

**1/26/79**

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 1/26/79;  
Container 104

To See Complete Finding Aid:

[http://www.jimmycarterlibrary.gov/library/findingaids/Staff\\_Secretary.pdf](http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf)

THE PRESIDENT'S SCHEDULE

Friday - January 26, 1979

---

7:30  
(90 min.) Breakfast with Vice President Walter F. Mondale, Secretaries Cyrus Vance and Harold Brown, Dr. Zbigniew Brzezinski, and Mr. Hamilton Jordan - The Cabinet Room.

9:00 Dr. Zbigniew Brzezinski - The Oval Office.

9:30 Mr. Frank Moore - The Oval Office.

10:30  
(20 min.) Mr. Charles Schultze - The Oval Office.

11:00  
(30 min.) Meeting with Editors. (Mr. Jody Powell).  
The Cabinet Room.

3:00  
(30 min.) News Conference. (Mr. Jody Powell).  
Room 450, EOB.

4:00 Depart South Grounds via Helicopter en route Camp David.

THE WHITE HOUSE  
WASHINGTON

1/26/79

Stu Eizenstat  
Jim McIntyre

The attached was returned in the  
President's outbox today and  
is forwarded to you for  
appropriate handling.

cc: Rick Hutcheson  
The Vice President  
Frank Moore  
Alfred Kahn  
Charlie Schultze  
Jack Watson  
Anne Wexler  
Bob Lipshutz

THE WHITE HOUSE

WASHINGTON  
January 22, 1979

C

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
JIM McINTYRE *Jim*  
SUBJECT: Regulatory Reform -- 1979 Legislative Program

Last year, your regulatory reform program focused on administrative steps (E.O. 12044; the work of the Regulatory Analysis Review Group; rewriting and eliminating regulations) and on the airline deregulation bill. For 1979 we propose a broader legislative program, complementing stepped-up administrative efforts (vigorous enforcement of the Executive Order by OMB, publication of the Regulatory Calendar by the Regulatory Council; accelerated "sunset" reviews of old regulations; and continued oversight of new rules by the Review Group and the EOP agencies).

The legislative program would include both a number of bills on individual regulatory programs (such as trucking and rail deregulation) and a package to improve the regulatory process by:

- o eliminating unnecessary costs in new and existing regulations;
- o encouraging agencies to adopt innovative regulatory techniques;
- o reducing delays in the regulatory process;
- o broadening participation in rulemaking and cutting its costs; and
- o improving oversight and management.

This memorandum describes the elements of this package and seeks your approval to continue developing them. We have had preliminary conversations about this package with key Hill and private groups, and the reactions generally have been positive, though tentative. We will intensify the consultation process over the next few weeks and present final recommendations to you on the basis of these talks and internal Executive Branch consideration of the issues.

In addition to the process reform package, this memo also describes certain regulatory reform proposals currently in vogue on the Hill which we do not recommend that you support. Finally, the memo proposes preparation of a comprehensive Message on Regulatory Reform for transmission with the process legislation in late February.

We have discussed this memo with Justice, Doug Costle (as Chairman of the Regulatory Council), Frank Moore, Fred Kahn, and Charlie Schultze, and they concur with our recommendations.

I. Proposed Regulatory Process Bills

A. Cost-Effective Regulations

We are developing four proposals:

(1) Regulatory Analysis Requirement

Various bills were introduced in the last Congress requiring agencies to publish cost-benefit analyses of proposed rules and analyses of the rules' impact on the economy, individual industries, small business, etc. Most such schemes are more likely to generate work for consultants and lawyers than to improve agency decision making. However, the proposals have an important common theme: to ensure that agencies consider the alternative means of achieving regulatory goals and the cost and benefits of each alternative. Such analyses should lead agencies to the most cost-effective approach.

Your E.O. 12044 incorporated this idea by requiring the Executive Branch agencies to write "Regulatory Analyses" of major new rules and make them available for public comment. This approach does not require rigid counting of costs and benefits -- many of the benefits of clean air, for example, are difficult to express in dollars. Instead, it emphasizes each agency's obligation to identify and evaluate alternative approaches to meeting statutory goals. To extend this concept to the independent commissions and ensure it will continue to be taken seriously, we recommend it be put into law. Our bill will require that when agencies issue new regulations, they must choose the least burdensome of the acceptable alternative ways of dealing with the problem they are trying to solve.

Approve       ✓      

Disapprove

(2) Changes in Substantive Standards.

Some statutes, such as the Delaney Clause on cancer-causing substances in food, prevent consideration of costs in regulatory decisions. We are exploring whether circumstances will make it necessary or appropriate to propose amending some of these statutes and will give you a recommendation shortly if legislation looks viable and desirable.

(3) Demonstration Projects for Innovative Techniques.

Many regulatory statutes mandate unnecessarily rigid and costly techniques to achieve their goals. For example, EPA traditionally imposed a flat limit on the amount of pollution each plant may emit. EPA recently has begun experiments with alternatives such as allowing one company to increase its pollution if it pays others to decrease theirs. Such approaches can achieve net improvements in air quality while reducing compliance costs.

We are working with the Regulatory Council on a bill to authorize more such demonstration projects. It will be patterned after the title of the Civil Service Reform Act which permits suspension of certain statutory requirements for personnel management research and demonstration projects. That title provides for Congressional participation in authorizing such projects through a "report-and-wait" provision.

This proposal is complex, novel, and controversial; we will give you a recommendation after further review with the agencies and other experts.

(4) Promote Competition.

Senator Kennedy has proposed a "Competition Improvements Act," which the Antitrust Commission has endorsed in principle. This Act would require that when an agency issues a rule or takes other action that reduces competition, it must show that the action serves an overriding statutory purpose and that the benefits exceed the harm to competition. As drafted, this bill could tie up thousands of agency decisions in complex law suits over whether the impact on competition has been adequately assessed. We are considering an alternative that would apply the bill's strict standard only to regulations restricting entry into markets and the price of services (e.g., ICC rules) by requiring the Regulatory Analyses to include an assessment of any significant competitive impact. This approach would help competition while avoiding almost all the delay and litigation problems.

On this issue we will give you a recommendation after further analysis and consultation.



D. Public Participation

We are working with Esther Peterson to develop a modified version of the bill the Administration supported last year to allow funding for groups which otherwise could not afford to participate in regulatory proceedings that affect them. In addition, to give the public more advance notice, two provisions of E.O. 12044 would be put into law, so the independent regulatory commissions are covered: agencies would be required to publish semiannual agendas of upcoming significant regulations, and a 60-day minimum period would be provided for the public to comment on significant rules.

Approve  \_\_\_\_\_ Disapprove  \_\_\_\_\_

E. Oversight and Management

We are developing two proposals:

- (1) Selection and Oversight of Administrative Law Judges.

These 1025 officials hold key jobs, but the civil service selection process often excludes the most qualified candidates. The proposal would make the process more flexible and encourage recruiting people from outside the government.

Approve  \_\_\_\_\_ Disapprove  \_\_\_\_\_

- (2) Improvement of the Administrative Conference.

You have already approved our proposal to reorganize the Administrative Conference, name a new chairman, and make it a stronger tool for regulatory reform. We plan to accomplish this with a Reorganization Plan and supplemental legislation. We will give you a memo shortly with recommendations on the functions to be performed and their relationship to other regulatory reform operations.

Prospects in Congress

This is a substantial package, and some of it will be controversial. Both sides in the regulatory debate will like some elements and dislike others. It will go to the Judiciary and Governmental Affairs Committees. Both Senate

Committees are quite interested; there is less interest in the House, but we think substantial support can be attracted. We will report in more detail on the politics and prospects when we seek your final decisions in February.

## II. Regulatory Reform Proposals We Do Not Recommend

The next Congress will be intensely interested in regulatory issues. A number of bills will be introduced which we think are not desirable but which may develop significant support on the Hill and which some may seek to add to the package outlined above.

*I agree*

A. Legislative Veto. Representative Levitas and others will continue to press for this. Your policy of opposing the legislative veto and suggesting "report-and-wait" provisions instead did not stem the tide last year; 11 laws were enacted with legislative veto provisions, although the most visible and far-reaching provisions were beaten. We anticipate continued battles on a wide range of bills, and the process bills we propose should help by giving Congressmen a constructive alternative. However, there may be efforts to add legislative veto provisions to our package, and that could delay or even kill it. We think it would be better to lose some of these proposals than to accept any across-the-board legislative veto provisions, and we will be careful to preserve your option to veto an unacceptable bill. A Court of Appeals decision on the constitutionality of legislative veto is expected soon; if it is favorable to our position, the pressure may diminish.

B. Presidential Intervention. A prestigious American Bar Association Committee recently proposed legislation to authorize the President to direct agencies to delay review under a "report-and-wait" procedure. We recommend against support of such a bill because: (1) You already have constitutional authority to direct the Executive Branch agencies in the exercise of their statutory discretion under regulatory statutes, and you can use (or decline to use) that authority privately and informally; (2) passage of such a statute would create undesirable public expectations that you will intervene in every important regulatory controversy; (3) Congress is unlikely to give you authority over the independent commissions or authority to overrule statutory mandates; and (4) Congress is unlikely to pass such a bill without tacking on a legislative veto provision.

However, others may offer proposals that affect your regulatory review authority. In contrast to the Bar Association proposal, bills may be introduced to limit your authority or to require that contacts about regulations by you and/or your advisors with agency officials or private parties be handled in a formal, public manner. We think that such

legislation is very undesirable and will give you a recommendation on a response if such proposals attract any serious support.

C. Cost Reduction and Regulatory Budget. Senator Bentsen has proposed a bill requiring each agency to calculate the cost of complying with its regulations, and he and others have suggested creating a formal, annual budget for regulatory costs. The problem is that no reliable, uniform means of estimating costs has been developed, and a rigid requirement is more likely to lead to phony estimates and litigation than to meaningful reforms. While we think the regulatory budget idea makes sense as a long-term objective, and we propose to say so in the Message and to work with Bentsen, Secretary Kreps, and others on the concept, we do not think any specific bill merits your endorsement at this time. We are exploring the possibility of a formal, visible study on how to calculate and budget regulatory costs and will have a recommendation in February.

### III. Message to Congress

The overall agenda for 1979 includes a Message to Congress on Regulatory Reform in late February, shortly after the first Regulatory Calendar is published. In addition to discussing your regulatory reform philosophy and the process package described above, the Message would outline accomplishments so far, non-legislative steps underway, and the bills being developed to reform individual regulatory programs. It will lay out, in one document, your overall regulatory reform program.

The following is a list of the areas under review for possible legislation on individual programs, indicating the lead agency for each. We will make recommendations to you in February on which of them should be discussed in the Message as part of your 1979 regulatory reform program:

- o Partial deregulation of trucking, railroads, and intercity buses (DOT).
- o Streamlining procedures for licensing and siting nuclear plants (DOE).
- o Revision of the Communications Act to reduce regulation and increase competition in the broadcasting and common carrier industries (Commerce).
- o Consolidation of banking supervisory powers (Treasury).

- o Elimination of anti-competitive restrictions on banking for small savers by permitting all financial institutions to pay interest on checking accounts and by raising interest ceilings (Treasury).
- o Modernization of meat and poultry inspection programs (USDA).
- o Modification of Housing Act to simplify financing and construction regulations (HUD).
- o Revision of Drug Act to reduce delays in introducing new drugs and provide increased protection for consumers after drugs are introduced (HEW).
- o Simplified, uniform procedures on export of hazardous substances (Esther Peterson's Office.)
- o Elimination of some antitrust immunities and other recommendations of the Antitrust Commission (Justice).
- o Reforms in OSHA procedures (OMB/Labor).
- o Revision in regulations governing applicant eligibility for public assistance (OMB/HEW).
- o Reforms of medicare/medicaid physician reimbursement practices (HEW).

*Increased authority  
to consolidate Grants-in-aid,  
reporting, etc should  
be pursued under this  
subject or as separate  
item -*

THE WHITE HOUSE  
WASHINGTON

1/26/79

Tim Kraft  
Arnie Miller

The attached was returned in the  
President's outbox today and is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

January 24, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM:

TIM KRAFT <sup>TK</sup>  
ARNIE MILLER ~~AM~~

SUBJECT:

National Credit Union Administration Board

On July 28, 1977, you appointed Lawrence Connell, Jr., as Administrator of the National Credit Union Administration. The National Credit Union Administration is responsible for chartering, insuring, supervising, and examining Federal credit unions.

On November 10, 1978 you signed the Financial Institutions Regulatory and Interest Rate Control Act of 1978. In addition to strengthening the supervisory authority of Federal agencies which regulate depository institutions, the Act calls for the establishment of a three-member National Credit Union Administration Board to replace NCUA's present structure of Administrator and six-member board. You shall appoint the three-member board with the advice and consent of the Senate and designate one of the members Chairman.

Lawrence Connell, Jr. has been an excellent Administrator. He enjoys the professional and personal confidence of the Comptroller of the Currency John Heimann, G. William Miller and Robert McKinney. Stu Eizenstat also concurs with this recommendation. Additionally, Mr. Connell is acceptable to the members of the Senate Committee on Banking, Housing and Urban Affairs, the Committee that will conduct the confirmation hearings.

We are not prepared to submit the names of the other two board members at this time. We consider the appointment of the Chairman a priority to preserve continuity of the National Credit Union Administration. We will submit the names of the other two board members by March 1, 1979.

Electrostatic Copy Made  
for Preservation Purposes

RECOMMENDATION

Nominate Lawrence Connell, Jr. as Chairman of the National  
Credit Union Administration Board.

approve

disapprove

*[Handwritten mark]*

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

January 26, 1979

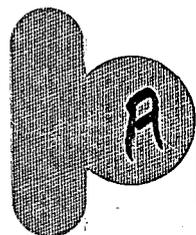
MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI   
SUBJECT: Letter from Congressman Ashley

You instructed that you wished personally to sign a letter in response to Congressman Ashley's letter to you of January 18 (Tab (B)). A proposed response to Congressman Ashley is at Tab A.

Bernie Aronson has cleared the text of the letter.

RECOMMENDATION:

That you sign the letter to Congressman Ashley at Tab A.



orig → FM

THE WHITE HOUSE  
WASHINGTON

To Congressman Thomas Ashley

Thank you for your helpful and thoughtful letter of January 18 on our China policy and on the plight of Indochina refugees.

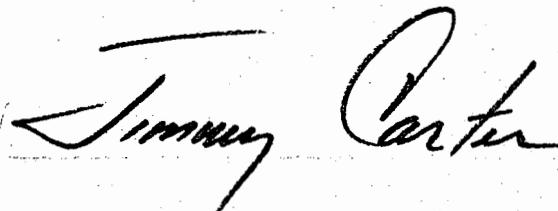
I followed with interest your interview with Deng Xiaoping. You had a productive session which contributes to the normalization process.

I was pleased that you were able to represent me during the January 1 festivities in Peking and thank you for taking on this responsibility.

I share your deep concern about the tragic plight of Indochinese refugees and am considering several initiatives now which could greatly improve the effectiveness of U.S. assistance to these desperate people.

It is always good to hear from you.

Sincerely,



The Honorable Thomas Ashley  
House of Representatives  
Washington, D. C. 20515

*You were present  
at a truly  
historic event!*



18

THE WHITE HOUSE  
WASHINGTON

MR. PRESIDENT:

Attached is the report  
you requested from Lud  
Ashley.

Frank Moore  
1/19

*Let Zb's draft  
reply for me to  
sign  
J*

## COMMITTEES:

BUDGET

BANKING, CURRENCY AND  
HOUSINGMERCHANT MARINE AND  
FISHERIES

## Congress of the United States

## House of Representatives

Washington, D.C. 20515

January 18, 1979

DISTRICT OFFICE:  
FEDERAL BUILDING  
234 SUMMIT STREET  
TOLEDO, OHIO 43604

Honorable Jimmy Carter  
President of the United States  
The White House  
Washington, D. C. 20500

Dear Mr. President:

The greetings I extended to Vice Premier Teng in your behalf were received with great attentiveness and appreciation. He responded in kind, emphasizing how much he looked forward to meeting you on his upcoming visit to Washington.

Interestingly enough, it was on this occasion -- at the formal ceremonies at Ambassador Woodcock's residence -- that the Vice Premier invited me and the delegation to meet with him the following morning at the Great Hall. This was a two-hour meeting which I understand was widely reported in the press. The exchange of views was far-ranging and frank. We made clear the concern of the American people over the safety and well-being of the people of Taiwan and Teng responded at considerable length, emphasizing the intention of PRC to proceed with reunification through negotiation, using "the hand of peace," as he put it. He stressed that the continued prosperity of the people of Taiwan would in no way be threatened, but instead that there was every expectation that their prosperity would be enhanced with reunification. He did say, however, that it takes two to negotiate and that PRC's offer to Taiwan in this regard has met with no response to date. He said that American officials expressing concern over Taiwan could be helpful by urging negotiations, pointing out that those who urged resistance were only harming efforts for peaceful reunification.

Teng fielded all questions regarding Taiwan with ease and in an extremely reasoned manner. Some of the questions/statements from certain members of the Congressional delegation, quite frankly, were little short of provocative (Congressman Kelly of Florida particularly distinguished himself in this regard). Teng responded precisely to these statements, without antagonism.



Events in Vietnam and Laos and Cambodia were discussed at equal length, both in Teng's relatively brief opening remarks and in response to specific questions from our delegation. The thrust, of course, was Russian hegemony, which, he said, had transformed Indochina into the "Cuba of the Far East." There was no doubt but that his concern in this regard is real and constant.

Our delegation was very favorably impressed by Teng. He has a broad and not altogether inaccurate perspective on geopolitics, he is well informed, reasoned and thoughtful. Our discussions covered such matters of Congressional importance as Most-Favored-Nation treatment, Chinese participation in the World Bank and other international lending institutions, access to the Export-Import Bank and resolution of the foreign assets/claims issue that presumably will be focused upon with the upcoming trip to Peking by Blumenthal and Kreps. He was knowledgeable on these matters and in describing the problems involved without recourse to notes of any kind.

Teng said that he saw broad prospects for trade between our two countries, particularly in the areas of science and technology, where, he said, the United States is more competitive than many other countries, including Japan. Asked about PRC's modernization priorities, he replied that oil field development, coal and water resource development, and agricultural technology and equipment were the immediate areas of highest interest to the PRC.

In summary, Teng was responsive to the expressed concerns of our delegation with respect to Taiwan, taking deliberate pains to emphasize that even though reunification might take a long time, "many, many years," these efforts would be pursued peacefully. In his closing comments, Teng said that "different points of view are a normal state of affairs." This, of course, was consistent with earlier comments in which he invited Senator Goldwater to visit him and in which he acknowledged that his (Teng's) views often change "because the world itself is in a constant state of change."

Our delegation was also the first Congressional delegation ever to visit one of the refugee camps (of which there are now 15) in Thailand. Simply stated, Mr. President, this was a sobering experience.

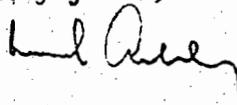
In the Nangkhai Camp there were some 35,000 refugees living on a 200-acre site. Most of the refugees are young -- under 12 years of age. All had affected their escape after abandoning their worldly goods and walking anywhere from 50-150 miles to the Mekong River. Those who succeeded in crossing were the lucky ones but they left behind, in almost every instance, one or both parents, brothers and sisters, aunts, uncles and friends. In the eyes of each refugee, Mr. President, was a personal tragedy which is hard to describe unless seen.

I know you will take this seriously because nowhere on the face of the earth is there taking place such a massive deprivation of human rights. The obligation of the United States and other countries of the world is clear. We must do more. And you must take the leadership in making this clear to the people of the United States.

In this regard, the Citizens Commission on Indochinese Refugees, headed by Leo Cherne, has recommended establishment of a reception center on the mainland of the United States for the specific purpose of permitting rapid movement from countries of first asylum of refugees already approved for resettlement in the United States. Such a holding center would relieve Thailand of those refugees who are in any event already assured of resettlement in the United States and, additionally, would greatly facilitate the work of the private voluntary agencies ultimately responsible for resettlement of refugees in the United States and their ultimate integration into American society. The need for such a transitional center is all the more urgent given the large number of refugees presently scheduled to move on an accelerated basis, as well as those refugees that we undoubtedly will accept beyond the June 30 cutoff.

The establishment of an international center or centers located reasonably close to the areas of refugee flow and first asylum reception should also be supported by the United States, in cooperation with other appropriate governments. This appears currently necessary to sustain the patience of countries of first asylum and to provide the time necessary for the international community to mount a resettlement program adequate to the refugee flow which now exists and which may grow even larger.

Respectfully yours,



Thomas Ludlow Ashley, M. C.

TLA:sr

THE WHITE HOUSE  
WASHINGTON

1/26/79

Hamilton Jordan  
Frank Moore

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
your information.

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

MR. PRESIDENT -

SO YOU WILL BE  
FAMILIAR WITH OUR  
STRUCTURE AND ASSIGNMENTS.

WQ.

THE WHITE HOUSE  
WASHINGTON

January 24, 1979

*dk*  
*J*

MEMORANDUM TO: Task Force Chairpersons  
FROM: Hamilton Jordan  
Frank Moore  
SUBJECT: Operation of Legislative Task Forces

Drawing upon our experience during the 95th Congress, we have developed a more thorough and more closely coordinated approach to legislative issue management. The primary responsibility for day-to-day coordination will reside with task forces established for precisely that purpose. Composition of the task forces will vary from issue to issue, but generally it can be assumed that various White House offices will be represented on each, as will those Cabinet departments and agencies relevant to a particular subject (e.g., HEW on hospital cost containment).

Seven issues for task force coordination have already been established and chairpersons selected; they are:

- SALT/Hamilton Jordan
- Real Wage Insurance/Gene Godley
- Budget & Appropriations/Hubert L. (Herky) Harris
- Department of Education/Terry Straub
- Federal Pay Reform/Scotty Campbell and John White,  
Co-Chairs
- Hospital Cost Containment/Dick Moe
- MTN/Countervailing Duties / Bob Strauss, Anne Wexler,  
Frank Moore

Several of the groups have had one or more meetings and are designing and implementing strategies. Additional task forces will likely be set up for other issues.

In order to ensure that the task force approach succeeds in achieving a higher degree of coordinated issue management, we expect each task force to adhere to certain guidelines:

Electrostatic Copy Made  
for Preservation Purposes

- Each task force should have a regular meeting time and place; task forces should meet frequently (no less than once a week).
- Each task force will develop a written, comprehensive strategy including Congressional, press and public outreach components. The strategy should be incorporated into an "Administratively Confidential" memorandum addressed to us, with copies to Landon Butler and Les Francis.
- Weekly written progress reports should be sent to Landon and Les every Friday morning.
- Task forces exist to design and implement strategy; they do not exist to determine or alter policy.

We would like to receive from each task force chairperson a strategy outline by February 1 and a complete strategy one week later (February 8). The first progress report should be submitted to Landon and Les on Friday, February 2. Included in the first report should be a list of all task force members, including name, title, office and/or department, and phone numbers (office and home).

THE WHITE HOUSE

WASHINGTON

January 26, 1979

*S.Y.I.  
for photo*  
**11:31**

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*  
SUBJECT: Donald (Donnie) Manes

I. BACKGROUND

Borough President and County Leader of Queens County, New York City. He was the state-wide coordinator for Senator Jackson in 1976 during the New York State Primary. He was the New York City Carter Chairman in 1976 during the General Election and is a strong and consistent Administration supporter. He wants to help us in the future.

I am having lunch with him today to discuss how we can work with him to build New York support on tough 1979-1980 issues (e.g., SALT, the New York City fiscal situation, the inflation fight and the 1980 budget.

The Congressmen whose districts are wholly or partially in Queens are:

Lester Wolff

Joseph Addabbo

Benjamin Rosenthal

Geraldine Ferraro

Mario Biaggi

James Sheuer

II. TALKING POINTS

We are depending on him strongly for advice on issues affecting New York and we hope he will work closely with us on the tough problems we face with New York in 1979 and 1980.

**Electrostatic Copy Made  
for Preservation Purposes**

11:00 AM

THE WHITE HOUSE

WASHINGTON

January 25, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM: Walt Wurfel

SUBJECT: Your meeting Friday morning with non-Washington editors and broadcasters. (11 a.m., Cabinet Room)

This group of 29 is from the Southwest and West. They will be briefed in some detail on China and on your upcoming visit to Mexico. Brzezinski and Oksenberg will deal with those topics before you see them. Bob Pastor of the NSC and Les Goldman of the Department of Energy will add detail on Mexico in the afternoon.

Fifteen of the 18 newspapers represented have circulations exceeding 100,000. Several of the editors have visited China in the past two years on tours sponsored by the American Society of Newspaper Editors. Nine, from bigger papers, attended one of the earlier briefings in this series.

One of these editors, Oren Asa, has invited you to address the California Newspaper Publishers' Association convention on February 16 in San Francisco. He may mention it to you. Jody declined by mail 10 days ago, saying the date conflicted with your Mexico trip.

The first attachments to this memorandum are a possible opening statement on the upcoming Mexico visit and the latest NSC questions and answers on Mexico. However, Jody and Jerry Rafshoon may bring to you in the morning a brief proposed opening statement reinforcing the New Foundation theme. If you do not use the Mexico opener, you may wish to work that material in while answering a question, because it will be of high interest to the visiting editors.

Also attached are the list of participants and the day's agenda.

There will be a White House photo pool in the room for the first two minutes. The White House photographer will return in the final moments for the usual individual pictures.

Suggested Lead-In  
for President's Meeting  
for Out-of-Town Editors  
January 26, 1979

One of the highest priorities I set for myself at the beginning of my administration was to seek the improvement of our relations with Mexico. Mexico is of great importance to the United States, not just because of the important trade between our two countries, but because of the cultural roots which so many Americans have in Mexico.

Rosalynn represented me at the inauguration of President Lopez Portillo in December 1976, and he was kind enough to send his wife to my inauguration. I have tried to maintain a high-level dialogue with President Lopez Portillo. He was the first Head of State I invited to visit the U.S., and Vice President Mondale went to Mexico last January to continue this dialogue.

I appreciate his kind invitation for me to visit his country and to discuss important issues which face us -- including trade, energy, migration, border issues. In addition, I am looking forward to an exchange on regional and international issues. Mexico as you know, has been an important leader in the world on a number of issues like arms restraint and non-proliferation, which I care deeply about.

I think there has been undue attention paid to the energy issue and some of the differences that inevitably emerge in the relationship between two important and diverse countries like the U.S. and Mexico. Energy is only a single issue; it does not define our relationship. The differences between our two countries are dwarfed by our joint achievements, our common concerns, and by our areas of cooperation. I understand that Bob Pastor of the NSC Staff will be meeting with you this afternoon, and he will describe

in greater detail what we have been able to achieve in the last two years.

I do not view this trip as a negotiation, but rather as an opportunity to listen to President Lopez Portillo, to share my views with him, and to try to reach an understanding of the kind of future relationship between our two countries which we want to have.

November 14, 1978

MEXICAN ENERGY

Q: Is it true that the only reason why you are interested in Mexico is because of the vast petroleum reserves? Your Administration has been criticized for failing to strike a bargain with Mexicans. What do you intend to do about that?

A: My interest in Mexico began long before I knew that Mexico's oil reserves would rival those of Saudi Arabia. We have passed through difficult periods in the United States trying to shape a national energy policy. We are now interested in discussing with the Mexican government the issue of our overall energy relationship in the long term, recognizing that these are Mexico's natural resources, and that the basic decisions on production are Mexico's.

-- President Lopez Portillo was the first Head of State I invited to visit the United States. Mrs. Carter, Vice President Mondale and Secretary Vance all visited Mexico during the past year. Many senior administrative officials give considerable time and attention to the smooth working of the Consultative Mechanism which President Lopez Portillo and I established in 1977 to coordinate US - Mexican relations.

-- Innovative and mutually beneficial agreements and understandings have been worked out with Mexico during the past year in such fields as tourism, trade, exchange of

(continued)

prisoners, fisheries, civil aviation and extradition.

-- Mexico would be of major importance to the US if its oil and gas reserves and our 2,000-mile common boundary did not exist at all. Although energy is an important part of our relationship, we must remember that Mexico is also a major trading partner, an increasingly influential voice in the international community, and the country where millions of our citizens have their cultural roots.

January 15, 1979

MEXICAN NATURAL GAS

Q: Last week Secretary Schlesinger indicated that Mexican natural gas was quite low on the Administration's list of priority sources for this fuel. He set out rather stringent conditions for U.S. consideration of purchases of Mexican gas. Does this represent Administration policy, and how do you think this will influence your negotiations with Mexico?

A: I look forward to discussing these issues with President Lopez Portillo when I visit Mexico next month, and will, of course, be anxious to gain a better understanding of his views in this area. I believe that both our countries share an interest in reaching a just and fair agreement. Secretary Schlesinger discussed certain factors which relate to the short run aspects of our current natural gas supply situation. In our discussions, we and the Mexican government will want to take these issues into account. We will also examine the energy issue in the light of other important considerations related to our overall relationship. Energy is only one issue in our relationship with Mexico which continues to be of great importance to me personally and to our country. I am eager to meet with President Lopez Portillo and believe that we will be able to work cooperatively, on the range of issues which face our two nations.

MEXICAN GAS

Q. Do you intend to press Lopez Portillo to increase his country's production of oil and natural gas?

A: I am aware that there have been reports to that effect in the Mexican and the U.S. press. They are not true. -

-- First of all, President Lopez Portillo has said that his government will produce oil and gas at a rate which is appropriate to its development of objectives. He has identified employment, agricultural production and diversification, and improvement in the living standards of Mexicans as important objectives, and I couldn't agree more.

-- I believe that Mexico is in the best position to determine what level of oil and gas it should produce to help meet its development objectives. I think our relationship should be built on the basis of respect for Mexico's decisions on its future.

-- In short, I will not press President Lopez Portillo to increase his country's energy production. We will respect his decision on that.

MEXICAN GAS NEGOTIATIONS

Q: Your Administration has been criticized for failing to reach agreement on the importing of Mexican natural gas. Given the importance of Mexico as well as its tremendous energy resources, why has your Administration not given this high priority, and why have you failed to reach agreement? What went wrong last year?

A: Since inauguration, I have attached great importance to good relations with Mexico, and I myself am planning a trip there in February. We remain hopeful that we will be able to reach agreement on importation of natural gas, and we remain willing to discuss this issue with Mexico at any time.

-- As you know, in August 1977, the Mexican government and six private U.S. gas companies reached a tentative agreement on gas imports from Mexico. In our discussions with the Mexican government before that, we expressed our concern that the terms of such an agreement could impede our efforts to achieve a national energy plan. We were also concerned that it could have an adverse effect on the price of pipeline gas from other countries and that our regulatory agencies might have difficulty approving the agreement.

-- Now that we have a comprehensive energy plan, we feel that the possibility of reaching agreement has increased, and we have informed the Mexicans that we are willing to resume talks on this subject whenever they wish.

ARIZONA

Loyal G. Meek, editor, Phoenix Gazette. Repeat, attended 8/26/77. Conservative Republican daily. Concerns: illegal aliens (oppose amnesty and border control cutbacks); flood control; the Orme Dam, a casualty of the compromise on the Central Arizona Project. Probable question on the latter because the Gazette believes the Orme project would protect Phoenix's severely flood damaged eastside. Meek is a fiscal conservative who supports increased defense spending.

William J. Close, vice president for news, KOOL-TV, Phoenix.

CALIFORNIA

Thomas A. Kirwan, editorial page editor, Fresno Bee (McClatchy Newspapers). McClatchy chain endorsed you in '76. Concerns: agriculture and water policy. Generally supportive.

Thomas Plate, editorial page editor, Los Angeles Herald-Examiner (Hearst). Conservative. Strongly favored Jerry Brown's call for a constitutional convention on balanced budget. Other concerns: CETA; federal reimbursement of health costs for illegal aliens. Favor more trade with China but disliked your "abandonment" of Taiwan.

Alvin Shuster, assistant editorial page editor, Los Angeles Times. Adamantly opposed Jerry Brown's call for constitutional convention for budget amendment. Supported you in normalization of relations with China.

Oran W. Asa, publisher, Northeast Newspapers of Los Angeles. Republican who owns several community newspapers. Asa visited China in May '77 with other members of the California Northeast Newspaper Publishers Association. Supports you on normalization of relations with China.

CALIFORNIA

Donald J. Hoenshell, editor, Sacramento Union (Panax). Repeat, attended 4/28/78. Staunchly conservative daily, oldest paper west of the Mississippi. Hoenshell is considered a moderating influence. Concerns: water projects (Auburn Dam); defense; nuclear power, SALT; and the budget.

Peter E. Langlois, news director, KCRA-TV, Sacramento.

Gerald L. Warren, editor, San Diego Union (Copley). Repeat, attended 3/25/77. Warren was deputy press secretary under Ron Ziegler and director of the Office of Communications in the Ford administration. He is considered very fair in his editorials and is credited with greatly improving the Union. Concerns: the Mideast; illegal aliens (opposed to border patrol cutbacks); relations and trade with Mexico, especially use of Mexican petroleum reserves.

J. Reginald (Reg) Murphy, publisher/editor, San Francisco Examiner (Hearst). Repeat, attended 4/7/78. Concerns: CETA funds; SALT; trade with China; off-shore drilling.

Larry Jinks, vice president and editor, San Jose Mercury-News (Knight-Ridder). Traditionally a working-class Democratic area, with substantial Hispanic and Asian populations. High concentration of electronics industries cause local paranoia over Japan's increasing market share. Other concerns: housing; smog; unemployment; public transportation; and defense contracts. Congressman Mineta's spot on the Budget Committee has brought more attention to the budget process. Tax-conscious, strongly supported Proposition 13, Brown's constitutional convention proposal, and lowering capital gains taxes. Jinks, a good friend of Dick Pettigrew, is credited with liberalizing the paper's editorial policy.

COLORADO Fred Hobbs, news director, KWGN-TV, Denver.

IOWA James V. Vogelaar, news director, KIOA Radio, Des Moines.

KANSAS Kelly G. Walker, news director, KAKE Radio, Wichita.

LOUISIANA Edmund J. Tunstall, vice president and editor, New Orleans Times-Picayune (Newhouse). Repeat, attended 7/29/77. Concerns: Panama Canal treaties (effect on Port of New Orleans); aid to cities (CETA); labor reform; energy; federal hurricane protection; and federal judgeship nominations.

Douglas A. Ramsey, news director, WDSU-TV, New Orleans.

MINNESOTA Charles W. (Chuck) Bailey, editor, Minneapolis Tribune. Repeat, attended 3/4/77. Urban-oriented daily which also serves surrounding farm area. Concerns: SALT; the budget; urban policy; and grain shipping. Bailey and Vice President Mondale are good friends.

OKLAHOMA Ed Turner, news director, KWTW-TV, Oklahoma City.

OREGON J. Richard Nokes, editor, The Oregonian, Portland (Newhouse). Repeat, attended 10/14/77. Leading publication in state, conservative. Concerns: lumber industry; energy (Bonneville Power Administration legislation); trade; wage-price guidelines; and SALT. Paper gave big play to proposed forest service reorganization on Tuesday of this week. Oppose elimination of Youth Conservation Corps.

James O. Howe, news director, KEX radio, Portland.

TEXAS

Rowland L. Nethaway, associate editor, Austin American-Statesman (Cox). Strongly supportive, most recently on normalization of relations with China. Disagreed with Administration policy on Mexican natural gas. Other concerns: illegal aliens; education; and urban aid.

Edwin D. Hunter, editor, Houston Post. Repeat, attended 11/11/77. Owned by Oveta Culp Hobby, former HEW Secretary under Johnson. Her son is Texas Lt. Governor. Generally pro-Administration. Paper favors gas deregulation. Other concerns: taxes and high cost of utilities.

Ray E. Miller, vice president for news, KPRC-TV, Houston.

J. William Hartman, president, Hartman Newspapers, Inc., Rosenberg. Small chain of weeklies and dailies based in rural German community outside Houston. Hartman's major concern is reduction of capital gains taxes. He wrote you in October '78 on that topic.

Charles O. Kilpatrick, editor-in-chief, San Antonio Express (Murdoch). Repeat, Attended 6/24/77. Liberal and flamboyant since Murdoch purchased it in 1975. Concerns: ethnic issues; energy; and federal support to neighborhood revitalization programs.

UTAH

Skip Cilley, news director, KTVX-TV, Salt Lake City.

WASHINGTON

Virgil Fassio, publisher, Seattle Post-Intelligencer (Hearst). The only Hearst paper to break with the chain to endorse you in '76. Concerns: energy (Bonneville Power legislation); Multinational Trade Negotiations; China trade, area defense contracts.

WASHINGTON

Dwight B. Schear, chief editorial writer, Seattle Times. Stronger leaning toward industry than Post-Intelligencer; more conservative. Supports increased trade with China. Other issues: energy and nuclear waste. Schear's specialty is foreign affairs, especially SALT.

Robert C. Simmons, news analyst, KING-TV, Seattle.

THE WHITE HOUSE

WASHINGTON

EDITORS' BRIEFING

January 26, 1979

AGENDA

8:45-9:30 a.m.	LYNN M. DAFT Associate Director for Agriculture and Rural Development White House Domestic Policy Staff
9:30-10:00 a.m.	ZBIGNIEW BRZEZINSKI Assistant to the President for National Security Affairs
10:00-10:30 a.m.	MICHEL OKSENBERG Staff Member National Security Council
10:30-10:45 a.m.	En Route to Cabinet Room
10:45-11:00 a.m.	JODY POWELL Press Secretary
11:00-11:30 a.m.	Q & A WITH THE PRESIDENT
11:30-11:45 a.m.	En Route to OEOB
11:45-12:30 p.m.	ROBERT S. STRAUSS Special Representative for Trade Negotiations
12:30-12:45 p.m.	Buffet Lunch
12:45-1:15 p.m.	LES GOLDMAN Principal Deputy Assistant Secretary for Policy and Evaluation Department of Energy

1:15-2:00 p.m. JAMES T. McINTYRE, JR.  
Director  
Office of Management and Budget

2:00-2:15 p.m. WALTER WURFEL  
Deputy Press Secretary

PATRICIA E. BAUER  
Editor  
White House News Summary

2:15-2:45 p.m. ROBERT PASTOR  
Staff Member  
National Security Council

2:45-3:00 p.m. En Route to 450 OEOB

3:00-3:30 p.m. PRESIDENT'S NEWS CONFERENCE

THE WHITE HOUSE

WASHINGTON

January 26, 1979

To Joe Aragon

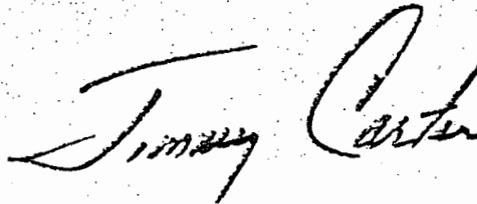
I accept with deep regret your resignation as Special Assistant to the President. I hope that in the coming years you will take as much pride as I do in your accomplishments.

You have earned the respect of your colleagues and the gratitude of your fellow citizens. You have set high standards in the responsibility of public officials to the people they serve. In so doing, you have helped carry out this Administration's foremost pledge to America.

I want to personally express my gratitude and appreciation for the contributions you have made to my Administration, especially your superb efforts with Civil Service Reform, Tax Reform, Anti-inflation, the Panama Canal Treaties, and other key initiatives. Your work has been exemplary.

I wish you every success in your future endeavors, and look forward to your continued friendship and support in the challenging years ahead.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

RESIGNATION EFFECTIVE FEBRUARY 2, 1979

THE WHITE HOUSE  
WASHINGTON

November 29, 1978

*Susan -  
You & Name  
word on acceptance  
letter. (when  
time comes)  
J*

Dear Mr. President:

I would like to advise you of my intention to leave the White House and return to California early next year. My decision is prompted by family considerations. I will be joining my brother who is president and owner of a small but rapidly growing manufacturing company in southern California. Together we hope to build the family business into a prosperous enterprise over the next few years.

I submit my resignation with some reluctance. Working as a member of your staff over the last two years has been the most rewarding experience of my life. It has been a singular honor for me and for all my family, my parents in particular, to have served in your Administration. There is no greater honor that a citizen can receive than to have the opportunity to serve his country. I will always be grateful to you for having given me that opportunity. I hope I have served you well.

Last, I want to thank Hamilton and the other outstanding members of the senior staff for the chance of working with them. I owe them a great deal. I will remember my two years under your Presidency with great pride.

Respectfully yours,

*Joseph W. Aragon*  
Joseph W. Aragon

The President  
The White House  
Washington, D.C. 20500

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

1/26/79

Stu Eizenstat

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Frank Press

Phil Wise

*Charlie Schalte*

THE WHITE HOUSE  
WASHINGTON

NOTE:

ATTACHED MEMO DISCUSSES  
A DECISION TO BE  
ANNOUNCED AT A FRIDAY  
MORNING PRESS CONFERENCE.

RICK

THE WHITE HOUSE  
WASHINGTON

Stu - <sup>a)</sup> I presume  
that Doug is familiar  
with Frank's paper.  
b) I'll see Doug when  
he returns. Let  
Phil set it up

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT  
FRED KAHN *FK*  
FRANK PRESS  
CHARLIE SCHULTZE *CLS*

SUBJECT:

EPA's Ozone Rule

We have discussed EPA's ozone regulation with Doug Costle in depth, considered written submissions from EPA (one of which, a summary of Doug's conclusions about the health effects data, is attached), and discussed the matter with leading scientific experts who advised EPA about this regulation.

We have been unable to persuade Doug to change the decision he arrived at earlier this month raising the standard for ozone in the lower atmosphere from .08 to .12 parts per million. However, we are even more convinced after these deliberations that a standard of .14 ppm would be completely consonant with EPA's health effects data and with relevant scientific opinion. In Doug's memo to Stu of January 23, you will note that virtually every test cited on pages 2-3 shows health effects at levels considerably higher than .15 ppm -- indeed, mainly at .20 ppm or higher. Hence, a standard of .14 could be justified as providing an adequate margin of safety, as the Clean Air Act requires.

This conclusion seems especially clear because the standard permits air quality to exceed the .12 level for only one day a year; in most cities ozone will be well below the .12 level on a vast majority of the days of the year. "Health effects" identified with brief exposures to ozone are comparatively insignificant symptoms, like headaches, chest pains, coughing, experienced by a tiny fraction of the population, with no real evidence of serious or permanent effects.

The choice between .12 and .14 is a discretionary judgment call. Selecting .14 instead of .12 would save an estimated \$500 million to \$1.5 billion per year over a regulation set at .12 ppm. Hence, we strongly believe that Doug's choice of the more stringent level is inconsistent with your policy of eliminating unnecessary regulatory costs. We are disappointed that he has not been willing to revise his judgment.

Nevertheless, we recommend that you not ask Doug to reconsider his decision. Our reasons for this recommendation are:

- Environmental groups, with the probable support of sympathetic members of Congress, will strongly attack Doug's decision to go to .12 as excessively lenient. Indeed, press reports based on misinformed sources within EPA have characterized Doug's decision to go to .12 as itself the result of pressure from Charlie, Fred, and Frank. Hence, Doug's decision may be perceived as a partial victory for the inflation program in the administration. Still, it will be strongly defended by Doug and his top staff to the environmental community. A .14 decision imposed on EPA by yourself will probably not receive the same level of support from Doug or his staff.
- Imposing .14 on EPA will probably trigger a severe counter-reaction there, possibly including the resignation of the top staff person responsible for the regulation, a former environmental lawyer with the Natural Resources Defense Council. Alienating EPA to this extent will be detrimental in terms both of preserving your credibility with environmentalists and in terms of enabling Doug, as head of the Regulatory Council, to continue generating support for your regulatory reform program in the environmental and regulatory communities.
- Major compliance costs will not begin to be incurred until the early-to-mid 1980's, since the implementation process calls first for a substantial period of planning and designing compliance measures (e.g., inspection and maintenance systems for auto pollution control equipment, pollution controls for petroleum refiners).
- If you were to agree with us and reverse Doug, your decision would probably tend to be viewed merely as a difference of judgment about the evidence, rather than the result of broad policy considerations appropriate for a Presidential decision. Other rule-making controversies may be more suitable for resolution by you in this respect.

We should inform you that we have discussed two compromise concepts with Doug. First, we suggested leaving the permissible level at .12 ppm, but increasing the number of days on which air quality control regions would be allowed to exceed that level from one per year, as in the current EPA draft proposal, to a higher level, such as four days per year. This change would reduce compliance costs as much as raising the standard itself to .14 (with one permitted day of "exceedance"), but could be portrayed as consistent with Doug's original judgment that the appropriate level should be set at .12. However, Doug rejected this proposal, on the ground that it would appear to be a "subterfuge" to the environmental community, simply a backdoor route to reducing clean-up measures to the same extent as would raising the standard to .14.

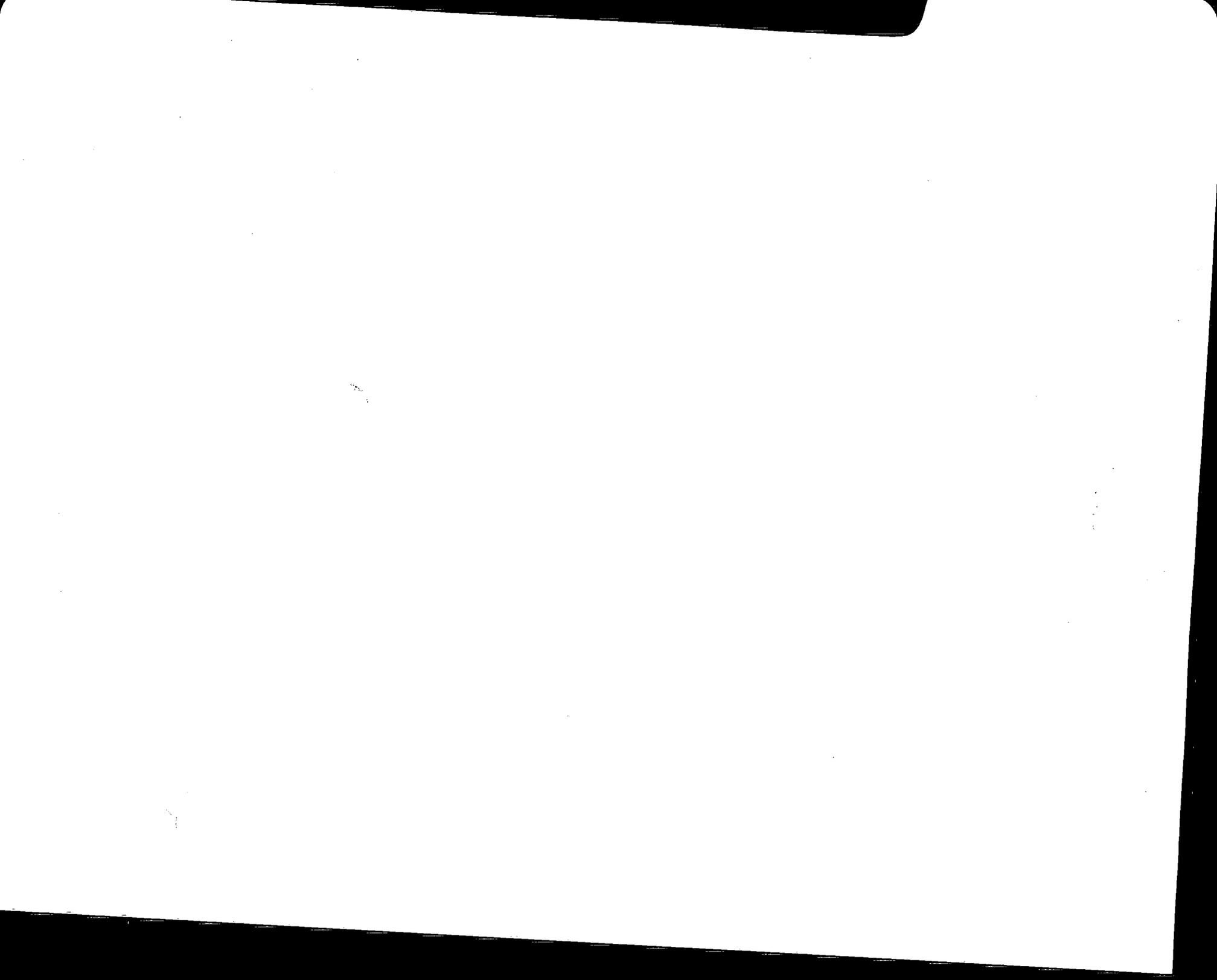
Second, we have suggested that in announcing the standard, Doug acknowledge the weakness of pertinent data and commit to work with Frank Press on an intensive study program, with a reevaluation of the regulation in two years. Doug has agreed to this notion. *ok*

Unless we hear from you to the contrary, Doug will proceed to announce his decision on Friday, January 26, before he leaves later that day on a trip to the Soviet Union.

In light of the resolution of this issue, and in view of other major proposed EPA regulations (e.g. new source performance standards for steam electric plants) we think it would be useful for you personally and emphatically to let Doug know that you expect him to be aggressive in seeking out the least costly means of effectively enforcing the law, consistent with pertinent statutory standards.

Frank's analysis of the health effects data is attached, along with Doug's analysis. A memo from Charlie Warren supporting Doug's decision is also attached.

We hope you will have the opportunity to read these to see how flimsy the scientific information is. The difficulty of getting Doug to budge here on what we believe to be such a clear case evidences the difficulty our regulatory program may have with even less "flexible" regulators in the government, unless a clear signal is communicated to them that you are serious about cutting out unnecessary costs.



THE WHITE HOUSE

WASHINGTON

January 24, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: Frank Press *FP*  
Gil Omenn *GSO*

SUBJECT: Proposed Ambient Air Quality Standard  
for Ozone

EPA is in the process of establishing a new ambient air quality standard for ozone, the chief constituent and most readily measured indicator of photochemical oxidant, a key component of smog. The choice of a standard by the EPA Administrator depends upon assessment of available studies of the health effects attributable to various concentrations of ozone and upon his judgment of an adequate margin of safety to protect the health of highly sensitive individuals in the population. There is broad agreement that the oxidant standard of 0.08 ppm promulgated in 1971 cannot be justified on the basis of any health risks, but the apparent political sensitivity of any "relaxation" of the standard has greatly complicated objective review of the evidence.

EPA POSITION ON HEALTH EFFECTS OF OZONE

"The Clean Air Act requires that the standard be set at a level which will protect sensitive persons with an adequate margin of safety to include protection against hazards which medical research has not yet fully documented. In 1977 Congress passed an Administration supported amendment which emphasized EPA's duty to protect against anticipated as well as known health risks."

"Ozone is a highly reactive oxidizing agent which irritates lung tissue and has been shown to aggravate preexisting respiratory problems, cause discomfort, and interfere with normal breathing under conditions of stress. The standard is designed to provide protection to the nation's five to ten million asthmatics, many of whom reside in urban areas where high ozone levels are observed, as well as those more healthy members of the public who exercise vigorously."

- . "A number of controlled clinical studies of the effects of ozone on healthy individuals have shown respiratory effects in the range of 0.15 - 0.25 ppm. These are confirmed by limited field studies which show aggravation of respiratory disease at the high end of this range."
- . "Sensitive Persons -- Sick people, old people, children and other sensitive people are not tested in clinical studies. Prudence requires us to assume that adverse effects will occur at lower ozone levels for these people."
- . "Animal Studies -- Decreased resistance to bacterial infection has been shown in animals at levels as low as 0.08 to 0.1 ppm. Humans exposed to ozone may experience similar effects although it is not possible to precisely predict the severity of the effects or the concentrations at which they may occur in man. In addition, tests in animals have demonstrated reductions in lung elasticity which may indicate a potential for irreversible effects (like emphysema) in humans."
- . "Other Pollutants -- The Agency must take into account the fact that other oxidants and other pollutants are breathed in conjunction with ozone in the real world. Clinical studies suggest there are synergistic effects from breathing combinations of pollutants and this likelihood must be taken into account by the Agency. It is important to note that ozone is, in part, an indicator for oxidants and that the exposure to total oxidants will always be higher than the measured ozone level. These other constituents of urban smog include pollutants which have been demonstrated to cause eye irritation at measured ozone levels below 0.15 ppm."
- . "Other Health Studies -- Several Japanese epidemiological studies have suggested adverse health effects at levels of 0.1 ppm or below. In addition a clinical study has indicated effects at a level of 0.1 ppm. These studies have not been fully confirmed and the results must be viewed with caution. Nevertheless they cannot be disregarded in the establishment of the standard level."
- . "Long-Term Effects -- The criteria document notes that long-term effects of ozone exposure have not been studied carefully. Studies to date do not eliminate our concern about a connection between long-term exposure to ozone and adverse health effects."

- "These health concerns are reinforced by our common sense perception of air quality in our major urban areas. For example, the following cities have daily maximum ozone concentrations less than 0.18 ppm but are generally recognized to have significant photochemical smog problems: Denver (0.17), Dallas-Fort Worth (0.17), Richmond (0.17), Detroit (0.18), Boston (0.16), Mobile (0.15), Atlanta (0.14), Las Vegas (0.13), Phoenix (0.13), Louisville (0.17)."

"Doug recognizes that there are strong pressures to change his judgment about the health effects of ozone because of the significant costs of air pollution control. The law requires that this be a health-based standard and it is important that he be able to state to the American people that they have been told truthfully what EPA believes to be the proper health objective for ozone."

#### OSTP ASSESSMENT OF HEALTH EFFECTS OF OZONE

We assess the data somewhat differently from the EPA positions outlined above. We find support for our assessment in the direct statements of the EPA Criteria Document and in comments by members of EPA's Scientific Advisory Board both to us and to EPA Staff. We note particularly that EPA has placed heavy weight on the most uncertain results from studies at low levels of ozone, while giving little or no weight at all to better studies at much higher levels of ozone (0.25 ppm and up) that show no health effects or readily reversible health effects even on highly sensitive individuals. EPA's table of significant studies and references for our brief summaries of key studies are appended at Tab A and Tab B, respectively.

It should be pointed out that the adverse health effects to be prevented by regulation of ozone involve eye irritation, chest discomfort, cough, throat irritation, headache, the possibility of increased susceptibility to bacterial infection, and limitation of exercise--while the adverse effects that most regulations of other pollutants are aimed at preventing are such irreversible health problems as cancer and brain damage.

## CLINICAL STUDIES

Congestion, wheezing, headache, and accompanying changes in measures of lung function occur in some healthy individuals exposed experimentally to ozone in the range of 0.25 to 0.50 ppm. Exercise often is required to bring out such effects.

EPA has given heavy weight to two studies at low levels:

- . DeLucia & Adams (1977) administered ozone via mouthpiece at 0.30 ppm and at 0.15 ppm to 6 men during hourly periods of graded exercise. Even at 0.30 ppm, effects were seen only with the most stressful exercise protocol. At 0.15 ppm, according to the Criteria Document, "discernible though not statistically significant changes were observed" ...under exercise stress. It is not appropriate to treat non-significant changes as positive. The hyperventilation during exercise was estimated to produce the equivalent of resting exposure to 4 times the 0.30 or 0.15 ppm level administered. The most sensitive subject (age 23) had a long history of asthma requiring medication until age 18; even so, his symptoms and respiratory changes were small and transitory.
- . Von Nieding et al (1976) claimed that exposure of 12 men to 0.10 ppm ozone for two hours caused decreases in arterial oxygen pressure and increases in airway resistance. EPA's Criteria Document described this study as preliminary, unconfirmed, and based on unreliable methods. Standard techniques were not used to measure airway resistance, and what was called arterial blood oxygen was actually measured on capillary blood from the ear lobe. The research was presented at a conference in Germany and apparently has not been published in a journal.

In contrast to these inconclusive studies at low levels of ozone, there is substantial work at higher exposure levels which show no effects on health. These studies on balance, should be reassuring to EPA and to the public.

In a series of studies, Hackney et al showed considerable individual variation in susceptibility to symptoms or respiratory changes. Relatively few normal Los Angeles residents reacted measurably to 0.25 and even to 0.50 ppm ozone. They exposed 6 men (ages 23 to 57) who had been studied previously and been found to be unusually sensitive to ozone, to 0.50 ppm for two hours/day for four successive days. The exposure was coupled with exercise (bicycle or walking) for 15 of every 30 minutes, and humidity and temperature conditions were made to simulate weather conditions during a severe smog alert. This extraordinary exposure of sensitive

individuals served to test the hypothesis that adverse effects would be observed initially, but that recovery would occur even in the face of continued exposure. Tests showed expected changes in respiratory measures in 5 of the 6 men (one was unaffected), usually maximal on day 2. However, by day 4 nearly all measures in each individual had returned to normal values, supporting the hypothesis of adaptation. More studies of this sort may help to clarify effects of repeated exposures.

Linn et al (1978) subjected 22 asthmatics to 0.20 ppm ozone for 2 hours. None of these persons had significant symptoms or changes in pulmonary function. Minor biochemical changes in blood samples were similar to those associated with exercise along. ✓

Hackney et al also used real, smoggy air, rather than ozone in the laboratory, to test for health effects. They took 64 subjects, half of them asthmatics, into a mobile laboratory van in the Duarte/Pasadena area. Subjects exercised with ambient air containing the full variety of pollutants, with measured ozone levels ranging from 0.08 to 0.35 ppm on various days. The lowest level for any convincing effects, according to Hackney, was 0.30 ppm. There were no asthma attacks during or after these exposures. EPA's adviser Robert Frank concluded from this and other studies that one should no longer simply assume that asthmatics are much more sensitive than healthy individuals. ←

Finally, Hackney has attempted to repeat the controversial von Nieding study (p.4), using appropriate methods, collecting actual arterial blood and employing 0.20 ppm (instead of 0.10 ppm) ozone exposure. "No convincing effects whatsoever were observed".

Chapter 9 of the EPA Criteria Document describes several other studies showing readily reversible effects only in some individuals at levels of 0.37, 0.50, and even 0.75 ppm ozone.

#### EPIDEMIOLOGICAL (FIELD) STUDIES

Our best assessment of these complicated studies, assisted by a 141-page chapter in the EPA Criteria Document, is that reversible symptoms begin to appear in sensitive individuals at about 0.25 ppm oxidant. 0.25 ppm oxidant might be equivalent to 0.18 to 0.20 ppm ozone.

- Study of physicians' records of 137 asthma patients in Pasadena, California (1956). Schoettlin & Landau reported that mean number of asthma attacks was increased when hourly oxidant level was estimated to be greater than 0.25 ppm, but not when hourly levels were between 0.13 and 0.24 ppm. Furthermore, no severe attacks were consciously associated with smog days. Most attacks occurred between midnight and 9 a.m., well before the rises of oxidant levels. And the association of attack with smoggy day was often made only by a single patient per day. ←
- Study of high-school cross-country teams in Los Angeles County (1959-1964). Wayne et al found that the proportion of runners who failed to improve their times was higher on smoggy days. The oxidant levels ranged from 0.03 to 0.30 ppm, but up to 0.20 there was no apparent effect (from actual figures in the original paper and from comments in Criteria Document). Furthermore, the authors were unable to identify any individual runner who was consistently sensitive to effects of air pollution. ✓
- In a study of the diaries of 61 student nurses, Hammer et al found increased proportions of the students reporting headache, cough, and chest discomfort when the oxidant levels exceeded 0.30 ppm.
- In a questionnaire study of 854 students from kindergarten to high school in Tokyo, Makino & Mizoguchi (1975) analyzed frequency of symptoms reported during 1972-73 as a function of estimated oxidant levels (methods apparently not clear to EPA experts). Frequencies of symptoms were slightly higher when oxidant concentration exceeded 0.15 ppm (not stated by how much) than on days when it was under 0.10 ppm. However, the frequencies were low--5% for eye irritation, 2% for throat soreness, 1-2% for headache, and 1% or less for cough, shortness of breath, runny nose, etc. EPA has not used eye irritation as a basis for regulation of ozone, perhaps because ozone may not be the responsible agent (Criteria Document page 10-55). Interpretation of these and other Japanese data was extremely cautious in the Criteria Document, one of the reasons being the much higher levels of SO<sub>2</sub> apparently associated with smog in Japan.

## ANIMAL STUDIES

EPA has placed heavy emphasis on two studies:

- . Bartlett and colleagues (1974) exposed young rats in a phase of rapid growth to 0.20 ppm ozone around the clock for 30 days. They observed no effects on gain in body weight or lung weight, number of outpouchings (alveoli) in the lungs, or respiratory frequency. When the animals were sacrificed, measurements of pressurized filling of the excised, degassed lungs showed a modest (16 percent) increase in distensibility, possibly due to loss of elastic tissue. EPA has placed emphasis on this finding, since loss of elastic tissue is an important element of tissue aging in man. However, the significance of the increase in post-mortem distensibility is in doubt, since these authors failed to find any corroborating evidence upon extensive direct light microscopic examination of the lungs. Lung structures and collagen and elastic tissue within the lung structures appeared entirely normal. It is not clear how to extrapolate 720 hours of continuous exposure to 0.20 ppm ozone in the rat to human exposures to peak levels of ozone of 0.20 ppm or less a few hours per year. A simple linear extrapolation to humans would involve 3 years of continuous exposure to 0.20 ppm ozone.

The Criteria Document described the Bartlett study as preliminary, requiring further study, and also pointed out that a somewhat similar study of rats exposed to 0.45 ppm ozone for 6 hrs/day for 6-7 weeks (Yokoyama & Ichikawa, 1974) showed no such changes in the distensibility or elasticity of the lungs. Effects on measures of respiratory function in animals generally have required 1 ppm.

- . Coffin and colleagues (1968) reported that 3 hour exposure to levels of ozone as low as 0.08 ppm made mice more sensitive to infection from bacteria delivered to them by aerosol. However, exceedingly high concentrations of bacteria were introduced into the lungs of these mice, according to EPA's adviser Robert Frank. Furthermore, the same paper showed less sensitivity to infection when the mice had been exposed 24 hours previously to an identical 3 hour period of ozone at the same level. Such "tolerance" to ozone had been inferred from studies of human susceptibility to respiratory symptoms. It is certainly possible that some impairment of resistance to bacteria may occur in humans, but the relative

sensitivity of mice and humans is altogether unknown. Furthermore, "the extrapolation of these data to man is not supported by direct epidemiological evidence that susceptibility to infection increases in persons exposed to ozone and other photochemical materials" (Criteria Document page 1-28).

SUMMARY

Weighing the evidence and assessing the quality of various studies, we conclude that cough, chest discomfort, wheezing, and headache occur in susceptible individuals at levels of ozone exceeding 0.25 ppm and in very sensitive individuals with underlying lung diseases at levels down to 0.20 ppm or so. The effects are transitory and the vast majority of people tolerate much higher levels. A standard of 0.15 or less, not to be exceeded more than one day or a few days per year, provides a very substantial margin of safety -- allowing for marked individual differences in susceptibility and for subjective discomfort that cannot be confirmed by objective medical or laboratory measurements.

**Electrostatic Copy Made  
for Preservation Purposes**

TAB A: EPA SUMMARY

REPORTED EFFECT LEVELS  
 Compilation of Results Reported in Human Studies Examining Ozone or Oxidant Exposure

Concentration, ppm	Exposure Duration, hours (for clinical studies); Averaging time (for epidemiological studies)	Pollutant Measured (O <sub>3</sub> = ozone, O <sub>x</sub> = oxidant)	Reported Effect(s)	Reference(s)
0.01 - 0.30	bihourly average	O <sub>3</sub>	Lung function parameters in about 25% of Japanese school children tested were significantly correlated with O <sub>3</sub> concentrations (over the range of 0.01 - 0.30 ppm) in the 2 hours prior to testing.	Kagawa and Toyama (1975); Kagawa et al. (1976)
0.03 - 0.30	hourly average	O <sub>x</sub>	Although significant correlation was observed between decreased athletic performance and O <sub>x</sub> concentrations in the range of 0.03 - 0.30 ppm, the Criteria Document concludes that no consistent linear relationship could be detected below about 0.10 ppm.	Wayne et al. (1967)
0.10	2	O <sub>3</sub>	Decreased O <sub>2</sub> pressure in arterialized blood, increased airway resistance observed using non-standard measurement techniques.	von Niewing et al. (1976)
0.10 - 0.15	probably daily maximum hourly average	O <sub>x</sub>	Increased rates of respiratory symptoms and headache were reported by Japanese students on days when O <sub>x</sub> concentrations exceeded 0.15 ppm as compared to days when O <sub>x</sub> concentrations were less than 0.10 ppm.	Makino and Mizoguchi (1975)
0.15	1	O <sub>3</sub>	Subjective symptoms of discomfort were observed by most subjects, and discernible but not statistically significant changes in respiratory patterns occurred while performing vigorous exercise.	DeLucia & Adams (1977)
0.20	3	O <sub>3</sub>	Reduction in visual acuity (night vision) observed.	Lagerwerff (1963)
0.20 - 0.25	2	O <sub>3</sub>	Asthmatic patients exposed under intermittent light exercise conditions showed no statistically significant changes in respiratory function. Symptom scores increased slightly during O <sub>3</sub> exposures. Small but statistically significant blood biochemical changes occurred.	Linn et al. (1978)
0.25	2	O <sub>3</sub>	Small changes in lung function were observed in 3 subjects performing intermittent light exercise.	Hazucha (1973)
0.25	2 and 4	O <sub>3</sub>	No lung function changes of note were observed in "reactive" subjects (who had histories of cough, chest discomfort or wheezing associated with air pollution or allergy) while performing intermittent, light exercise.	Hackney et al. (1975)
0.25	daily maximum hourly average	O <sub>x</sub>	The average number of asthma patients having attacks was statistically significantly elevated on days when O <sub>x</sub> levels exceeded 0.25 ppm.	Schoettlin and Landau (1961)
0.25	0.5 - 1	O <sub>3</sub>	Blood samples of exposed subjects had increased rates of spherizing of red blood cells	Brinkman et al. (1964)
0.28	daily maximum instantaneous (5-minute) average	O <sub>3</sub>	Although the reported results are inconclusive, EPA's examination of the evidence presented suggests exacerbation of asthma when O <sub>3</sub> levels are above 0.28 ppm.	Kurata et al. (1976)
0.30	1	O <sub>3</sub>	Subjective symptoms of discomfort and statistically significant changes in pulmonary function were observed in subjects undergoing vigorous exercise.	DeLucia and Adams (1977)
0.30	daily maximum hourly average	O <sub>x</sub>	Increased rates of cough, chest discomfort, and headache were observed in student nurses on days when the O <sub>x</sub> concentrations exceeded 0.30 ppm.	Harmer et al. (1974)
0.27	2	O <sub>3</sub>	Discomfort symptoms and significant changes in lung function were observed in subjects undergoing intermittent light exercise.	Hazucha et al. (1973); Folinsbee et al. (1975); Silverman et al. (1976)
0.37 0.37	2 2	O <sub>3</sub> SO <sub>2</sub>	Exposure to O <sub>3</sub> and SO <sub>2</sub> together produced changes in lung function substantially greater than the sum of the separate effects of the individual pollutants.	Hazucha and Bates (1975)
0.37 0.37	2 2	O <sub>3</sub> SO <sub>2</sub>	The observed O <sub>3</sub> - SO <sub>2</sub> interactive effect on lung function was considerably smaller than that seen by Hazucha and Bates. The authors concluded that the earlier study probably more nearly simulated a smog episode in regions having high oxidant and sulfur pollution.	Bell et al. (1977)

TAB B: References Cited in OSTP Summary of Health Effects

1. DeLucia, AJ, and WC Adams: "Effects of Ozone inhalation during exercise on pulmonary function and blood biochemistry". J. Applied Physiology Respir. Env. Exercise Physiology 43: 75-81, 1977.
2. Von Nieding, A, HM Wagner, H Loellgen, and H Krekeler: Presented at the VDI Kommission Reinhaltung der Luft Colloquium on Ozone and Related Substances in Photochemical Smog, Dusseldorf, W. Germany, 22-24, 1976.
3. Hackney, JD, WS Linn, JG Mohler, and CR Collier: "Adaptation to short-term respiratory effects of ozone in men exposed repeatedly." J. Applied Physiology. Respir. Env. Exercise Physiology 43: 82-85, 1977.
4. Linn WS, JD Hackney, et al: Health effects of ozone in asthmatics. Am. Res. Resp. Dis. 117: 835, 1978.
5. Wayne, WS, P Wehrle, and RE Carroll: "Pollution and Athletic Performance." JAMA 199: 901-904, 1967.
6. Schoettlin, CE, and E Landau: "Air pollution and asthmatic attacks in the Los Angeles area", Public Health Reports 76:545-548, 1961.
7. Hammer, DI, V Hasselblad, B Portnoy, and PF Wehrle: "The Los Angeles student nurse study." Arch. Environmental Health 28:255-260, 1974.
8. Makino, K, and I Mizoguchi: "Symptoms caused by photochemical smog." Japanese J. of Public Health 22(8): 421-430, 1975.
9. Kagawa, J, and T Toyama: "Photochemical air pollution: Its effects on respiratory function of elementary school children". Arch. Environmental Health 30:117-122, 1975.
10. Kagawa, J, T Toyama, and M Nakaga: "Pulmonary function tests in children exposed to air pollution." In: Clinical Implications of Air Pollution Research, A.J. Finkel and W.C. Duet (eds) Acton, Mass. Publishing Sciences Group Inc. 1976 pp. 305-320.
11. Bartlett, D, CS Faulkner, and K Cook: "Effect on chronic ozone exposure on lung elasticity in young rats." J. Applied Physiology, 37:92-96, 1974.
12. Yokoyama, E, and I Ichikawa: "Study on the biological effects of atmospheric pollutants". Research Report for Funds of the Environment Agency in 1974 (FY 1972-1975), Dept. Indust. Health, The Institute of Public Health, Tokyo 1974, p. 16-1 to 16-6.
13. Coffin, DL, EJ Blommer, DE Gardner, and RS Holzman: "Effect of air pollution on alteration of susceptibility to pulmonary infections." In: Proc. 3rd Annual Conference on Atmospheric Contaminants in Confined Spaces, Wright-Patterson Air Force Base, Aerospace Medical Research Labs, Dayton, Ohio, 1968, pp. 71-80.

COSTLE



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

JAN 23 1979

THE ADMINISTRATOR

TO: Stu Eizenstat

SUBJECT: Interpreting Health Effects Data under the Clean Air Act

The Clean Air Act directs EPA to regulate pollutants "which may reasonably be anticipated to endanger public health or welfare." (Section 108). This language was added in the 1977 Amendments to the Act to "emphasize the preventive or precautionary nature of the act ..." (House Report at p. 49). Prior to 1977 the Act directed EPA to regulate each pollutant "which in the Administrator's judgment has an adverse effect on public health and welfare." The Committee Report set forth some of its purposes in adopting this amendment:

- "To authorize the Administrator to weigh risks and make reasonable projections of future trends; ... (p. 49)
- "To reflect awareness of the uncertainties and limitations in the data which will be available to the Administrator in the foreseeable future to enable him to execute his rulemaking duties under this act, because of the limitations on research resources and the fact that decisionmaking about the risks to public health from air pollution falls on 'the frontiers of scientific and medical knowledge' ...." (p. 50)

The Committee concluded its statement of intent as follows:

"In order to emphasize the precautionary or preventive purpose of the act (and, therefore, the Administrator's duty to assess risks rather than wait for proof of actual harm), the committee not only retained the concept of endangerment to health; the committee also added the words 'may reasonably be anticipated'. In evaluating what 'may reasonably be anticipated', the limitations and difficulties inherent in environmental medical research referred to above must be considered." (p. 51)

Thus, in 1977 Congress explicitly addressed the issue of how EPA is to treat uncertain health data and added language to the Act which expanded EPA's duty to take account of evidence which suggests (but may not prove) the existence of adverse health effects.

Second, the Act directs that standards be set with an "adequate margin of safety." (Section 109).

Third, the legislative history of the 1970 Amendments to the Act establishes that the standards are to set at a level adequate to protect unusually sensitive portions of the population. (Senate Report at p. 10).

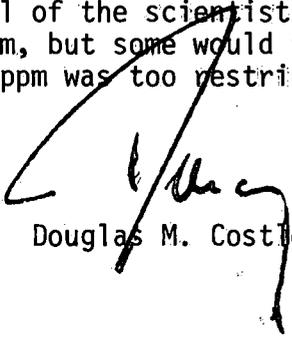
In summary the Act directs EPA to set a standard to protect sensitive people, with a margin of safety, and to base the decision on risks of anticipated harm as well as on harm already proven to exist.

This means in setting the ozone standard I may not dismiss less than conclusive studies which raise substantial areas of concern about health effects due to ozone.

#### HEALTH EFFECTS DATA

- We believe that a group of clinical studies done on both healthy and sensitive individuals show effects and symptoms from ozone exposure beginning in the broad range 0.15 to 0.25 ppm. This includes the controversial DeLucia-Adams study which is important not by itself but because it is at the lower end of such a series.
- There is a very high convergence of clinical data that a number of health effects occur in exercising humans when they are exposed to 0.20 to 0.25 ppm of ozone.
  - Clinical studies by Hackney (1975) on sensitive (asthmatic) human subjects tested under light-exercise conditions provide strong evidence for dose-response relationships for ozone-induced pulmonary function decreases and blood biochemistry changes across a range of 0.20 to 0.50 ppm ozone.
  - Linn (1978) demonstrated that asthmatics (again under light exercise) exposed to ozone in range of 0.20 to 0.25 ppm exhibit significant blood biochemical changes and decreases in one of several measures of lung function.
  - People with marked respiratory problems were excluded from both of these studies.
  - DeLucia and Adams (1977), using healthy subjects under heavy exercise, demonstrated respiratory symptoms such as headaches, chest pain, coughing, etc., at ozone levels beginning at 0.15 ppm; these effects and others were more intense at 0.30 ppm.
- OSTP feels we did not take into account certain "negative" studies, e.g., studies by Linn and Hackney. As discussed above, however, those studies support the general trend of effects, particularly since they do show significant health effects, though small, at ozone exposure levels near the region under discussion.
- In addition to clinical studies, other studies and factors must be taken into account in setting a standard. Animal studies show that even short-term exposure to relatively low levels of ozone (0.08 and 0.10 ppm) significantly reduces the ability of mice to resist respiratory infection. Many medical experts feel such an effect is likely to occur for humans as well, although the ozone level at which such an effect could occur in humans can only be estimated.

- o In addition, chronic studies where mice are exposed to continuous levels of 0.20 ppm for one month showed evidence of changes to lung membranes that could be similar to aging effects.
- o Other factors that are important include: (1) real urban smog contains substantial quantities of oxidants other than ozone (peroxyacetyl nitrates, nitric acid, ...) which are likely to add to the effects caused by a given concentration of ozone; (2) long-term chronic effects on humans have not been investigated; and, (3) there may be synergistic effects of ozone exposure in combination with other atmospheric pollutants such as sulfur oxides.
- o The Von Nieding and Japanese studies show human effects at levels as low as 0.10 ppm. Their non-standard methodologies and confounding factors suggest that these results should not be used directly in setting a standard. However, the results cannot be completely ignored in setting the margin of safety required by the Act.
- o The telephone discussions with various outside scientists carried out by both OSTP and EPA indicate that my health judgment is reasonable. All of the scientists could accept a standard level of 0.12 ppm, but some would find 0.15 ppm too high. Thus none felt 0.12 ppm was too restrictive.



Douglas M. Costle



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

xc: Best ✓  
David ✓  
Si ✓

PRIORITY

January 19, 1979

MEMORANDUM FOR STU EIZENSTAT  
FRANK PRESS  
CHARLES SCHULTZE

FROM:

CHARLES WARREN *Warren*

SUBJECT:

ATTACHED DRAFT OF MEMORANDUM FOR THE PRESIDENT  
ON EPA'S PROPOSED OZONE STANDARD

I thought you would like to see the attached memorandum which we are in the process of preparing for the President. I would appreciate any comments you have.

As I explain in the draft memorandum, it is my hope that this question would not go to the President for decision. The attached would be sent to the President only if the issue is put to him for decision.

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

DRAFT

January 19, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES WARREN

SUBJECT: EPA REVISION OF SMOG AIR QUALITY STANDARD

Within the next few days the Environmental Protection Agency plans to substantially relax the ambient air quality standard applicable to ozone (smog), the most pervasive air pollution problem. The present standard is .08 ppm ozone; EPA's plan is to relax the standard to .12 ppm, a change of 50%.

It is our understanding that EPA is now being urged by CEA and OSTP to implement a more substantial relaxation (to .15-.16 ppm) because of their concern with economic impacts. I believe this further relaxation is unwarranted and very unwise. Moreover, since Doug believes that in relaxing the ozone standard to .12 he will have gone as far as he can given the health evidence, your intervention would apparently be necessary to bring about a further relaxation of the standard. I would counsel against your intervening in these major health standard setting controversies except in egregious cases, which this is not.

Electrostatic Copy Made  
for Preservation Purposes

My view that a relaxation of the smog standard to the .15-.16 ppm level would be unwise is based on the following considerations:

1. Given the public health considerations, EPA has little or no discretion under the Clean Air Act to relax the standard to .15 ppm.
2. Our analysis indicates that the economic stakes (in terms of the potential economic costs of the higher standard) are not as high as CEA believes.
3. The secondary consequences of intervention to require a further relaxation of the standard to .15-.16 are potentially severe.

Let me explain these points further.

1. EPA's responsibility in setting ambient air quality standards under the Clean Air Act is to ensure protection of susceptible population groups with a margin of safety. Adverse human health effects from ozone exposure have been documented for exposures as low as .15-.25 ppm ozone, and there are significant uncertainties about effects at lower concentrations. If EPA is to provide the required margin of safety, following prudent public health policies and recognizing sensitive populations, Doug believes, and we agree, that the final standard should be set significantly below .15 ppm.

2. Now let me turn to the economic issue. CEA suggests that about \$2 billion per year will be saved by relaxing the standard from .12 to .15 ppm, while EPA suggests that these savings will be only \$400 million per year. Both sets of data rely on EPA's forecasts of control needs to meet a .12 ppm standard by 1987. We believe that EPA's forecasts of widespread nonattainment in 1987 of the .12 standard are overly pessimistic. Our forecasts, which differ from EPA's in several respects, project wider compliance with the standard and hence a more limited need for certain abatement efforts such as vehicle inspection programs. On this basis, I believe that regardless of the gap between EPA and CEQ's forecasts, the possible economic savings of further relaxing the standard will be closer to the EPA estimate. During the implementation process that will take place over the next three years, we should ensure that only the necessary abatement actions are required.

3. Finally, there are serious secondary consequences of intervention to relax the standard to .15 ppm:

- A relaxation of the standard to this level would sanction existing air quality in numerous areas which have pollution problems. It would be viewed as a major break with your commitment to environmental protection. These issues are extremely controversial, as the cotton dust issue and the recent law suit to protect DOI's stripmining regulations indicate. I cannot

*excessive  
restraint (.08 ppm)  
does not  
enhance compliance (.12 ppm)*

help but believe there are more agreeable initiatives with equal or better anti-inflationary impacts for this Administration.

- With a .15 ppm standard, the auto-exhaust standards in current legislation would be difficult to defend, and this situation would most likely lead to a major assault by Detroit on the legislation. This could precipitate a long and difficult struggle in Congress.
- You recently appointed Doug Costle Chairman of the Regulatory Council. EPA's regulatory procedures were the model for the Administration's regulatory reform procedures. And EPA, under Costle's leadership, has done more than other regulatory agencies in conducting comprehensive economic analyses of its regulatory proposals and in considering and developing alternatives, including economic incentives, for regulatory proposals. Direct Presidential involvement in this case could undermine your regulatory reform program, Doug Costle's position, and EPA's efforts.

For these reasons, I feel that the .12 ppm standard proposed by Doug is the right one. It is most consistent with Administration goals, and I recommend that the Administration support Doug's position.

THE WHITE HOUSE  
WASHINGTON

January 26, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: ICC Chairman Dan O'Neal

As I indicated to you at the Fred Kahn breakfast yesterday, Chairman O'Neal would like to see you to discuss regulatory policy under his jurisdiction, particularly trucking, and the issue of whether you should name four ICC nominees. You have made a practice of seeing the heads of independent regulatory agencies and given the cooperation we need from O'Neal to promote competition in the trucking industry (considering the opposition he is getting from some existing members), such a meeting is important.

APPROVE

DISAPPROVE

*J*

Electrostatic Copy Made  
for Preservation Purposes

11:00 AM

THE WHITE HOUSE  
WASHINGTON

January 26, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON

SUBJECT: New Foundation



I believe that it is very important to continue to promote the "new foundation" theme. It is natural, moderate and suggests stability and long-range planning. Most importantly, it gives the press and the public a "handle" for your Administration; a shorthand way of talking about your goals and your programs. The mere fact that such a phrase exists contributes to a perception of coherence and a sense of purpose in the Administration.

It would be helpful to have you expand on the theme today in the opening statement at the editors briefing and at the news conference (if asked). It is important that you not seem to disown it. To demonstrate a lack of commitment to the "new foundation" theme would undercut the major message of your State of the Union speech.

Electrostatic Copy Made  
for Preservation Purposes

## TALKING POINTS

--I want to talk to you briefly about the agenda we face - not just for the coming year but for the foreseeable future.

--Too often we try to deal with today's and tomorrow's problems with yesterday's solutions. It's important to recognize that the times have changed, the world has changed and the nature of our problems has changed.

--Our problems today cry out for responsible, mature, persistent action - not gimmicks or quick fixes. We need to restructure our policies, our government and our relations with the other countries of the world to build a new foundation for a stable prosperity and a stable peace.

--This new foundation for our future will help to restore our confidence in ourselves and our country through stable, balanced economic growth. It will help restore political trust through effective and responsible government action. It will help to restore our hope for the future through a stable peace. This lack of confidence, trust and hope - always a part of the basic strength of this country - is one of the most serious problems facing us today.

--Building a new foundation is not just another way of talking about problem-solving. It involves looking for the underlying causes of our problems; recognition of the ways in which our problems today are different from those of the past and which solutions are no longer appropriate or effective. It involves long-range planning and comprehensive approaches.

--For example, in many areas such as energy, the civil service, the economy and many trouble spots around the world we could have tried to "patch things up" or not involved ourselves at all. Instead we tried, in each case, effect fundamental change, attack the underlying problem, and build a foundation for success that will serve not just our generation but our children and our grandchildren.

--"New Foundation" is not a contrived slogan. It is an attempt to explain and state briefly the philosophy of this Administration and many of our programs.

THE WHITE HOUSE  
WASHINGTON  
1/26/79

The Vice President

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
appropriate handling.

Rick Hutcheson

cc: Tim Kraft  
Arnie Miller

THE WHITE HOUSE  
WASHINGTON

January 25, 1979

Fritz do  
this  
J

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*  
ARNIE MILLER *AA*

SUBJECT: Frank Sato

Frank Sato, Director of the Defense Department's Audit Service, has interviewed for Inspector General positions. He is Brock Adams' and our recommendation for the Inspector General position at DoT. Sato is a very solid professional who was originally referred to us by the Comptroller General, Elmer Staats.

Sato is an Asian-American. If he accepted, he would be the first full-time Asian-American Presidential appointment. We were recently visited by representatives of Asian-American groups who expressed concern about the absence of Asian-Americans in the Administration.

Sato carefully weighed the DoT position. He is interested in the programs and got along well with Brock Adams. However, he has decided "on a close call" to remain at Defense. He believes that he has a little more responsibility than he would at DoT, and suspects he will make more money since PAS' are not eligible for SES bonuses. The reasons he seriously considered the DoT offer include the prestige of a Presidential appointment, the challenge of establishing an IG operation with authority broader than audit, and an opportunity to get involved in new substantive areas.

We believe that you might be able to persuade him to accept the DoT position. We would recommend that you tell him how important you feel the IG positions are; how much you have heard about his work and reputation; and, how much you would like to have him as a part of your Administration. Sato's telephone numbers are: 697-9108 (O) and 941-3630 (H).

PERSONAL RESUMEFRANK S. SATOHome Address

4105 Whispering Lane  
Annandale, Virginia 22003  
Phone: (703) 941-3630

Office Address

Commonwealth Bldg, Suite 1200  
1300 Wilson Boulevard  
Arlington, Virginia 22209  
Phone: 697-9108

Present PositionTitle & Grade

Deputy Assistant Secretary of Defense(Audit), GS-18, appointed October 1974; also Director, Defense Audit Service, appointed March 1977

Responsibilities

Top audit official for Department of Defense (DoD) responsible for (1) overall DoD audit policies, (2) coordinating audit operations DoD-wide, and (3) coordinating overall General Accounting Office activities in the DoD and related congressional inquiries.

As Director, Defense Audit Service, manages corporate audit staff for the Secretary of Defense which includes audits of Office of the Secretary of Defense, Organization of the Joint Chiefs of Staff, Unified and Specified Commands, eleven Defense Agencies (National Security Agency, Defense Logistics Agency, etc.), Security Assistance programs world-wide, all DoD-wide audits, and other special audits.

384 personnel assigned; in addition, staff responsibilities over approximately 6,000 audit personnel in the Defense Contract Audit Agency and the Army, Navy and Air Force audit organizations.

Other Experience

1. Office of the Assistant Secretary of Defense(Comptroller) -  
March 1965 - Present. Appointed as  
  - Director for Special Activities Audits - 1967
  - Director for Audit Operations - 1969
  - Director for Defense Agencies Audits - 1971
  - Deputy Comptroller for Audit Operations - 1973

2. U.S. Air Force Auditor General - October 1953 - March 1965  
 Last position as Chief, Logistics Audits Division, Headquarters,  
 USAF Auditor General
3. Moss, Adams & Co., CPAs, Tacoma, Washington - 1955

### Educational Background

College: BA degree, major in accounting, University of Washington - 1953

#### College Honoraries:

Beta Alpha Psi - accounting honorary (Treasurer)  
 Beta Gamma Sigma - business and commerce honorary  
 Alpha Kappa Psi - business and commerce honorary (Vice-President)

Others: Graduate Study at University of Washington and UCLA  
 USCSC Executive Seminar, Kings Point, New York  
 Naval Postgraduate School, Monterey, California and  
 Federal Executive Institute, Charlottesville, Virginia

### Special Qualifications

Certified Public Accountant, CPA Certificate #7812E, CPA License #3265,  
 California, issued 1959, current through 1979  
 Certified Internal Auditor, issued by Institute of Internal Auditors, 1973

### Professional Activities

#### American Institute of CPAs

Member, Advisory Committee - Government & Industry, 1975-1978  
 Member, Task Force on Continuing Professional Education Requirements,  
 1974-1978  
 Member, Governmental Accounting & Auditing Education Subcommittee  
 Member pending, Methods of Perpetration and Detection of Fraud Subcommittee

#### Virginia Society of CPAs and Northern Chapter

Long Range Planning Committee, 1976  
 Committee for Members Not in Public Practice, 1977-1979

#### Association of Government Accountants

National President-Elect, 1978-1979 (to be National President June 1979)  
 National Executive Committee, 1976 - 1979  
 National Board of Directors, 1976-1979  
 President, Northern Virginia Chapter, 1976-1977  
 Numerous National and Chapter-level committees since 1959

Northern Virginia Community College - Accounting Curriculum Advisory Committee,  
 1977-1978

Interagency Auditor Training Center - Board of Directors, 1978-1979

Federal Audit Executive Council

National Intergovernmental Audit Forum

Chairman, Committee on Independence of Government Auditors, 1978-1979

American Society of Military Comptrollers

Civic Activities

Forest Hollow Swim Club (Past President, Treasurer and Board member)

Annandale Boys Club

Braddock Road Youth Club

Beach House Condo Association (Treasurer 1974-1978)

Japanese American Citizens League

Awards and Recognition

Outstanding Performance Awards (1957, 1959, 1961, 1963, 1968) Air Force and Office of the Secretary of Defense

Distinguished Leadership Award, Northern Virginia Chapter, Association of Government Accountants, 1977

Distinguished Leadership Award, National Association of Government Accountants, 1978

Personal Data

Height:	5 feet, 6 inches
Weight:	145 pounds
Age:	49
Date of Birth:	March 16, 1929
Place of Birth:	Puyallup, Washington
Marital Status:	Married, five children

References

Mr. Terrence E. McClary  
 Vice President, Corporate Financial Administration  
 General Electric Company  
 3135 Easton Turnpike  
 Fairfield, Connecticut 06431  
 Telephone: (AC 203) 373-2702

Mr. John R. Meinert  
Executive Vice President, Hart Schaffner & Marx  
36 South Franklin Street  
Chicago, Illinois 60606  
Telephone (AC 312) 372-6300

Mr. Neal D. Lee  
Superintendent of Transportation (retired)  
Tacoma Transit System  
2501 No. 8th Street  
Tacoma, Washington 98406  
Telephone (AC 206) 627-2273

Mr. Edwin J. Wong, CPA  
Partner, Wong & Bulter, CPAs  
Seattle, Washington  
Telephone (AC 206) 323-6131

Mr. William H. Marumoto  
The Interface Group, Ltd  
1212 Potomac Street, N.W.  
Washington, D.C.  
Telephone 323-0323

THE WHITE HOUSE  
WASHINGTON

1/26/79

Tim Kraft  
Arnie Miller

The attached was returned in the  
President's outbox today and is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

January 23, 1979

Tim  
J

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *T/K*  
ARNIE MILLER *AM*

SUBJECT: Board of Visitors to the United  
States Naval Academy

The Board of Visitors to the United States Naval Academy meets annually to inquire into the morale and discipline, the curriculum, instruction, physical equipment, fiscal affairs, academic methods and other matters relating to the Academy.

The Board of Visitors is made up of nine members of Congress and six members are appointed by you and serve three-year terms.

There are presently two vacancies on the Board. The following are recommended for appointment:

Pastora San Juan Cafferty (Illinois): Associate Professor, School of Social Service Administration and the Committee on Public Policy Studies at the University of Chicago. Ph.D. from George Washington University; former White House Fellow, 1969-70. Member of the Board of Directors of Kimberly-Clark Corporation and the Regional Transportation Authority of Northeastern Illinois. Recommended highly by Secretary of the Navy Clayton.

Clayton Brown, Jr. (Georgia): Former Georgia State Legislator and member of the Peanut Brigade.

Erle Cocke, Jr. (Georgia): Presently Management Consultant, Governmental and Legislative Affairs-International Financing, with Cocke and Phillips, International. M.B.A., Harvard University Graduate School of Business Administration. Former Co-Chair of the DNC's National Veterans Division.

RECOMMENDATION:

Appoint Ms. Pastora San Juan Cafferty to the Board of Visitors of the U. S. Naval Academy:

approve  disapprove

Appoint one of the following to the Board of Visitors of the U. S. Naval Academy:

Clayton Brown, Jr.  
 Erle Cocke, Jr. ) no

*Suggest  
Emett Ferguson  
Tom Marshall  
or ?*

*J*

Associate Professor  
School of Social Service Administration  
and the Committee on Public Policy  
Studies

University of Chicago  
969 East Sixtieth Street  
Chicago, Illinois 60637  
312-753-4890

Former Employment:

Special Assistant to the General Assistant Secretary, U.S. Department of  
Housing and Urban Development, 1970-71

Special Assistant to the Secretary of Transportation U.S. Department of  
Transportation, 1969-70

Instructor, George Washington University, 1967-69

Education:

Ph.D., American Literary and Cultural History, George Washington University, 1971

M.A., American Literary and Cultural History, George Washington University, 1966

B.A., English, St. Bernard College, 1962

Membership in Professional and Civic Organizations:

Member, Board of Directors, Kimberly-Clark Corporation, 1976-

Member, National Public Advisory Committee on Regional Economic Development,  
U.S. Department of Commerce, 1975-

Member, Board of Directors, National Committee for the Prevention of Child  
Abuse, 1974-

Member, Board of Directors, WTTW, 1973-

Member, Mayor's Committee on the Preservation of Chicago's Historic  
Architecture; Chicago, Illinois, 1973-

Member, Board of Directors, Travelers Aid Society/Immigrants' Service League;  
Chicago, Illinois 1972-

Member, Committee on Foreign and Domestic Affairs; Chicago, Illinois, 1971-

Member, White House Fellows Association; Washington, D.C., 1970-

Member, Board of Directors, Regional Transportation Authority of Northeastern  
Illinois, 1974-77

Member, Democratic Party of Illinois: Affirmative Action Council, 1975-77

Member, Education and Training Council, Democratic National Committee, 1974-77

Member, Executive Committee Charter Commission, National Democratic Party, 1973-74

Member, Home Rule Commission of Cook County, 1974-76

Member, Mayor's Council of Manpower and Economic Advisors, 1973-76

Member, Spanish Citizens Advisory Committee, Cook County Schools; Chicago,  
Illinois, 1973-75

Member, Board of Directors, Chicago Urban Transportation District, 1973-74

Honors:

Founder's Day Award, Loyola University, Chicago, Illinois, Sept. 10, 1976

Operation PUSH (People United to Save Humanity), Woman of the Year (field of  
education), 1975

White House Fellow, 1969-70

Smithsonian Research Fellow, 1966-67

Wall Street Journal Fellow, 1962

Listed In:

Who's Who in American Politics, Fifth Edition, 1975-76, Sixth Edition, 1976-77

Outstanding Women of America, 1969-77

UICW-University of Chicago Task Force:

1974-75 Director, University of Chicago task force, to develop nationally distributed 30- and 60- second public service announcements dealing with the problems of desegregated school districts.

Publications:

The Diverse Society: Implications for Social Policy, co-editor, New York: NASW, 1976.

The Language Question: Public Policy and Bilingualism in America (to be published). Winter, 1977.

"The Process of City Planning," The Practice of Public Planning, edited by Isreal Stollman, Frank Beal, and Frank So, (to be published Fall, 1977). International City Managers Association.

"Transit Essay: A Social Responsibility," Passenger Transport, Vol. 35, #3 (Washington, D.C.: American Public Transit Association). Jan. 1977.

"Öffentlicher Nahverkehr im Autoland USA-ein Gebot der Vernunft und der Sozialen Gerechtigkeit," Citrap Suisse, pp. 1-3, December 27, 1976.

"Transit as a Social Responsibility," CTA Quarterly, Volume, 2, no. 1, pp. 10-13., 1976.

"Puerto Rican Return Migration: Its Implications for Bilingual Education," Ethnicity, volume 2, no. 1 (New York: Academic Press, Inc., 1975), pp. 52-65.

"Who Pays for Poor Public Transit?," American Society of Planning Officials Magazine, volume 39, no. 10, pp. 12-13., 1973.

"The Latins Are Coming, The Latins Are Here," PTA Magazine, volume 68, pp. 24-28., 1973.

"Commentary: Post-Secondary Education for Latin Americans," ed., Laurence Hall ew Colleges for New Students (San Francisco, California: Jossey Bass), p. 164-70., 1973.

"Spanish-Speaking Americans: Economic Assimilation or Cultural Identity," ed., Michael Wenk, Pieces of a Dream: The Ethnic Worker's Crisis with America (New York: Center for Migration Studies)., 1972.

Touch and the Environment: Report to the White House, with Michael Levett, Wilson Talley (Washington, D.C.)., 1970.

papers:

"The Importance of Bilingual Education for the Latino Child," Bilingual Education Project, Illinois Humanities Council, September 22, 1977.

"The Church and Public Policymaking: The need for Professional Competence," delivered at the meeting of the Board of Concilium, the International Theological Journal at Notre Dame University, May 30-June 1, 1977.

"Social Implications of Mass Transportation Systems," prepared for Alumni College, University of Chicago, July 28, 1976.

"The City as a Factor for Social Change," Loop City College commencement, Chicago, Illinois, May 20, 1975.

"The Economics of Transportation Planning." American Statistical Association, Chicago, Illinois, May 20, 1975.

"ETA: Interface Between State and Local Levels," Illinois Society of Planning Engineers, Chicago, Illinois, April 17, 1975.

"Political Party Reform in America," University of Louisville, Louisville, Kentucky, March 1, 1975.

"Solving Community Problems: The Transportation Example," National Urban Mass Transportation Conference, University of Chicago, December 9, 1974.

"Solving Community Problems: The Transportation Example," MODERN TIMES, Oregon State University, Corvallis, Oregon, September 25, 1974.

"The Future of Party Politics in America," American Political Science Association annual meeting, August 31, 1974.

"New Colleges for New Students," Mayfair Community College, Chicago, Illinois, June 6, 1974.

"The Nature and Accountability of Public and Social Policy," National Association of Social Workers: Leadership Training Program, Chicago, Illinois, June 6, 1974.

"Social Implications of Urban Planning," Illinois Society of Professional Engineers, November 17, 1973.

"Social Implications of Urban Planning," National Academy of Engineers, September 27, 1973.

"The Social Impact of Public Transportation," testimony presented before the House Committee on Transportation, Springfield, Illinois, June 8, 1973.

"The Cuban Immigrant," Division of Child Psychiatry, Children's Memorial Hospital, Chicago, Illinois, May 20, 1973.

"The Social Service Needs of Latinos," Department of Social Work, Illinois Masonic Hospital, Chicago, Illinois, April 13, 1973.

"The Community Colleges as a Community Service Center," delivered at (and published in 1973 in New Colleges for New Students) Southern Association of Colleges and Secondary Schools, New Orleans, Louisiana. December 15, 1972.

"Seminar on Ethnicity: The Spanish-Speaking in the United States," National Opinion Research Center, Chicago, Illinois, November 15, 1972.

References:

- Chairperson, "Vatican III: The Work That Needs To Be Done", at the Center for Continuing Education, University of Notre Dame, Notre Dame, Indiana, May 30, 1977.
- Speaker, "The Transportation Planning Process," Western Society of Engineers annual meeting, March 27, 1977.
- Panel member, "The Key Issues" a time for decision," Symposium, The Center for the Study of Democratic Institutions, Chicago, Illinois, April, 1977.
- Speaker, "The Need for Social Planning in Mass Transportation Engineering" American Society of Civil Engineers, Chicago, Illinois, October 20, 1976.
- Speaker, "The Regional Transportation Authority: Fiscal Implications" Association of Chicago Banking Women, Chicago, Illinois, October 21, 1975.
- Panel Member, "Year of the Modern Woman," Upward Bound program, Barat College, Lake Forest, Illinois, July 25, 1975.
- Speaker, "The Regional Transportation Authority as a Factor for Social Change," Junior League of Women, Chicago, Illinois, June 3, 1975.
- Speaker, "How to Build a Successful Board of Directors," Welfare Public Relations Forum, Chicago, Illinois, May 16, 1975.
- Speaker, "Regional Planning," Council on Population and Environment, Chicago, Illinois, May 15, 1975.
- Moderator, "Is the American Family Dead?," Directions '75 Seminar, Chicago, Illinois, April 13, 1975.
- Panel Member, "Public Announcements for Social Change," Council of Social Welfare Education, Chicago, Illinois, March 2, 1975.
- Delegate, Democratic Party Organization and Policy, Democratic National Committee Mid-Term Conference, Kansas City, Missouri, December 6-8, 1974.
- Governor and Moderator, Conference on Bilingual and Post-Secondary Education, Rockefeller Foundation-sponsored, Chicago, Illinois, October 18, 1974.
- Speaker, "Women's Involvement in National Politics," Illinois Democratic Women's Caucus, Second Statewide Conference, Chicago, Illinois, May 4, 1974.
- Speaker, "Political Policymaking," Council on Political Education, AFL-CIO, Chicago, Illinois, April 28, 1974.
- Speaker, "Social Impact of Mass Transportation," Chicago Transit Authority Technical Institute, March 2, 1974.
- Speaker, "The Spanish-Speaking in Chicago," Urban League Conference, February 2, 1974.
- Speaker, "Planning a New Transportation System," Chicago Transit Authority Technical Institute seminar, November 17, 1973.
- Speaker, "Transportation Planning," Urban Affairs Center Seminar, University of Chicago, October 6, 1973.
- Speaker, "Social Impact on Mass Transportation," Chicago Transit Authority Technical Institute Seminar., August 18, 1973.
- Participant, "The Humanities as they Relate to Ethnic Communities," Rockefeller Foundation seminar, New York, New York, May 19, 1973.
- Speaker, "Social Impact of Mass Transportation," Chicago Transit Authority Technical Institute seminar, May 18, 1973.
- Participant, "Social Work Education for the Latino Community," National Chicago Business Council seminar, San Francisco, California, February 11, 1973.

RESUME

Thomas Clayton Brown, Jr.

RESIDENCE: 550 South Hill Street  
Griffin, Spalding County, Georgia, 30223  
Telephone: Business: 227-9436  
Home: 227-2614

Birth: Tallassee, Alabama, September 11, 1913.  
(Relocated to Griffin, Georgia, November, 1913)

PARENTS: Pauline Stilwell Brown, born in Griffin, Georgia\*  
Thomas Clayton Brown, Sr., born in Salisbury, N. C.\*  
\*Deceased.

FAMILY: Married September 5, 1954 to the former Francine Ennis of Sandersville,  
Georgia, Washington, County.

Four children all born in Griffin, Georgia:

Thomas Clayton Brown, III, 2nd Lt. USAF.

Francine Stilwell Brown, student University of Georgia.

David Nelson Brown, High School Senior, Griffin High School.

Mary Ennis Brown, High School Sophomore, Griffin High School.

RELIGION: Episcopalian:

Served as Church Treasurer seven years.

Served on the Vestry (Official Board) fifteen years.

Licensed Church Lay Reader for twenty years.

Sunday School teacher for ten years.

Served as Jr. Warden and as Sr. Warden.

EDUCATION: Griffin Public Schools.

University of Georgia AB Journalism 1935.

**BUSINESS:** Owned and operated since 1935 the Goode-Nichols Furniture Company, Griffin, Georgia.

**ORGANIZATIONS:** Benevolent Protective Order of Elks.

Moose Lodge.

Griffin Country Club.

Chi Psi Fraternity.

Former Treasurer and member board of directors of the Chamber of Commerce and Griffin Credit Bureau.

Scouting.

Air Force Association.

Rotary Club, 44 years. President and District Governor Rotary Electee.

Charter member and Vice-President of Jaycees.

**MILITARY:** Enlisted in the U.S. Army Air Force in 1942 as a private. Selected for Officer Candidate School where a Commission was earned. Served five years on active duty in the Continental Commands, and European Theater of Operations. Won twelve military decorations including the Army and Air Force Commendation ribbons. Served a total of thirty three years of duty as an active and reserve participant, retired in 1974 with the rank of Colonel.

Completed three National Security Seminars conducted by the Industrial College of the Armed Forces.

Completed two Army Intelligence Seminars.

Served as United States Academy Liaison Officer and Liaison Officer Coordinator for the State of Georgia for twenty years as an additional reserve assignment. These duties involved personal counseling for prospective Academy candidates and supervising forty reserve

officers in the state to assure counseling throughout the state. Accomplished four special active duty tours at the Air Force Academy. Escorted five groups of educators for visits to the Air Force Academy.

Trained professional in Intelligence, codes, and ciphers.

Selected as the Most Outstanding Liaison Officer in the nation, 1962, and selected as one of the Most Outstanding Liaison Officer Coordinators in the nation, 1960.

Continental Air Command Certificate of Recognition, 1960, for 25 years of dedicated reserve service to the U.S. Air Force.

Continental Air Command Recognition for Staff visit to NATO Countries, 1965.

Served on three assignments as a member of Promotion Boards.

Reserve assignments with Continental Air Command and five years reserve assignment with the Selective Service System.

Entered active duty as a private and promoted to the rank of Colonel throughout career.

Certificate of Appreciation For Service in the Armed Forces of The United States from Richard Nixon, Commander in Chief, 1973.

**GOVERNMENT ACTIVITY:** Served in the House of Representatives of the General Assembly of Georgia for 8 years, serving as Committee Chairman of Health and Ecology and as sub-committee chairman of the Banking and University System Committees of Georgia. Selected twice as one of the ten most outstanding members of the House.  
Democrat.

ERLE COCKE, JR.  
Management Consultant

Business Address : 1629 K Street, N. W., Suite 306, Washington, D. C. 20006  
Telephone: (202) 293-1322

Home & Legal Address: P. O. Box 388 (Johnson Street), Dawson, Georgia 31742

Washington Residence: 5116 Cammack Drive, N. W., Washington, D. C. 20016  
Telephone: (301) 229-2956

EDUCATIONAL BACKGROUND:

University of Georgia, A.B., 1942

Harvard University Graduate School of Business Administration, M.B.A., 1947

Honorary Doctor of Laws, Mercer University, 1951

Honorary Doctor of Humane Letters, Missouri Valley College, 1960

BUSINESS EXPERIENCE:

Assistant General Manager, Cinderella Foods Co., Dawson, Georgia. 1946-47

Executive Director, Department of Commerce, State of Georgia (Agricultural & Industrial Development Board). 1947-48

General Industrial Agent, Central of Georgia Railroad Company. 1948-50

Vice President for Public Affairs, Delta Air Lines. 1952-61

U. S. Alternate Executive Director, International Bank for Reconstruction and Development (World Bank). Senior, full-time U. S. official in the administration of the World Bank; represented the U. S. on day-to-day loan and bond policies, operational boards and committees within the Bank, and on joint groups with other government agencies including International Finance Corporation and International Development Association. 1961-64

Resigned Presidential appointment May 1964 to run for Congress.

Vice President of Peruvian Airlines and a great deal of time devoted to races for Congress as Democratic candidate. 1964-66

Member of special mission U. S. House of Representatives Armed Services Committee to the Dominican Republic, South Vietnam, Thailand and Laos. 1965-66

Since 1966 to present - Management consultant - governmental and legislative affairs; international financing. Associated with Cocke & Phillips International; partner with Brigadier General (Ret.) Eugene Phillips, later incorporated, offering Washington representation. Cocke & Phillips International now has a management agreement with Tanner & Company, Inc. (Suite 2236, World Trade Center, New York, New York 10048; Telephone: (212) 432-0300) for Washington management and public affairs counseling.

ACTIVITIES:

1950-51 National Commander of The American Legion.

1950-51 Georgia Junior Chamber of Commerce "Outstanding Young Man of the Year" and U. S. Junior Chamber of Commerce "Ten Most Outstanding Young Men in the Nation".

- 1951-53 Special Consultant to Secretaries of Defense George Catlett Marshall and Robert A. Lovett on military manpower and military and training installations.
  - 1954-60 National Board of Governors, American National Red Cross.
  - 1958-60 Co-Chairman of CIEG (Committee for International Economic Growth).
  - 1959-60 U. S. Delegate to the 14th General Assembly, United Nations, serving on the Legal Committee (VI Committee).
  - 1954- Member, Board of Directors, State Mutual Insurance Company, Rome, Georgia.
  - 1957-74 Member, Board of Directors, Consolidated Equities Corporation, Atlanta, Georgia (real estate holdings).
  - 1960- Trustee, Missouri Valley College, Marshall, Missouri.
  - 1969-71 President, then Chairman, Harvard Business School Club of Washington, D. C.
- Recipient of Freedoms Foundation Awards - 1951, 1955 and 1973 (2 awards).
- Active in Democratic presidential politics--National Veterans Division, Democratic National Committee, 1948; Chairman, 1952; Co-Chairman, 1956, 1960, 1976.  
 National fund raising, 1964 (The President's Club).  
 National Congressional Campaign Committee Chairman, 1968.  
 Candidate Coordinator, Richard B. Russell for President, 1948, 1952.

MILITARY BACKGROUND:

1941-47 U. S. Army (Ret.) Brigadier General, Georgia National Guard.

Awarded the Silver Star, Purple Heart with three clusters, Bronze Star with clusters, Croix de Guerre and 13 other decorations from France, Italy, Spain, Cuba, Mexico, China and the Philippines.

Served as Civilian Aide to three Secretaries of the Army and Consultant to two Secretaries of Defense under both Democratic and Republican administrations.

PERSONAL BACKGROUND:

Married; three daughters.

Religious affiliation: Baptist; Chairman of Board of Deacons and Moderator of Briggs Memorial Baptist Church, Washington, D. C.

Travel: All 50 states plus 72 foreign nations.

NAVAL ACADEMY, BOARD OF VISITORS TO THE UNITED STATES

Independent

AUTHORITY: 10 U.S.C. 6968, as of August 31, 1956

METHOD: Appointed by the President

MEMBERS: SIX

TERM: THREE years. (Two members to be appointed each year before December 31st)

Vacancies to be filled for the unexpired portion of the term for which predecessor was appointed.

SALARY: Not more than \$5 per day and to be reimbursed for actual expenses of travel while performing duties as a member of the Board.

PURPOSE: The Board shall inquire into the morale and discipline the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating TO THE Academy which the Board decides to consider.

THE WHITE HOUSE  
WASHINGTON

1/26/79

Frank Moore

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
your information.

Rick Hutcheson

PERSONAL

THE WHITE HOUSE  
WASHINGTON  
January 25, 1979

*Frank  
did not call  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: DAN TATE DT/pd.

I wanted you to have the following information as soon as possible in anticipation of your placing a call to Senator Talmadge this evening.

I have talked with the Senator's physician, Dr. Joe Puerch. As part of the therapy, Dr. Puerch would prefer that the Senator speak to no one for the next two weeks with the exception of rehabilitated alcoholics. The Senator is being given messages of those people who have called to wish him well.

Senator Talmadge would certainly appreciate your thoughtfulness in calling to express your best wishes. I recommend, however, that we abide by the wishes of his physician in not talking with him directly for the next few weeks.

**Electrostatic Copy Made  
for Preservation Purposes**

MTG & Editors 7/26/75

THE WHITE HOUSE  
WASHINGTON

Utah - H. Cancer death rates

Mexico - Energy

Air pollution - Denver

Tex Gov → Mexico - fence

Arms sales → PRC

Mexico - Gas price

& fence

Am Tractor

Deaf agenda

Tax reform

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

For Att breakfast 1/26/79

Tom Ehrlich - AID

MEast Move on Treaty  
Assure Salat on Linkage

Move on Gaza first

Fahd ~ 3/12 → US

Harold - SA - Es - Is - Jor?

Mex trip - Aragon

Iran intel site - Plaza/Turkey  
adv Aguacade

MTN re textiles + sets

Iran - FMS - Huyser discuss

45000 → < 10,000 800 want  
to keep

Nicaragua - Clubson -

Deaf - Communique

SALT - EU out of US Senate  
affairs

Electrostatic Copy Made  
for Preservation Purposes