in attendance at the 11:45 a.m. announcement on drought assistance today in the Oval Office with the President:

Congressman Cooper Evans (R-Iowa)
Congressman Bill Emerson (R-Missouri)
Congressman Phil Gramm (R-Texas)
Congressman Tom Loeffler (R-Texas)
Congressman Ron Marlenee (R-Montana)

THE SCHEDULE OF PRESIDENT RONALD REAGAN



Wednesday, September 28, 1983

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (45 min)	<u>Meeting with GOP Congressional Leadership</u> (Duberstein) (TAB A)	Cabinet Room
10:15 am (15 min)	<u>Congressional Meeting</u> (Duberstein) (TAB B)	Oval Office
10:30 am (15 min)	<u>National Security Briefing</u> (Clark)	Oval Office
10:45 am (45 min)	<u>Congressional Meeting</u> (Duberstein) (TAB C)	Cabinet Room
11:30 am (15 min)	<u>Secondary School Recognition Ceremony</u> (Fuller/Henkel) (TAB D)	South Lawn
11:45 11:46 12:00 m (60 min) 12:40	<u>Lunch</u> <i>11:49 KM KD JAB FF DD, DG</i> <i>Debraugh Relief Commission</i>	Oval Office <i>Cabinet Room</i>
1:00 pm (60 min) 1:30	<u>Personal Staff Time</u> Personal Staff Time	Oval Office
2:00 pm (60 min)	<u>Cabinet Council on Management and Administration</u> (Fuller) (TAB E)	Cabinet Room
3:00 pm (30 min)	<u>Cabinet Affairs Briefing</u> (Fuller) (TAB F)	Oval Office
3:30 pm (5 min)	<u>Greet Australian and American Crews from the Americas Cup Race</u> (Castine) (30 people) (available later)	<i>Rose Garden</i> Oval Office
3:35 pm	<u>Personal Staff Time</u> <u>Remainder of Day</u>	Oval Office/ Residence

UNP 9/27/83
5:30 pm

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

September 29, 1983

TO: DAVE FISCHER
FROM: PAM TURNER
SUBJECT: Attendance at Meeting with the President

The following Senators attended a GOP leadership meeting on Wednesday, September 28, 1983 at 9:30 a.m. in the Cabinet Room (45 minutes):

Strom Thurmond
Ted Stevens
James McClure
Jake Garn
Paul Laxalt
Mark Hatfield
Charles Percy
John Tower
Pete Domenici
Bob Dole

REGRET

Howard Baker
Richard Lugar

THE WHITE HOUSE

WASHINGTON

October 4, 1983

MEMORANDUM FOR DAVE FISCHER

FROM:

M. B. OGLESBY, JR. *BO/ll*

The following Members of the House of Representatives attended the September 28th GOP Leadership meeting at 9:30 am in the Cabinet Room:

- o Congressman Bob Michel
- o Congressman Trent Lott
- o Congressman Jack Kemp
- o Congressman Dick Cheney
- o Congressman Robert Lagomarsino
- o Congressman Silvio Conte
- o Congressman Barber Conable
- o Congressman Del Latta
- o Congressman Guy Vander Jagt
- o Congressman Bill Broomfield

THE WHITE HOUSE

WASHINGTON

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERSHIP

DATE: Wednesday, September 28, 1983
LOCATION: The Cabinet Room
TIME: 9:30 a.m. (45 minutes)
FROM: KENNETH M. DUBERSTEIN *KMD*

I. PURPOSE

To review with the Republican Congressional Leadership the upcoming legislative agenda.

II. BACKGROUND

Although the President met with the top bipartisan leaders on Sunday of Labor Day weekend to discuss the KAL airline incident and the Lebanese situation, the Republican Leadership of the Senate and House last met together with the President on August 2, prior to the August recess.

Since Congress returned on September 12, the focus of Hill attention has been primarily on the KAL airliner incident, the Lebanese situation/War Powers Act and, most recently, on the continuing resolution which will be needed to fund the government after this Friday, September 30th. The War Powers Resolution is on the Senate floor with votes likely on Wednesday. The House is likely to schedule it on Thursday. This meeting affords the opportunity to encourage support for the resolution and to provide the leaders with an updated briefing on the cease fire.

On the continuing resolution, only 4 of the 13 appropriation bills have been enacted. With the fiscal year ending September 30, a continuing resolution is necessary to fund the rest of the government. The House will consider on Wednesday a CR to run until November 17. The Senate would then hope to complete action on it before Friday night. In this meeting, it is important that the President stress the need to hold the line on the CR or risk a veto. It appears at this point, that Congress will to a large degree, go along with holding the line on this CR.

There is another GOP leadership meeting scheduled for next week at which time it is suggested that the President review with the group his legislative priorities for the remainder of this session of the Congress.

III. PARTICIPANTS

See Attachment A

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

See Attachment B

Attachments: List of Participants (Attachment A)
Sequence of Events (Attachment B)
Talking Points (Attachment C)

REPUBLICAN LEADERSHIP
PARTICIPANTS

The President
The Vice President
Under Secretary of State, Kenneth Dam
Director of OMB, David Stockman
Chairman of the RNC, Frank Fahrenkopf

Senate

Howard Baker, Majority Leader of the Senate
Strom Thurmond, President pro tempore of Senate
Ted Stevens, Assistant Majority Leader of the Senate
James McClure, Chairman of the Republican Conference
Jake Garn, Secretary of Republican Conference
Paul Laxalt
Mark Hatfield, Chairman of Appropriations Committee
Pete Domenici, Chairman of Budget Committee
Bob Dole, Chairman of Finance Committee
John Tower, Chairman of Republican Policy Committee
Charles Percy, Chairman of Foreign Relations Committee

Regrets: Dick Lugar, Chairman of Senatorial Campaign
Committee

House

Bob Michel, Republican Leader of the House
Trent Lott, Republican Whip of the House
Jack Kemp, Chairman of Republican Conference
* Jack Edwards, Vice Chairman of Republican Conference
Dick Cheney, Chairman Republican Policy Committee
Robert Lagomarsino, Secretary of Republican Conference
Jim Martin, Chairman of Republican Research Committee
Silvio Conte, Ranking Republican Member, Appropriations
Committee
Barber Conable, Ranking Republican Member, Ways and
Means Committee
Del Latta, Ranking Republican Member, Budget Committee
Guy Vander Jagt, Chairman of Republican
Congressional Committee
Bill Broomfield, Ranking Republican Member, Foreign Affairs
Committee
James Quillen, Ranking Republican Member, Rules Committee
Bill Dickinson, Ranking Republican Member, Armed Services
Committee

* Late regret

Staff

Ed Meese, Jim Baker, Michael Deaver, Bill Clark, Ken
Duberstein, Craig Fuller, Dick Darman, Dave Gergen, Fred
Fielding, Larry Speakes, Nancy Risque, M.B. Oglesby, Pam
Turner, Mike Hudson, Ed Rollins, Joe Hagin, Jennifer
Fitzgerald, Chris Lehman

ATTACHMENT B

SEQUENCE OF EVENTS

9:30 - 9:35
(5 minutes)

President makes opening remarks.

9:35 - 9:45
(10 minutes)

President calls on Ken Dam for briefing on the cease fire and current situation in Lebanon.

9:45 - 9:50
(5 minutes)

President makes brief remarks and calls on Dave Stockman for comments on the continuing resolution.

9:50 - 9:55
(5 minutes)

President calls on Howard Baker for Senate report.

9:55 - 10:00
(5 minutes)

President calls on Bob Michel for House report.

10:00 - 10:15
(15 minutes)

President opens meeting for discussion.

- 10:15 -

President concludes meeting.

THE WHITE HOUSE

WASHINGTON

September 27, 1983

MEETING WITH SENATORS HOWARD BAKER (R-TENNESSEE),
CHARLES PERCY (R-ILLINOIS), AND LARRY PRESSLER
(R-SOUTH DAKOTA)

DATE: Wednesday, September 28, 1983

LOCATION: The Oval Office

TIME: 10:15 a.m. (15 minutes)

FROM: Kenneth M. Duberstein *Ker D.*

I. PURPOSE

To respond to a request from Senators Percy, Baker and Pressler for a meeting on Lebanon and the War Powers Resolution.

II. BACKGROUND

On Friday, September 23, the Senate Foreign Relations Committee, by a vote of 9-7, approved the Baker Resolution on Lebanon. The vote was straight party line, and it was imperative to keep all of our Republicans on board. Senator Larry Pressler indicated strong reservations about those aspects of the Resolution dealing with the length of time for which Congress would authorize the President to keep the Marines in Lebanon. Pressler ultimately agreed to vote with the other Republicans, but asked that he be allowed to meet personally with the President to discuss this issue. Senate Majority Leader Baker and Foreign Relations Committee Chairman Percy asked that we comply with Pressler's request.

Pressler feels that the United States armed forces should not be in Lebanon in the first place, and that we should find a way to bring the troops home. He is particularly concerned by the time limit of 18 months which is contained in the bipartisan resolution. Although Pressler did support us in Committee, it will be important to hear his concerns and encourage him to stay with us when the full Senate votes on this matter.

III. PARTICIPANTS

The President
The Vice President
Kenneth Dam, Deputy Secretary of State
Senator Howard Baker (R-Tennessee)
Senator Larry Pressler (R-South Dakota)
Senators Charles Percy (R-Illinois)

Staff

William Clark
James A. Baker III
Edwin Meese III
Michael Deaver
Kenneth M. Duberstein

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE OF EVENTS

Senator Pressler to arrive Northwest Gate and be escorted from the West Lobby to the Oval Office. Senators Baker and Percy will be escorted from the GOP Leadership meeting in the Cabinet Room to the Oval Office.

Attachment: Talking Points

SUGGESTED TALKING POINTS FOR MEETING WITH
SENATORS BAKER, PERCY, AND PRESSLER

- Gentlemen, I am glad we have a chance to get together today on this important issue of Lebanon, and I know you have spent the better part of this week debating this resolution on the Senate floor. By the way, I want to personally thank all of you for helping me in this regard.
- Also, I am sure we are all pleased with the announcement of a ceasefire in Lebanon, and I believe that the indications that Congress might support a bipartisan resolution authorizing our troops in Lebanon contributed greatly to this event.
- Now I know there has been a lot of concern about this situation we face with respect to our troops in Lebanon, and believe me, I wish they did not have to be there at all. I am eagerly looking forward to the time when we can bring our men and women home, and we are doing everything possible to expedite that event.
- I believe that the compromise resolution will further improve chances for a stable peace in Lebanon. As you know, this compromise refers to the Lebanon Emergency Assistance Act, and I want to assure you that if there are any circumstances which should require expansion in the number or role of our troops in Lebanon, I would certainly seek Congressional authorization in this regard.

-- Larry, I understand you have some very strong concerns about this resolution, and I would be interested to hear your thoughts.
(Pressler will present his views; Ken Dam and Judge Clark may want to respond also).

-- Well, Larry, I hope you will be able to continue supporting the compromise resolution. Howard and Chuck, thank you both for your efforts, and I expect we will keep in touch as this matter proceeds to a vote in the full Senate.

THE WHITE HOUSE

WASHINGTON

MEETING WITH SELECT REPUBLICAN HOUSE MEMBERS

DATE: Wednesday, September 28, 1983
LOCATION: The Cabinet Room
TIME: 10:45 p.m. (45 minutes)
FROM: Kenneth M. Duberstein *KMD*.

I. PURPOSE

To encourage this select group of Republican Members to support the Lebanon Resolution, which authorizes continued United States participation in the multinational peacekeeping force.

II. BACKGROUND

On September 22, the House Foreign Affairs Committee favorably reported H.J. Res. 364, which authorizes the participation of United States Armed Forces in Lebanon for eighteen months. The House of Representatives is expected to consider the resolution on September 28 or 29. At that time, amendments will be offered to shorten the time period authorized by the resolution.

The House Republican Leadership is generally supportive of the President's Lebanon policy. Support with other Members, however, is shaky and the GOP leadership believes that the President must become more visible on the issue. Some Members are concerned about the deployment of American forces in Lebanon, while others simply oppose asking Congress to authorize the deployment.

The majority of Members invited to today's meeting are undecided on the Lebanon Resolution. This group of Republicans needs to be reassured that Administration policy is correct and that the Lebanon Resolution is important to the implementation of that policy. Specifically, they need to be convinced that the eighteen month time frame is essential and to oppose amendments shortening that period.

III. PARTICIPANTS

See Attachment A.

IV. PRESS PLAN

White House Photographer only.

V. SEQUENCE OF EVENTS

10:45 - 10:50 (5 minutes)	Presidential remarks
10:50 - 10:55 (5 minutes)	Deputy Secretary of State Kenneth Dam to make remarks
10:55 - 11:25 (30 minutes)	President calls on House Republican Leader Bob Michel (R-IL) for remarks and to open discussion.
11:25 - 11:30 (5 minutes)	President concludes meeting.

Attachment A: List of Participants
Attachment B: Talking Points

Attachment A

PARTICIPANTS

The President
The Vice President

Deputy Secretary of State Kenneth Dam

Robert Michel (R-IL)
William S. Broomfield (R-MI)
Steve Bartlett (R-TX)
Phil Gramm (R-TX)
Bill Emerson (R-MO)
David O'B. Martin (R-NY)
Norman Shumway (R-CA)
Daniel Crane (R-IL)
Hal Daub (R-NE)
Gene Snyder (R-KY)
Elwood Hillis (R-IN)
William Dickinson (R-AL)
John Paul Hammerschmidt (R-AR)
E. Thomas Coleman (R-MO)
Gene Taylor (R-MO)
James Hansen (R-UT)
Bill Frenzel (R-MN)
John T. Myers (R-IN)
Robert Walker (R-PA)
Larry E. Craig (R-ID)
Don Young (R-AK)
Henry Hyde (R-IL)
Bob Stump (R-AZ)
Gene Chappie (R-CA)
Carlos Moorhead (R-CA)
Ken Kramer (R-CO)
Barber B. Conable (R-NY)
Clarence E. Miller (R-OH)

Staff

Edwin Meese, James Baker, Michael Deaver, William Clark,
Dick Darman, Craig Fuller, Dave Gergen, Larry Speakes,
Kenneth Duberstein, M. B. Oglesby, Jr., John Scruggs,
David Wright, Randall Davis, Thomas Donnelly, Chris Lehman,
Howard Teicher

Attachment B

TALKING POINTS

- As you know, today the House will consider H.J. Res. 364, which authorizes the participation of United States Armed Forces in Lebanon for eighteen months. I strongly support the resolution in its current form.

- U.S. participation in the Multinational Force is essential to the success of our diplomatic efforts, which are designed to restore the sovereignty and territorial integrity of Lebanon through a withdrawal of all foreign forces, and to ensure the security of Israel's northern border.

- Amendments to shorten the time period of the deployment in Lebanon will be offered today. I believe any Congressional action that would appear to undercut our current policy will jeopardize the very fragile cease-fire now in existence. For that reason, I am opposed to all such amendments.

-- In the current circumstances -- through diplomacy, the Multinational Force, and bilateral military assistance -- the United States has helped:

- Bring about the cease-fire in the Alay, Shuf and other districts which make up the Beirut area;
- Bring about political dialogue between the Gemayel government and key opposition leaders;
- Strengthen the ability of the Lebanese Army to resist aggression by outside forces, notably the Palestinians and Syrians.

-- The cease-fire has created an environment for a political dialogue which we hope will lead to national reconciliation.

-- National reconciliation is crucial to the establishment of peace and security in Lebanon. Through reconciliation, each faction develops a stake in stability.

-- The mission of the MNF has not changed. Its presence during this fragile period is critical to the reconciliation process and the maintenance of security, by the Lebanese Army, in the Beirut area.

- The stabilization of the Beirut area will provide a necessary foundation for the next steps in the evacuation of Lebanon by the Israeli, Palestinian and other foreign forces, and a continuing expansion of Lebanese government control.

- I want to emphasize that we seek a political solution. The United States does not seek a confrontation with any power in the area. An enduring solution to the Lebanese trauma can only come about through negotiated settlements.

(Recognize Ken Dam for comments and then Bob Michel to moderate discussion.)

NAVAL GUNFIRE (IF ASKED)

- You have heard about the navy gunfire support for the Lebanese Army during the battle for Suq Al-Gharb. We determined that American personnel would be gravely threatened if Suq Al-Gharb were to fall and therefore concluded that assisting the LAF is consistent with conducting aggressive self-defense in the Beirut area.

THE WHITE HOUSE

WASHINGTON

September 27, 1983

SECONDARY SCHOOL RECOGNITION CEREMONY

DATE: September 28, 1983
LOCATION: South Lawn
TIME: 11:30 A.M. (15 min.)
FROM: Craig L. Fuller *CF*

I. PURPOSE

To recognize 152 outstanding secondary schools chosen to receive awards for "Excellence in Education."

II. BACKGROUND

As part of the Departments' quest for excellence in education, Secretary Bell announced, on June 30, the names of the outstanding secondary schools identified through a nationwide search as exemplary institutions that were worthy of recognition. The schools were chosen from 396 nominations submitted by the Chief State School Officers from 42 states and the District of Columbia. Nominations were reviewed by 15 member panels composed of representatives from education organizations and experts in secondary education.

The objective of the Secondary School Recognition Program was not to name the best schools in America but rather schools that were providing quality education for all of their students and were working hard to overcome obstacles, improve education, and maintain already high education standards. The 152 schools selected meet all of these criteria and provide solid evidence to support the National Commission on Excellence's optimistic prediction that "American can do it."

You presented the first award to Pioneer High School in Whittier, California on June 30. Each school will receive a flag to display as a symbol of Excellence in Education.

III. PARTICIPANTS

Secretary Bell; Under Secretary Jones; Assistant Secretary Davenport

IV. PRESS

Full Press

10 13 11 2 3 33

V. SEQUENCE OF EVENTS

- You will proceed to the dais from the Diplomatic Reception Room and go directly to the podium.
- You will make remarks and depart.
- Secretary Bell will then present flags to the principals of the 152 schools.

THE WHITE HOUSE

WASHINGTON

SEPTEMBER 27, 1983

CABINET COUNCIL ON MANAGEMENT AND ADMINISTRATION

DATE: September 28, 1983
LOCATION: Cabinet Room
TIME: 2:00 pm (60 minutes)
FROM: Craig L. Fuller *CS*

I. PURPOSE

To meet with the Cabinet Council on Management and Administration to review options and grant approval for a plan to extend the Senior Executive Service Bonus Policy. Also, four brief presentations will be made: Reductions in Federal Civilian Employment; progress in OMB management review; third quarter results of Reform 88; and a report on Work Space Management.

II. BACKGROUND

Senior Executive Service (SES) Bonus Policy

The criteria for bonus cash awards for senior executives is due to expire on September 30. Your approval will be sought on options that will sustain and improve the program.

Federal Civilian Employment

Don Devine will report that the Administration's effort to reduce the size of the Federal work force by 75,000 workers is well ahead of schedule. Establishment of supplemental target numbers may be discussed.

Reform 88 - Third Quarterly Report

Joe Wright will brief the Cabinet on the progress made in the third quarter of FY 83 on the various initiatives of Reform 88.

OMB Management Review

OMB will use the FY 85 budget process to exercise review of management structures. Joe Wright will brief the Cabinet on the initiative, its process, and goals.

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Work Space Management

Jerry Carmen will report on the Administration's progress in reducing Federal work space allotment to 135 square feet per person.

III. PARTICIPANTS

Members of the Cabinet. A list will be attached to the agenda.

VI. PRESS

None.

V. SEQUENCE OF EVENTS

Mr. Meese will be prepared to lead the discussions and will defer to Messrs. Devine, Wright, and Carmen where appropriate.

THE WHITE HOUSE

WASHINGTON

September 27, 1983

MEMORANDUM FOR THE PRESIDENT

FROM: EDWIN MEESE III, Chairman, Pro Tempore *rm*
Cabinet Council on Management and Administration

SUBJECT: Senior Executive Service Performance Awards

I. THE ISSUE

Under the original provisions of the Civil Service Reform Act of 1978, 50 percent of an agency's Senior Executive Service (SES) work force was eligible for performance awards. That percentage has since varied to as low as 20 percent in FY 1983. In FY '84, the absence of Congressional action will permit SES eligibility to revert to 50 percent unless otherwise regulated by the Administration.

II. OPTIONS

At a CCMA planning meeting on September 23 the following options were considered.

- A. Restrict the number eligible for bonuses to 20 percent of SES positions; continue present constraints on distribution and size of bonus.
- B. Do not restrict bonus payouts allowing agencies to remain within the 50 percent statutory limit.
- C. Restrict number eligible to 30 percent of SES positions; issue new guidance on distribution of bonuses.
- D. Restrict agency dollar payout by regulation to 2 percent of aggregate career SES payroll; continue restriction of 3 percent of salary as minimum individual bonus payout; control the size and numbers of bonuses so as to hold payouts to 30-35 percent of eligible executives.
- E. Restrict agency dollar payout by regulation to 3 percent of aggregate career SES payroll; impose restriction of 5 percent of salary as minimum individual bonus payout; impose controls on the size and numbers of bonuses to hold payouts to 30-35 percent of eligible executives.

III. RECOMMENDATIONS

The CCMA recommends that you approve Option E, which will provide agencies greater flexibility to reward top performers while installing additional controls to prevent abuse of the performance award system.

Approve _____
CCMA Recommendation

Disapprove _____

Approve _____
Other Option

EXECUTIVE SUMMARY OF THE SENIOR EXECUTIVE SERVICE
PERFORMANCE AWARDS REGULATIONS


- ° The total amount of performance awards may not exceed 3% of the aggregate payroll for SES career appointees in an agency.
 - The 3% limit would permit a 50% increase over the current 2% expenditures, but this is much less than the increase that could occur without a regulatory ceiling.
 - 3% would allow for up to \$11.6 million in awards at current pay rates, compared with \$19.3 million without the ceiling.
- ° The minimum award payment to an individual is 5% of basic pay, and the maximum payment is 20%.
 - The minimum amount is to assure that the payment is large enough to serve as a performance incentive.
 - The maximum amount is set by law.
- ° The total number of awards may not exceed 50% of the SES career appointees in an agency as of the end of the appraisal period. OPM will issue guidance on the suggested pattern for the distribution of individual awards. The guidance is to assure that:
 - Awards are not all paid at the minimum or maximum amounts, but are spread out and reflect actual executive performance, and
 - Awards generally do not exceed 30 to 35% of an agency's career appointees.
- ° The actual distribution of individual awards must be submitted by an agency to OPM for review and approval before the awards may be paid.
 - Agencies will be asked to give additional top management attention when making awards to assure that they are fair, that they are based upon performance, and that reasonable internal controls are placed upon the number of awards.
 - OPM will review the pattern of distribution, not individual awards, to assure it is equitable and in accord with OPM guidance.

THE WHITE HOUSE

WASHINGTON

September 27, 1983

BRIEFING PAPER FOR THE PRESIDENT

MEETING: CABINET AFFAIRS BRIEFING
WITH MARK FOWLER, CHAIRMAN,
FEDERAL COMMUNICATIONS COMMISSION
DATE: SEPTEMBER 28, 1983
TIME: 3:00 P.M. (30 MINUTES)
LOCATION: OVAL OFFICE
FROM: (CRAIG L. FULLER 

I. PURPOSE

As you are aware, the Federal Communications Commission has had under review the FCC Syndication and Financial Interest Rules. During the last meeting of the FCC, a compromise was tentatively agreed upon by the Commission.

This briefing by Mark Fowler, Chairman of the Federal Communications Commission, has been scheduled to allow you to have an opportunity to review the issue once again.

Legislation has been introduced which would, if passed, retain the financial interest and syndication rules.

II. BACKGROUND

This is a complex issue. To provide you an update from our last meeting, I have attached three items you may wish to review:

Tab A: August 9, 1983 letter from CBS outlining the network's current position.

Tab B: September 13, 1983 position statement from Dean Burch who represents the independent television networks and is associated with the producers.

Tab C: A July 20, 1983 letter from Pete Wilson on this matter which has been on hold pending this briefing.

Tab D: A September 14, 1983 letter from Charlton Heston that has just been received.

III. PARTICIPANTS

Ed Meese

~~James A. Baker III~~ - *Baker*

~~Michael K. Deaver~~ - *Corbin*

Richard G. Darman - *Ken Cribb*

~~Kenneth M. Duberstein~~ - *Dick Hauser*

Craig L. Fuller

Mark Fowler, FCC

+ 1 *STAFF*

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE


Mark Fowler will be prepared to provide a short briefing and answer questions.

THE WHITE HOUSE

WASHINGTON

September 27, 1983

BRIEFING PAPER FOR THE PRESIDENT

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Craig L. Fuller

Mark Fowler, FCC

IV. PRESS PLAN

White House photographer only.

V. SEQUENCE

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CBS Inc.,
1800 M Street, N.W., Suite 300N
Washington, D.C. 20036
(202) 457-4501

Donald D. Wear, Jr.
Vice President, Washington Affairs

Dear Craig:

August 9, 1983

I greatly appreciate the time you spent with Dick Wiley and me last week reviewing the financial interest and syndication rule proceeding at the FCC. Let me summarize some of the points we made during our discussion and supply some of the material to which I referred.

Three arguments are most often made against repeal of the rules: (1) that repeal will hurt the production community because the networks will have additional power to extort valuable rights from producers or force them out of business altogether; (2) that repeal will afford the networks greater power to suppress the creative freedom of producers and other creative talent; and (3) that repeal might give the networks means by which to act anti-competitively towards independent television stations in the program syndication markets. Let me briefly summarize our view on each of these concerns.

We see the "production community" as divided into two major elements: the major studios and independent producers, on the one hand, and the smaller independent producers, writers, directors, actors and so on, on the other hand. Repeal of the rules will make the production market more competitive for the major studios and major independents, because the networks will be competing with them for direct access to the creative community at large. But the small independent producers, writers, directors, actors, and guild members will benefit from this competition because there will be three more sources of risk capital for film and television production. A sports analogy is appropos here. It is as though a new football league were being created. The old league suffers some additional competition, but it will still flourish. The real beneficiaries are the athletes who now have two leagues instead of one with which to negotiate a better deal.

Contrary to the allegations, we are not interested in forcing small producers out of business and we have never "extorted" financial interests and syndication rights from them. We have relied and will

rely on independent producers because that is where the best creative talent lies. During the ten-year period from 1970 to 1980, when we could have produced programs "in-house" virtually without limitation, we produced only 14 pilots in-house and commissioned 200 from outside producers. Of the 14 CBS pilots only 4 made the air; of the 200 outside pilots, 144 were aired. Further, when we could acquire financial interests and syndication rights before the rules were adopted, we acquired syndication rights in only approximately 30% of our shows. We acquired financial interests in approximately 60% of our shows; but the average financial interest acquired was 25%, not the 100% ownership some suggest in an alarmist way. In the history of the CBS television network, we acquired more than a 50% financial interest in only 6 programs.

Repeal of the rules will benefit the creative community at large in another way. Yes, repeal will give networks access to greater potential revenues, but we have been on record consistently throughout this proceeding that additional revenues would be directed back into additional production: more original episodes, instead of repeats; more original summer replacement programming instead of reruns; more made-for-television movies and mini-series and other special programming. All of these plans would mean more production activity, employment and financial rewards for producers, directors, writers, actors and all others associated with film and television production.

Creative freedom is really unrelated to the rules. A natural tension exists in all creative businesses between the artists and the businessmen. This is as true in television as it is in film, publishing and the fine arts. In the television business, however, there is an extra dimension: the representative role the network must play for its affiliated stations and the tastes of their viewers. By license, stations and network must be responsive to the needs and desires of the audience. The audience communicates its likes and dislikes to the station and the station in turn to the network. The network interfaces with the producers and sometimes must convey an unpopular message. A dialogue is established and mutually resolved. The simple truth of the matter is that we cannot dictatorially "force" a member of the creative community to do something with which they do not at least grudgingly agree. As Norman Lear was quoted as saying after a creative dispute, "OK! I'll write it your way. But I won't write it funny!" Successful programs, which is really our only goal, cannot be created under duress. A financial investment which averaged 25% and which entitles us to a share of ancillary profitability after a show has become successful has no bearing on the outcome of creative dialogue.

The concern which all parties have focused on in this proceeding, which has emerged as the one legitimate focus of rigorous debate, has been potential impact on independent television stations of active network participation in the business of syndicating prime time entertainment series. The argument has been made that if we are permitted to engage in that business, we will have incentives to withhold off-network programming from independent stations in order to harm a growing competitor. We have strongly disputed those concerns with extensive studies. But the FCC considered it to be a legitimate area of concern under its Communications Act mandate. Regardless of the merits of either side of the debate, you should know that the FCC has addressed this potential problem and has sought to solve it in its recent decision. To quote from the FCC opinion:

"With respect to the domestic syndication market, we have tentatively concluded that some restriction may be necessary because we cannot be completely certain network participation in the syndication market would not result in competitive injury to the independent television segment of the industry and thus to the viewing public. While the chances of such injury, based on the above analysis, do not appear to be large, we are entering a period in which the increasing economic strength of the non-network segment of the television industry is making the television industry significantly more competitive and increasing the programming options available to the public. It is extremely important that progress in this direction not be impeded. . . . We accordingly believe a focused restriction on network participation in the syndication of off-network prime time entertainment programming should be maintained to address the residual concerns that continue to exist in this area . . ."

In sum, the regulatory process has run its course for the past 6 years and has produced a fair and judicious decision that seems to take account of all the equities involved in the proceeding. In this regard, I am enclosing press reaction to the decision. I'm certain that you will find the Variety article of particular interest. I am also enclosing some of the material I promised to forward. While no party will be completely happy with a difficult decision of this kind, we see no reason for the FCC decision to be preempted, overturned or delayed. We hope you will agree.

Sincerely,

A handwritten signature in dark ink, reading "E. A. Wear". The signature is written in a cursive, flowing style with a large initial "E" and a long, sweeping underline.

Mr. Craig Fuller
Assistant to the President
for Cabinet Affairs
The White House
Washington, DC 20500

NETS LOSE FCC RULES COMPROMISE

COMPLICATED PROPOSAL CONFUSES SYNDIE ISSUES

By JACK LOFTUS

The television networks have been had.

Last week's much ballyhoed decision by the Federal Communications Commission to tentatively adopt a compromise way out of the morass it managed to create over its financial interest and syndication rules, really turned out to be not much of a compromise after all — at least as far as the webs are concerned.

For what the commission has said is that the networks can play the nickel-dime game of financial interest, but they're banned from

the big-time bucks of domestic syndication.

With the ascendancy of Mark Fowler to the throne at the FCC, the webs thought they had a real shot at total repeal of the rules. After all, they argued, such would be in the spirit of deregulation — the 11th commandment of the Reagan Administration.

Actually, far from simplifying anything, the FCC has come up with a whole new set of complicated rules affecting the syndication market; and then just for good measure it threw in a sunset provi-

sion that would strike the rules altogether in 1990 — assuming a different FCC agrees.

Hollywood hates it, natch. Jack Valenti, president of the Motion Picture Assn. of America, predictably called the FCC proposal "worse than a crime." A number of independent distributors feared that the "Networks Win At FCC" headlines in the press would send their stock to new depths. (That's just what happened to Telepictures, which blamed the stock fall on stockholder confusion over the

(Continued on page 62)

Webbs Come Up Short At FCC

(Continued from page 1)

FCC decision.)

As for ABC and CBS, they tried not to sound too terribly gleeful, applauding the commission for taking this constructive "first step." But not NBC. That web was able to put the press clippings aside and realize — perhaps a bit late — that far from victory, the battle had actually been lost. "We've been had," NBC seemed to say in much different corporate language.

An \$800-Mil Loss

Estimates of the total value of the U.S. syndication business range at about \$800,000,000 annually. And the networks, faced with limited revenue growth, soaring costs and declining audience shares, desperately need a chunk of that coin to keep the wolf from the door. That's what this whole convoluted proceeding has been all about. But the FCC said no.

Look at what the networks can do under the proposed rule change:

- They can negotiate for as much financial interest in an independently produced program as they can. That's a good deal if the networks have reams of money to throw around on top of already strained program budgets. The networks are coughing up anywhere from \$800-900,000 license fees for every hour of primetime programming (times 26 episodes for the season); so a 25-50% financial interest in each episode would add millions to the fee. And when would the network see any return on that money? Minimum of five years. Don't look for the syndication market to be revolutionized over this.

Hollywood fears the worst on this one. The producers argue that the network has all the leverage, predicts that a web tells the distributor "sell us a financial interest in the program for a song, or it doesn't get on the air." One can almost see the FBI's Abscam operation wiring up half the producers in Hollywood setting the bait, waiting for the webs to bite. It would make great television.

- The networks can negotiate

for U.S. syndication rights. There's little gained here, because the webs can't syndicate. They have to sell off these rights five years after a show has been on the web or six months before it goes into syndication, whichever comes first. The rule helps the small independent producer because if he sells a series to a network, he can pick up a few extra dollars by selling off the syndication rights. He'll sell those rights anyway; if not to a network then to a Paramount or an indie like Viacom. As for the Hollywood majors, no way they're going to hand over the syndication rights to a network.

- Networks can syndicate programming overseas. Big deal. They'll be one of many U.S. outfits doing the same thing. It may prove to be a good small business, but nothing that will affect the balance sheet.

- The webs can syndicate in the U.S. non-primetime programming, including made-for-TV features and films. Okay, so what?

Thou Shalt Not...

Now this is what the networks can't do:

- Thou shalt not syndicate in the U.S. primetime series programming. That's a crack at the \$800,000,000 brass ring lost right there.

Far from being "worse than a crime," Valenti ought to be celebrating. He's managed to convince the FCC that what was at stake in this whole proceeding wasn't whether the networks or Hollywood should have the divine right of wealth, but rather it was the plight of the independent television station that was at issue. If the networks could syndicate, they could also warehouse, withhold primetime programming from syndication; and that, Valenti argued, would be a fatal blow to the indies.

The FCC bought it. Valenti telegraphed it and the networks saw it coming long ago. Desperately, the webs even welcomed an FCC reg that would ban warehousing. But the FCC said no dice. "Ya gotta wait until 1990." By that time network chiefs now in control will be long gone.

The FCC's Tentative Decision has widely been labelled as a "compromise" solution to the controversy over whether to repeal or retain the financial interest and syndication rules. In truth, the Tentative Decision does not constitute a "compromise" solution at all. Rather, it emasculates the current rules' restrictions on network market power both in the syndication of programs and in the acquisition of controlling financial interests in those programs. The FCC compromise has been soundly rejected by all parties to this proceeding -- other than the networks.

In essence, the Tentative Decision, if adopted as a final rule, would:

- (1) repeal the financial interest rule, thereby permitting the three major television networks henceforth to obtain unlimited ownership (i.e., up to a 100 percent interest) in television programs;
- (2) repeal the syndication rule and substitute for it a "forced sale" rule that would permit the networks to acquire syndication rights to all television programs but would require them to transfer all such rights in "prime time entertainment series" programs within 180 days after the end of the program's network exhibition or at the end of five years of network exhibition, whichever event occurs sooner, and to file a notification of each such transfer with the FCC; and
- (3) contain a "sunset" provision whereby even the revised syndication rule would expire on August 4, 1990.

Further, and despite earlier FCC protests to the contrary that the Prime Time Access Rule (PTAR) is not an issue in the proceeding, it has become clear that the Tentative Decision necessarily implicates and indeed displaces the letter and spirit of the PTAR. The Tentative Decision gives the networks the ability to circumvent the PTAR by distributing first-run syndicated programs to their owned and affiliated stations during the "access" period (7:30-8:00 p.m.) that has been set aside for independently produced programs in order to promote competition and diversity in television. The new rule will permit this result despite the FCC pledge that the Prime Time Access Rule would not be affected by its decision, and despite the virtually unanimous opposition of network-affiliated and independent stations to any modification of this rule.*/

The findings and conclusions of the FCC which underlie the Tentative Decision clearly reject the bases on which the rules were first adopted. This Commission does not believe the networks have undue economic power, nor does it care that only three persons will control what the viewing public will watch on national television every evening. In fact, the only reason the Commission did not repeal both the financial interest and

*/ One major group owner of network-affiliated stations has already recognized the overreach of the Tentative Decision and has filed a strongly worded petition asking the FCC to clarify the Tentative Decision's impact on the PTAR. See "Motion for Clarification of Tentative Decision and/or Extension of Time" of Westinghouse Broadcasting and Cable, Inc., filed September 9, 1983.

syndication rules completely is the concern, articulated by the Commission, that the networks might otherwise withhold or "warehouse" popular prime time network series to prevent their syndication to local independent television stations, which depend on popular off-network syndicated programming to attract high audience ratings and advertising revenues.

But the rule the Commission has designed to meet this concern utterly fails. The proposed temporary syndication rule would permit the networks to withhold long-running prime time programs from syndication for five years and then would allow them to hand-pick the companies that will syndicate the programs. Although the rule prohibits the network-seller of syndication rights from contractually restricting the syndicator's freedom to distribute programs to independent stations, it is entirely predictable that a syndicator who wishes to establish a continuing, multi-series relationship with a network will syndicate a program consistent with the network's interests -- i.e., to favor network-owned and affiliated stations over independent stations in licensing the program for local exhibition. As long as a network can choose the syndicator of its programs, the continued availability of off-network programs to independent stations in a free and fair marketplace will be endangered.

Similarly, as long as a network is capable of obtaining a controlling financial interest in a television program, it will be able to influence syndication decisions and injure independent

stations. Although the Tentative Decision implies that the networks will be able to acquire only "passive" and "non-controlling" financial interests, its repeal of the current financial interest rule will allow the networks to obtain unlimited interests in programs.

The "sunset" provision of the Tentative Decision, whereby even the proposed narrow syndication rule would automatically cease to exist on August 4, 1990, is totally inexplicable. The FCC's rationalization for this provision, contained in seven sentences of an 81-page document, consists of a prediction that "there are clearly going to be significant changes [in growth of new television services] in the years ahead" (Tentative Decision at ¶ 209). This conclusion flies in the face of the findings of the Department of Justice that the networks have the ability and incentive to harm independent stations (id. at ¶ 62) and that "it is unclear whether new technologies will reduce substantially network market power" (id. at n.10); of the networks that they will continue to dominate television beyond 1990 (id.); and of the FCC itself that "all predictions of the future contain some uncertainty, as recent setbacks experienced by pay television stations show" (id. at § 180) and that "the public interest would be served by retaining a modified version of the syndication rule" (id. at § 208).

The "sunset" provision also would render the proposed syndication rule a nullity, because under the "five-year" provision

the networks could simply hold onto syndication rights in long-running programs which debut after the 1984-85 season until August 1990, when the syndication rule expires. In short, the Tentative Decision utilizes an inherently unreliable "crystal ball" method of prediction to determine in 1983 that the television marketplace of 1990 will dictate the automatic repeal of a syndication rule that it finds to be necessary to the public interest today.

The option that would seem to be most in the public interest would be for the FCC to leave the current financial interest and syndication rule in place, and for the Department of Justice to refrain from seeking to modify the antitrust consent decrees against the three networks, issued between 1978 and 1980 and sought by DOJ under the Nixon, Ford and Carter administrations, that impose parallel restrictions on the networks. Alternatively, a far more equitable solution than that proposed by the Tentative Decision would be one that would permit the networks to acquire substantial but non-controlling financial interests in television programs, while preventing them from having the ability to wield their market power to harm independent television stations and program suppliers. Such an equitable compromise would entail two basic elements: (1) retention of the current prohibition on all network acquisition of syndication rights to television programs; and (2) modification of the current financial interest prohibition to permit the networks to obtain passive, non-controlling financial interests in programs. Because the possession of a

financial interest of less than 50 percent often may still constitute a de facto controlling interest in the program, the maximum network financial interest in any one program should be limited to 25 percent of the net proceeds.* / An essential corollary of such a revised rule must be that, while the FCC may resolve to review the rule at a certain date or upon the occurrence of structural changes in the television marketplace, the rule would not automatically cease to exist without the benefit of such an FCC proceeding.

Procedural Options Available to the Administration:

1. A Cabinet Council could be convened to formulate a position on the current FCC proceeding. The advantages of this option would be that all decisionmaking would remain totally within the control of the White House and it is a straightforward method of setting forth the position of the President in this matter.

* / While a 25 percent interest is a mathematically imprecise measure of a "non-controlling" interest, such a percentage is reasonable in view of both network practices prior to the adoption of the financial interest prohibition in 1970 and in light of current television industry practice. It is common practice in the television industry to give small financial interests in programs to performers, directors and others associated with the program. Moreover, network-commissioned studies indicate that, prior to the adoption of the financial interest rule in 1970, the networks rarely obtained financial interests in excess of 30 percent of net proceeds. Therefore, a 25-percent limitation will assure substantial network profit participations in television programs while also assuring that such interests will not amount to control over the programs.

2. The National Telecommunications and Information Administration (NTIA) of the Department of Commerce could be instructed to file comments on the FCC's Tentative Decision expressing the Administration's view that the FCC's proposed resolution would not be in the public interest, for the reasons discussed above. (Comments are due on the Tentative Decision on September 20). This option also would be a straightforward method of expressing the Administration's view to the FCC, through a medium that has traditionally been utilized to express Administration positions on communications policy matters.
3. The President could take a public position concerning the Tentative Decision, e.g., by expressing support for Senator Pete Wilson's bill to impose a five-year moratorium on FCC action with respect to these rules (S. 1707) or by contacting individual Senators to express support for S. 1707. This option has the disadvantage relative to the first two of being an indirect approach. It has the advantage of the President's personal involvement on an issue he feels strongly about.
4. The Administration can, with the Department of Justice, formulate antitrust policy. Such policy can concern itself with the viewing public, consumers, independent television stations, affiliated stations, producers, guilds and others, and can retain any antitrust proscriptions necessary to protect the television marketplace.

United States Senate

WASHINGTON, D.C. 20510

July 20, 1983

The Honorable Ronald Reagan
The President
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20510

Dear Mr. President:

I have become greatly concerned about the apparent speed with which your Administration is proceeding to remove the financial interest and syndication rules and to modify the related consent decrees with the networks. As a Californian whose state economy is greatly enhanced by the health of the television production community, I view these proposals with some alarm.

As you know better than I, artistic creativity stems from diversity. This diversity must be protected at the various steps of program production and in distribution. Producers are constantly fighting with the networks in an effort to resist lowest common denominator programming. Placing the ownership of TV programming and control of the creative process in the three networks will reduce the breadth of entertainment and information programming the American people receive.

The networks have advanced arguments that things will be different in the future due to the development of new mechanisms for program distribution. With luck and hard work, some of the fruits of the new technology may in fact improve the viewing options of our citizens. But until that is the case, I believe that the networks' government-granted near-monopoly on household viewing requires continued restraints. Simply releasing the networks, under the guise of deregulation, to further dominate the programming landscape seems counter to your Administration's goal, which I share, to promote genuine competition.

Mr. President, I would value your views so that I may explain to my constituents the Administration's perspective on this critical marketplace.

Sincerely,



PETE WILSON

KS
September 14, 1983

Dear Mr. President:

Aside from the column I've asked Nancy to make sure you read because it will delight you, the bad news is I'm back again with that damned FCC syndication ruling. The good news is that this is the last time, cross my heart and hope to see Fritz Mondale run against you. Let me get down to it.

Chairman Fowler seems unreasonably determined to demolish the FCC restraints now in place against the networks, though he's proposed a plan he describes as a "compromise." It is no such thing. It confers on the networks the full, undiluted power his original proposal to repeal the rule granted them.

I dare to harass you again on this only because I remember your ready and vigorous agreement with the position I presented to you, representing the complete accord manifest within the film-making community, the independent television stations, large and small national advertisers, and pro bono consumer groups. All of these, in unaccustomed unity, insist the Fowler plan would destroy competition in the television marketplace and collapse the restraints on total network power. Though I appreciate the permission you gave me to quote your endorsement of our views, I of course have not done so publicly, awaiting your considered response. In the interim, it has become apparent that, for whatever reasons, some of your staff are resisting any reaction, either by you or your Administration.

The result of this is clear: Chairman Fowler, lacking any convincing evidence of your own conclusions, or response of any kind from your Administration, is pushing his plan forward. I believe that by October he'll call for a vote. When he does, absent any statement from the White House, the war is over; the networks will achieve total victory. Curiously, they will have won without any allies whatever, except Mr. Fowler. All groups speaking for those who make and watch television stand united against them.

Unhappily, the public will be the ultimate loser. Unleashed by the FCC, the networks will quickly move to entrench their dominance of the marketplace. The public will suffer, the creative community will suffer, in the end I believe the nation will be less well served by vital resources within your influence.

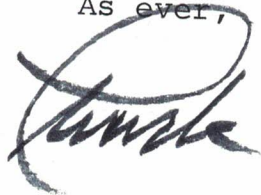
Of course I can't presume to offer intervening political counsel. Your staff feels you should not write in response to Pete Wilson's letter to you. They are better qualified than I to construct such judgments. I can only certify what you and I know from our common experience: It is wrong for the networks to have total command over the marketplace. There are only three networks ... there will never be more than three networks ... which means that WITHOUT the financial interest and syndication rule, the marketplace is forever tilted in favor of the only three gate-keepers to prime-time television.

That's why I think it's necessary, in the public interest, for (1) the Cabinet Council to issue a statement indicating its opinion that competition is best served by keeping the marketplace in balance and, (2) having the Department of Commerce revisit the issue and come forward to support the retention of the rule in the long-term interests of a competitive television world which in turn best serves the viewing public. Any market dominated by just three entities cannot be benign; indeed, it can only be a monopoly. All this aside, I need not point out that, regardless of any attempt to pacify them, the networks will be at your throat every hour of every day, without surcease and without mercy.

I hope you know how uneasy I feel to press this again, at the risk of offending your advisers and straining your own patience. Still, I come to you in this last hour, when a decision is about to be made contrary to your own views and those of just about everybody involved in television. Unless there is some visible declaration by the Administration through the Cabinet Council and the Department of Commerce, I must reluctantly concede that all is lost ... Mr. Fowler will not be otherwise deterred.

I know you will do your best, in this as in all else, to lead us wisely. Stay well.

As ever,



Let My Sitcom Go

Columbia Pictures and Getty Oil can sell new movies or old game shows to individual television stations, but under a 1970 order of the Federal Communications Commission, ABC, NBC and CBS can't. Similarly, Walt Disney and MCA can retain a profit from network programs that are repackaged as, say, video cassettes or cable TV programs; the networks can't.

These rules to regulate syndication and residual financial interests are highly valued by movie studios, independent syndicators and the cable TV industry. They see them as the key to preserving a healthy diversity in the production and distribution of programs. But the networks, now supported by the staff of the F.C.C., say the restrictions on them inhibit competition, not promote it.

Both sides, we suspect, exaggerate the importance of the issue. Neither the players, nor the game, are likely to be greatly affected by the rules' repeal. On balance, we favor their modification, to give the networks nearly equal rights to sell and invest in programming.

Not too long ago, the networks were thought to have a virtual monopoly over video entertainment. Therefore, to encourage new sources of programming — and to protect independent broadcasting — the F.C.C. built a wall around the networks. ABC, CBS and NBC were allowed to participate in program development for their own showing. But they were barred from retaining any financial interest in

the distribution of video programs and even from selling their shows for re-runs.

The networks deny they had any monopoly power even before 1970. They did not, for example, keep re-runs off the market to squeeze more money from local stations. Now, they argue, to fear such power is preposterous. The business is full of billion-dollar companies scrambling for a piece of the action in pay-TV, cable, cassettes, discs, direct broadcast satellite, low-power television. The real effect of the old rules, the networks contend, is to put them at a disadvantage and to discourage them from creating very expensive programs.

Those contending against the networks say it's difficult to prove them wrong. But it is also difficult to prove that the rules have actually reduced the available programming or the networks' profitability. So if the system isn't obviously broke, why fix it?

The desirable answer is that those who would restrict free enterprise should carry the greater burden of proof. The chances are that abolishing the rules would modestly increase the funds available for program development and lead to a similarly modest increase in programming available to non-network outlets.

To make this almost surely happen, the F.C.C. might follow the suggestion of the Justice Department and put a limit on the time a network could withhold a program from the syndication market. That compromise isn't guaranteed to yield more expensive or better shows, but it should protect the public interest in open competition.

THE WHITE HOUSE

WASHINGTON

September 28, 1983
REPRESENTATIVES OF AMERICAN AND AUSTRALIAN
AMERICA CUP SAILING SYNDICATES

DATE: 28 September 23
LOCATION: Rose Garden
TIME: 3:30 p.m.

FROM: MICHAEL P. CASTINE, DEPUTY DIRECTOR
PRIVATE SECTOR INITIATIVES

I. PURPOSE

To give recognition to the crew of the U.S. defender Liberty and the successful challenger Australia II for competing in the most exciting America's Cup series ever.

II. BACKGROUND

In the history of yacht racing this America's Cup race evoked more national pride than any other contest. Australia II defeated Liberty by 41 seconds in the final race of the best of seven series (4-3) this past Monday. It is the first time in 132 years that the U.S. has not won the cup named for the first yacht to win it, the "America." Australia added mystery to the series by using an unconventional style keel which they kept shrouded and guarded when not in the water.

9 of 11 Liberty crew members and wives and Commodore Robert Stone of the New York Yacht Club will be present. Dennis Conner, skipper, who you spoke with by telephone (and sent a good luck telegram to) will not. The winning skipper, John Bertrand, will be attending with the financial backer of the Austrlian syndicate, Alan Bond, and boat designer Ben Lexcen. Also attending will be His Excellency Sir Robert Cotton and Lady Cotton, the Australian Ambassador to the U.S. and his wife.

Representatives of both syndicates will present you with gifts. (Australia, a leather bound book on the America's Cup autographed by all the crew and the U.S. team will present a lithograph signed by Conner and crew and a Liberty Jersey.) Gifts will be available for you to present to the attendees as well.

Both syndicates are sponsored by private donations. The U.S. syndicate contributes all of its leftover funds (averages \$700,000) to the 109 year old Maritime College Foundation at Fort Schuyler in the Bronx. The 12 meter fundraising program is the major fundraising source for the Maritime College. The money is used for scholarships, campus improvements, and water related activities. Admiral Sheldon Kinney, President of the Foundation, Fritz Jewett, Vice chair of Potlatch, Inc. and a trustee and large contributor, and Edward du Moulin, trustee of the Foundation and Manager of the Liberty syndicate, will be attending the ceremony today.

III. PARTICIPANTS

- His Excellency Sir Robert Cotton
Australian Ambassador to the United States
- Lady Cotton
- Judy Cotton (daughter of the Ambassador)
- John Bertrand, Skipper of Australia II
- Ben Lexcen, boat designer, Australia II
- Alan Bond, financial backer of Australian syndicate
- Peter Dalziel, Commodore of Royal Perth Yacht Club
- Robert Stone, Commodore of New York Yacht Club
- Edward du Moulin, Manager of Liberty syndicate
- Fritz Jewett, Trustee of Maritime College Foundation
- see attached list for additional crew and guests

IV. PRESS PLAN

Open Press Coverage

V. SEQUENCE OF EVENTS

To be provided by the advance office

Talking Points will be provided by the speechwriting office.

THE WHITE HOUSE

WASHINGTON

CREW OF AND GUESTS OF LIBERTY

Robert Campbell
Kyle Smith
Tom Rich
Scott Vogel
John Hufnagel
Ed Trevelyan
John Wright
Tom Whidden
Betsy Whidden
John Marshall
Anne Marshall

CREW OF AND GUESTS OF AUSTRALIA II

Warren Jones
Denise Jones
John B. Jones
Rasa Jones
Hugh Trehame
Janine "Dixie" Trehame
Grant Simmer