

Immigration

Current initiative.

ENERGY AVAILABILITY (NATURAL GAS POLICY)

Initiative

The President will propose to the Congress legislation correcting the present massively distorted system of regulation under the Natural Gas Policy Act. This will be a major energy initiative for 1983, and will be a major focus of activities by the Department of Energy. It will also require periodic personal Presidential attention.

Theme

Only one energy commodity, and in fact only one commodity in the entire economy, remains under general price controls: natural gas. As we found with oil, decontrol and a predictable market environment are the best way to get the most efficient use and lowest cost production of any commodity. Under the current system, incentives for both production and consumption of natural gas are widely and haphazardly distorted, with great incentive to produce expensive gas and less incentive to produce cheap gas, widely varying prices of gas to similar kinds of users, and on balance, a discouragement of exploration for gas relative to oil, and of efficient consumption of gas in preference to imported oil.

The current law has also encouraged (and nearly required) the adoption of contracting practices which would not have made sense in a free market. These practices may be driving the price of gas, at least for a short time, above the prices that would be obtained in a free market. In the context of decontrol, provisions would be included which would prevent these contracts from operating in a fashion to defeat the most efficient current functioning of the free market.

Plan

The Secretary of Energy, pursuant to directions from the Cabinet Council, is now consulting with congressional leaders and interested private groups. By the end of January, he will be prepared to report to the Cabinet Council and the President on the most appropriate legislation to introduce (with options where necessary). A Presidential decision should be made promptly thereafter with a message and accompanying legislation to go to Congress early in February. Hearings should be scheduled in the Senate fairly promptly thereafter, and strenuous efforts will be made through the spring to push the bill through the Senate.

A major Presidential speech on America's energy policy could be timed for an appropriate moment in the natural gas debate to place our progress in this area through decontrol and deregulation in an appropriate context.

Elements

1. Complete consultations and alternative outlines and drafts of legislative package. Secretary Hodel is completing consultations with key Congressmen and major private and industry interest groups.

ACTION: Secretary Hodel DEADLINE: January 27, 1983

2. Presidential decision and announcement. In the context of a Cabinet Council discussion or Decision Memorandum, the President should decide that we will go forward with a natural gas bill. Although the message would not be sent up at this moment, we could assume that in implementing the decision, it would come to the attention of the press in the next few days.

ACTION: President DEADLINE: February 1, 1983
Cabinet Council

3. Completion of draft legislation and message and Seeking of co-sponsors. Much of this item can be done in advance, but there should be a brief period of time following the Presidential go-ahead to attempt to solidify the support of stragglers and attempt to have co-sponsors sign on to the specific wording of legislation.

ACTION: Hodel DEADLINE: February 8, 1983
Congressional Affairs
Speechwriters

4. Transmission of completed legislation and message. This item would be ministerial, but there could also be a Presidential meeting with the co-sponsors.

ACTION: DEADLINE: February 10, 1983

5. Background briefing of energy reporters. Because of the vast confusion and lack of knowledge on this matter by the press, it might be well to have a long, no-holds-barred, factual background briefing conducted by Energy Department and White House staff to attempt to provide a factual foundation and clarify erroneous impressions.

ACTION: Boggs DEADLINE: February 10, 1983
DOE staff

6. Opening formal press conference and press availabilities. Secretary Hodel should have a major opening press conference and be available to as many media as possible to sell the issue.

ACTION: Hodel

DEADLINE: February 10, 1983
et. seq.

7. Orchestration of support from diverse interest groups. In the period February 1-10, we should be able to orchestrate a specific schedule of activities by the groups that we have identified as potential supporters of an initiative. These groups can issue individual statements, have individual press conferences, etc.

ACTION: DOE

WH Public Affairs

DEADLINE: February 1-10, 1983

8. Presidential meeting with supporters from diverse interest groups. It could be possible to have a Presidential meeting sometime after the introduction of the bill and the garnering of support from these diverse groups that would emphasize the breadth of support in the industrial customer, producers, environmentalist, academic, and economic sectors.

ACTION: Scheduling
DOE

DEADLINE: February 15, 1983

9. Secretarial meeting with key editorial boards, columnists, and journalists. In the February 1-10 period, Secretary Hodel should attempt to have personal background meetings with groups such as the Editorial Board of the Washington Post and New York Times, influential national columnists, etc.

ACTION: Hodel

DEADLINE: February 1-10, 1983

10. Articles and op-ed pieces provided and orchestrated. This would be carried on by White House and Department of Energy staff.

ACTION:

DEADLINE:

11. Speakers at key group meetings. The Department of Energy is providing a list of key energy group meetings that could be covered specifically on this subject by Administration speakers. The President might consider using one of these for the general energy speech referenced above, with special reference to natural gas.

ACTION: DOE
Scheduling

DEADLINE: March 31, 1983

KEY SPECIFIC TALKING POINTS FOR BRIEFINGS, OP-ED PIECES,
ADMINISTRATION SPOKESMEN

1. Current system is not decontrol.
 - o The law controlled 50 percent of natural gas that was previously free.
 - o Provides for no consistent path towards decontrol.
 - o Only 50 percent of gas would be decontrolled, even in 1985.
2. Current system isn't working.
 - o Less incentive for exploration.
 - o Same commodity selling at many different prices.
 - o Distorted markets.
 - o Gas is available but not used.
3. No necessary consumer impact.
 - o Look at oil.
 - o Under a free market, forces working in both directions, can lower prices.
 - o Reducing oil use would be a consumer boon.
4. Foreign impacts.
 - o Will lead to less importation of foreign oil and less dependence.
 - o Reduces tensions with foreign countries over government-controlled gas.
 - o Will lead to lower market prices for foreign gas imports.
5. Reduces distortions and tensions between American regions, as price of gas now differs widely on a haphazard basis.

ENERGY AVAILABILITY

Event

Time

Place

Sometime in February 1983, we should reach 300 million barrels in the Strategic Petroleum Reserve. This would be a milestone, which could be celebrated either in Washington, D.C., or in New Orleans. Similarly, several months later, we will reach the level triple what the Carter Administration had managed to fill in 4 years in office.

National Association of Manufacturers Convention	February 1983	Washington, D.C.
Gas Processors Assoc.	March 14-16, '83	San Francisco, CA
Chamber of Commerce of the United States	May 2-3, '83	Washington, D.C.
American Nuclear Energy Council	May 3-4, '83	Washington, D.C.
National Oil Jobbers Council	May 8-11, '83	New York, N.Y.
American Mining Congress	May 15-18, '83	St. Louis, MO
Independent Petroleum Association of America	May 25-27, '83	Seattle, Wash.
Edison Electric Institute	June 6-8, '83	Minneapolis, Minn.
National Coal Association	June 15-18, '83	Hot Springs, VA

Any of these could be used as a forum for presentation of general energy policy results and initiatives.

REORGANIZATION OF ENERGY FUNCTIONS

Initiative

Several options are available for pursuing the President's commitment to abolish the Department of Energy. These options are laid out in the attached draft options paper prepared by Martha Hesse of the Department of Energy. A meeting of the Working Group commissioned by Ed Meese on this matter will be held very shortly. The major potential initiatives are:

- (a) reintroduction of last year's legislative package;
- (b) preparation of a new and revised legislative package;
- (c) supporting the principle of reorganization without introducing new legislation until other substantive energy initiatives, such as natural gas, are well along.

Plan

Within the next week to 10 days, the Working Group will have met and prepared a definitive options paper for a determination of whether to have the matter taken up by the Cabinet Council, submitted directly to the President, or other action taken. In the event a decision is made to go forward with an initiative in this area, it would probably be at least March before it would be an appropriate time to introduce such legislation.

Organization of Federal Energy Functions

DRAFT

Issue: What action should the President consider with respect to the organization of Federal energy functions?

Background

In December 1981, consistent with the President's campaign statements and his televised speech of September 24, 1981, the Cabinet Council on Natural Resources and Environment provided the President with options for abolishing the Department of Energy and performing appropriate government energy functions elsewhere in the Federal government. The President approved a plan to transfer resource management functions to the Interior Department, to establish the Federal Energy Regulatory Commission (FERC) as an independent agency, to transfer residual enforcement functions to the Department of Justice and to establish an Energy Research and Technology Administration (ERTA) to include DOE's defense-related and energy research and development activities. The President determined that ERTA should report to the Secretary of Commerce. Energy policy, emergency preparedness and energy information were also to be transferred to the Department of Commerce.

A steering group and various interagency working groups were established to develop a specific legislative proposal and supporting materials. When finally introduced in the Senate in May 1982, the Federal Energy Reorganization Act (FERA) differed in several respects from what the President approved in December, the major difference was that the concept of an ERTA had been dismissed, and defense and energy functions were established under two separate Deputy Secretaries of Commerce. The primary reason for this change was to address major concerns of committee jurisdiction and other Congressional concerns which arose while consulting with key Senators on the energy reorganization proposal.

Four hearings were held by the Senate Government Operations Committee between June and September 1982 with some degree of concern or opposition expressed. While the hearings and the information provided by the Administration appear to have mitigated some of these concerns, the Senate committee took no further action following their last hearing on September 21, 1982, and it appears that opposition to the proposal remained. FERA was introduced in the House on August 11, 1982, but no action was taken.

At the request of various Senators and Representatives, GAO issued a report on the savings aspects of the reorganization in August 1982 and is currently engaged in a detailed examination of the potential program management impact of FERA on a number of energy programs. This report is not scheduled for completion until April 1983.

Discussion

At the end of the 97th Congress, FERA lapsed and it is appropriate to consider next steps with respect to energy reorganization. In December 1981, in arriving at its recommendations to the President, the Cabinet Council was guided by the following list of functions as representing the appropriate Federal role in energy:

- Support National Defense through nuclear weapons program.
- Protect against energy supply disruptions through contingency planning and maintenance of a Strategic Petroleum Reserve.
- Support long-term, high-risk, potentially high pay-off basic research on energy technologies.
- Perform specific government tasks such as Naval Petroleum Reserves and Power Marketing Administrations, governmental tasks in connection with the nuclear fuel cycle, and regulation of certain gas and electric functions.

This list of functions is consistent with Administration energy policies.

Certain organizational assumptions were also made by the Cabinet Council, in particular the transfer of the Power Marketing Administrations to the Interior Department, the establishment of the Federal Energy Regulatory Commission as an independent agency and the transfer of enforcement functions to Justice. These assumptions remain viable in considering energy reorganization.

However, with respect to other aspects of the reorganization proposal, several issues raised in last year's budget process, in the consideration of FERA and in the recent confirmation process of Secretary Hodel should be mentioned:

- Congressional concerns about program and organizational balance (tilt toward nuclear and defense to the detriment of fossil and conservation and renewable energy).
- Concerns about the visibility and performance of certain functions such as:
 - energy policy
 - international aspects of energy
 - nuclear non-proliferation
- Congressional concern that their responsibilities and prerogatives were not recognized by the Administration (the "de facto dismantlement" issue).
- The difficulty of providing credible rationale for an estimate of savings which might result from reorganization.

Recognizing the functional and organizational assumptions underlying last year's reorganization proposal and the issues raised since last year, four options for current actions of energy reorganization are discussed below. These options are:

- Resubmit FERA without change.
- Submit a revised energy reorganization proposal.
- Explicitly withdraw energy reorganization as a current objective.
- Temporalize - hold future options open.

Options

1. Resubmit FERA without change.

Under this option, last year's legislative proposal would be reintroduced without change.

Advantages are:

- Provides opportunity to build on last year's hearing record in the Senate and therefore expedite consideration.
- Provides maximum time for Congressional action.
- Avoids reopening interagency dialogue on energy reorganization with attendant potential for delay.

Disadvantages are:

- Does not recognize Congressional opposition to last year's proposal and does not take advantage of lessons learned.

If this approach were followed, it should be accompanied by high-level contacts with key Senators and Representatives indicating a compromising approach on the details of energy reorganization while strongly supporting the general concept.

2. Revise the energy reorganization proposal before it is resubmitted.

Any number of revised proposals would be possible, but three principal sub-options are identified below. If this approach is taken, a general disadvantage would be the potential for delay and interagency "arm wrestling" while the revised proposal is being developed.

A. Fine-tune FERA

The essentials of FERA would be maintained but specific adjustments would be made to accommodate Congressional concerns, provided they did not undermine the basic concept of FERA. Some specific adjustments which might be considered would be:

- Address the issue of "balance" by establishment of additional Assistant Secretaries (e.g., for conservation and renewables and/or for fossil).
- Provide more explicit recognition of international and policy functions.
- Provide additional assurance of the organizational and functional integrity of the Energy Information Administration.
- Refine the approach on certain organizational or management issues such as nuclear non-proliferation, management of the national laboratories, etc.

The advantages are:

- Should gain additional Congressional support both by the nature of the changes and by showing responsiveness to Congressional concerns.
- Of all the revisions to FERA, this approach should be achievable with the least delay, allowing maximum time for Congressional action.
- Indicates a willingness to compromise and apply lessons learned.

The disadvantages are:

- If not closely managed and controlled, could result in significant delay in submitting a revised FERA to the Congress.
- Proposing additional Assistant Secretaries would create appearance of a top heavy, uneconomical organization. *+ SIMPLY BAD!*

B. Single Deputy within Commerce

Under this option, energy functions to be assigned to Commerce would be transferred essentially as is and placed under a single Deputy Secretary for Energy, with appropriate adjustments to be made following the transfer in the organization and location of support and administrative functions.

The advantages are:

- Maintains maximum continuity of continuing Federal energy programs.
- Maintains organizational "balance" among energy technologies.
- The two above considerations should provide for increased Congressional acceptance in some quarters, however, see disadvantages below.

The disadvantages are:

- Problems of Senate committee jurisdiction would be reopened.
- The organizational change might be perceived as so minor as to raise the question of why change at all.

C. Transfer defense-related activities of DOE to Department of Defense.

The advantage is:

- Increased balance among energy programs by reducing the appearance of "nuclear bias" within the Commerce energy organization.

The disadvantages are:

- Long-standing and deep Congressional opposition to assigning the Nuclear Weapons program to Department of Defense. In particular, the Armed Services Committees, while seeking separate identification of DOE's defense activities, could be expected to strongly oppose the transfer to DOD.
- Would complicate the full utilization and management of national labs and other contractors involved in both defense programs and energy R&D.
- The Department of Defense is opposed to the assignment of these functions to the Defense Department (Tab A, December 10, 1981, letter from Frank Carlucci to James Watt and December 29, 1981, letter from Secretary Weinberger to Secretary Baldrige).

3. Explicitly withdraw energy reorganization as current objective

Based upon the refocusing of energy programs already achieved, especially in the regulatory area, upon last year's Congressional opposition, and recognizing other priorities of the Administration, make an explicit statement that energy reorganization will not be pursued, at least at this time.

The advantages are:

- Could enhance the opportunities to obtain desired reductions in the energy budget and terminate specific unneeded programs.
- Permits dedication of resources to other priority matters, such as natural gas, improving DOE's management efficiency, etc.
- Encourages the continuity and stability of continuing Federal energy programs.

The disadvantages are:

- Could be perceived as abandoning a specific Presidential commitment.
- Reduces the opportunity for obtaining future savings resulting from reorganization.

4. Temporize

Recognizing Congressional opposition and other critical issues on the agenda of the Administration and the Congress, do not submit any energy reorganization proposal, but do not explicitly abandon the objective. Either an active or a passive approach to this option is possible.

A. Passive

No actions would be taken except to restate at every appropriate opportunity that energy reorganization continues to be a major objective and would be pursued at the appropriate time.

The advantages are:

- Holds all future options open.
- Permits dedication of resources to other priority matters, such as natural gas, improving DOE's management efficiency, etc.

The disadvantages are:

- Might appear to abandon the Presidential commitment.
- Does nothing positive to advance toward future action on energy reorganization.
- Could contribute to instability in energy programs.

B. Active

No energy reorganization proposal would be presented but the Administration would engage in an extensive consultative process with key Congressional figures to determine if some reorganization consensus can be developed or at least some more palatable option developed.

The advantages are:

- Holds future options open while taking some positive steps toward future action on energy reorganization.
- Allows time for a dialogue with the Congress with no commitments necessary unless some specific proposal is later presented.
- Permits dedication of resources to other priority matters, such as natural gas, improving DOE's management efficiency, etc.

The disadvantages are:

- Might appear to abandon the Presidential commitment.
- Would require significant amount of time by the Secretary of Energy and others to engage in such a Congressional dialogue.
- Could contribute to instability in energy programs.

Other Aspects

An additional consideration is the absence of Executive Branch Reorganization Act authority since April 1981. With some brief lapses, the Executive Branch has had such authority since World War II. If such authority could be obtained, it would provide a simple and more expeditious process for obtaining at least certain aspects of the energy reorganization. Although, if the authority obtained were similar to that which expired in April of 1981, it would not allow for abolition of a Cabinet Department. Nevertheless, it might be appropriate to consider whether seeking a reinstatement of reorganization authority should be a major concern of the Administration.

DECISION: Proceed with

Option _____

Other Action _____

ENVIRONMENTAL POLICY SPEECH

Initiative

The President will convey to the American people his commitment to environmental protection and wise stewardship of the nation's natural resources in a major speech. The speech will provide an opportunity to reassure a skeptical public of this Administration's commitment to environmental protection. The speech will also provide an opportunity to outline a number of new initiatives the President intends to pursue with Congress.

Theme

America is a nation blessed with extraordinary natural resources. These resources have provided the means for Americans to build the greatest nation on earth. Americans have long recognized our responsibility to future generations and have established laws that ensure wise stewardship. America is the world's leader in the field of environmental protection. While many nations speak of the need for environmental controls, the U.S. acts.

The quality of our nation's air and water has improved. These improvements in environmental quality have occurred in harmony with responsible economic growth. Americans can be proud of our country's record of accomplishment.

Specific initiatives which might be included

1. Expanding the ongoing National Parks Improvement program.
2. Legislation modeled after the California Conservation Corps to provide youth the opportunity to learn the value of work while making contributions to our national parks.
3. Creation of an outdoor council in which the private and public sector work together on the planning and development of recreational programs.
4. Legislation modeled on the Coastal Barrier bill to protect sensitive wetlands.
5. Addition to the Wild and Scenic River System on designated Wilderness Areas (we should determine if Congress intends to make statutory additions and consider preemption).
6. Expand our programs to prevent soil erosion.

7. Expand our program to ensure protection of groundwater.

Plan

A working group, pursuant to directions from the Cabinet Council on Natural Resources is now developing specifications for a speech. By the end of January, a draft will be prepared and available for senior staff review. A Presidential decision should be made promptly thereafter with the speech delivered in mid-February. Legislation to enact new initiatives suggested in the speech should be sent to Congress thereafter.

Elements

1. Complete draft and review by Cabinet Council working group.
Action: Al Hill Deadline: January 28, 1983
 Martin Smtih
2. Draft accompanying legislative package.
Action: DOI Deadline: February 10, 1983
 EPA
3. Presidential decision regarding speech and specific environmental initiatives.
Action: President Deadline: February 15, 1983
4. Revise speech and draft legislation.
Action: Al Hill Deadline: February 25, 1983
 Martin Smith
5. Present speech.
Action: President Deadline: March 6, 1983
6. Seek cosponsors for legislation.
Action: Duberstein Deadline: March 15, 1983
7. Transmission of completed legislation.
Action: Deadline: March 15, 1983
8. Orchestration of support from diverse interest groups.
Action: WH Public Deadline: March 15, 1983
 Affairs
9. Presidential meeting with supporters from diverse

interest groups.

Action: Scheduling

Deadline: March 15, 1983

10. Meetings with key editorial boards, columnists and journalists.

Action:

Deadline:

WETLANDS PROTECTION

Initiative

The President would propose to Congress legislation which would protect and enhance wetlands for wildlife and hunting purposes. The primary components of such legislation would be:

1. To forbid federal development assistance in a manner similar to that enacted in the Coastal Barriers Resources Act, where federal development assistance for barrier islands was prohibited, although private development was not touched.
2. Certain additional funding would be provided on a matching basis with states to provide for wetlands conservation purposes.

Theme

The appropriate way to protect widely used common resources is through allowing private actions in many cases, but only where economical, while providing appropriate funding for preservation of common resources.

Plan

Specific items are still in consultation between Interior, Agriculture, OMB, and other agencies. Final action could be by Cabinet Council meeting or by OMB clearance. A Presidential message in February or March could be an appropriate aspect of this policy. The attached summary of provisions is from the Interior Department draft and has not been approved or cleared by other agencies, but gives a clear notion of the approach that would be involved.

PROTECT OUR WETLANDS AND DUCK RESOURCES ACT OF 1983

Summary of Major Provisions

Title I. The Protect Our Wetlands and Duck Resources System

Section 102 would establish the Protect Our Wetlands and Duck Resources System, comprised of wetlands larger than 5 acres (and prairie potholes regardless of size) that provide either wildlife, fisheries, or water purification or flood control benefits.

Section 103 would require the Secretary of the Interior to identify components of the System through a process that includes consultation with Federal, State, local, and other appropriate entities, preparation of draft maps of proposed components, public comment on such maps, and issuance of final maps.

Section 104 would permit landowners to elect to include their wetlands in the System if they are not identified by the Secretary under section 103.

Section 105 would prohibit new Federal expenditures or financial assistance, as defined in section 101, for any purpose within the System. That definition is similar to that contained in the Coastal Barrier Resources Act, but specifically would not apply to agricultural price support programs.

Section 106 would provide limited exceptions to the prohibition in section 105, including maintenance of existing channel improvements, certain military activities, and, consistent with the purposes of the Act, activities such as fish and wildlife projects, operation of existing Federal water projects, and construction of new highways. Additional exceptions are similar to those in the Coastal Barrier Resources Act.

Title II. Financial Assistance to States for Wetlands Conservation

This title would amend the Land and Water Conservation Fund Act to provide, for a maximum of 10 years, authority for appropriations from the fund for grants to States for wetlands conservation purposes. Such assistance would be in an amount equal to three times the amount of a given State's annual duck stamp (or other similar stamp) revenues that are dedicated to wetlands conservation.

Title III. Extension of the Wetlands Loan Act

This title would amend the Wetlands Loan Act to extend the availability of funds under it for 10 years, through September 30, 1993, and to delete the provisions for repayment of advances under the Act.

Title IV. Revenues for Migratory Bird Conservation Fund

Section 401 would provide the Secretary with authority to require a permit for entrance into certain designated National Wildlife Refuge System units. Either a valid Federal duck stamp or a single-visit permit would permit such entry.

Section 402 would increase the price of the duck stamp from \$7.50 to \$15.

Section 403 would direct that duties on imported arms and ammunition be paid into the migratory bird conservation fund.

Clean Air Act Amendments

Initiative

To insure that responsible economic growth is not impeded the Administration will need to propose or support legislation to amend the Clean Air Act. The amendments would streamline those portions on the Act that impose unreasonable burdens on society.

Theme

The Administration is committed to the protection of public health and welfare from the harmful effects of air pollution. The current Clean Air Act can and must be improved in order to insure that progress toward clean air continues.

Legislation which we introduced or supported would address a limited number of problems with the current law. These problems were outlined last year by the President in 11 principles which were presented to Congress.

Plan

A working group headed by Boyden Gray has been meeting regularly with White House staff and the Administrator of the EPA to consider alternative strategies for achieving our objectives. At this time, the group has not agreed on a strategy or a single list of changes. Attached is an outline of options being considered.

THE WHITE HOUSE

WASHINGTON

JANUARY 10, 1983

MEMORANDUM FOR EDWIN L. HARPER

FROM: MARTIN L. SMITH *Marty*

SUBJECT: Clean Air Decisions

I. Policy Options

1. Administration Bill
2. White House brokers a compromise
3. VP brokers a compromise
4. EPA brokers a compromise
5. Support Stafford bill
6. Encourage Senate substitute for Stafford
7. Seek House bill
8. No bill

II. Scope

1. 11 principles
2. Short bill
3. Extend deadlines and provide hi-altitude relief
4. Stafford bill
5. Acid Rain and Hazardous Regulation

III. Resource Commitment

1. All-out Administration effort including Presidential attention, rigid enforcement of funding and construction sanctions
2. Comments by President in SOTU address
3. Involvement by senior WH staff
4. Minimal direct WH involvement
5. VP take lead
6. No involvement

IV. Timing

1. Immediate
2. Go slow -- wait and see what develops
3. React to developments
4. Wait and see what happens in Senate

CLEAN AIR ACT

<u>Event</u>	<u>Time</u>	<u>Place</u>
National Assoc. of Manufacturers Convention	February 1983	Washington, D.C.
National Petroleum Refiners Assoc.	March 20-22, 1983	San Francisco, CA
Chamber of commerce of the United States	May 2-3, 1983	Washington, D.C.
Business Roundtable	May 1983	New York, N.Y.

Trip to a city that has a program involving controlled trading of emission rights (Louisville, KY is one). This program allows more pollution reduction at a cheaper price, while still encouraging industrial

Inspection of plant using advanced pollution control technology and "bubbles" as an example of cost-effective pollution control. Such plants exist now in a number of cities.

Visit to a steel facility having received relief under the Steel Stretchout Act program. U.S. Steel has several such facilities.

Message Summary (Speech) - Social Security Reform

Will depend on status of negotiations, etc.

HEALTH CARE INCENTIVES PROJECT

Initiative

The President will propose to the Congress a comprehensive package of reform measures dealing with control of health care costs. This will be a major focus of his State of the Union Message, of the 1984 Budget Proposal, and of the Administration's legislative agenda for 1983.

Theme

The nation faces a large and rapidly growing problem: the cost of health care. Americans are pleased with the quality of that care, but they want to do something about its cost. In his role as communicator and leader, the President should inform the American people about the severity of the problem, making clear that it is an issue faced by the country as a whole, not simply a Federal budget issue. He should then assert his leadership in dealing with the controversial aspects of this problem.

The President's proposal will be balanced, dealing not only with Medicare and Medicaid, but also with private sector health plans. The theme is controlling health care costs, and although it will have an impact on the Budget, that is secondary.

Plan

The President should announce his proposal to control health care costs in the State of the Union Message. This will be followed shortly by the Budget, and a legislative proposal. Late January and February should be filled with media contacts by the President and members of his Administration focusing on this problem. Attention should be given to assuring that the message is gotten across the country, and also that it does not die out after February. A continuing effort will need to be maintained throughout the spring and summer.

Elements

1. Draft Legislation and Message -- The proposal will have to be incorporated into a specific legislative package, with the appropriate message.

ACTION: Secretary Schweiker
Ken Duberstein
Ed Harper

DEADLINE: January 25, 1983

2. State of the Union Message -- Since this will be one of the major points in the Message, attention needs to be given to specifics which need to be included in the Message.

ACTION: Speechwriters
Ed Harper

DEADLINE: January 20, 1983

3. Identify Administration Speakers -- Once the proposal is announced, there will be a flood of requests for interviews, speeches, etc. A list of spokesmen should be developed, including such as Meese, Schweiker, Harper, Stockman, Feldstein, and others. These would be able to give the broad overview of the initiative.

ACTION: Ed Harper

DEADLINE: January 25, 1983

4. Develop Talking Points for Speakers -- A standard set of talking points on the initiative should be provided for the persons on the list above, as well as for others. These talking points should include both summary ideas and technical data.

ACTION: Secretary Schweiker
Ed Harper

DEADLINE: January 25, 1983

5. Briefing of Major Health Leaders -- On the afternoon prior to the State of the Union Message, Secretary Schweiker should telephone each of the heads of these groups: AMA, AHA, BC/BS, FAH, and HIAA, and brief them on the contents of the package.

ACTION: Secretary Schweiker

DEADLINE: January 25, 1983

6. Meeting with Major Health Leaders -- As soon as possible, a meeting with these five groups should be arranged in Washington for a detailed briefing.

ACTION: Secretary Schweiker

DEADLINE: January 26, 1983

7. Full Press Briefing -- Immediately after the State of the Union, Secretary Schweiker should hold a detailed press briefing on the proposal, with a press kit.

ACTION: Secretary Schweiker

DEADLINE: January 26, 1983

8. Rose Garden Announcement of Legislative Proposal -- The President should meet with Congressional sponsors of the initiative, with a Rose Garden announcement of the proposal.

ACTION: Ken Duberstein
Secretary Schweiker

DEADLINE: Early February

9. Interviews with Key Health Journalists -- Immediately after the State of the Union, a series of half-hour interviews should be held for several key health journalists with Administration spokesmen. They particularly will want to talk to Schweiker, Stockman, and Feldstein. These interviews should include, at least:

Spencer Rich -- Washington Post
Robert Pear -- New York Times
Bert Schorr -- Wall Street Journal
Linda Demkovich -- National Journal

ACTION: Ed Harper

DEADLINE: Schedule by
January 25, 1983

10. Meeting with Health Insurance Executives -- As soon as possible after January 25, the President should meet with a small group of CEOs from the health insurance industry, to discuss the tax cap proposal.

ACTION: Ed Harper

DEADLINE: Presidential
scheduling for
late January,
early February

11. Meeting with Private Sector Health Coalition Leaders -- As soon as possible after January 25, the President should meet with a small group of private sector leaders in the health care cost control effort. Such a meeting would allow the President to commend them for their efforts, and to focus on this issue as a national problem, not simply a Federal budget problem.

ACTION: Ed Harper

DEADLINE: Presidential
Scheduling for
late January,
early February

12. Briefing for Major Business Groups -- Secretary Schweiker should hold a detailed briefing for business leaders on the health package.

ACTION: Secretary Schweiker

DEADLINE: Early February

13. Articles in Provider and Business Periodicals -- As a follow-up to the press briefing, care should be taken to insure that articles run in periodicals published by the AMA, the AHA, the Chamber, etc.

14. Major Media Events -- During the week after the legislative proposal is announced, spokesmen should be scheduled for the following:

- o MacNeil-Lehrer
- o ABC Nightline
- o Good Morning America - ABC
- o Today Show - NBC
- o Morning News - CBS

15. Major Columnists -- The press kit should also be distributed to the major Washington columnists during the week after the legislative proposal is announced.

16. Speakers at Meetings of Key Groups -- A number of groups which are important to this proposal will have spring meetings. The President will probably be invited to speak at them. He should accept at least one, and deliver a major address on health care costs. Those invitations which he cannot accept should be offered a surrogate, from the speakers list. Every effort should be made to work these meetings fully.

- o American Hospital Association -- Annual Meeting
January 31 - February 3, 1983; Washington, D.C.
Secretary Schweiker is scheduled to speak January 31
- o American Medical Association -- Leadership Conference
February 17-20, 1983; Chicago
- o Federation of American Hospitals -- Annual Meeting
April 6-8, 1983; Miami
Secretary Schweiker has been invited to speak, and would have gone.
- o Chamber of Commerce of the U.S. -- Annual Meeting
April 30-May 3, 1983; Washington
- o Business Roundtable, etc.

17. Nationwide Information Effort -- During February, March, and April, information sessions should be scheduled in approximately ten major cities across the country. A senior official should travel for the one to one and one-half days required to each city, to meet with the editorial board(s) of the leading paper(s), address a meeting of business and/or other leaders, and hold a media event.

ACTION: Secretary Heckler
Ed Harper

DEADLINE: Schedule by
February 15, 1983

18. Long-term Momentum -- After the initial flurry of activity, it will be important to maintain public awareness on this issue. One way is to highlight the health component of the Consumer Price Index each month, in contrast to the CPI. At present, the health component is three times the total CPI.

Message Summary - Health Care Cost Containment
(Subject to Decisions)

A series of proposals are being made dealing with health care. The objectives of this package are:

- o To redirect the incentives of the health care system, thereby encouraging efficiency and cost-containment;
- o To reduce the growth in Federal spending for Medicare and Medicaid; and
- o To improve the Medicare program, by providing protection against catastrophic loss due to hospitalization.

The following specific proposals are made for Medicare:

- o Providing catastrophic coverage under the Part A - Hospital plan, and increasing cost-sharing in the early days of a hospital spell of illness.
- o Increasing the Part B - Supplemental Medical Insurance premium.
- o Giving Medicare beneficiaries the option of enrolling in a private health plan through use of a voucher.
- o Changing to prospective payment of hospitals.
- o Other changes involving more technical aspects of the program.

Two proposals are made for Medicaid:

- o Requiring nominal patient copayments on specific services.
- o Extending reductions in Federal payments under the program beyond 1984.

A proposal is made dealing with private insurance:

- o Altering the tax treatment given to employer-paid health plans, to encourage cost-containment.

HEALTH CARE INCENTIVES PROJECT

Event	Time	Place
State of the Union Message	January 25 9 PM	Washington
Meeting with Business CEOs	After SOTU	Washington
Meeting with Health Insurance CEOs	After SOTU	Washington
Meeting with Private Sector Health Coalition leaders	After SOTU	Washington
Meeting with Health Provider groups	After SOTU	Washington
American Hospital Association Annual Meeting	January 31- February 3	Washington
Rose Garden Announcement of legislation	After January 31	Washington
American Medical Association Leadership Conference	February 17-20	Chicago
Federation of American Hospitals Annual Meeting	April 6-8	Miami
Chamber of Commerce Annual Meeting	April 30-May 3	Washington

Message Summary - Federalism Initiative

See Richard Williamson

EDUCATION INITIATIVES

Initiative

The President will propose to the Congress a package of proposals to improve education at all levels. These will include (1) tuition tax credits, (2) an option to create vouchers out of Title I funds, (3) Individual Education Accounts, (4) efforts to improve the quality of math and science teaching, (5) the Adopt-A-School program, and (6) efforts to reduce adult illiteracy. Tuition tax credits will be a separate bill.

Themes

A major theme to be emphasized is that this package of initiatives will improve the control of parents over the education of their children. The package will also improve educational opportunities. Tuition tax credits, vouchers and IEAs will widen the opportunities for parents to provide a better education for their children.

The initiatives will also improve the quality of education. Partly, this will be done through direct use of resources to improve qualifications and school facilities. But it will also be accomplished through the introduction of mechanisms which will create competition in the education system.

A final theme is that the initiatives increase reliance on the private sector for providing education services.

Plan

The President should introduce the proposals as a package, except for tuition tax credits which will be transmitted earlier as a separate bill. This will highlight our overall commitment to education. The package contains strong elements that should appeal to conservatives, so our efforts at obtaining passage should build on this base of support. But the package will also have important benefits to minorities. Our communications strategy should highlight these advantages and attempt to draw minorities into the support coalition. We must also attempt to draw as much support as possible from the establishment education community.

Elements

1. Draft Legislation and Message -- Education should draft the bills embodying these proposals, in coordination with Treasury where appropriate.

ACTION: Secretary Bell
Ken Duberstein
Ed Harper

DEADLINE: February 15, 1983

2. Presidential Announcement -- The President should send the proposals to Congress with a message delivered at a White House ceremony that would include (1) major congressional co-sponsors, (2) Secretaries Bell and Regan, (3) supportive conservative leaders, (4) supportive leaders of ethnic group communities, (5) supportive minority leaders, and (6) supportive education establishment leaders.

ACTION: Speechwriters
Ed Harper

DEADLINE: February 28, 1983

3. Full Press Briefings -- Immediately after the Presidential announcement, Secretary Bell should conduct a detailed briefing at the Education Department.

ACTION: Secretary Bell
Ed Harper

DEADLINE: February 28, 1983

4. Develop Press Kits and Talking Points -- A kit of materials describing the proposals, and a standard set of talking points, should be developed.

ACTION: Secretary Bell
Ed Harper

DEADLINE: February 28, 1983

5. Major Media Events -- Major Administration spokesmen should be scheduled for major TV news programs on days following announcement. Possible spokesmen -- Bell, Meese, Harper, Jones. Possible shows:

- o MacNeil-Lehrer
- o ABC Nightline
- o Good Morning America
- o Today Show
- o CBS Morning News
- o This Week with David Brinkley

ACTION: David Gergen
Ed Harper

DEADLINE: Schedule by
February 28, 1983

6. Journalist Interviews -- Half-hour interviews with journalists covering education from major papers, including Washington Post, New York Times, and the Wall Street Journal, should be scheduled for week after Presidential announcement. Administration interviewees would include Bell, Meese, Harper and Jones.

ACTION: David Gergen
Ed Harper

DEADLINE: Schedule by
February 28, 1983

7. Op-Ed Pieces -- Arrange to run Op-Ed pieces by major Administration spokesmen (Bell, Meese, Harper, Jones) in major dailies around country during week following announcement.

ACTION: David Gergen
Ed Harper

DEADLINE: February 28, 1983

8. Coalition for Proposals -- Secretary Bell should take the lead in organizing support for proposals from education establishment, where he has the best connections. Supporters from this group and others should be organized into a Coalition for Education Freedom which can lobby Congress for passage of the package.

ACTION: Secretary Bell
Public Liaison
Ed Harper

DEADLINE: Coalition
announced by
April 15, 1983

9. Presidential Reception -- Hold a reception at the White House in April with the President for prominent individuals who support tuition tax credits and vouchers. Feature speeches by leading ethnic Democrats and supportive minority leaders.

ACTION: Public Liaison
Ed Harper

DEADLINE: Schedule by
April 1, 1983

10. Presidential Visits -- Have the President travel in May to visit highly successful, nonsectarian, private schools in one or two cities and call on Congress to pass tuition tax credits and vouchers.

ACTION: Presidential Advance
Speechwriters
Ed Harper

DEADLINE: Schedule by
May 1, 1983

11. Adopt-A-School -- Invite leading innovators and practitioners of Adopt-A-School program to White House reception in June with short address by the President.

ACTION: Public Liaison
Ed Harper

DEADLINE: Schedule by
June 1, 1983

12. Address to Nation -- The President should speak to the Nation in a televised address in July to discuss popular proposals which the Congress has refused to consider (if true) -- tuition tax credits, vouchers, Enterprise Zones, Balanced Budget Amendment, School Prayer Amendment, etc.

ACTION: David Gergen
Speechwriters
Ed Harper

DEADLINE: Schedule by
July 1, 1983

Message Summary - Education Initiative

I. Substantive Initiatives

- o Vouchers. Education funds provided to needy school districts under Title I would be folded into vouchers and sent directly to parents of needy students to spend on tuition or to donate to whatever school, public or private, they choose for their children to attend.
- o Individual Education Accounts (IEA). Individuals would be allowed to save a certain maximum amount each year in an IEA. Contributions to the IEA would be tax deductible and investment earnings by the fund would be tax free. IEA funds could only be used for the college education of each child. They would be taxable when withdrawn from the fund.
- o Science and Math Teaching. A program would be established to fund efforts to improve the qualifications of college and secondary school science and math teachers.
- o Adopt-a-School. The Adopt-a-School program will be broadened as a private sector initiative.
- o Adult Literacy. The advance of teenage and adult literacy will receive direct support from this Administration by private sector initiatives, and from college-level work-study programs.

II. Themes

- o The major theme to be emphasized is that our initiatives will improve the control of parents over the education of their children. Vouchers will allow greater choice and control for minorities and low income people. IEAs will allow parents to develop the funds to exercise greater choice in college education. This is a theme which will strengthen our conservative base, while having a broader appeal to the community at large.
- o A second theme to be emphasized is that our initiatives will improve educational opportunities. Both IEAs and vouchers will improve the opportunities for parents to provide a better education for their children. The science and math initiatives will improve the opportunity for students to gain an adequate education in these fields.

EDUCATION INITIATIVES

Event	Time	Place
<p>President should send the proposals to Congress with a message delivered at a White House ceremony for supporters including congressional co-sponsors, Secretaries Bell and Regan, conservative leaders, ethnic group leaders, minority leaders, education establishment leaders, religious leaders.</p>	Mid-February	White House
<p>President should give a major address on Education proposals during week following their presentation to Congress. (Audience to be determined.)</p>	Late February	To be Determined
<p>President should meet with spectrum of leaders who support proposals and announce their organization of Coalition for Education Freedom.</p>	Early March	White House
<p>President should make news, camera-covered phone calls first to Howard Baker then to Tip O'Neill requesting early action on Education proposals.</p>	Early March	White House
<p>President should hold a reception at the White House for prominent individuals who support tuition tax credits and vouchers. Feature speeches by leading ethnic Democrats and supportive minority leaders.</p>	Late March	White House
<p>President should make Education proposals the sole topic for a Saturday radio talk.</p>	Early April	National Radio

The President should visit highly successful, non-sectarian private schools in one or two cities and call on Congress to pass tuition tax credits and vouchers.

Late April

To be Determined

Supportive, private-sector organizations should organize an all-day conference on Capitol Hill on proposals, with President as featured speaker, calling on Congress to pass education package.

Early May

Capitol Hill

Invite leading innovators and practitioners of Adopt-A-School program to White House reception with short address by President.

Late May

White House

Invite winners of math and science awards to White House reception with short address by President.

Late June

White House

The President should speak to the Nation in a televised address in July to discuss popular proposals which the Congress has refused to consider (if true) -- tuition tax credits, vouchers, IEAs, Enterprise Zones, Balanced Budget Amendment, School Prayer Amendment, etc.

July

National TV

ADOPT-A-SCHOOL

<u>EVENT</u>	<u>TIME</u>	<u>PLACE</u>
1) President visits Humes Junior High School, adopted by the North Memphis Coalition, a group of community organizations.	Jan. 31, 1983	Memphis, TN
OR		
President visits Booker T. Washington High School adopted by employees of Federal Express.	Jan. 31, 1983	Memphis, TN
2) President visits Marshall High School adopted by Chicago's Blitz Corporation	Open	Chicago, IL
3) President visits the Regional Vocational Technical School, whose fast-food management training program graduates receive preferential consideration for jobs by McDonalds.	Open	Lexington, MA
4) President visits El Sereno Junior High School, a predominantly Mexican American school, adopted by employees of the Ameron Corp.	Open	Northeast Los Angeles, CA
5) President visits Sierra Park Elementary School adopted by Richmond Brothers Hardware and Lumber Co., the same elementary school attended by the Richmond Brothers.	Open	Los Angeles, CA

EVENT	TIME	PLACE
6) President visits Clemente High School adopted by Support Chicago, a local business-women's group.	Open	Chicago, IL
7) President visits Provine High School, adopted by Allstate Insurance Company.	Open	Jackson, MS
8) President visits Clinton P. Russell School adopted by Fox and Jacobs Company.	Open	Dallas, TX
9) President visits School # 101, a Junior High School adopted by the Indianapolis Downtown Kiwanis.	Open	Indianapolis, IN
10) President visits Nathan Hale High School which ties its Radio and Television Communications Department with KING Broadcasting, its Dietary Department with Northwest Hospital and whose students learn about carpentry at Sea-First Bank's new construction site.	Open	Seattle, WA
11) President attends the opening of Oakland Technical High School, whose move to high tech, refurbishment, and curriculum development were sponsored by local businesses involved in the SOAR Program.	Second week in September	Oakland, California

ADULT LITERACY

<u>EVENT</u>	<u>TIME</u>	<u>PLACE</u>
1) In a speech on Federalism the President encourages state and local governments to (a) increase their initiatives to advance adult literacy, and (b) encourage college students to provide literacy tutoring to individuals identified by community organizations.	Open	Open
2) The President presents a plaque to the founders of the National Assault on Illiteracy Program (AOIP) a national community-based program to advance the literacy of young black adults, on its anniversary.	July 1983	Open
3) The President celebrates International Literacy Day, September 8, 1983 in the White House by inviting administrators of at least a half dozen literacy organizations and a few of their "success stories," adults who've learned to read and compute with the help of these volunteer community groups.	9/8/83	White House
4) The President speaks on benefits to the Nation of enhancing adult literacy, especially among young adults, on his weekly radio program.	Open	Open
5) The President visits the in-house adult tutoring program at United Technologies Corporation, run by Literacy Volunteers of America.	Open	Hartford, CT

EVENT	TIME	PLACE
6) The President visits a Library where tutoring of adults occurs under the auspices of the Coalition for Literacy.	Open	Open
7) The President visits an independent, community-based program that tutors illiterates, such as PLAN, Inc. in Washington, D.C. or Literacy Action in Atlanta, Georgia.	Open	Open
8) The President visits a religious-institution sponsored program for literacy such as one conducted by the Lutheran Church Women in the Philadelphia area.	Open	Open
9) The President visits the Polaroid Corporation on-site classes in reading and mathesmetics to enable its workers to keep up with changes in technology.	Open	Cambridge, Mass.
10) The President visits a group of retirees who now tutor immigrant adults in English, such as the Laubach tutor program sponsored by the Glendale, CA, YWCA.	Open	Glendale, CA

Private Sector Initiatives

- o Adopt-A-School - see Education Initiatives (Tab 24)
- o Child Care - see Working Women (Tab 8)
- o Adult Literacy - see Education Initiatives (Tab 24)

Message Summary - Workfare

Is still being developed

TUITION TAX CREDITS

Initiative

The President will re-propose to Congress tuition tax credit legislation based upon the bill reported out of Senate Finance Committee last Congress.

The President will call for swift Congressional action in the State of the Union Message.

Tuition tax credits will be among our highest priorities of the Administration's legislative agenda for 1983.

Merely pushing tuition tax credits will not get us much credit any longer. We must get results -- at least in the Senate. If we do not, we will suffer grave damage.

Theme

Diversity in educational opportunity has been a great strength of our nation. It is important to the continued vitality of our society that parents have a meaningful choice between public and private education. If we are going to preserve free choice, especially for low-income families, we must find a way to lighten "double burden" on families who choose private education.

The President's proposal provides needed relief. It also contains strong provisions ensuring that credits will not be used to foster discrimination.

Plan

The President should announce in the State of the Union Message his intention to continue to push tuition tax credits.

The President should transmit his tuition tax credit legislation to Congress within days of the State of the Union. (A ceremony should be held with key constituency groups.)

In early February, the President should hold a well-publicized meeting with key members of Congress to convey his desire to get this legislation passed as quickly as possible.

We should aim at Senate passage prior to June. All stops should be pulled to achieve this.

When Senate passes the legislation (or prior to vote to break filibuster), President should give major address on Education in America in which tuition tax credits are touted along with other education initiatives.

Elements

1. State of the Union -- This should be highlighted in the speech, and attention needs to be given to the specific language.

ACTION: Speechwriters DEADLINE: Jan. 20, 1983
Ed Harper

2. Transmittal of Legislation and Message -- The legislative package should be ready to transmit by Wednesday, January 26. Consideration should be given to holding a small ceremony with media coverage.

ACTION: Ken Duberstein DEADLINE: Jan. 21, 1983
Ed Harper
Office of Public Liaison

3. Major Media Events, Speeches, and Meetings with Major Constituency Groups --

The National Catholic Education Association is holding a convention in D.C. around April 7, 1983. (15,000 attendees). Address to convention or reception at White House should be considered.

Also in the Spring or Summer, the President should address the Knights of Columbus and Catholic War Veterans, touting tuition tax credits.

There are 3 major Catholic women's groups. The President should address at least one of them.

He should hold separate, well-publicized Oval Office meetings with Ag-Gudath Israel and other Orthodox Jewish groups and with Protestant groups that favor tuition tax credits, school prayer and other initiatives in the "social" issue area.

Ideally, these speeches and meetings should be held as close as possible to the push to break a Senate filibuster.

Also near the time of the vote, we should schedule spokesmen for the following:

- o MacNeil-Lehrer
- o Today Show
- o Good Morning America

ACTION: OPL
Dave Gergen
Ed Harper

TUITION TAX CREDITS

Events for this initiative are also included in the list of events on our "Education Initiatives".

In addition to the educational initiative events, the following would be appropriate:

Event	Time	Place
At the time of transmitting the tuition tax credit proposal or shortly thereafter, the President should meet with supportive outside groups and invite Senator Dole and co-sponsors to this well-publicized event. The President should say to Dole, "I hope you'll help me get this bill through the Senate before April."	Early February	White House
President should tout tuition tax credits in his major address on education.	Late February	To be determined
President should visit a Jewish Orthodox school.	Early March	Brooklyn, New York
President should visit an inner-city Catholic school.	Early March	South Bronx, New York
President addresses Catholic Educational Association convention.	April	District of Columbia
President visits fundamentalist Christian school.	April	Fairfax, Virginia.

ENTERPRISE ZONES PROJECT

Initiative

The President will repropose to the Congress a bill providing for the establishment of Enterprise Zones in the Nation's distressed inner cities and rural towns.

Theme

The underlying concept of Enterprise Zones is to create a productive, free-market environment in depressed areas through relief from taxes, regulations and other government burdens on economic activity. The removal of these burdens will create and expand economic opportunity within the zone areas, allowing private-sector firms and entrepreneurs to create jobs and expand economic activity within these areas.

The Enterprise Zone program can be considered to have four basic elements -- (1) tax relief at the Federal, State and local levels, (2) regulatory relief at the Federal, State and local levels, (3) improved local services, particularly through increased reliance on private sector providers, and (4) involvement of neighborhood organizations and groups.

Plan

Since we are basically reproposing the same bill we proposed last year, publicity concerning the substantive details of the initiative is less important than usual. What is needed is publicity and public activities that will bring pressure on Congress to pass the bill. If we can get floor votes, prospects for passage in both Houses appear good. The key, therefore, is to bring pressure on the House Democratic leadership to allow a floor vote. These Democrats should be criticized for seeking to foreclose consideration of the bill merely to prevent the President from receiving credit for a new urban program. They are thus playing politics with the Nation's most disadvantaged individuals.

Given the economic climate, efforts to pass the bill should emphasize that it can be considered as an anti-recession measure and a jobs bill. There should be as much White House involvement in publicity activity as possible, because of public perception of half-hearted White House support.

Elements

1. Draft Legislation and Message -- The bill will be reintroduced as approved by the Senate Finance Committee, except for the reinsertion of the employee tax credit and some technical amendments.

ACTION: Secretary Pierce
Secretary Regan
Ken Duberstein
Ed Harper

DEADLINE: January 25, 1983

2. Presidential Announcement -- The President should send the bill to Congress with a message delivered at a White House ceremony that would include (1) major congressional co-sponsors, (2) Secretaries Pierce and Regan, (3) mayors who support the plan, particularly minority mayors, (4) supportive business leaders, and (5) supportive minority leaders.

ACTION: Speechwriters
Ed Harper

DEADLINE: January 26, 1983

3. Full Press Briefing -- Immediately after the Presidential announcement, Secretary Pierce should lead a detailed press briefing at the White House, and distribute press kits.

ACTION: Secretary Pierce
Ed Harper

DEADLINE: January 26, 1983

4. Develop Press Kits and Talking Points -- Existing materials need to be updated.

ACTION: Ed Harper

DEADLINE: January 26, 1983

5. Journalist Interviews -- Half-hour interviews with journalists covering urban field from major papers, including Washington Post, New York Times, and the Wall Street Journal, should be scheduled for week after Presidential announcement. Administration interviewees should include Pierce, Meese, Harper, and Carleson.

ACTION: David Gergen
Ed Harper

DEADLINE: Schedule by
January 27, 1983

6. Major Media Events -- Major Administration spokesmen should be scheduled, if possible, for major TV news interview programs during week following announcement:

- o MacNeil/Lehrer
- o ABC Nightline
- o Good Morning America--ABC
- o Today Show--NBC
- o Morning News--CBS
- o This Week with David Brinkley

Possible appearances by Pierce, Meese, Harper, and Carleson.

ACTION: David Gergen
Ed Harper

DEADLINE: Schedule by
January 26, 1983

7. Op-Ed Pieces -- Arrange to run Op-Ed pieces by major administrative spokesmen (Pierce, Meese, Harper, Carleson) in major dailies around the country during week following announcement.

ACTION: David Gergen
Ed Harper

DEADLINE: January 27, 1983

8. Revive the Coalition for Enterprise Zones -- Leaders of this broad-based, private-sector group should be encouraged to gear up for a major legislative push this year.

ACTION: Ken Duberstein

DEADLINE: February 15, 1983

9. Increase Bi-Partisan Co-Sponsors -- Supportive mayors and others should be utilized to increase bipartisan co-sponsorship, particularly among Ways and Means Democrats.

ACTION: Ken Duberstein

DEADLINE: February 15, 1983

10. Administration Speakers -- Administration spokesmen, led by Secretary Pierce and senior White House staff, should travel to established, operating, State and local Enterprise Zones and to the Nation's distressed areas and give speeches calling for congressional action on Enterprise Zones.

ACTION: Secretary Pierce
Ed Meese
James Baker

DEADLINE: Schedule by
February 15, 1983

11. Presidential Speeches -- The President should visit Norwalk, Connecticut (functioning showcase Enterprise Zone) and the South Bronx in March and give a speech calling on Congress to pass the Enterprise Zone bill.

ACTION: Speechwriters
Presidential Advance
Ed Harper

DEADLINE: Schedule by
March 1, 1983

12. Existing State and Local Enterprise Zones -- In the travels mentioned in (10) and (11) above, the President and other spokesmen could announce as they go to each zone that the Administration will forgive the Federal debt on land within the zones if such land is given to neighborhood groups or minority entrepreneurs for development.

ACTION: Secretary Pierce
Ed Harper

DEADLINE: Authority
formalized by
March 1, 1983

13. Major Conference Speeches -- Major Administration spokesmen should speak at major upcoming urban conferences, calling on Congress to pass Enterprise Zones. Some upcoming conferences:

- o Conference of Mayors
- o NAHRO
- o NACO
- o Mortgage Bankers Association
- o National League of Cities

14. Continuing Communications -- Major Administration spokesmen should accept, whenever possible, speaking engagements before urban, minority, or business groups where they can discuss Enterprise Zones. Should publish articles in newspapers and magazines discussing subject if they can.

ACTION: Ed Harper

DEADLINE: Continuing Effort

15. Redouble Efforts Focused on Congress -- The White House Congressional Relations Office needs to take the lead in efforts to obtain passage. (The HUD office doesn't have the necessary clout.) Contacts should be made with key Democratic House minority members to find ways to obtain their support. Consideration should be given to holding up funding for favored Democratic programs until a vote is allowed on Enterprise Zones.

ACTION: Ken Duberstein

DEADLINE: Continuing Effort

16. State Conferences -- HUD should take the lead in organizing with interested private-sector groups state conferences on Enterprise Zones to build momentum for further State and local action.

ACTION: Secretary Pierce

DEADLINE: Continuing Effort

17. Address to Nation -- The President should speak to the Nation in a televised address in July to discuss popular proposals which the Congress has refused to consider (if true) -- Enterprise Zones, tuition tax credits, vouchers, Balanced Budget Amendment, School Prayer Amendment, etc.

ACTION: David Gergen
Speechwriters
Ed Harper

DEADLINE: Schedule by
July 1, 1983

ENTERPRISE ZONES INITIATIVE

Event	Time	Place
President should give a <u>major address on EZs during week following State of Union</u> (audience to be determined).	Jan. 25 - Feb. 1	To be determined
President should hold a <u>White House reception</u> for major EZ <u>supporters</u> including congressional co-sponsors, Secretaries Pierce and Regan, Mayors, minority leaders. President and others will speak.	Early February	White House
President should make <u>news, camera-covered phone calls</u> first to Howard Baker, then to Tip O'Neill requesting early action on Enterprise Zones.	Early February	White House
President should meet with leading academics and businessmen who support EZs and announce their membership in a <u>Council for Enterprise Zones</u> .	Late February	White House
President should meet with <u>Coalition for Enterprise Zones</u> and promise full court press to pass EZs.	Late February	White House
President should <u>visit Norwalk, Conn.</u> (functioning showcase Enterprise Zone) and <u>South Bronx</u> and give a speech at each calling on Congress to pass the EZ bill.	Early March	Norwalk, South Bronx
President should make Enterprise Zones the sole topic for a <u>Saturday radio talk</u> .	Late March	National Radio

Private sector supporters will organize a large, all-day conference on Capitol Hill at which the President will be the featured speaker, calling on Congress to pass EZs.

Early April

Capitol Hill

President should visit successful, operating, minority neighborhood organizations which would be incorporated in functioning EZs. (Bob Woodson can guarantee supportive groups.)

Late April

Possibly
St. Louis

President should speak to the Nation in a televised address to discuss popular proposals which Congress has refused to consider (if true) -- EZs, tuition tax credits, vouchers, Balanced Budget Amendment, School Prayer Amendment, etc.

July

National TV

NOTE: None of the dates are not variable.

REGULATORY REFORM/PAPERWORK REDUCTION

See Tab 11 under CCLP initiatives for detailed information.

Under the Paperwork Reduction Act of 1980, authorization for the Office of Information and Regulatory Affairs in the Office of Management and Budget expires at the end of FY 1983.

The Administration's position is to seek reauthorization and no substantive change in the Act.

PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY

Initiative

The President will continue to support the efforts of the PCIE in a hard-hitting, no-nonsense campaign against waste, fraud and abuse in programs of the Federal government. He will recognize their accomplishments in the State of the Union message and at other times throughout the year, so as to put on notice those who would attempt to commit these acts with taxpayer's funds. He will focus on further strengthening Inspector General activity in the Defense Department. Also, he will establish awards programs to recognize the accomplishments of the people who work in this field.

Theme

When President Reagan assumed office there was no effective way for the Inspectors General to work together. The PCIE was created in March, 1981, to enhance interagency efforts to reduce fraud and waste, and to give the Inspectors General a direct link to the President. While most of the results of the PCIE are obtained by manual auditing, the Council has been working to establish up-to-date mechanisms such as computer matching; pre-screening of grant awards; and coordinated interagency projects to continually improve the government's ability to prevent waste, fraud and abuse. Through the Inspectors General, the Council is covering every aspect of governmental activity.

Plan

The President should cite some of the notable accomplishments of the PCIE and his continued support for that effort in the 1983 State of the Union Message. He should mention that special attention will be paid in 1983 to the Defense Department, due to the large share of the budget that is devoted to that effort. In conjunction with the transmittal of the FY 1984 Budget message, he should signal his strong commitment to ensuring that budget dollars dedicated to national defense are spent wisely and cost-effectively. The President should continually inform the public about the scope of the problems in this area, using examples of waste and fraud uncovered, and acknowledging the efforts of the people who find and report these incidences. Two major public events should be developed: an awards presentation, and a national conference for Federal/State cooperation.

Elements

1. State of the Union Message -- The statements acknowledging support of PCIE and specifying the accomplishments during the first two years need to be developed.

ACTION: Speechwriters
Ed Harper

DEADLINE: January 21, 1983

2. Visit to the Defense Department -- The President should demonstrate his strong support for efforts to reduce fraud and waste in DOD by visiting the Pentagon to announce his nominee for the newly-created statutory position of DOD Inspector General, and by meeting with Secretary Weinberger, the new Inspector General, and DOD investigative and audit staffs.

ACTION: Secretary Weinberger
Joe Wright

DEADLINE: Feb. 11, 1983

3. Presentation of Paul Boucher Memorial Award -- To recognize an outstanding contribution by a member of the IG community, this and other awards should be developed for presentation by the President. An annual ceremony should be planned.

ACTION: Joe Wright

DEADLINE: April 15, 1983

4. Develop Talking Points for Presidential Speeches -- Throughout the year, accomplishments of the PCIE should be cited in speeches made by the President. As achievements are recorded, these should be made known to the speechwriters for inclusion in Presidential addresses.

ACTION: Joe Wright

DEADLINE: Monthly

5. Plan and Conduct a National Conference -- A national conference should be planned and conducted, involving Inspectors General, State counterpart officials, program managers at Federal, State and local government levels, and others interested in this area. The aim would be to expand the "community" in the interest of more cooperative efforts.

ACTION: Joe Wright

DEADLINE: Sept. 30, 1983

PRESIDENT'S COUNCIL ON INTEGRITY AND EFFICIENCY

<u>EVENT</u>	<u>TIME</u>	<u>PLACE</u>
1. Visit the Department of Defense to: 1) announce nominee for newly-created statutory position of DOD Inspector General; 2) meet with Secretary Weinberger, new IG, and DOD investigative and audit staffs; and 3) emphasize his commitment to reducing fraud and waste in DOD programs.	2/11/83	Pentagon
2. Announce establishment of annual Paul Boucher Memorial Award, and present first award to recognize outstanding contribution by individual member of IG community.	4/15/83	White House
3. Meeting with PCIE to receive its semi-annual report.	June	White House
4. Recognition of Federal employees who have contributed significantly to uncovering waste and abuse; IGs are authorized to grant cash awards to such employees; President could participate in one-time awards presentation at the White House, or in several individual events at field locations where recipients work.	Fall	White House or field locations
5. Ceremony to receive and deposit into the Treasury a recovery of major significance - e.g., several million dollars - to demonstrate that the program is producing real results that reduce the Federal deficit.	Summer/ Fall	Field location where recovery occurred
6. Speech or drop-by a national conference for Federal/State cooperation in improving management and reducing waste in government programs; first such conference.	June	Washington, DC
7. Meeting with PCIE to receive its semi-annual report.	Dec.	White House

NOTE: All dates are flexible.

PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

Initiative

The President's Private Sector Survey on Cost Control (PPSSCC) will produce close to 3,000 recommendations for ways in which savings and management improvement are possible in government agencies and functions. From the reports of the 35 Survey task forces will come legislative and administrative initiatives for the Administration's legislative agenda, potential amendments for the FY 1984 Budget, and savings for introduction in the FY 1985 Budget process.

Theme

Federal Government spending is increasing at too rapid a rate, and controls over spending decisions are practically non-existent. The President established the PPSSCC to find new ways of controlling the costs of operating the Federal Government. In its work, the Survey has placed special emphasis on eliminating operational overlap and duplication, identifying non-essential administrative activities, and increasing management effectiveness. The Survey has identified numerous opportunities for reducing costs and enhancing managerial control and accountability, and has pinpointed specific areas for further potential savings.

Plan

The President should receive the reports of the PPSSCC, and acknowledge the excellent work of the participants. Reports should be routed to OPD, OMB and agencies for comment, analysis, and decisions on the Survey's recommendations. Recommendations from which immediate positive results are expected should be implemented by agencies and monitored by the Cabinet Council on Management and Administration. Recommendations requiring new legislation should be incorporated in an Omnibus Cost Control Act of 1983. Those which can be put into effect through the FY 1984 Budget should be introduced as budget amendments. Others should be considered in the FY 1985 Budget process.

Elements

1. Acknowledge Completion of the Survey -- At a time worked out with the Survey Executive Committee, the President should acknowledge the work of the participants, honor them at one or more ceremonial occasions, and cite their work before various business groups and associations. This should be done soon to offset the demands for premature release of the Survey's working materials by Congress and public interest groups.

ACTION: Craig Fuller

DEADLINE: February, 1983

PRESIDENT'S PRIVATE SECTOR SURVEY ON COST CONTROL

<u>EVENT</u>	<u>TIME</u>	<u>PLACE</u>
1. Ceremony to acknowledge completion of the Survey, thank the participants for their work, and possibly present awards to Peter Grace and other key participants.	Feb.	White House
2. Remarks at a meeting with key business group indicating the value of the work of the Survey and describing the manner in which the Administration will be reviewing and making decisions on the recommendations.	Feb.	Washington, DC
3. Attendance at CCMA meetings to review and decide upon major Survey recommendations, followed by announcement of those decisions.	Mar.- May	White House
4. Transmittal to Congress of an Omnibus Cost Control Act of 1983 containing the major legislative changes recommended by the Survey and approved by the President to reduce the costs and improve the efficiency and management of Federal programs and operations.	Aug.	White House
5. Meetings with major business and other groups to promote support for the legislation and to describe activities undertaken by the Administration to implement recommendations not requiring legislation.	Aug.- Oct.	Washington, DC and around the nation

NOTE: All dates are flexible.

Budget Reform

Fundamental budget reforms are infrequent and have generally occurred because of strong congressional impetus. The Budget and Accounting Act of 1921 and the Budget and Impoundment Control Act of 1974, the two major budget reforms this century, illustrate the point.

The President last year made a Balanced Budget Constitutional Amendment a major priority securing passage in the Senate and succeeding in getting the required signatures for a discharge petition in the House. Other possible changes in the budget process include moving to a two-year budget cycle and providing the President with a line item veto.

The President has expressed his support publicly for the line item veto. Over the last century 140 proposals have been introduced in the Congress for giving the President a line item veto. Most have taken the form of constitutional amendments, which virtually all scholars agree is necessary to give the President such power. While several leading members of Congress have from time to time supported the concept of a line item veto, the prospects for positive congressional action on a constitutional amendment during the coming two years are slim.

This suggests two alternative approaches the Administration might take. One would be to establish a bipartisan Commission to study the issue. The mandate of the Commission could be limited to the line item veto or could extend to budget reforms generally. Such a Commission would undoubtedly take months to establish and complete its work effectively delaying congressional action on any proposals that emerged until after 1983. Appointing such a Commission could place the issue on the national agenda and might ultimately result in some positive action, although this is far from certain.

A second approach would be to pursue an amendment to the Budget and Impoundment Control Act of 1974 to change the procedure for considering rescissions. This could provide many of the benefits of a line item veto without the necessity of a constitutional amendment.

The legislation would amend the current procedure for approving rescission messages. Under current law, a rescission may not become effective unless approved within forty-five days by a rescission bill that has passed both houses. Under this approach a rescission would become effective unless disapproved within forty-five days by a resolution that has passed both Houses.

Former Minority Leader John Rhodes and House Budget Committee ranking member Del Latta introduced a bill in the 97th Session of Congress along these lines that had 63 cosponsors.

In the Senate, Bill Armstrong has been the chief proponent of this concept. His legislation was the subject of hearings last September.

Rather than have the President and the Administration seen as taking the initiative for such an amendment, we might encourage Latta, Armstrong and others to propose such a change and then strongly support it. Such a change, although it would have the same practical effect as a line item veto for appropriations bills, would likely be seen as less threatening to those in the Congress who view such measures as transferring greater authority to the President.

PROCUREMENT REFORM

Initiative

The President will continue to press for reform of the procurement practices of the Federal government, primarily using authority provided under existing statutes. Legislative proposals will be submitted to reauthorize the Office of Federal Procurement Policy, and to raise the small purchase ceiling to \$25,000. Major roles will be played by OMB, DOD, GSA, and NASA in streamlining procurement practices and in working with all Federal agencies to ensure that this done in the most cost efficient manner possible.

Theme

The current Federal procurement system is a collection of laws, policies, organizations, and operations that are sometimes inconsistent, ineffective and uneconomical in satisfying agency mission needs in a timely manner. Accountability for results is often elusive. Federal procurement is needlessly complex. A piecemeal approach has led to fragmentation and handling of individual procurement needs with no regard for the savings and efficiencies that may be possible through a coordinated effort.

The President's proposals will organize the agencies, professionalize the people involved in buying for the government, and streamline the numerous processes.

Plan

The Procurement Reform process should proceed along three fronts. The first is the completion of the Federal Acquisition Regulation as the guiding document for all agencies engaged in procurement activities. This should be completed by October, 1983, including all publication for public review and comment. The second front pertains to organizational issues. Agreements can be reached on these by March or April. The third activity will involve preparation of the legislation cited above. This should be initiated in February or March.

Elements

1. Draft Legislation and Message to Reauthorize OFPP -- Legislation to reauthorize the Office of Procurement Policy will need to be drafted, along with a message describing its role in monitoring the overall implementation and use of the Federal Acquisition Regulation.

ACTION: Joe Wright

DEADLINE: February 2, 1983

PROCUREMENT REFORM

<u>EVENT</u>	<u>TIME</u>	<u>PLACE</u>
1. Attendance at CCMA session to decide on procurement initiatives, followed by Meese/Wright press conference.	2/2/83	Roosevelt Room
2. Issuance of Presidential message to accompany Administration's bill to reauthorize OFPP -- and, thus, to keep in place a mechanism to monitor procurement reform.	2/2/83	Oval Office
3. Issuance of Presidential memorandum to agency heads directing 1) OFPP Administrator to issue policies to reduce noncompetitive procurement, and 2) agency heads to implement these policies.	2/10/83	Oval Office
4. Meeting with small business representatives on the occasion of submitting the Administration's bill to raise the small purchase ceiling to \$25,000; and issuance of a Presidential message to Congress.	2/10/83	Roosevelt Room
5. Brief drop-by appearance at the scheduled meeting of the Executive Committee on Federal Procurement Reforms (10 senior agency procurement officials) to emphasize Administration concern for procurement reform.	2/17/83	Roosevelt Room
Issuance of Presidential message to Congress expressing Administration support for Senator Cohen's "competition in contracting" bill, as a significant element of the procurement reform program.	3/30/83	Oval Office
7. Attendance and delivery of brief remarks at scheduled Industry Association Meeting to underline Administration commitment to procurement reform to officials of 35 major industry associations.	4/19/83	Room 450, ECB
8. Brief drop-by meeting with delegation of industry (interested in government contracting) on occasion of final issuance of new "contracting out" policies (OMB Circular A-76), requesting their support; followed by a Presidential memorandum to agency heads re implementation.	5/15/83	Roosevelt Room
9. Issuance of Presidential memorandum to agency heads of departments and agencies on the occasion of the issuance of the Federal Acquisition Regulation, re implementing FAR and limiting additional regulations.	7/1/83	Oval Office
10. Major Presidential address to the West Coast Symposium of the National Contract Management Association on the Administration's procurement reform initiatives.	7/18/83	Los Angeles, CA

NOTE: All dates are flexible.

CIVIL SERVICE RETIREMENT

See Tab 21, Social Security, under CCHR initiatives.

The President's Commission on Social Security Reform has recommended that Federal employees be covered by the Social Security system - a proposal that will require special legislation.

PROPERTY ASSET MANAGEMENT

Initiative

The President will implement permanent improvements in the mechanisms for disposal of Federal property and develop more efficient methods for management of all property assets of the Federal government. Legislation will be introduced to ensure that sales of Federal lands are accomplished in a cost-effective manner, and that proceeds serve to offset the national debt.

Theme

The Federal government owns approximately 744 million acres of land. These properties are managed by numerous individual departments, and there has been only limited government-wide oversight. There are virtually no incentives for these agencies to identify or to release property that is unneeded. These agencies bear little or no cost for holding on to land and other real property, and they gain little or no tangible benefit from its sale. Under many Federal statutes, it is not required that the Federal government receive fair market value when it disposes of property. As a result, Federal lands, a valuable capital asset, are frequently not being put to their most productive use.

The President's program will bring a management focus to property assets of the Federal government, through policies and legislation that guide Federal program managers.

Plan

The President should announce in the State of the Union Message his intent to improve the management of the real property assets of the Federal government through both legislation and development of policies and guidelines possible under existing authorities. Legislation pertaining to disposal of public lands should be submitted in February or March, followed closely by a directive to agency heads to work with the Federal Property Review Board in improving management and acquisition of all real property.

Elements

1. State of the Union Message -- A statement citing support for improved management of property assets through both legislation and executive directives will need to be prepared.

ACTION: Ed Harper

DEADLINE: Jan. 21, 1983

2. Draft Legislation and Message -- A legislative proposal and message will be needed pertaining to sales of selected lands, and for earmarking funds for retirement of the Federal debt.

ACTION: Ed Harper
Ken Duberstein

DEADLINE: Feb. 10, 1982

3. Develop Communication to Agencies -- One or more directives will be needed for communication to agency heads, directing their interaction with the Property Review Board in sharpening specific activities associated with management and acquisition of real property assets. Specifics can be developed by Property Review Board staff.

ACTION: Ed Harper
PRB Staff

DEADLINE: Feb. 10, 1983

4. Develop Talking Points for Speakers -- A standard set of talking points should be developed for Administration officials selected to speak to groups interested in Federal property and assets management.

ACTION: Ed Harper
Speechwriters

DEADLINE: Feb 10, 1983

PROPERTY ASSET MANAGEMENT

<u>EVENT</u>	<u>TIME</u>	<u>PLACE</u>
1. Transmittal to Congress of "National Debt Retirement Act of 1983" to earmark proceeds from property sales to help retire the national debt.	Feb.	White House
2. Transmittal to Congress of legislation to allow free transfer of surplus Federal property to State and local governments for use as correctional facilities; bill would fulfill a Presidential commitment in response to the report of the Attorney General's Task Force on Violent Crime.	Feb.	White House or location of speech on crime
3. Transmittal to Congress of legislation that will allow Forest Service to sell carefully selected lands that are inefficient for the Federal government to manage; bill is example of transferring unneeded Federal assets to private hands where they can be put to more productive use.	Feb.	White House or Pacific Northwest
4. Free transfer to local community of surplus Federal property needed for historic railroad museum and operating steam railroad.	May	Dade County, FL
Transfer to local tax-supported agency of surplus Almaden Air Force Station located on top of scenic coastal mountain range; example of community assuming financial responsibility for providing recreational area of local interest.	June	San Jose/San Francisco Area
6. Transfer deed of property at former Richards-Gebaur Air Force Base; will have major economic impact and allow Kansas City to develop major new local service airport.	June	Kansas City, MO
7. Acceptance of payment and deed transfer to the former Assay Office in Wall Street area of Manhattan; multi-million dollar example of property initiative benefits to local tax rolls and economy and to U.S. Treasury.	July	New York, NY
8. Sale to local community of Pt. Sur Lighthouse property for a park; example of non-Federal agency providing for recreational needs by acquiring scenic and environmentally sensitive property on the Pacific.	Aug.	Big Sur or other California location.
9. Free transfer of surplus Federal property for correctional facility and wildlife refuge to State. (Depends on enactment of Administration's correctional facilities legislation - item #2 above.)	Sep.	Seattle, WA
10. Acceptance of payment for sale of Federal office building at Laguna Niguel, California; building has been largely vacant for years and can be a valuable asset to the Orange County community.	Sep.	Orange County, CA or vicinity

NOTE: All dates are flexible.