

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: Cicconi, James W.: Files

Archivist: dlb/bcb

File Folder: JW Cicconi Memos, Jan - Jun 1983 [6 of 11]
Cicconi
OA 10793

Date: 2/18/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	JW Cicconi to James A.Baker, III re Coal Slurry Pipeline, 1p.	3/11/83	P5
2. memo	JW Cicconi to James A.Baker, III re 4th Circuit Court of Appeals, 1p.	3/11/83	P5/P6
3. memo	JW Cicconi to Richard Darman and Craig Fuller re Crime Control Act -- Labor Provisions, 1p.	3/14/83	P5
4. memo	JW Cicconi to James A.Baker, III re Clean Water Act, 1p.	3/15/83	P5 CBS 10/18/00

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

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

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: Cicconi, James W.: Files

Archivist: dlb/bcb

File Folder: JW Cicconi Memos, Jan - Jun 1983 [6 of 11]
Cicconi ~~OA-10793~~ Box 2

Date: 2/18/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	JW Cicconi to James A.Baker, III re Coal Slurry Pipeline, 1p.	3/11/83	P5
2. memo	JW Cicconi to James A.Baker, III re 4th Circuit Court of Appeals, 1p.	3/11/83	P5/P6
3. memo	JW Cicconi to Richard Darman and Craig Fuller re Crime Control Act -- Labor Provisions, 1p.	3/14/83	P5
4. memo	JW Cicconi to James A.Baker, III re Clean Water Act, 1p.	3/15/83	P5

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

C. Closed in accordance with restrictions contained in donor's deed of gift.

Freedom of Information Act - [5 U.S.C. 552(b)]

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

THE WHITE HOUSE

WASHINGTON

March 11, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Coal Slurry Pipeline

As you know, the new Congress is again considering legislation on coal slurry pipelines. The CCNRE has discussed the subject in light of recent developments, and agreed on the following points:

1. There should be no restrictions barring railroads and other companies owning coal from also owning coal slurry pipelines.
2. New rate and service regulations should not be imposed on coal slurry pipelines.
3. States should be allowed to restrict or ban the use of their waters in such pipelines.

There was less agreement on an eminent domain provision, which the President decided to oppose last year. A majority of CCNRE favored a limited eminent domain provision, but it was argued that this would not be enough to allow the pipelines to proceed.

The key question which must be answered is: are coal slurry pipelines important to the national interest? If so, then we must face the fact that, without a strong eminent domain provision, such pipelines will probably not get off the ground. If, however, we continue to oppose eminent domain, it should be based on a decision that coal slurry pipelines are not sufficiently important to the national interest to warrant such a right.

As I understand it, a decision memo will be drafted that recommends a limited right of eminent domain, but which also presents the other options. I would hope that the threshold question of the pipelines' importance to the national interest is included as a basis for decision.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON



March 11, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *Jim Cicconi*
SUBJECT: 4th Circuit Court of Appeals

At yesterday's Judicial Meeting, it was decided to go ahead with the nomination of Ken Starr for the 4th Circuit. Senator John Warner has repeatedly said he is opposed to the naming of Starr. However, since he has not said he would "blue slip" the nomination, Justice feels strongly that we should go ahead with it.

Senators Tribble and East have also indicated problems with Starr (though Ken Cribb now says that East will stay neutral). Thurmond has said he would, of course, honor a "blue slip" from Warner. When I asked whether Justice would agree to back off and avoid a fight if Warner did "blue slip" Starr, Schmults said they would.

It was agreed that Warner should probably hear the news directly from the President. This would allow him to tell Starr's opponents that he had not pushed it all the way because of a personal request from the President.

THE WHITE HOUSE
WASHINGTON

March 14, 1983

MEMORANDUM FOR RICHARD G. DARMAN
CRAIG L. FULLER

FROM: Jim Cicconi

SUBJECT: Crime Control Act--Labor Provisions

Attached is a copy of the President's talking points regarding the Hobbs Act, prepared for a meeting with the AFL-CIO Executive Council on December 2, 1981.

My notes from the meeting indicate that the President followed the guidance after the subject was raised by Lane Kirkland. The President also added a remark to the effect that "we have no evidence of criminal acts that cannot be handled at the state and local level." These comments were taken by labor as a commitment that we would not support changes in the Hobbs Act--a commitment reflected in subsequent testimony by DOJ which was praised by the AFL-CIO.

The current version of the Crime Control Act is at odds with the above commitment in that it seeks changes on a subject where labor was reassured we would not seek changes. Given the commitment, and the fact it was given personally by the President, even a compromise on the bill's language would probably be viewed as renegeing.

Reopening this issue could have severe repercussions with organized labor and could also damage the bill's chances of passage. Therefore, I would hope any discussion in CCLP tomorrow would raise these points so that the issue can be considered in the proper context.

cc: James A. Baker, III ✓
Fred Fielding
Dave Gergen

JAB
The "back channel" w/ Ken Starr worked. He just called me back and said Justice has agreed to drop reference to Hobbs Act from the bill.

jc
6:30 pm

THE WHITE HOUSE

WASHINGTON

November 30, 1981

MEETING WITH AFL-CIO EXECUTIVE COUNCIL

DATE: December 2, 1981

LOCATION: Cabinet Room

TIME: 11:00 a.m.

FROM: Elizabeth H. Dole 

I. PURPOSE

To emphasize your willingness to listen to and work with the labor community and to demonstrate your interest in the concerns of working people. This meeting will also serve to counter the claim of the AFL-CIO leadership that you are ignoring their interests and concerns.

II. BACKGROUND

The AFL-CIO has been quite critical of your Administration since February. In particular they are critical of your economic policy, claiming that "it hurts the poor and helps the rich". While the AFL-CIO can be expected to disagree with Administration policies, there is strong evidence that the leadership of the AFL-CIO is conducting a very partisan campaign to make it appear that you are ignoring the interests of workers and have not consulted with organized labor.

While there is a healthy low-key dialogue between Administration policy makers and many individual unions in the AFL-CIO (maritime unions, building & construction unions, airline unions), very little dialogue has taken place with the AFL-CIO leadership. This has led to media characterizations of the Administration ignoring organized labor.

This meeting is designed to show visible evidence of your interest in consulting with the labor community and to attempt to establish a continuing dialogue with them. It has been billed as a "listening" session.

Among the topics that may arise during the meeting are: the need to show some compassion for the 11,000 former air traffic controllers, the Administration position on the proposed amendment of the Hobbs Act, the economic and tax policies of the Administration, the impact of budget cuts on social programs, the quality of NLRB nominees, the rising unemployment rate, Administration trade policies, and the need to establish a business, labor and government Commission to reindustrialize the nation.

QUESTIONS & ANSWERS

Response to HOBBS ACT question

I would not support new legislation directed toward incidental minor violence occurring during otherwise lawful labor union activity -- believing that such conduct is more appropriately handled by state and local law enforcement authorities.

Response to PATCO question

Right now, I'm handicapped in talking about it because Drew Lewis is away. When Drew comes back, I'm going to talk to him about the situation.

Our first responsibility is to those who stayed in there and worked long hours to keep the planes flying.

There may be some things that could be done. I have considered a waiver on the federal employment law that prohibits for 3 years those employees from returning as federal workers. There is a possibility that we could waive that and make them eligible for federal employment as new employees.

Response to VAN DE WATER confirmation

John is a personal friend of mine, a man of high integrity and one who will serve his country with honor. I do want you to know that, where applicable, we plan to consult labor in our personnel appointment process.

Response to NICKLES ACT question

I continue to support my campaign pledge not to seek repeal of the Davis-Bacon Act. I believe the regulatory approach we are taking is the right one.

THE WHITE HOUSE
WASHINGTON



March 14, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi
SUBJECT: FmHA Loan Bailout Legislation

As I understand it, legislation is moving in both the House and Senate that would bail out farmers having difficulty paying off FmHA loans. This would be done through a combination of new lending authority, deferrals of loan payments, and a moratorium on foreclosures. Needless to say, this could be quite costly.

Ed Harper intends to raise this subject in today's briefing lunch.

Since we will probably have no choice but to oppose the deferral/moratorium legislation, we will need to minimize adverse impact in farm areas by relating the positive things we have been doing to help FmHA borrowers.

In his State of the Union speech, the President said that he has asked FmHA to work with its borrowers to help them through this difficult economic period. We have a fairly good record on that commitment, and might consider publicizing the facts before legislation gains further public attention. Some sort of event might also be considered.

cc: Dave Gergen
Faith Whittlesey

THE WHITE HOUSE

WASHINGTON

March 14, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Timing of EPA Administrator Announcement

One additional factor should be considered when we decide on the timing of our announcement of a new EPA Administrator:

On March 18, Walter Mondale will address the National Wildlife Federation. The Federation is one of the more moderate conservation groups and also one of the largest (4 1/2 million members). By one account, 66% of its members favored Ronald Reagan in 1980.

If, at that time, we have decided on a nominee with good environmental credentials, we may want to time an announcement for the day of the meeting. If we are still undecided on a nominee, we might consider floating a few names that the Federation would recognize and view positively.

Mondale will naturally try to capitalize on the EPA situation in his speech. Any positive signals we can send by Friday will hamper his efforts.

cc: Craig Fuller
Helene von Damm
Faith Whittlesey
Dave Gergen

THE WHITE HOUSE

WASHINGTON

March 14, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Medicare Prospective Payment Plan

I discussed the Medicare provisions in the Senate version of the Social Security bill with Bob Carleson (OPD) and Ken Clarkson (OMB). They said that there are two provisions designed to address the needs of hospitals like Methodist and the Baylor College of Medicine, both of which are in the Senate bill:

1. There is a special adjustment provision for teaching hospitals; and
2. There is a provision allowing for pass-through of capital costs (which clearly covers the CAT-scanner example we heard used).

In addition to the above, the Administration maintains that the Secretary of HHS has the authority to make adjustments based on the volume of patients treated by a particular hospital-- which covers the large number of referrals cited by Methodist and Baylor. HHS has a legal opinion that backs up this authority; OMB is now reviewing that opinion and is expected to agree with it.

THE WHITE HOUSE

WASHINGTON

March 15, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Clean Water Act

The authorization for the Clean Water Act expired last year, though funds have been voted to continue it. EPA has proposed that the Administration forward a bill based on elements discussed and approved last year by CCNRE. The Cabinet Council agrees with this, though there are two questions outstanding which may soon be forwarded to the President.

The first question involves whether to give EPA the power to waive, on a case-by-case basis, the requirement that the best available pollution control technology that is economically feasible (BAT) be used. There is sentiment on the CCNRE for such a waiver power, but EPA argues that their current BAT guidelines make a waiver power unnecessary. A majority of the Council seems to support EPA on this and will probably recommend against a waiver. Such a waiver would, of course, be controversial; it would also have little chance of passage since senior Republicans in Congress would oppose it.

The other outstanding issue involves the "dredge and fill" provision of the Act (Section 404), which the Corps of Engineers has long sought to change. Most agree that Section 404 imposes regulatory burdens which are too heavy. However, change would be very controversial and would be viewed as an attempt to weaken wetlands protection. EPA argues that much of the burden could be eased by administrative action revising certain 404 guidelines; though the Corps is working with EPA on such revisions, it feels that legislation will still be necessary and has sent a bill to OMB for clearance. Here again, a majority of CCNRE seems to back EPA's position.

I might add that, if we propose changes in Section 404, it could damage the credibility of Watt's proposed "Protect Our Wetlands Bill" (which would otherwise be viewed as a positive environmental proposal).

cc: Richard G. Darman

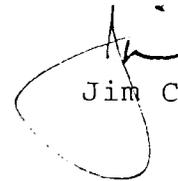
THE WHITE HOUSE
WASHINGTON

March 16, 1983

NOTE FOR JOANNA BISTANY

RE: Press Log

After being cleared, I talked with Jim Gerstenzang. His only question was whether I was aware of any contacts between the President and John Hernandez. I told him that Craig Fuller was the person to talk with, and that I did not know the answer to his question.



Jim Cicconi



THE WHITE HOUSE

WASHINGTON

March 16, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Helen Marie Taylor

As you know, Helen Marie Taylor has been nominated for a position on the board of the Corporation for Public Broadcasting. Her nomination has been stuck in Senator Goldwater's subcommittee, with the Senator having indicated that he would not approve it.

After you indicated that Jerry Falwell had told the President that he thought Goldwater's position had softened, I called Nancy Kennedy. She in turn double-checked with Goldwater, who told her that his position has not changed in any way.

Mrs. Taylor had been told by Personnel that her nomination would be dropped within a week if Goldwater has not changed his mind. Thus, it looks like we may soon have to bite the bullet and withdraw her nomination.

THE WHITE HOUSE
WASHINGTON

March 17, 1983

TO: Maxine Walker
FROM: Aileen Anderson

Jim Cicconi did talk to Loye Miller on March 11 re a Post article about a conflict between Secretary Donovan and New Jersey Governor Keane over who the nominee would be for a New Jersey federal judgeship.

Jim told him the matter was still at Justice and had not yet reached the WH. Also, Jim was unaware of any memo Donovan had sent to von Damm on the subject, and suggested Miller contact her. When asked, Jim assured Miller that the views of both men would be given every consideration.

THE WHITE HOUSE
WASHINGTON

March 17, 1983

TO: JAB III

RE: Forest Service Lands

The Forest Service has confirmed that a piece of land which abuts the President's ranch is among those that they are studying for possible sale.

This fact came out at the Forest Service briefing in San Francisco the other day. A story has since run in the Chronicle mentioning the point, but which does not imply any impropriety.

Meanwhile, the Forest Service says they have been besieged by calls from people who want to buy the land and, presumably, become the President's neighbors.


Jim Cicconi

cc: Mike Deaver

THE WHITE HOUSE
WASHINGTON

March 18, 1983

TO: NANCY RISQUE

Thought you should see the attached. Frankly, I think it's a good idea. There is no rush, though, because the last day for action on the bill is March 29.

What do you think?


Jim Cicconi

THE WHITE HOUSE

WASHINGTON

MARCH 17, 1983

MEMORANDUM FOR BECKY NORTON DUNLOP

FROM: MARTIN L. SMITH *MS*

SUBJECT: Presidential Bill Signing Ceremony for the
National Trails System Act Amendment of 1983

The Administration endorsed National Trails System Act is ready for signing. The bill established three new national scenic trails and authorizes six trail routes for study. Note: (The National Trails Act was the first piece of legislation approved by the Senate this year.)

A bill signing ceremony on the Appalachian Trail near Camp David could be scheduled for either Friday, March 18th or Saturday, March 19th. Suggested sites are the Devils Racecourse Shelter or the Hemlock Hill Shelter, reason being that should it rain, the shelter can be utilized. By having the ceremony on the Appalachian Trail, the President would show his support for conservation, recreation, and the environment. The Appalachian Trail stretches from Maine to Georgia and is maintained by volunteers and supported by private funds.

Possible participants: The bill was introduced by Senator Malcolm Wallop, and Senator James McClure. Guest could include the Superintendent of the Appalachian Trail, the Executive Director of the Potomac Trails Club, volunteers who maintain the trail, and a select groups of conservation leaders.

THE WHITE HOUSE

WASHINGTON

March 18, 1983

MEMORANDUM FOR DENNIS PATRICK

FROM: Jim Cicconi 
SUBJECT: Kenneth Courtenay McAlpin

Attached is the resume of K. C. McAlpin, who is interested in the position of Director of Congressional and Public Affairs recently made vacant in the INS.

K. C. has been involved in Republican politics in Texas, and worked on the Reagan-Bush campaign in Dallas. I have gotten to know him here in Washington through his work with FAIR--an immigration reform group that has been very supportive of the President's proposals on the subject.

I would appreciate any consideration you might give him with regard to the position at INS.

Thank you.

THE WHITE HOUSE
WASHINGTON

March 18, 1983

Dear K. C.:

Thank you for your letter of March 14, and for letting me know of your interest in the position of Director of Congressional and Public Affairs in the Immigration and Naturalization Service. I have forwarded your resume to the White House Personnel Office, and am certain you will receive every consideration.

I hope all is well with you, and wish you the best of luck.

Sincerely,



James W. Cicconi
Special Assistant to the
President

Mr. K. C. McAlpin
10004 Kendale Road
Potomac, Maryland 20854

Mr. Jim Cicconi
Special Assistant to the President
The White House
1600 Pennsylvania Ave.
Washington, D.C. 20500

March 14, 1983

Dear Jim:

I'm writing to let you know of my deep interest in the position of Director of Congressional and Public Affairs recently made vacant in the Immigration and Naturalization Service by the promotion of Phil Brady.

I have enclosed a copy of my resume, but since it does not recount my involvement in Republican Party politics over the years I have attempted to summarize it here.

My first job after graduating from the University of Texas in 1969 was as a field representative for the Republican Party of Texas. Jim Baker was at that time Treasurer of the State Party. The job lasted through the 1970 elections and, after an interruption for military service, I continued my political career by working on Senator Tower's re-election campaign staff in the 1972 election.

From 1974 until 1980 I was almost continuously out of the country, working and traveling overseas in jobs with Exxon and Diamond Shamrock Corporation. During that time my political involvement was limited to voting absentee in national elections.

In January, 1980, after settling in Dallas in a new job with Diamond Shamrock, I became active again starting as a telephone bank volunteer and contributor in the Reagan for President Campaign.

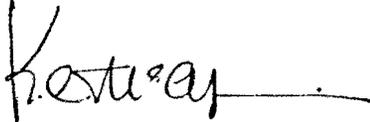
That brought me to the attention of Martha Weisand, Chairman of the Dallas County Reagan Campaign, and after the National Convention I was appointed Special Events Chairman of the combined Reagan-Bush Campaign in Dallas County. It was my responsibility to find and coordinate the vehicles, drivers, and volunteers necessary for transporting the press, campaign staff, and local dignitaries during campaign visits to Dallas. In 1982 I was elected Republican Party precinct chairman in my precinct.

That summarizes my activity over the years. I am politically conservative and philosophically very attuned to the President and this Administration. At the same time, due to my experience overseas, I have long had a deep interest in our country's immigration policies and I fully support the Administration's efforts to solve our difficult problems in that regard.

March 14, 1983

For those reasons I would welcome the chance to serve the Administration in the Immigration and Naturalization Service position described. Whatever assistance you could give me in seeing that I have the chance to be considered for this position would be deeply appreciated.

Sincerely,

A handwritten signature in cursive script, appearing to read "K. C. McAlpin", followed by a horizontal line extending to the right.

K.C. McAlpin

Kenneth Courtenay McAlpin

basic data

address 10004 Kendale Rd., Potomac, Maryland 20854: tel. a/c 301 365-5290

statistics Born February 15, 1946: 6 ft. 1 in., 165 lbs., health - excellent
marital status - single

languages Fluent Spanish and Portuguese, conversational fluency in French,
working knowledge of German

summary of Thorough background in corporate acquisition/development planning
experience and analysis with emphasis on energy and natural resource companies.
Experienced in using computer-based models including time sharing
and minicomputer programs. Other job experience with international
audit and management control systems. Have worked with investment
bankers, consultants, and managed other professionals in fulfilling
job responsibilities and goals.

employment

6/82 - Congressional Lobbyist (Federation for American Immigration Reform)
Voluntarily left Diamond Shamrock to work as a lobbyist in
Washington D.C. to pass the Simpson-Mazzoli Immigration Reform Act
of 1982.

1/80 - 6/82 Senior Corporate Development Analyst (Diamond Shamrock Corporation)
Responsibilities included analyzing and evaluating outside companies
for potential acquisition and reviewing existing business operations
for possible sale. Advised and consulted with senior management on
related decisions. Major completed project on which employed was the
acquisition of Signor Corporation.

5/77 - 12/79 Manager-International Auditing (Diamond Shamrock Corporation)
Managed staff responsible for conducting operating and financial
reviews of the Corporation's foreign business operations and
reporting findings and recommendations to U.S. management. Required
60% travel to overseas locations, primarily in Europe and South
America.

11/76 - 4/77 Senior Corporate Auditor (Schering-Plough Corporation) Supervised a
group of auditors involved in the audit of a \$50 million pharma-
ceutical plant under construction near Rio de Janeiro, Brazil.

1/74 - 9/76 International Auditor (Esso Inter-America Inc.-Exxon) Performed
operational and financial audits of foreign petroleum and chemical
subsidiaries in South America, Central America, and the Caribbean.

9/71 - 12/72 Campaign Staff Coordinator (U.S. Senator John G. Tower) Coordinated
campaign activities in Bexar County i.e. San Antonio, Texas for the
1972 re-election campaign.

education

graduate American Graduate School of International Management Graduated with
distinction, 5th in class of 202, with a Masters of International
Management degree in December, 1973.

undergrad University of Texas at Austin Graduated with a Bachelors of Business
Administration degree with major in international business in August,
1969.

THE WHITE HOUSE

WASHINGTON



March 18, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *AK*

SUBJECT: DISC Alternative

For your information:

By early May, USTR should be ready to forward to Congress a proposed DISC alternative. Among the hang-ups has been the need for some sort of exception to allow small businesses to make greater use of the alternative, while still complying with GATT rules. At this point, it looks like this problem may be met through inclusion of some special options to assist small businesses.

There are other issues outstanding which will need to be worked out, but Brock has gone ahead and reported to GATT the general outline of the alternative to DISC. In the meantime, consultations have been going on with both Congress and the private sector. When these are complete, and other issues have been settled, CCCT will consider a final proposal.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

March 21, 1983

MEMORANDUM FOR T. KENNETH CRIBB

FROM: JIM CICCONI 
SUBJECT: Peace Corps

Per our recent discussion, I would offer the following suggestion regarding the Peace Corps:

The NSC could be asked to draft a confidential policy paper outlining the Administration's goals and objectives for the Peace Corps. This would highlight the role we expect the agency to play in the conduct of US assistance programs, and in our foreign policy generally.

Such a paper would give us a yardstick by which performance at the agency can be measured. It could also yield a more vigorous agency, as in the case of USIA. An added benefit would be that internal disputes, some of them philosophical, about the agency's true role in US foreign policy might be laid to rest.

Of course, I would not suggest that this be done without the full concurrence of NSC. There may, in fact, already be such a paper in existence which represents Administration thinking; if so, then the present situation might be analyzed in light of that paper.

f

THE WHITE HOUSE
WASHINGTON

March 21, 1983

TO: JAB III

RE: Helen Marie Taylor

An addendum to the attached memo:

Mrs. Taylor says that former Senator Harry Byrd is willing to talk with Goldwater about her nomination.

After talking with Personnel and with Legislative Affairs, I suggested we give her a chance to see if Byrd could persuade Sen. Goldwater. If it does not work, at least she will know that we gave it our best. We can then withdraw her name (since it would stand no chance for CPB), and concentrate on finding her another appointment that does not have to go through Goldwater's subcommittee.

Jim Cicconi

THE WHITE HOUSE

WASHINGTON



March 16, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Helen Marie Taylor

As you know, Helen Marie Taylor has been nominated for a position on the board of the Corporation for Public Broadcasting. Her nomination has been stuck in Senator Goldwater's subcommittee, with the Senator having indicated that he would not approve it.

After you indicated that Jerry Falwell had told the President that he thought Goldwater's position had softened, I called Nancy Kennedy. She in turn double-checked with Goldwater, who told her that his position has not changed in any way.

Mrs. Taylor had been told by Personnel that her nomination would be dropped within a week if Goldwater has not changed his mind. Thus, it looks like we may soon have to bite the bullet and withdraw her nomination.

f

THE WHITE HOUSE

WASHINGTON

March 21, 1983

✓

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Infanticide Regulations

As you know, we are scheduled to begin implementing the new anti-infanticide regulations tomorrow. Among other things, we are requiring that notices be posted in hospitals asking that violations be reported.

Boyden Gray called this morning to mention that the Association for Retarded Citizens is reportedly calling a press conference today at which they will praise the Administration's action. If we can verify what they are going to say, we might want to consider some action to elevate the level of attention. To this point, the regs have been viewed as a "right to life" action; we have an interest in also portraying them as being pro-handicapped rights.

I spoke with Mike Baroody about this, and he is going to assess the press attention given to the Retarded Citizens' press conference. We will then decide if we need to do something further.

Jim: Good. Stay alert to these kinds of events.
JAB

THE WHITE HOUSE

WASHINGTON

March 22, 1983

MEMORANDUM FOR JOHN POINDEXTER

FROM: Jim Cicconi *JC*

SUBJECT: South Korean Rice

For your information:

Since our last conversation, I have talked with Jim Montgomery on State Department's legislative staff. He confirmed that both Paul Wolfowitz of State and Dick Lyng of USDA have decided not to attend the congressional meeting called to discuss the South Korean rice deal. Thus, there will be no Administration representatives at the meeting.

As you know, Secretary Shultz testifies tomorrow on the State Department budget, and Bill Alexander (D-Ark.), who is on the subcommittee, reportedly plans to question him on the rice deal. As I understand it, the Secretary's response will be consistent with our current position: i.e., that the question hinges on whether 1981/1982 rice complies with the contract, and only the experts at USDA are qualified to determine that. (USDA considers its earlier testimony on the subject as answering only a general question of co-mingling, and not the more specific question broached here.)

cc: Ken Duberstein

THE WHITE HOUSE

WASHINGTON



March 22, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Section 504 Handicapped Regulations

Yesterday, Brad Reynolds agreed to abandon attempts to change the Section 504 regulations which govern discrimination against the handicapped. The changes he sought were viewed by many as attempts to weaken the regulations.

The decision was revealed via a letter from the VP, and was praised by various handicapped groups. See today's Post article, attached.

Boyden Gray worked hard to convince Brad that the regulations were ill-advised and kept us informed of his progress throughout the discussions. One factor here was the recognition that several pending court cases could result in court-ordered changes similar to those Brad had sought.

FYI, the Education Department's proposed changes in Section 142 regulations, which the handicapped groups also oppose, have still not been withdrawn. These regulations affect discrimination against the handicapped in education only (versus 504's blanket coverage), and drew vigorous opposition from Congress last year when they were first published. Bell reportedly still feels he can come up with modifications in the proposals that will minimize criticism.

cc: Richard Darman

Attempt to Weaken Rights Rules Halted

By Felicity Barringer
Washington Post Staff Writer

The Reagan administration yesterday abandoned a 15-month effort to weaken a set of federal civil rights regulations that forbid state and local governments, universities and a wide variety of other recipients of federal financial aid from discriminating against the disabled.

The decision, revealed jointly by William Bradford Reynolds, assistant attorney general for civil rights, and C. Boyden Gray, counsel to Vice President Bush's Task Force on Regulatory Relief, marked an important victory for advocates who had fought the suggested revisions.

In a letter sent yesterday to Evan Kemp Jr., executive director of the Disability Rights Center Inc., Bush said, "A full evaluation of all the information brought to bear on this subject prompted the conclusion that extensive change of the existing 504 coordination regulations was not required, and that with respect to those few areas where clarification might be desirable, the courts are currently providing useful guidance and can be expected to do so in the future."

In an interview yesterday, Reynolds also said the administration was scrapping a related effort to limit the scope of civil rights rules affecting not only the disabled but blacks, Hispanics and women.

Under an executive order issued in the waning days of the Carter administration the Justice Department was given overall authority to write guidelines bringing order and uniformity to the multiplicity of agency regulations issued under various antidiscrimination laws.

Asked if he was abandoning the effort to change both the rules covering discrimination against the handicapped (known as sub-part B of the Justice Department's coordination guidelines) and the rules defining the scope of other civil rights

laws (sub-part A), Reynolds replied, "Yes, I think that's right."

Asked if the existing broad civil rights rules covering recipients of federal aid would remain the status quo, he responded, "Yes, to the extent that anything remains status quo."

Earlier drafts of the coordination guidelines—never published but widely circulated—narrowed the definition of "federal financial aid recipient," restricted the government's authority to make discrimination complaints against such institutions and gave the federal government authority to delegate enforcement to the states.

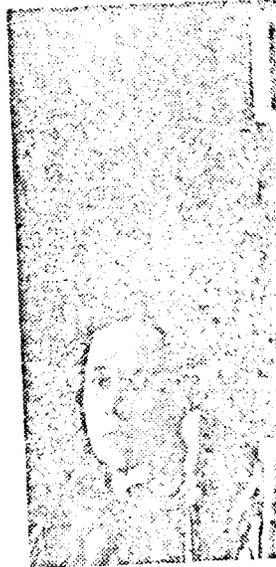
All these suggestions met with strong opposition from such groups as the Leadership Conference on Civil Rights, the National Women's Law Center and the Center for Law and Social Policy.

Yesterday, spokesmen for these groups expressed guarded optimism about the new developments.

"We're thrilled the administration has hearkened to the cries of the [civil rights] advocates," said Barbara M. Milstein of the Center for Law and Social Policy. "But we're still very wary of what they will do in the courts."

Yesterday's decision apparently was made with an eye to pending federal court cases dealing with some of these issues. Some of the cases may produce the same results the administration had sought, while relieving it of direct responsibility for trimming civil rights rules.

In addition, since last summer, when a massive outcry by handicapped rights advocates forced the Department of Education to withdraw proposed changes in controversial department rules on the rights of disabled children, administration officials have been very sensitive to the potential political liability of restricting the current rules on handicapped rights.



Panel members Joanne L.

Right to Upheld

ETHICS, Fre

"justifying continuation of and intrusive care is exceedingly difficult kidney dialysis equipment develops kidney failure

• Resuscitation not be attempted on a patient whose heart stent is likely to suffer he should be so informed the chance to decide resuscitation in advance

• Patients should have rights to give advance about what they want they become incompetent should include the right a "proxy" to carry out wishes.

• Immediate over making should lie with physician. However urged hospitals to review mechanisms "committees" to pro-

oversee decisions on competent patients. A survey found that just the larger hospital committees and only a few hospitals nationwide

• The commission "very strict standards to decisions affecting patients with serious continuation of life

Chicago Mayoral Rivals Clash Fiercely in Debate

THE WHITE HOUSE
WASHINGTON

March 22, 1983

TO: JAB III

RE: Kidney Dialysis Regs

Based on the discussion of this in senior staff this morning, I thought it would be good to add a few points of explanation:

The WH review of the proposed regs was strictly from a policy standpoint. The last meeting that was held was so that Schweiker could brief us on the details and answer questions.

(I asked one question about assurances that no one receiving dialysis would be deprived of it as a side-effect of the regs. Schweiker agreed such safeguards were a good idea, and they were added to the final proposal.)

Up to that point, the regs were discussed only within the Cabinet Council structure.

JC

THE WHITE HOUSE
WASHINGTON

March 23, 1983

MEMORANDUM FOR FRED FIELDING

FROM: Jim Cicconi *we*
SUBJECT: Contacts with EPA Officials

My files reflect personal contact with EPA officials on two occasions within the purview of your request. Memoranda concerning such conversations are attached.

The first memo, dated March 15, 1982, was prepared by me following a meeting with Anne Gorsuch and John Daniel. The meeting was held at their request. The purpose (as I understood it) was to make me aware that, unless Congress passed revisions in the Clean Air Act by December 31, 1982 (the sanction deadline under present law), then the EPA would have to invoke the required sanctions against many states and localities. The Administrator went on to point out that notice of such sanctions would probably have to be issued prior to December, 1982. I should note that, at that time, and indeed through most of 1982, the Administrator seemed to feel that the WH was dragging its heels on Clean Air legislation; this is the context in which the meeting took place. If there are further questions about this meeting, please let me know.

The other EPA contact I am forwarding is described in my note of May 18, 1982. Senator Stafford had called JAB and expressed a concern that EPA was not following proper procedures in revising the CO standard; he specifically complained that the changes were not being reviewed by the Clean Air Science Advisory Committee. I checked with Kathleen Bennett at EPA regarding Stafford's concerns, and was able to assure the Senator that the normal procedures were indeed being followed.

I have had other miscellaneous contacts with EPA, including lunch last year with John Daniel, and a series of phone calls from Gorsuch late last year in which she was urging more of a WH push on Clean Air revisions. I also attended LSG meetings on Clean Air, various CENRE meetings, and the briefing on steel stretchout.

cc: James A. Baker, III

for review



THE WHITE HOUSE
WASHINGTON

May 18, 1982

TO: JAB III

RE: Carbon Monoxide Standard

Sen. Stafford finally called me back on this issue that he'd discussed with you (and which he subsequently held a press conference on).

I had talked with EPA and was able to tell him that the proposed changes will indeed go through the Clean Air Science Advisory Committee (this was one of his concerns). I also told him the Committee had scheduled public meetings on the issue, published notice in the Register, and would be taking comments (this was his other main concern).

Stafford then expressed thanks for your interest, and said his only concern all along was to see that the normal procedures were followed to avoid criticism (he did not mention his very critical press conference where he said he'd called you on the subject).

This issue was never that big compared with other clean air issues, and should die unless Stafford keeps it alive.

cc: Ken Duberstein

JC

f-se memos

THE WHITE HOUSE
WASHINGTON

March 15, 1982

MEMORANDUM FOR THE RECORD

FROM: Jim Cicconi *JC*
SUBJECT: EPA Sanctions Against Non-Attainment Areas

On Friday, March 12, I met with Ann Gorsuch and John Daniel of EPA. This was a follow-up discussion to matters raised by Mrs. Gorsuch at an earlier meeting which she had requested. The particular matter discussed involved the imposition of sanctions prescribed by the Clean Air Act against non-attainment areas. Such sanctions would involve loss of federal funds (including highway funds) and a requirement of mandatory inspection and maintenance programs for automobiles in a number of states and localities.

At the onset of the conversation, I mentioned that I understood the matter to be entirely within the discretion of the agency and did not wish for our conversation to be interpreted as in any way attempting to influence the Administrator's decision as to the imposition of sanctions. The discussion was designed to provide further information as to the intentions of EPA on this matter. I repeated such a statement at the close of the conversation.

The discussion itself lasted 15 minutes. The Administrator stressed her view that imposition of sanctions was unavoidable. I asked about actions taken by the previous Administration (Costle in 1979) which made certain regulatory changes largely, it was felt, to avoid imposing such stringent sanctions; I was told that the timetable set up by law provided much more discretion to the administrator at that time. I also inquired as to whether certain administrative procedures would be set up to, for example, give notice of intent to impose sanctions, provide states with an opportunity to contest the decision, inform appropriate Congressional committees, etc. I was told that such procedures would, indeed, be formulated and I asked to be forwarded a copy on their completion.

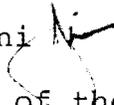
Due to the fact that this discussion involved a regulatory agency, I verbally conveyed the above to Fred Fielding after the meeting.

THE WHITE HOUSE

WASHINGTON

March 23, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Authority of the Department of Education to Investigate Discrimination

For your information:

Brad Reynolds has sent a memo to Secretary Bell outlining DOJ's view of the Education Department's authority to investigate discrimination on the part of federal aid recipients.

The memo basically argues that recent court cases require that investigation and enforcement of anti-discrimination laws be conducted on a program-specific basis. This policy concerns laws that prohibit discrimination on the basis of race (Title VI, Civil Rights Act of 1964), sex (Title IX, Education Amendments of 1972), or handicap (Section 504, Rehabilitation Act of 1973) in "any program or activity receiving Federal financial assistance."

Prior to this, an institution receiving federal education funds for even one program had to comply with the anti-discrimination laws in all its programs. A program-specific interpretation, in contrast, would single out only those programs or activities within an institution that receive federal funds. As an example, if College X received only nuclear research grants, the athletic program could not be investigated for compliance with Title IX. The same is also true in the case of direct student financial aid such as Pell Grants (which was the fact situation in the Richmond case). The one exception to program-specificity is in the area of admissions: if a college receives any Federal financial assistance, it cannot discriminate in admissions since this would affect all programs and activities of the college.

While there will be criticism of DOJ's position, it is supported by the Supreme Court's decision in the North Haven case, which, in 1982, opened the door to the program-specific interpretation; since then, five circuit court decisions have relied on North Haven in requiring program-specificity. Given the need for uniform investigation and enforcement standards, Justice contends that Education's policy must be changed to conform with the weight of recent court opinion.

cc: Richard Darman

THE WHITE HOUSE
WASHINGTON

March 23, 1983

TO: JAB III

RE: Bankruptcy Legislation

For your information:

The omnibus judges portion of the Thurmond-Heflin bill would provide a new judgeship in the 8th Circuit. This could allow us to satisfy Sen. Abdnor by appointing a South Dakotan to the seat.

One other item of interest-- among the 75 new judgeships are two on the 5th Circuit, and three district judges in Texas.

JC

f SC memos

THE WHITE HOUSE
WASHINGTON

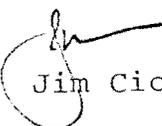
March 25, 1983

TO: FRED FIELDING

Attached are copies of my memos
relating to the South Korean
rice agreement.

The originals are in my files.

Please let me know if I can answer
any questions on these.


Jim Cicconi

THE WHITE HOUSE
WASHINGTON

12 November 1982

TO: JAB III

RE: Rice Deal with South Korea

Bottom line here is that everyone now seems happy. Tony Coelho called me this morning to tell me that and to convey his thanks to you.

FYI, the congressmen concerned with this, especially the Republicans, are all receiving calls from the State Department to brief them on the status of this. The congressmen are being told that State is making it very clear that we expect South Korea to buy its 1981 quota of rice now without further delay. They're also being told that the Korean Ambassador is being called in today to personally receive such a message.

State expects a positive response soon from the Koreans.

S.C.
Good. Thanks. J
JAB

THE WHITE HOUSE

WASHINGTON

February 3, 1983

MEMORANDUM FOR KEN DUBERSTEIN

FROM: Jim Cicconi 
SUBJECT: South Korean Rice

I talked with Congressman Courter yesterday and will be talking with him again today to provide a status report regarding the rice deal with South Korea.

Since JAB is recused on the subject, I talked with Mike Deaver this morning and suggested that we get a commitment from the State Department to raise the issue while Secretary Shultz is in South Korea (he arrives in Seoul on February 6). Mike agreed to talk with State today to see if it could be worked out.

If State agrees, I think such a commitment will satisfy Courter and the other congressmen (at least for a while), and eliminate the need for a meeting.

THE WHITE HOUSE
WASHINGTON

February 7, 1983

MEMORANDUM FOR MICHAEL K. DEAVER

FROM: Jim Cicconi ¹⁰⁰
SUBJECT: South Korean Rice

*Shultz
Call Gene Chappin
and person.*

I spoke with John Poindexter this morning about congressional concerns regarding South Korea's fulfillment of the rice deal it signed with the U.S. After checking with State, he said we can privately assure concerned members of Congress that the issue will be raised during Secretary Shultz's stay in Seoul.

For now, this should make it unnecessary for any WH staff to meet with members of Congress on the issue.

cc: Ken Duberstein

*Koreans responded
to State letter
Fri.
Shant will
they say?*

THE WHITE HOUSE
WASHINGTON

March 22, 1983

MEMORANDUM FOR JOHN POINDEXTER

FROM: Jim Cicconi *JC*
SUBJECT: South Korean Rice

For your information:

Since our last conversation, I have talked with Jim Montgomery on State Department's legislative staff. He confirmed that both Paul Wolfowitz of State and Dick Lyng of USDA have decided not to attend the congressional meeting called to discuss the South Korean rice deal. Thus, there will be no Administration representatives at the meeting.

As you know, Secretary Shultz testifies tomorrow on the State Department budget, and Bill Alexander (D-Ark.), who is on the subcommittee, reportedly plans to question him on the rice deal. As I understand it, the Secretary's response will be consistent with our current position: i.e., that the question hinges on whether 1981/1982 rice complies with the contract, and only the experts at USDA are qualified to determine that. (USDA considers its earlier testimony on the subject as answering only a general question of co-mingling, and not the more specific question broached here.)

cc: Ken Duberstein

JC
minutes

Pres'l Meeting w/ GOP Cong'l Women: 3/24/85 -

Pres = Opening remarks

E.D.: Welcome, etc

Olympia Snowe: overview - ref to letter; Dan's will exploit subj
urge endorsement of Econ Equity Act; wage discrim described
= esp hard on older women, and single female heads of household
- "feminization of poverty" / polls show women care about such issues

Pres: this Admin has done more for women on specific issues than prev Admin's
= but how do we get message out?

E.H.: no ques about need to resp to changing role of women in soc.
= breakup of the family, demographics, econ aspects
= PSI efforts re child care // wage discrim: statistics also show that
men are in labor force twice as long -
= vigorous enforcement of Tit VIII and Equal Pay Act (directed by Pres)
= pension issue = "two opposing concepts here" = Sprint case = we filed
on side of the civ rts ques =

Gynn Martin: pay equity issue = what can we do to respond to the issue?

"small idea": enforce pay equity on govt wkrs - comm'n?

Pres: explored pay issue in Calif = found that scales were skewed vs. blacks
= changed it; minorities moved up in civ. service structure -
= if going on in Fed govt, maybe we need to find out -

Bobbi Fiedler: ERA = respect Pres' posit, but suggest Pres take posit. that

"though I oppose, I won't interfere w/ Cong's will on issue"
= Bdng = prob is people believe Admin policies are intentionally hurting women
= suggest we try to deal w/ "welfare gap" thru earned income cr (taxes)
and medicare/paid

Pres: re ERA - has had 10 yrs; voted on twice in Cong → school prayer, etc has
not been allowed a vote; perhaps designed for fund-raising purposes

Martin: lots of people would be against = further hurts GOP =

THE WHITE HOUSE
WASHINGTON

Mar 24, 1983

JAB,

Please take a quick look at
the attached and let me know
if it follows your recol-
lection of the Conlan meeting.

Thanks.

JC

✓
JC: D.K. -
Follow my
recollection.
Thanks
JAB

THE WHITE HOUSE

WASHINGTON

March 24, 1983

MEMORANDUM FOR THE FILE

FROM: Jim Cicconi *JWC*
SUBJECT: Meeting with John B. Conlan

Yesterday, March 23, 1983, Jim Baker and I met with John B. Conlan to hear various ideas he wished to present. Conlan is a former congressman and has some association with the Reverend Billy Graham and with a group called FaithAmerica Foundation. My notes from the meeting are attached.

On the first point raised by Conlan, a private effort to obtain control of a major television network, Baker was emphatic that he and the WH could not, and would not, have anything to do with such an effort. Further, he said nothing to suggest or imply any encouragement of such an effort.

On the second point raised, Conlan requested private support from Baker (and, implicitly, the WH) in fund-raising efforts of the FaithAmerica Foundation. Such funds were to be used in a type of closed circuit TV/satellite effort to encourage citizens around the nation (especially regular churchgoers) to register to vote. Conlan wanted help in raising \$1M and stressed that the Foundation was tax exempt under section 501(c)(3). Baker said that there might be legal problems with such assistance, and would have to check with the Counsel's Office. (Afterwards, Baker told me it was unnecessary to check with Fielding and, instead, to simply tell Conlan we could not assist his efforts.)

Documents given to me by Conlan are also attached.

Meeting: 3/23/83

John Conlan = formerly w/ Billy Graham - JAB, JC, Conlan

Need to control AIR, LAND

1. Need to control at least one network (TV)

= gradual, thru bd of dir's

= one network will shift: now 3 lets / need 1 in time w/ public

= need \$300-500M / surprise takeover

= NBC out: w/ RCT // ABC or CBS possible

[does not want idea stolen / wants to stay involved

JAB: "we can't do = govt can't get involved"

Conlan: "govt would not be involved = but could priv. help"

JAB: "still can't do; can't in any way encourage, help coalesce"

Conlan: "then it probably can't be done"

JAB: "maybe not, but govt can't get involved" = very bad
"can't call, encourage or be connected w/ such efforts
in any way"

2. Satellite / Registr efforts = aim: 6M new voters; similar to

Biznet system - \$2M cost for conf - to do -

= Conlan has ID'd \$1M = Faith America Found.

= Graham, etc can't fund but will publicize

= some charitable individ need to give balance of \$1M

= "need coaching"

JAB: need to chk w/ counsel = may not be able to
help a 501(c)(3) =

JOHN B. CONLAN
Attorney At Law

Suite 211
4120 North 70th St.
Scottsdale, AZ 85251

(602) 994-9553

Internal Revenue Service
District Director

Department of the Treasury

Date: DEC 11 1981

Employer Identification Number:

Accounting Period Ending:

July 31

Foundation Status Classification:

*509(a)(1) & 170(b)(1)(A)(i)
Advance Ruling Period Ends:

July 31, 1983

Person to Contact:

R. Hutchins

Contact Telephone Number:

301-962-4773

FaithAmerica Foundation
1747 Pennsylvania Avenue
N.W., Suite 1000
Washington, DC 20006

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in section 509(a)(1) & 170(b)(1)(A)(vi)

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(1) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

LAW OFFICES

WEBSTER, CHAMBERLAIN & BEAN

1747 PENNSYLVANIA AVENUE, N. W.

WASHINGTON, D. C. 20006

(202) 785-9500

GEORGE D. WEBSTER
CHARLES E. CHAMBERLAIN
J. COLEMAN BEAN
ARTHUR L. HEROLD
ALAN P. DYE
RICHARD L. HAIGHT*
RICHARD H. MANSFIELD III
C. MICHAEL DEESE
PAUL H. NETTESHEIM
RICHARD G. FEHRENBACHER
STEVEN D. SIMPSON
JOHN W. HAZARD, JR.*
JAMES C. REED

December 31, 1981

* NOT ADMITTED IN D. C.

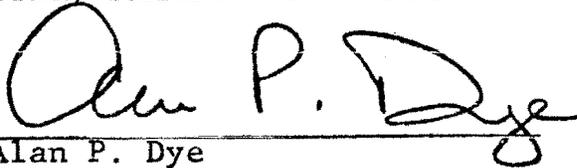
FaithAmerica Foundation
4120 North 70th Street, Suite 212
Scottsdale, Arizona 85251

Dear Sirs:

You have asked for our advice whether it is proper for an organization such as the FaithAmerica Foundation to financially assist in the production and dissemination of information concerning registration procedures in the various states of the United States. The FaithAmerica Foundation is a corporation exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1954. As such, it may not participate directly or indirectly in any campaign for public office. However, the Internal Revenue Service has held that an organization exempt from tax under Section 501(c)(3) may engage in non-partisan "voter education" activities. Rev. Rul. 78-248, 1978-1 C.B. 154. Non-partisan dissemination of voter registration information and actual registration of voters is a permissible activity for such an organization so long as the circumstances of such activity do not indicate that it is intended to influence any specific election or to register voters of only one political party.

Very truly yours,

WEBSTER, CHAMBERLAIN & BEAN

By 
Alan P. Dye

APD:tsm

f

THE WHITE HOUSE

L

WASHINGTON

March 25, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *JC*
SUBJECT: Personnel Reforms

Yesterday, the Cabinet considered proposals for reforms in the federal personnel system. The President agreed to the following changes:

1. The RIF system will be reformed by requiring that performance be considered before seniority when deciding who to RIF.
2. Decisions on pay raises will be based on performance evaluations; in-grade raises will no longer be virtually automatic.
3. Overtime pay procedures will be more closely linked to practices in the private sector.
4. Guidance will be issued by OPM specifying management's prerogatives vis a vis public employee unions; this is designed to prevent increasing union demands for consultation and involvement, which hinder the ability to manage effectively.

Though State and Treasury expressed reservations about whether the present performance evaluation system is up to the new demands these changes would impose, the majority of the Cabinet agreed that the reforms were necessary.

After the meeting, I spoke with Mike Baroody (who had not attended) and suggested he call the public affairs people at OPM to make sure that, when the changes are announced, we highlight the fact that they will be very helpful to minorities and women (two groups disproportionately hurt by the current "last hired, first fired" seniority system).

To make the changes, OPM will have to issue guidance, which they expect the Federal Labor Relations Authority to follow by issuing new regulations (OPM does not have authority to issue such regulations).

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

March 28, 1983

MEMORANDUM FOR JOAN DECAIN

FROM: Aileen Anderson *aa*

SUBJECT: Birthday Card

Jim Cicconi would like to have a birthday card sent to his grandmother who celebrated her 92nd birthday this past March 13. Her address is:

Mrs. William H. Strong
225 Elmwood Avenue
Elmira Heights, New York 14903

Thank you for your help.

THE WHITE HOUSE

WASHINGTON

March 28, 1983

MEMORANDUM FOR SENIOR STAFF

FROM: Jim Cicconi 
SUBJECT: Senior Staff Meetings

There will be no senior staff meeting Thursday, March 31,
or Friday, April 1, due to the California trip.

Thank you.

THE WHITE HOUSE

WASHINGTON

March 28, 1983

MEMORANDUM FOR DICK HAUSER

FROM: Jim Cicconi 
SUBJECT: Citizenship Request of Kevin Curren

Attached is a letter from Anne Crichton to Mr. Baker, sent to my attention, regarding U.S. citizenship for Kevin Curren. Mr. Curren is a professional tennis player from South Africa who has been living in Texas since 1976.

I would appreciate guidance from your office regarding what inquiries, if any, can properly be made about the status of Curren's citizenship request.

Thanks.

AA
See me
re this
J.

THE WHITE HOUSE
WASHINGTON

Ann Creighton (Dallas)
(h) 214-361-0858

Warren Jakes

coach of WTT = Dallas

- Kevin Curran from SAFI.
- wants to speed up getting US citizenship
- went to U.T. / been in Texas 8 yrs -
- has made applic
- doubled team w/ American ~~to~~ many countries won't let him play due to SAFI citizenship -
- Ann C. sending further info -

MARGARET D. TUTWILER
Office of James A. Baker III
456-6797

anne crichton

Thursday, Feb. 3

Dear Jim:

Thank you for delivering this letter to Mr. Baker. I really appreciate your consideration of the matter and any help will be greatly appreciated! Jim, I hope you job and your family are both doing well. If I can return the favor - let me know.

All the best,

Anne

February 3, 1983

Mr. Jim Baker
Chief of Staff
The White House
First Floor, West Wing
Washington, D.C. 20500

Dear Mr. Baker:

I am writing to seek your support in helping Mr. Kevin Curren, an outstanding young South African tennis professional, obtain his U.S. citizenship and passport.

Curren has been a Texas resident since 1976, when he came to The University of Texas at Austin and fulfilled a four-year tennis scholarship. During his senior year at UT, he won the NCAA championship. He was a four-time All-American at UT. Since college, he has continued to represent Texas and the U.S. as a tennis professional. He won the 1980-81 U.S. Indoor Championship and the 1980-81 U.S. Clay Court Championship. He and his doubles partner, Texan Steve Denton, are the current U.S. Open Doubles Champions, having won the 1982 tournament held at Flushing Meadow, New York. Curren and Denton are among the top three doubles teams in the world. The ATP now ranks Curren #17 in the world. He is ranked #9 in the world on the Nixdorf computer. He also plays Team Tennis for the Dallas Stars.

Kevin Curren is a soft-spoken gentleman, respected both on and off the court. He is a non-political professional who wants to claim the U.S. and Texas as a permanent home. He holds a South African passport (A 364 55 772) and obtained an alien card in 1979 from the U.S. Immigration and Naturalization office in San Antonio (D-630964). For several years, Curren has sought a U.S. citizenship and passport. Without them, his career is being hindered because he is refused entry to certain countries and cannot participate in several major tournaments. His attorneys have not pursued obtaining the U.S. citizenship and passport because they felt it was futile to attempt to speed up the process. Curren's agent has also not aggressively pursued Curren's goal.

I urge you to consider Kevin Curren's situation and help him obtain a U.S. citizenship and passport as soon as possible. I am sure that you, as a tennis player, would agree he would be an upstanding American.

I met Curren through his dedicated, talented coach, Warren Jacques of Dallas. Jacques, coach of the Dallas Stars Team Tennis, came to Dallas from Australia some 15 years ago. My parents, Jack and Marilyn Crichton, worked with Sen. John Tower to help Jacques obtain an alien card. I am also a member of The Courtyard tennis club in Austin, where Curren and Steve Denton practice and co-own a condominium. I am a life-long tennis player, now active in the Maureen Connolly Brinker tennis foundation in Dallas. I recently returned to Dallas after working as press assistant to Governor Bill Clements for four years.

Thank you for considering Curren's situation. He is participating in ATP and WCT tournaments in Detroit, Philadelphia, Richmond and Memphis until mid-February. Please contact him through Warren Jacques, 3816 Lovers Lane, Dallas 75225 (214) 692-7553 or through the WCT office, 2340 Thanksgiving Tower, Dallas 75201 (214) 748-5828.

Sincerely,



Anne Crichton

THE WHITE HOUSE

WASHINGTON

March 28, 1983

MEMORANDUM FOR THE FILE

FROM: Jim Cicconi *JMC*
SUBJECT: Disaster Relief for Texas and New Mexico

During the second week in July, 1982, I received a call from Hilary Doran, Governor Bill Clements' chief of staff. Doran mentioned the serious agricultural disaster in West Texas resulting from a variety of factors. He said that the Governor had already been in contact with Secretary Block, who was preparing to provide whatever assistance was appropriate. The purpose of his call to me was, as I recall, to make certain the WH was aware of the severity of the situation if and when our concurrence was sought on the measures Block was preparing.

To that point, I had not been aware of the problem, nor was I aware of USDA efforts to assist. I contacted Lee Atwater for the name of an aide in Block's office I could call for information. After receiving Jim Handley's name, I called him, was given the facts, and was told that Block was moving swiftly on it. Given the amount they were considering in disaster payments (over \$300 million), I asked if they planned to seek OMB or Budget Review Board approval. Handley said he did not know. I then spoke to Dick Darman about the situation; he stated that it was a matter the BRB should consider, and arranged the July 15 meeting.

Decision documents from the BRB meeting are attached.

9074

081013SS

THE WHITE HOUSE
WASHINGTON

1110
51104
11109
51113
51131
F001611
51110
1110

July 15, 1982

MEMORANDUM FOR THE RECORD

SUBJECT: Budget Review Board Decision -- Disaster
Relief for Texas and New Mexico

The Budget Review Board met on July 15, 1982 at 3:00 p.m. in the Roosevelt Room. Present were the Board members, Secretary Block, Messrs. Darman, Fuller, Duberstein, Harper, Jenkins and Khedouri. The Board decided in favor of the USDA proposal as outlined in the attached memorandum.

Richard G. Darman
Craig L. Fuller

MD
CF

cc: E. Meese
J. Baker
D. Stockman

7/11/82
Vivian, P. Block, USDA, AS
DRAFT FOR REFS.
7/11/82 AT 520
C. F. ...
7/11

The President announced today that he has directed Secretary of Agriculture John R. Block to declare parts of Texas, New Mexico, and Oklahoma a regional disaster area because of widespread crop damage caused by hail, heavy rainfall, high winds, and unusually cold weather *in May and June.*

This declaration will enable farmers in the 76 counties affected to receive disaster payments for cotton, wheat, and feedgrains, as well as special assistance for soil ^sconervation.

Rainfall in the affected region normally averages 19 inches per year. A series of storms in ~~recent weeks~~ ^{recent} dropped 30 inches of rain in a six week period, washing away crops and damaging young plants with hail. Individual farmers in the region lost between 50 and 100 percent of their crops.

Secretary Block telephoned notice of the disaster declaration to Texas Governor William P. Clements, who had brought the area's severe natural disaster to the attention of the President earlier this week.

The Farmers Home Administration is preparing to help farmers in the affected region with emergency disaster loans in those counties that meet the normal criteria for such aid.

The disaster relief package was developed by the Department of Agriculture in consultation with Senator John Tower of Texas, Senators Harrison Schmitt and Pete V. Domenici of New Mexico, and Representatives Charles Stenholm (D-Tex.), Tom Loeffler (R-Tex.), Joe Skeen (R-New Mexico), Kent Hance (D-Tex.), and Jack Hightower (D-Tex.) -- *all of whom had also brought the need for White House disaster relief to the attention of the*

An agricultural region covering 76 counties -- involving parts of Texas, New Mexico and Oklahoma -- which has been ravaged by spring and summer storms was declared a regional disaster area today by Secretary of Agriculture John R. Block.

This declaration authorizes disaster payments and other farm program benefits for cotton, wheat and feed grain farmers who qualify in this region centered on the high plains of Texas.

Block said he was taking this unusual action to meet the needs created by a unique and widespread natural disaster caused by severe weather. Over the last several weeks a combination of hail, heavy rainfall, wind and cold weather have devastated crops. Earlier in the spring, drought conditions prevailed in this area until about the first of May.

Rainfall in the affected region normally averages about 19 inches per year. A series of severe storms moving through this region in recent weeks dropped 30 inches of rain in a six-week period. Excess moisture stunted plant growth, washed out crops and damaged young plants with hail.

The disaster declaration was made in Lubbock, Texas, where Secretary Block phoned the disaster approval and details to Texas Governor William P. Clements, who was meeting with a group of farmers and agribusiness leaders.

"The extent of the crop losses and the widespread nature of the disaster call for extraordinary measures," Block told Clements and the farmers. "Therefore, after consulting with President Reagan, I am today implementing a program of emergency assistance to provide relief to producers in this 76-county area of Texas and adjoining counties in New Mexico and Oklahoma," Block said.

Emergency conservation funds provided through the Agricultural Stabilization and Conservation Service programs will be included in the disaster assistance to meet erosion and soil deterioration caused by the natural disaster.

The disaster assistance will be in addition to the insured benefits available to the farmers covered by the Federal Crop Insurance Corporation (FCIC). Insured farmers will receive full indemnities to the extent of their policy coverage. Additional insurance adjusters have been committed to the region to expedite insurance payments.

"We are making disaster assistance available in this region because our revised and expanded FCIC insurance program is new and farmers there did not have a full opportunity before planting to assess the advantages of being insured," Block said. "We continue to support the principle and the mandate from Congress that the expanded crop insurance program will replace disaster payments. The heavy losses created by the storm damage in this three-state region dramatically demonstrates the necessity for farmers here, and nationwide, to take advantage of the protection offered by the Federal Crop Insurance Corporation," Block said.

Block also announced that the Farmers Home Administration (FmHA) is prepared to help farmers with emergency disaster loans in the counties in the disaster region that meet the normal criteria for such aid. This criteria includes a request from the governor requesting designation for each county. FmHA criteria are based on guidelines that require at least a 30- percent loss on all crops, county wide. Usually, losses for purposes of making Farmers Home loans are assessed after the end of the harvest season.

Block also affirmed that the food stamp program in the region will, through its normal operating procedures, provide assistance to individuals who have lost earnings as a result of the disaster. Local officials in Texas are handling this increase as well as the normal seasonal influx of migrant worker recipients.

The special disaster payments, as authorized by the 1981 Agricultural Act, are as follows:

Cotton -- 20.5 cents per pound for crop losses in excess of 25 percent of the crops.

Wheat -- \$1.75 per bushel for wheat losses in excess of 40 percent of the crop.

Feed Grains -- 15 cents per bushel for corn, 18 cents per bushel for grain sorghum, and 15 cents per bushel for barley for any losses that exceed 40 percent of each of those three crops.

The following counties are included in the contiguous area designated by the Secretary:

-- Texas: Andrews, Archer, Armstrong, Bailey, Baylor, Borden, Briscoe, Carson, Castro, Childress, Cochran, Collingsworth, Cottle, Crosby, Dallam, Dawson, Deafsmith, Dickens, Donley, Fisher, Floyd, Foard, Gaines, Garza, Gray, Hale, Hall, Hansford, Hardeman, Hartley, Haskell, Hemphill, Hockley, Howard, Hutchinson, Jones, Kent, King, Knox, Lamb, Lipscomb, Lubbock, Lynn, Martin, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Parmer, Potter, Randall, Roberts, Scurry, Schackelford, Sherman, Stephens, Stonewall, Swisher, Taylor, Terry, Throckmorton, Wheeler, Wichita, Wilbarger, Yoakum, Young.

-- New Mexico: Curry, Lea, Quay, Roosevelt.

-- Oklahoma: Beaver, Cimarron, Harper, Texas.

#

300M
110M

Feed Crop

WHITE HOUSE STAFFING MEMORANDUMDATE: 7/15/82 ACTION/CONCURRENCE/COMMENT DUE BY: _____SUBJECT: BUDGET REVIEW BOARD CONSIDERATION OF USDA. PROPOSED DISASTER
FOR TEXAS AND NEW MEXICO

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HARPER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAKER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	JAMES	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input checked="" type="checkbox"/> SS	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

THIS IS A REVISED PAPER FOR DISCUSSION AT TODAY'S BRB MEETING AT
3:00 P.M. IN THE ROOSEVELT ROOM.

Richard G. Darman
Assistant to the President
(x2702)

Response:

File Closed



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

DATE: 7/15

TO: L. Darman

FROM: ASSOCIATE DIRECTOR
NATURAL RESOURCES, ENERGY AND SCIENCE

This is the "Three option" paper
to replace the "Two option" version
I gave you last night.

JA



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 15, 1982

MEMORANDUM FOR: EDWIN MEESE III
JAMES A. BAKER III
DAVID A. STOCKMAN

FROM: FRED KHEDOURI *F.K.*

SUBJECT: Budget Review Board Consideration of USDA Proposal for Disaster Relief Program in Texas and New Mexico

Background:

- Heavy flooding in 53 Texas and 3 New Mexico counties that are major cotton and wheat producing areas has destroyed up to 80 percent of the cotton crop and a similarly large portion of the area's wheat production.
- Economic loss to farmers in the affected High Plains area is estimated at between \$700 million and \$1 billion.
- Participation in the Federal Crop Insurance program, which is intended to replace the USDA disaster payment program, is only 10-15 percent in the affected counties, notwithstanding an announcement last year by Secretary Block that farmers in counties in which crop insurance is available would not be eligible for disaster payments.

USDA Proposal:

- USDA proposes to make disaster payments to cotton producers totalling \$198 million; wheat producers would receive \$10.6 million.
- These payments would be in addition to deficiency payments under the normal price support programs for which the farmers remain eligible (deficiency payments are based on planted acreage, regardless of how much is harvested).
- In the absence of the disaster payment program, area farmers would receive \$280 million in cotton deficiency payments; with the disaster program, farmers will receive \$198 million in disaster payments and \$162 million in deficiency payments, or a total of \$360 million.
- The net cost of the cotton disaster payment program is thus \$80 million; including wheat payments, the total net additional cost of the USDA disaster relief is \$85 million.
- USDA notes that because of the sharp reduction in the 1982 cotton crop caused by the flooding, prices are expected to rise.
- The price rise will reduce CCC outlays for deficiency payments nationwide by approximately \$85 million below current budget estimates.

Alternative Option:

- Farmers would normally become eligible for deficiency payments next March.
- Special relief could be provided by making deficiency payments immediately and by providing full amount of deficiency payments, without the reduction that would otherwise occur because of the flooding having raised market prices.
- This option would provide farmers with total Federal payment of \$321 million versus the \$370 million provided in the USDA proposal.

Budget Effect of Alternatives:

- USDA contends that its proposal will result in no net additional cost over mid-session budget estimates.
- This is correct because the \$85 million cost of the disaster program will be off-set by an unexpected savings of \$85 million due to higher than projected cotton prices.
- Disapproving both the USDA plan and the alternative option would permit us to realize the full \$85 million savings.
- Approving the alternative option would permit net savings of \$49 million.
- Both options would reduce FY1983 outlays and increase FY1982 outlays; the USDA plan would reduce FY83 by approximately \$200 million and increase FY82 by the same amount; the alternative option would reduce FY83 outlays by approximately \$200 million but increase FY82 outlays by only \$150 million.

Decision:

USDA Option _____

Alternative Option _____

Disapprove all special relief _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 7/15/82 ACTION/CONCURRENCE/COMMENT DUE BY: _____

SUBJECT: BRB CONSIDERATION OF USDA PROPOSED DISASTER RELIEF FOR TEXAS AND NEW MEXICO

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	GERGEN	<input type="checkbox"/>	<input type="checkbox"/>
MEESE	<input checked="" type="checkbox"/>	<input type="checkbox"/>	HARPER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAKER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	JAMES	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	JENKINS	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
CLARK	<input type="checkbox"/>	<input type="checkbox"/>	ROLLINS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/> P	<input type="checkbox"/> SS	WILLIAMSON	<input type="checkbox"/>	<input type="checkbox"/>
DOLE	<input type="checkbox"/>	<input type="checkbox"/>	WEIDENBAUM	<input type="checkbox"/>	<input type="checkbox"/>
DUBERSTEIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BRADY/SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

Remarks:

Craig and I will set up a meeting on this.

Richard G. Darman
Assistant to the President
(x2702)

Response:



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 14, 1982

ORE

MEMORANDUM FOR: EDWIN MEESE III
JAMES A. BAKER III
DAVID A. STOCKMAN

FROM: FRED KHEDOURI *[Signature]*

SUBJECT: Budget Review Board Consideration of USDA Proposed Disaster Relief for Texas and New Mexico

Background:

- Severe weather in 58 Texas and 3 New Mexico agricultural counties has destroyed as much as 80 percent of the cotton crop in the area; wheat crops in New Mexico were also hard hit by the flooding.
- Total 1982 cotton production is now expected to decline from 12.4 million bales to only 9.9 million bales.
- Economic loss to farmers in the High Plains area is estimated at between \$700 million and \$1 billion.

USDA Proposal:

- USDA is proposing to make disaster payments available to farmers in the affected counties that will total \$198 million for cotton growers and \$10.6 million for wheat and feedgrain producers.
- Because the reduction in cotton output caused by the flooding will strengthen prices, USDA now estimates that CCC outlays for deficiency payments to cotton growers will be \$85 million less than in the current budget forecast.
- This reduction in deficiency payments would be exactly offset by the USDA disaster program, however, which has a net cost of \$85 million (disaster payments partially offset deficiency payments).
- Because the disaster payments would be made in FY1982, the USDA proposal would result in a shift of approximately \$200 million in outlays from FY1983 (i.e., +\$200M in FY82 and -\$200M in FY83 compared to the current budget forecast).

Options:

- (1) Approve USDA plan (no net increase in outlays from current budget)
- (2) Disapprove USDA plan, thereby realizing budget savings of \$85 million below current forecast.

Decision: Approve plan _____ Disapprove plan _____

July 15, 1982

TALKING POINTS

- 1) The USDA proposal has "no budget impact" only if measured against rapidly escalating cost estimates -- not a fixed budget

CCC TOTAL OUTLAYS (FY 1982)

Original March 1981 Budget.....	\$1.8B
February Budget.....	\$6.343B
April Update.....	\$6.252B
Current Estimate.....	\$11.597B

COTTON DEFICIENCY PAYMENTS (1982 Crop)

February Budget.....	-0-
March Estimate.....	\$330M
April Update.....	\$684M
Pre-Disaster Estimate.....	\$625M
Post-Disaster Estimate.....	\$540M

- 2) Since deficiency payments are based on planted acreage, disaster county cotton farmers are already guaranteed 12.6 per pound even though many will market no crop. The USDA proposal would raise this to an average of 21.5 per pound, resulting in a 75% higher subsidy payment for no crop that would have been the case had a full crop been marketed. The OMB alternative would maintain the same payment rate as under pre-disaster conditions -- but disburse it now when disaster-struck producers need cash flow rather than next March when deficiency payments would ordinarily be made.
- 3) The higher USDA proposed payment rate will cost \$80 million extra. This is allegedly "paid for" within the budget by off-setting it against \$80 million in payments avoided in non-disaster areas of the country. These "savings" are achieved because with reduced cotton supply the season average price is now projected to rise from 57 cent/pound to 59 cent/pound, reducing the deficiency payment from 14 cent to 12 cent.
- o Using this logic any favorable price change could give rise to a "budget savings" which could then be respent for new programs or benefits.
 - o By the same logic, any adverse price change would give rise to a budget "add-on" that should be absorbed elsewhere in the USDA budget.

- 4) Given the fact that CCC estimates for FY 82-FY 85 have increased from \$6.02 billion to \$32.2 billion in the last 14 months, it's time for USDA accounting games to stop:
- o We cannot spend phantom savings.
 - o We have no real money to spend when faced with IOU-\$150 billion deficits as far into the future as can be projected.
- 5) All Texas disaster counties were eligible for Federally subsidized crop insurance. The Federal subsidy amounts to 30% of the premium costs. Only 10% of eligibles signed up.

An overly generous bail-out package in this instance will only deter nation-wide crop insurance participation -- setting the stage for constant repetition of the current episode in the future. The Federal government cannot afford to underwrite zero-risk farming -- and the sooner this is clear the better.

CCC OUTLAY ESTIMATE CHANGES

(billions)

<u>Fiscal Year</u>	<u>March 1981 Budget</u>	<u>February 1982 Budget</u>	<u>1982 Mid-Session</u>
1982	\$1.800	\$6.343	\$11.597
1983	1.247	1.850	7.621
1984	1.404	2.215	6.580
1985	<u>1.569</u>	<u>1.765</u>	<u>6.352</u>
FY82-85 Total:	\$6.020	\$12.173	\$32.150

--CCC outlays for FY82-85 have increased by 434 percent between preparation of the FY1982 Reagan budget and the FY1983 Mid-Session review, a period of 14 months.