

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection:** Cicconi, James W.: Files

**Archivist:** dlb/bcb

**File Folder:** JW Cicconi Memos, Jan - Jun 1983 [7 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 Reauthorization of Civil Rights Commission, 2p.	4/5/83	<del>P5</del>
2. memo	The Cabinet Council on Economic Affairs to RR re Administration Position on the Reauthorization of the Revenue Sharing Program (p.2 partial, p.3 whole), 2p.	4/12/83	<del>P5</del>
3. memo	Working Group on Health Insurance for the Unemployed to Cabinet Council on Economic Affairs re Administrative Position on Health Insurance for the Unemployed (p.4 partial, p.5-6 whole), 3 p.	4/12/83	<del>P5</del>
4. memo	JW Cicconi to James A. Baker, III re Personnel Meeting, 1p.	4/21/83	<del>P5</del> LOS 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].
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- 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].
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THE WHITE HOUSE

WASHINGTON

March 29, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *JMC*

SUBJECT: Forest Service Study Area Near Rancho del Cielo

As you know, the Forest Service announced on March 15 that it was studying six million acres of property for possible future sale. We have since confirmed that one Forest Service tract being studied is completely surrounded by the President's ranch property, and that another tract abuts his property.

A detailed map, forwarded by the Forest Service, is attached at Tab 1.

The White House first learned on March 16 (the day after the initial Forest Service announcement) that land near the President's ranch might be included in the study area. This resulted from a reporter's question at the Forest Service press conference in San Francisco. When this information reached the Property Review Board, Joshua Muss called Max Peterson, the chief of the Forest Service, to ask about it. Peterson said he did not know the accuracy of such information, but would check. At this point, Muss also called Mike Baroody to make him aware that the question had come up. Later on March 16, Peterson called Muss back and confirmed that property abutting the President's ranch was indeed included in the study area. Muss relayed the information to Ed Harper in a March 17 memo (Tab 2). At that time, however, the Property Review Board did not have a clear picture of the actual tracts involved since they had only been supplied with large-scale maps. The detailed map attached to this memo was forwarded by the Forest Service just last week, and on their own initiative.

To the best of my knowledge, the White House received no information in advance of the Forest Service announcement that property near Rancho del Cielo would be included in the study area. Further, to the best of my knowledge, the President has not yet seen a detailed map of the tracts in question.

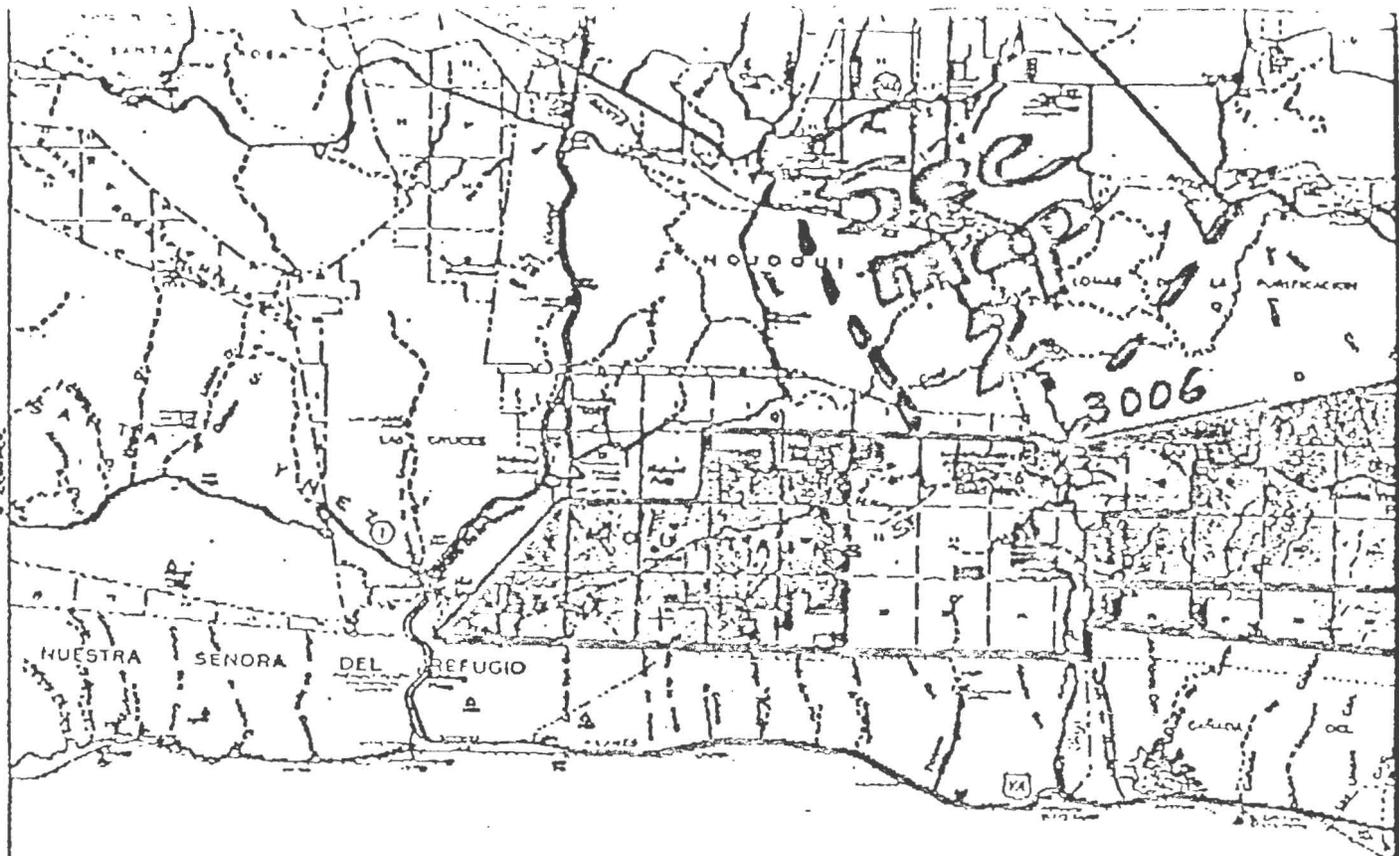
Memorandum for James A. Baker, III  
March 29, 1983  
Page 2 of 2

As part of its intensive study of the six million acres of forest land, the Forest Service will also evaluate public and congressional reaction. They will then develop legislation to allow the sale of tracts which are isolated or inefficient to manage. It should be noted that the Forest Service has no authority to sell tracts of land: such authority can only come from the Congress.

cc: Fred Fielding

T. 6 N.

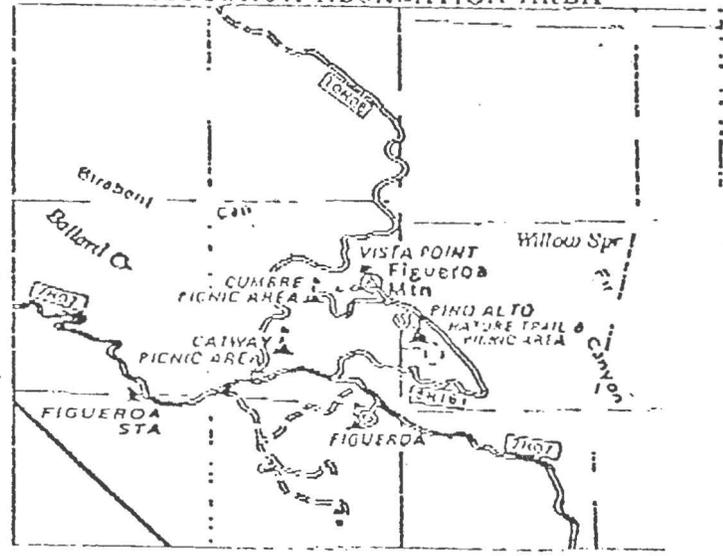
T. 5 N.



# Map I

P 2 of 3

## FIGUEROA RECREATION AREA



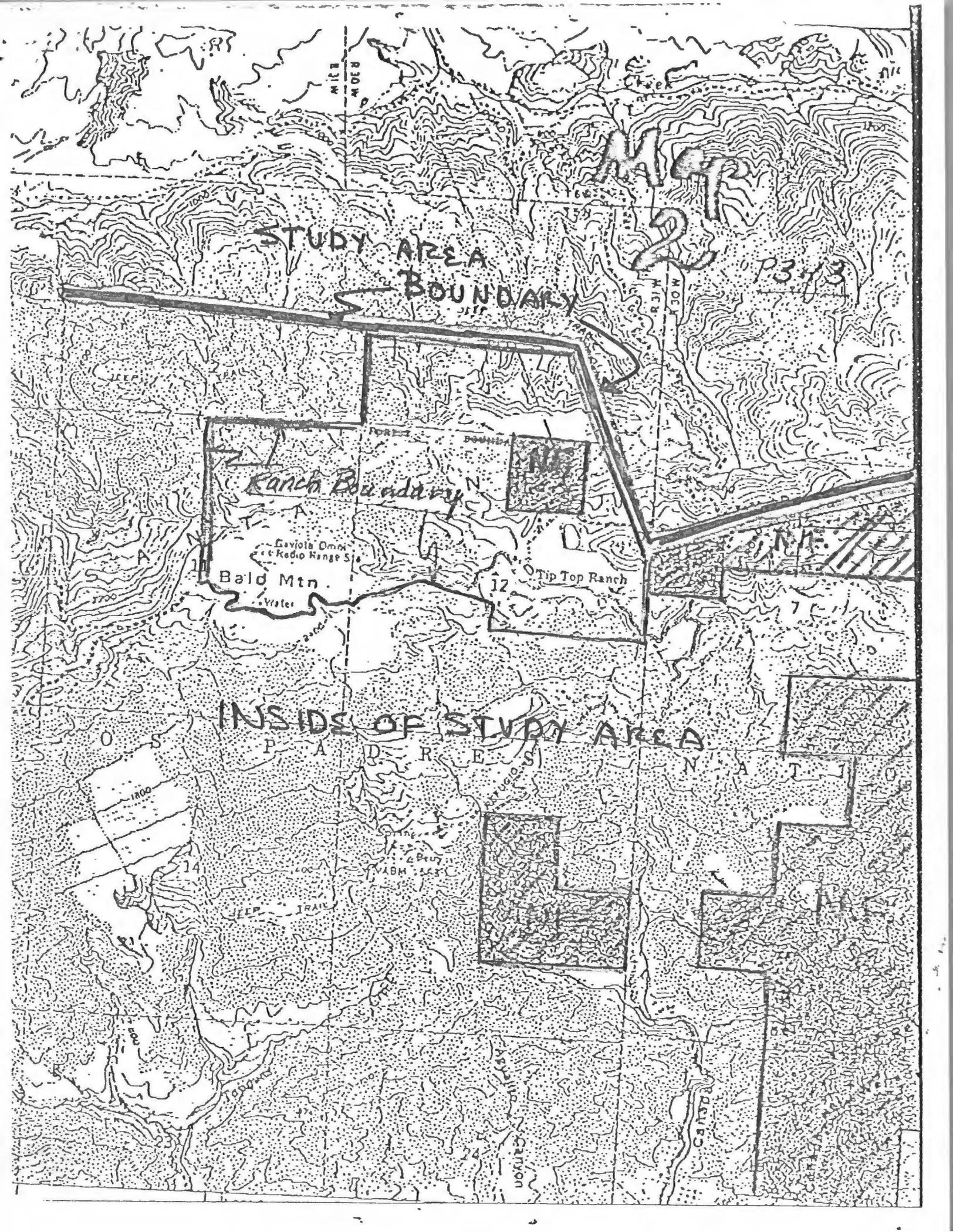
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Jim =  
 green is  
 National Forest  
 land to be studied  
 Red is ranch  
 boundary  
 Black line is study  
 area boundary  
 White area is  
 privately owned

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STUDY AREA  
BOUNDARY

Ranch Boundary

Bald Mtn

Tip Top Ranch

INSIDE OF STUDY AREA

MOUNTAIN  
22

P343

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PROPERTY REVIEW BOARD  
17th & PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20500

March 17, 1983

MEMORANDUM FOR ED HARPER

FROM: JOSHUA MUSS   
SUBJECT: FOREST SERVICE STUDY AREA NEAR  
RANCHO DEL CIELO

The attached map indicates that the Forest Service intends to further study forest property that abuts the President's ranch in Santa Barbara County. We learned this late yesterday and alerted the Communications staff. The selection of this property is consistent with the nationwide criteria established and applied by the Forest Service.

After the regional press briefing in San Francisco yesterday, Chronicle reporter Dale Champion pointed out the location of the President's ranch to the regional forester. He confirmed the location. A story on Page 11 of today's Chronicle leads off with "Wild Mountain Country Bordering President Reagan's Santa Barbara County Ranch... is part of 6,000,000 acres the Administration is studying for sale."

If the Forest Service gets some follow-up, I will let you know. They told us today's phones were ringing with calls from "buyers" around the country.

Attachment

cc: Mike Baroody





PROPERTY REVIEW BOARD  
17th & PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20500

March 18, 1983

MEMORANDUM FOR FRED FIELDING

FROM:

JOSHUA A. MUSS *J. A. Muss*

SUBJECT:

DEVELOPMENT OF THE FOREST SERVICE  
ASSET MANAGEMENT PROGRAM

Attached are relevant documents which were the key parts of the development of the Forest Service Asset Management Program. This program is an element in the property management initiative begun by Executive Order 12348. The other two major elements are the sale of surplus real property by GSA and the sale of unneeded public land managed by the Bureau of Land Management in accord with the Federal Land Policy and Management Act of 1976.

The Forest Service developed an asset management program which was presented to the Property Review Board on August 7, 1982, by Secretary Block and Assistant Secretary Crowell. Their working papers are attached as Tab A. No legislative authority exists to sell tracts that are isolated, or inefficient to manage.

Attached as Tab B is the press and field information package which was sent out immediately following the Board meeting.

Attached as Tab C is a memorandum of November 19 from the Forest Service headquarters to their regional offices setting out the criteria for the initial, quick review of the 140 million acres which was placed in the "study" category initially.

This quick review ended up identifying about 6 million acres which will be kept in the "study" category for further, intensive study. The balance of 134 million acres was placed by the Forest Service in the "retention" category. The results of this quick review was announced by regional Forest Service personnel beginning on Tuesday, March 15. To identify

the lands still under study, some 300 different maps were marked. Copies of the marked-up maps were provided directly to Congress, and the Governors, and made available to the general public at local Forest Service sites throughout the country. One complete set of maps is also at the Property Review Board staff office.

Attached as Tab D is the background package prepared by the Forest Service describing the results of the quick review.

After evaluating public and Congressional reaction, a legislative proposal to allow sale of selected tracts is planned.

We have much more documentary material if you would like to see it.

Attachments

# Forest Alarm Bells Ring Too Soon

The announcement by the U.S. Department of Agriculture that it plans to ask Congress for legislation that could lead to the possible sale of part or all of 6 million acres in the National Forest system has set the alarm bells ringing in the environmental community. Gaylord Nelson, the head of the Wilderness Society, calls it "the opening salvo in an unprecedented assault" by the Reagan Administration on the integrity of public lands.

We think that such judgments are premature.

The lands in question, amounting to 3.2% of the National Forests, are in 39 states. Montana has the most acreage—872,054; California is second with 723,975.

The Forest Service insists that the tracts that might be put out to bid have no recreational or scenic importance. The service describes them as "isolated parcels, lands in checkerboard ownership, sites for community expansion and lands now under special-use permit that are unlikely to be needed for public purposes in the future."

The service also says selection of the 6 million acres for study does not mean that all would be sold. To the contrary, it believes that "intensive study will rule out many of the tracts," and that objections from the states will eliminate many more.

We have no objection to the study as long as the government sticks to the rules. The final decision on selling or retaining the properties must be made by Congress, and only after public hearings have been held in the states. And those safeguards should apply even to acreage that the Forest Service describes as "excess to its needs and objectives," and that it would like to sell without legislative approval.

We agree that the record of the Reagan Administration is not one that inspires trust in its pronouncements regarding public lands. But if the final say rests with Congress, which has shown commendable concern for the future of the National Forests, there is no reason an objective survey of potentially surplus lands should not be undertaken.

P 1 of 3

file

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To: Deputy Chief Housley, WIO

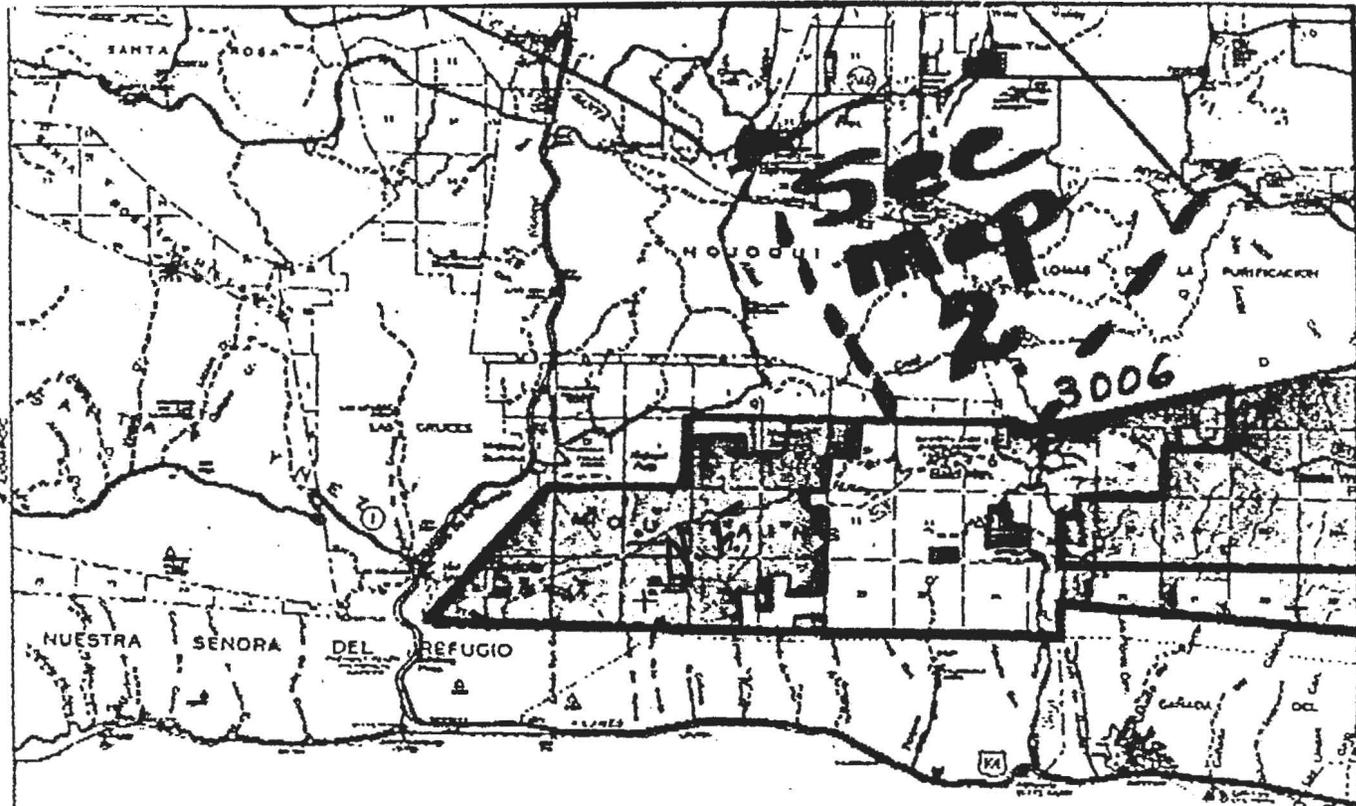
From: R5 - Kent Mays

Note: Please deliver immediately  
to Ray Housley!

copy to: Robertson  
Housley  
Cagill ✓

T.6N.

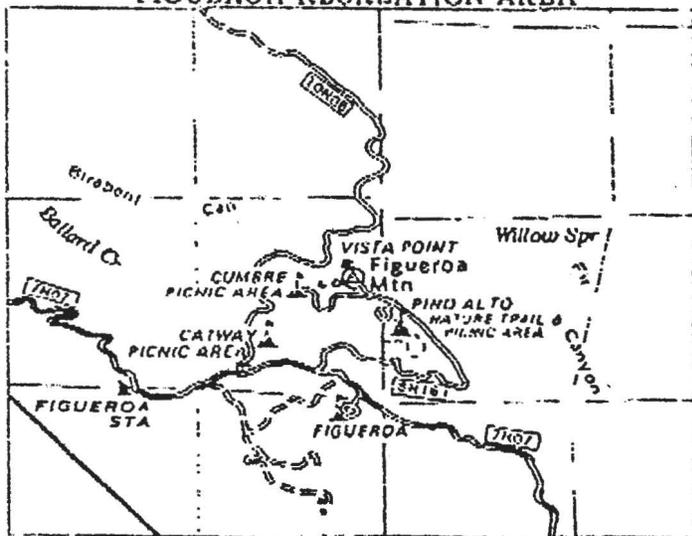
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# Map 1

P 2 of 3

## FIGUEROA RECREATION AREA

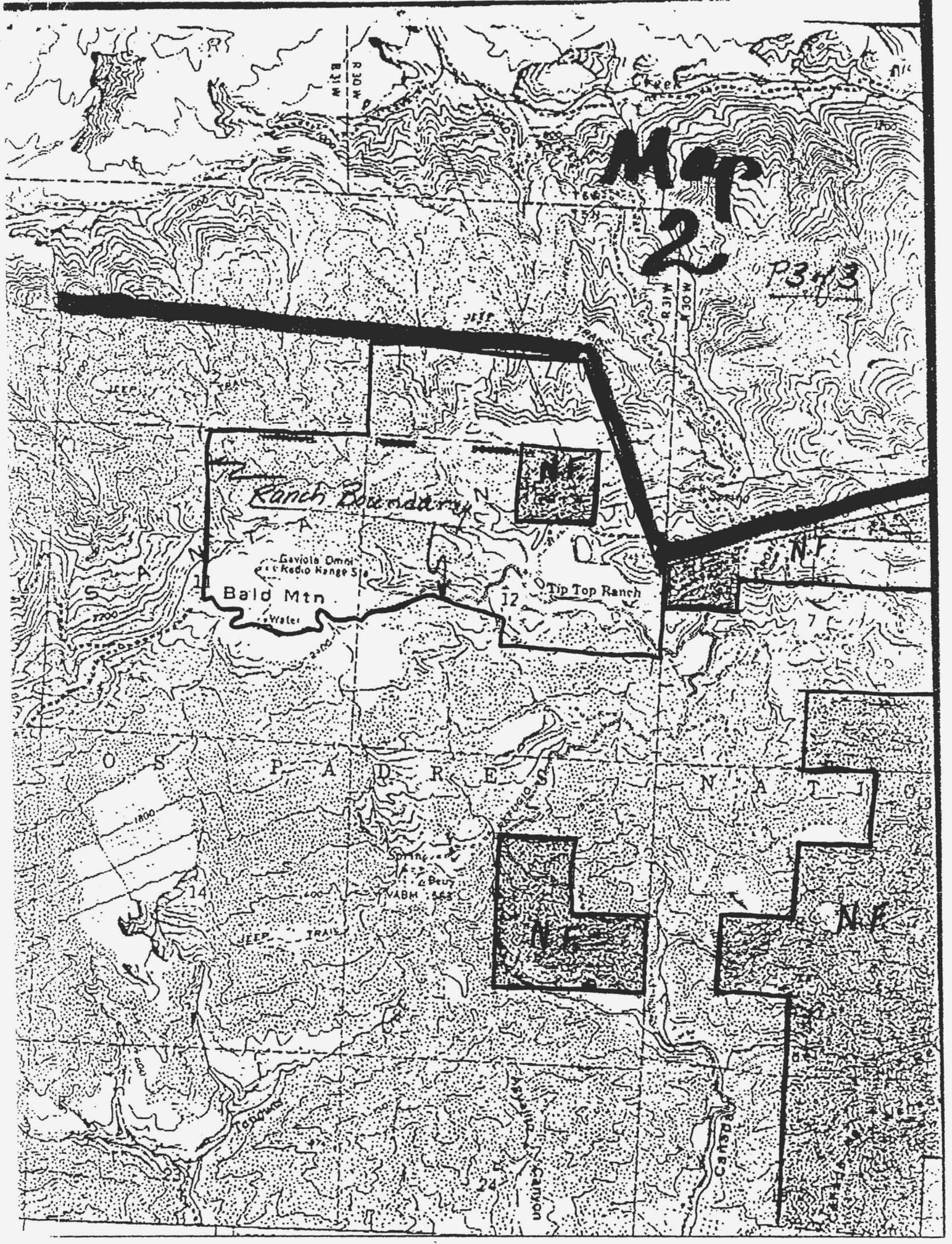


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P343

Ranch Boundary

Bald Mtn

Tip Top Ranch

Gaviola Over Radio Range Sta

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JEFF TRAIL

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THE WHITE HOUSE  
WASHINGTON

March 29, 1983

NOTE TO THE FILE

The attached memo was shown to the President early this afternoon by Jim Baker. Ed Meese was also present. (The President had asked JAB about the subject this morning after learning that an overview of PPB activities was an item on today's Cabinet agenda-- an item which, in the end, was not covered).

Baker advised the President that he should not discuss the matter with anyone, and could not negotiate with the government for purchase of the tract in question, or for an exchange of property involving the tract. Baker further mentioned that Fielding was preparing a more detailed memo on the legal aspects of this matter.

JWC

THE WHITE HOUSE

WASHINGTON

March 29, 1983

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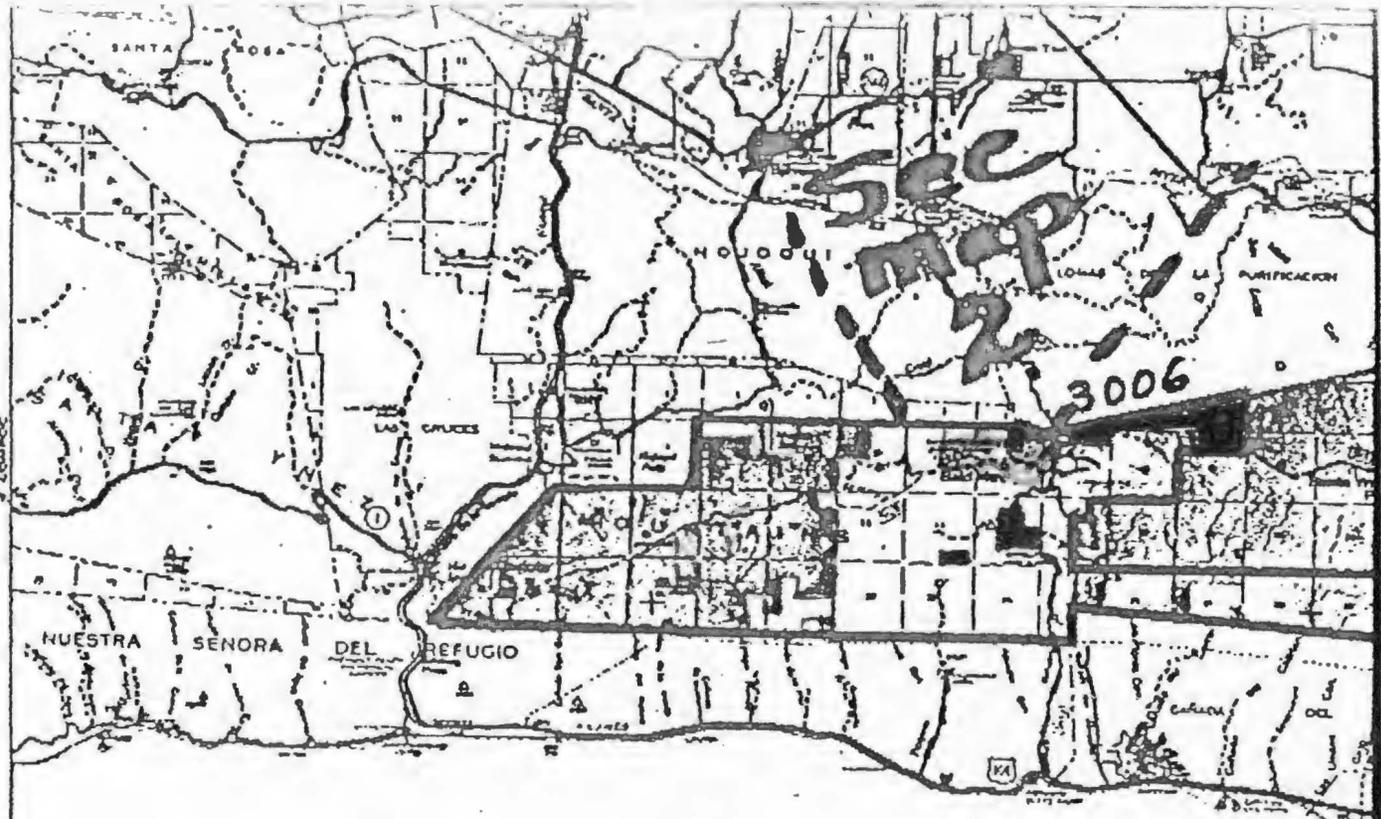
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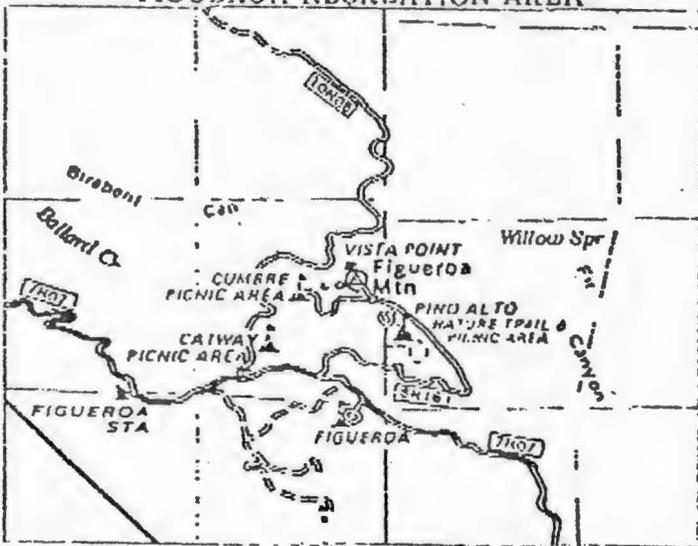
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# Map I

P 2 of 3

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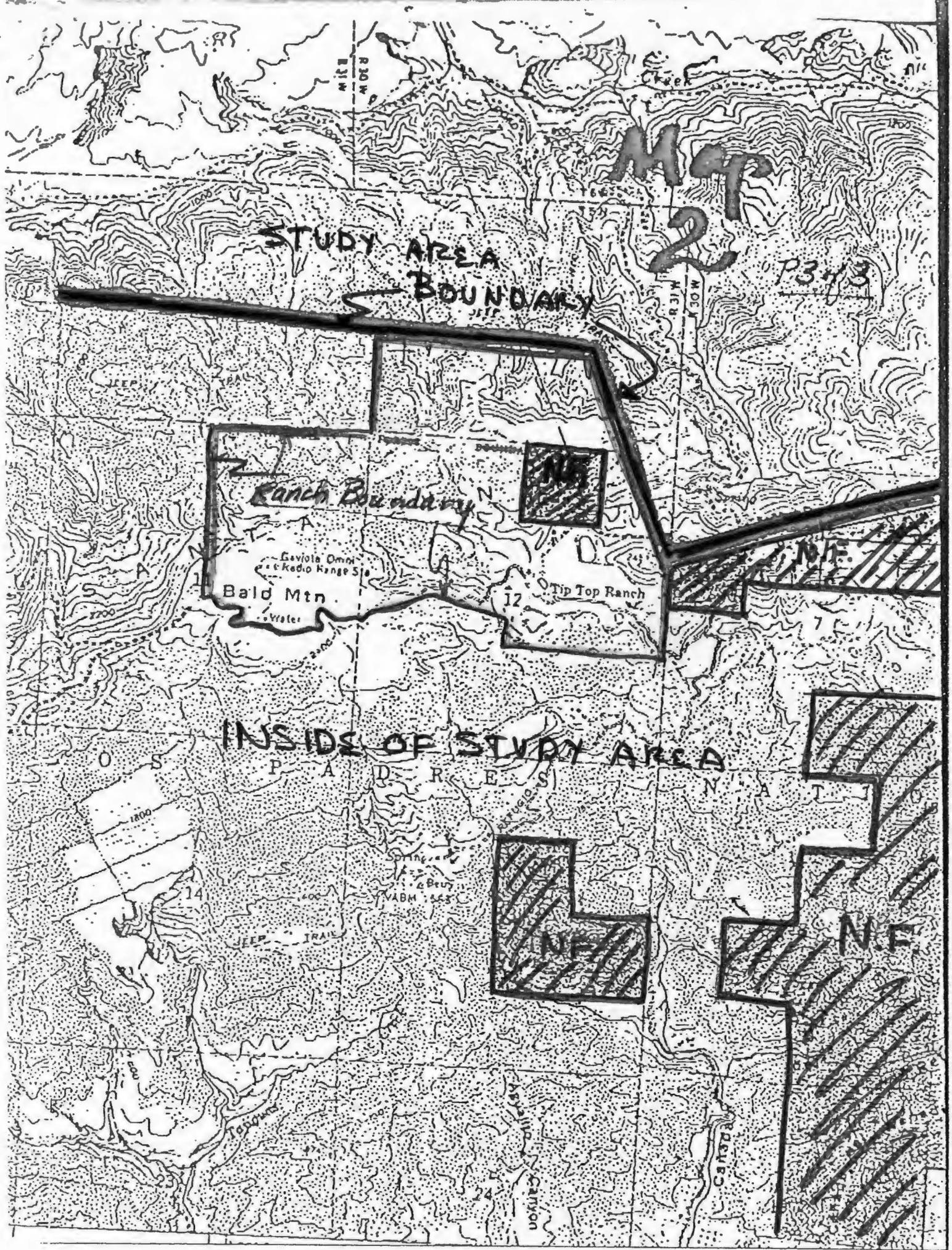


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MGT  
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STUDY AREA  
BOUNDARY

P343

Ranch Boundary

Bald Mtn

Tip Top Ranch

INSIDE OF STUDY AREA

PADRES

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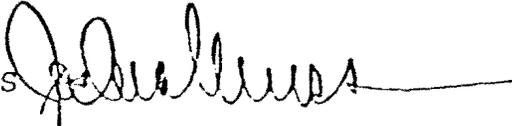
11/27/72



PROPERTY REVIEW BOARD  
17th & PENNSYLVANIA AVENUE, N.W.  
WASHINGTON, D.C. 20500

March 17, 1983

MEMORANDUM FOR ED HARPER

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RANCHO DEL CIELO

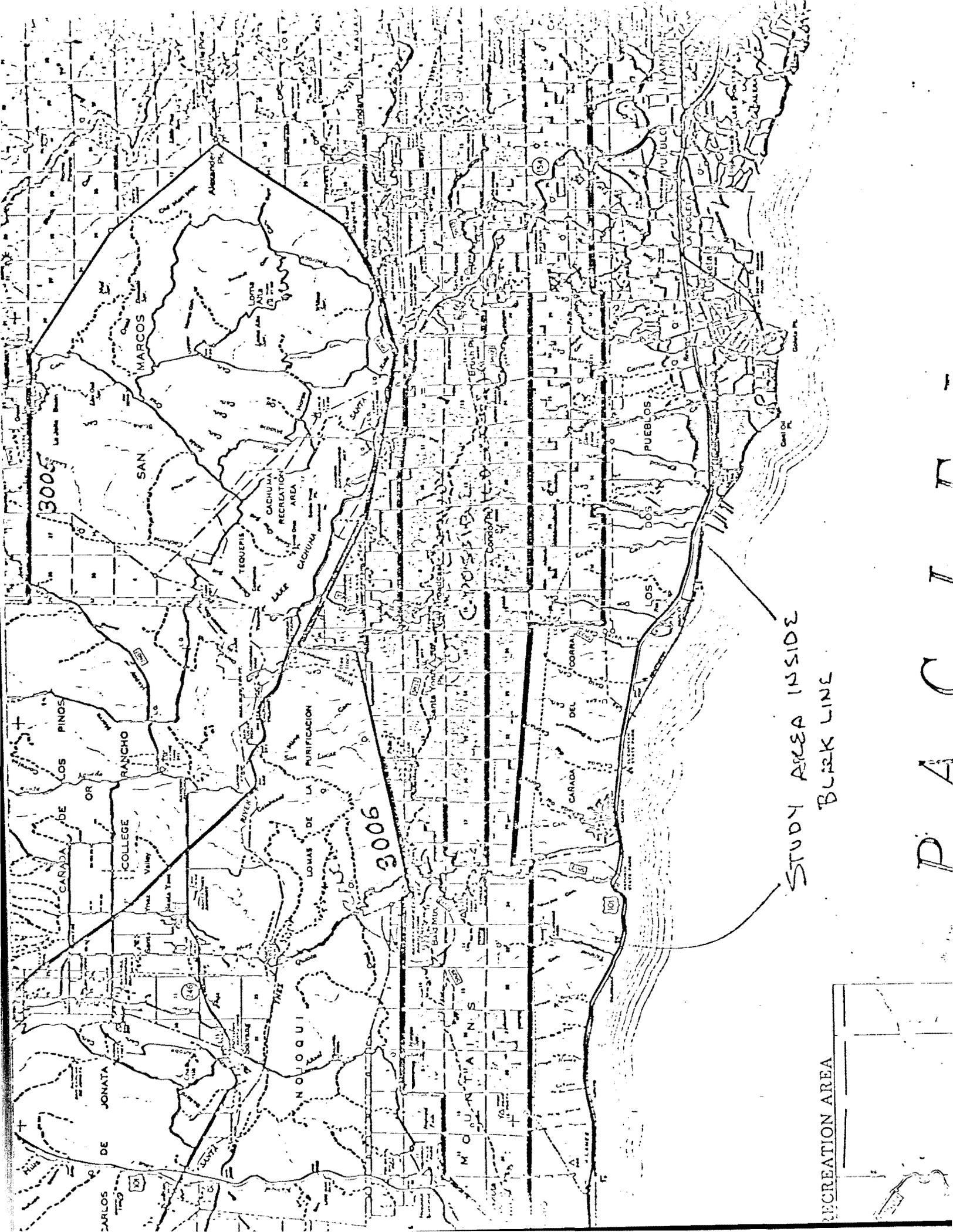
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Attachment

cc: Mike Baroody



3005

3006

STUDY AREA INSIDE  
BULK LINE

RECREATION AREA

P A C T

8

THE WHITE HOUSE

WASHINGTON

March 30, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *JWC*

SUBJECT: Amendments to the Generalized System of  
Preferences

According to the OMB Counsel's Office, the President has the authority to strike the Peru and Zambia copper provisions in the GSP amendments if he so chooses. Bill Brock, of course, should have an opportunity to explain his point of view before any final decision is made. The added factor of President Kaunda's visit must also be weighed.

Several facts might be noted on the copper provisions. First of all, the duty this would waive amounts to only 0.8%. Second, we have the discretion to waive the duty because both Zambian and Peruvian copper imports fell below \$51 million last year. (Between 1981 and 1982, Zambian ~~ex~~ports fell from \$80 million to \$19 million; Peruvian imports fell from \$60 million to \$12 million.)

THE WHITE HOUSE

WASHINGTON

March 30, 1983

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GSP FOR ZAMBIAN AND PERUVIAN COPPER

Issue

Ambassador Brock has recommended to the President that Zambia and Peru be redesignated to GSP eligibility on unwrought copper (TSUS 616.06). Domestic copper producers have expressed concern about this recommendation in recent days, culminating in Senator Dominici's call to the President asking for a reversal of the recommendation.

USTR has spoken to Senator Dominici's staff, expressing Ambassador Brock's assurance that USTR will initiate a review to consider the removal of copper from GSP in the event an import surge were to develop. The Senator's office indicated that this arrangement was satisfactory and that Dominici would call the White House shortly after 12:00 to withdraw his opposition to the redesignation of Peru and Zambia.

It is important that Peru and Zambia be redesignated to GSP eligibility on copper for the following reasons:

- The President has never denied GSP redesignation to countries at so low a level of development as Zambia (\$500 per capita GNP) and Peru (\$930 per capita GNP);
- Imports of copper from Zambia and Peru dropped precipitously in 1982 (the combined total dropped to \$31 million, from \$140 million in 1981);
- Zambia and Peru account for only 8 percent of total U.S. imports of unwrought copper;
- The GSP margin of preference is extremely small, with the MFN rate of duty less than one percent;
- Ambassador Brock will grant assurances that USTR will monitor imports of copper and will initiate a review to consider removing the item from the GSP if an import surge develops.
- President Reagan is meeting with President Kaunda of Zambia today March 30.

*Therefore you should proceed to sign the redesignation of PERU and ZAMBIA for GSP eligibility. EM*

THE WHITE HOUSE  
WASHINGTON

March 30, 1983

TO: JAB III

RE: Motorcycle Imports

Following a report by the ITC that import relief is warranted, USTR has recommended to the President that he impose sharp tariff increases on imported heavy motorcycles. These will start at 45% ad valorem, and decline over the next 5 years.

In addition, USTR has also recommended tariff-rate quotas of

5,000 units for Germany  
6,000 units for Japan  
4,000 units from all others

The above quotas will also increase each year over the next 5 years.

This import relief was requested by Harley-Davidson, which has been severely hurt by imports. They plan to use the relief period to retool their operation to become more competitive. (Needless to say, this would also be a "shot across the bow" to the Japanese.)

JC

THE WHITE HOUSE  
WASHINGTON

March 30, 1983

TO: JAB III

RE: Student LOans

At yesterday's Cabinet meeting, Secretary Bell mentioned that he will soon send to all agencies a printout of their employees who still owe money on Guaranteed Student Loans.

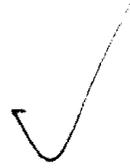
Under new provisions in the law, the government can withhold up to 25% of an employee's wages to help pay off such loans.

Bell asked all Cabinet members to cooperate in the effort. (Weinberger said DOD was already on top of the situation.)

JC

THE WHITE HOUSE  
WASHINGTON

March 30, 1983



TO: JAB III

FYI, the filing deadline in the New Orleans Police "promotion quota" case has been extended until April 15.

You'll recall that this is the case where EEOC was threatening to file in opposition to Justice's views. Meese is still trying to work it out; also, Fielding is now involved in the discussions, and he and I have already talked about the preferred method of handling this problem.

JC

THE WHITE HOUSE  
WASHINGTON

April 5, 1983

TO: DICK DARMAN

RE: Clean Water Act

As I understand it, Ruckelshaus does not have a problem with this legislation going forward now provided that Option I is chosen (and that Options II and III are rejected).

The memo does not make clear that CCNRE not only favored Option I, but vigorously objected to including a BAT waiver or changes in 404. As I recall, the only support for Option II was from Niskanen, and Option III was pushed only by the Corps of Engineers.

Inclusion of a BAT waiver and changes in 404 would cause this bill to be portrayed as a "Dirty Water Bill". Also, as I understand it, Howard Baker helped write current 404 provisions, and would strongly oppose any change.

To: SAB III

FYI

jc

  
Jim Cicconi

✓

THE WHITE HOUSE  
WASHINGTON

April 5, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Reauthorization of Civil Rights Commission

As you know, the President has indicated his support for reauthorization of the Civil Rights Commission. To accomplish this, Mike Uhlmann and Mike Horowitz have drafted a proposed Administration bill which would be introduced by Representative Sensenbrenner in time for tomorrow's House committee hearing. Meanwhile, Representative Don Edwards has already introduced his own version, and the Civil Rights Commission has submitted its proposal to OMB for clearance.

Our current proposal differs from the others on three key points:

1. Length of Extension: Our current draft suggests a ten-year extension, while the others opt for fifteen years.

We seem to have settled on ten years as a compromise between previous, shorter extensions and the fifteen years proposed by Edwards and the Commission. The legislative tactics do not seem to have been considered. It can be argued, though, that the fifteen to twenty-year extension we are now considering would allow us to remove the distinction between our bill and Edwards' version on the point most susceptible to liberal demagoguery. This will also allow us to focus on the other, more important policy points. A twenty-year extension would, I feel, be the best because it would put us "one up" on Edwards; further, it can be argued that more frequent extensions have led, and will in the future lead, to more powers for the Commission because of the civil rights lobbying pressure (similar to what has happened over the years with extensions of the Voting Rights Act).

2. Terms of Office: We advocate staggered six-year terms with the President retaining his power to replace members at will. The Commission has suggested the same thing except removal would be "for cause" only. Edwards is preparing to add a provision on this issue that will no doubt attempt to tie the President's hands on removal.

Memorandum for James A. Baker, III  
April 5, 1983  
Page 2 of 2

As I understand it, we are on defensible legal ground here in arguing that the President's constitutional authority as chief executive allows removal at will; that authority might, however, be restricted if the Commission's status as an executive branch agency is altered.

3. Subpoena Power: The Commission now has subpoena power within a fifty-mile radius of its hearing location, and our draft would make no change. The Commission wants nationwide subpoena power, and Edwards may also take that position. This is probably not as critical an issue as it has been portrayed. The Commission has recently shown it can apply its power to the entire federal government, and it can conceivably apply it anywhere in the nation by choice of hearing location. Thus, it may make little difference if we concede the point.

THE WHITE HOUSE

WASHINGTON

April 11, 1983

MEMORANDUM FOR PATSY SKIDMORE

FROM: Aileen Anderson *AA*

SUBJECT: Correspondence Person

I will be out of the office Wednesday, Thursday, and Friday, April 13, 14, and 15, and would like to get a correspondence person for Jim Cicconi for typing and phone. In the event that Jim's wife gives birth during any of those days (Jim will leave to be with her), only the phone will need to be covered.

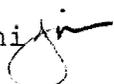
Thank you for your help.

THE WHITE HOUSE

WASHINGTON

April 11, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi   
SUBJECT: Issues Briefing Lunch

Two brief comments on items that will be raised at today's lunch:

1. Civil Rights Commission: the only really critical issue in this legislative battle will be the terms of office. We are out in front on the extension issue by having decided on twenty years. Also, despite what OPD's paper implies, the subpoena power is not critical. We should, of course be where we are, because it makes the Commission prove the need for expanded powers; however, if necessary, we can fold on this issue since the Commission's power to subpoena is virtually nationwide now, anyway.
2. FmHA Loans: as I mentioned to you this morning, this is a potential political disaster unless we resolve it soon. OMB seems intent on not letting such a problem develop again, but there is a premium on speed right now. Farmers in 17 states are waiting to hear our decision, and many could go broke if we wait too long. One other point-- failure to address this problem soon will give impetus to FmHA bailout legislation which we strongly oppose as unnecessary.

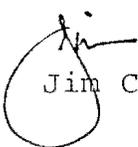
cc: Richard Darman

THE WHITE HOUSE  
WASHINGTON

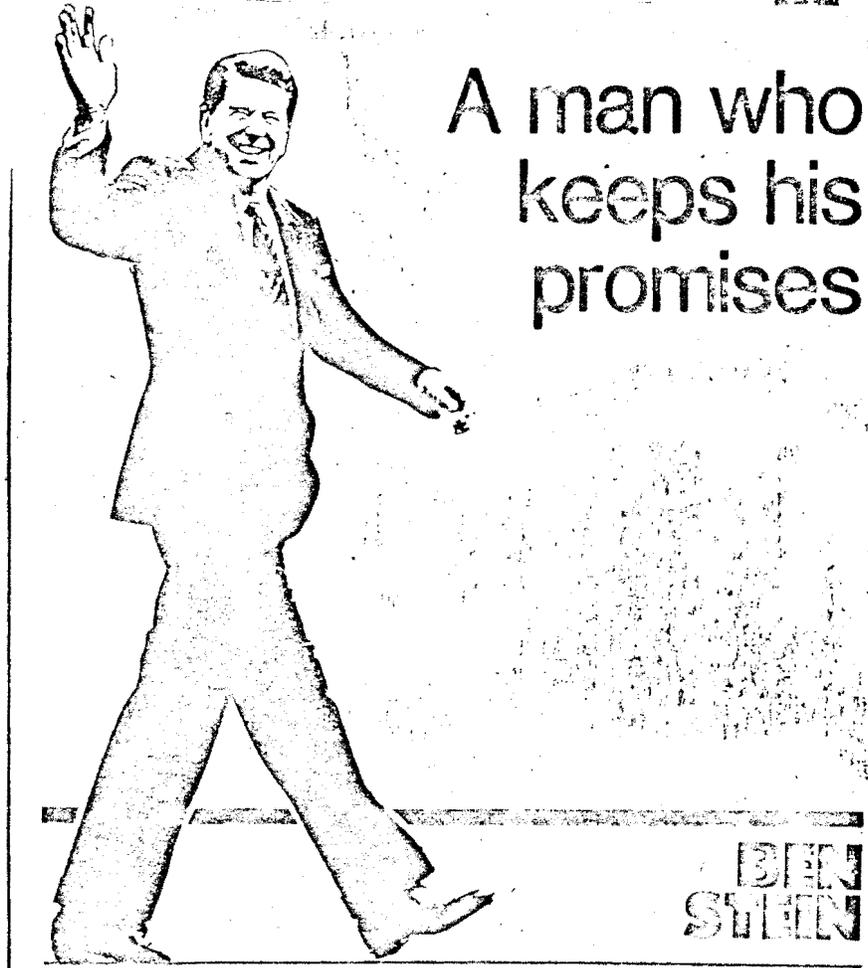
April 11, 1983

TO: ED MEESE  
MIKE DEEVER  
DAVE GERGEN

JAB asked that I forward to you a copy of the attached article from the L.A. Herald Examiner. It was given to him by the President.

  
Jim Cicconi

~~AA~~  
please  
file in  
JE memos.



A man who  
keeps his  
promises

BEN  
STERN

**S**uppose that a man campaigned for president on the following platform:

- Rebuild America's defenses;
- Stop inflation;
- Get government off the people's backs.

Suppose that man were elected and within the first two years he accomplished the following:

- Rebuilt America's defense readiness to the point where experienced military men felt that America was no longer helpless;
- Reduced inflation from 13 percent to about 3 percent;
- Drastically lowered government interference in the citizenry's lives by lowering taxes, cutting regulations and creating a climate of respect for private effort.

Suppose, in other words, that the president had basically achieved his goals and had done what he promised. Shouldn't we appreciate him? Shouldn't we feel thankful that we have a president who does what he tells us he will do?

Well, of course we should, and of course we don't. That is a pity, because Ronald Reagan is the first president since Dwight Eisenhower to do what he promised he would do, and he gets very little credit for it.

First, look at the record of presidents and promises. Kennedy promised to close the missile gap and to get America moving again. He tragically died prematurely, of course, but he really accomplished precious little except for starting up the money machine. Lyndon Johnson promised a war on poverty and victory in Vietnam. Instead, we got inflation, a full-scale war in Asia and a large bureaucracy stuffing their faces at the public trough. Richard Nixon promised peace with honor in Vietnam and full employment without inflation. Of course, Nixon was hamstrung by his critics, but he still fell far short of his goals.

Gerald Ford was and is a fine man, but he allowed the forced metamorphosis of Southeast Asia into a vast prison camp, mocking young America's sacrifice, and wrung his hands while his enemies gutted the Defense Department and the CIA. As for Jimmy Carter, he purposefully disarmed America, kissed Brezhnev while Brezhnev was ordering the use of poison gas in Laos, and made the Federal Reserve create the worst inflation since the Civil War. After promising a return to decency and morality, Carter virtually destroyed the credibility of America

abroad by abandoning friends and embracing enemies, and turned dreams into nightmares at home by wrecking the currency.

Honestly and truly, dear readers, what president since Eisenhower has basically kept all of his most important promises? Ronald Reagan and only Ronald Reagan.

Alas, instead of the gratitude of the citizenry, Ronald Reagan gets endless guff from uninformed and sometimes not very well-meaning people. Certainly, we are all free to make fun of the president's idiosyncrasies and inconsistencies. Certainly I enjoy doing it as much as the next guy. But at the end of the day, who else would have had the courage to screw down the inflation, even at the cost of real suffering, so that the nation would emerge stronger? Who else would have been able to stand up to all the whining about defense and demand that America defend itself? What other president would stand up and be counted about where anger lies in the world, and would have had the serenity and confidence to brave the mockery that resulted?

When I look across the political landscape and see the debris which passes for leaders, I can hardly believe we have a president who actually behaves like a leader, believes in something and will fight for something.

This is a confused age. Grown men and women demand that free countries turn over their freedoms to dictatorships. Supposedly well-educated men and women stand up in Congress and say that by making ourselves weaker, we enlarge the chances for surviving the mortal struggle with people who hate us. College presidents and bishops tell their flocks that murder is something noble if it is done in the name of establishing despotism in Africa or Latin America. Scientists announce that they will not use their talents and energy to defend their country.

Businessmen beg for handouts for themselves and deny any obligation to the larger society. Media barons and baronesses refuse to understand the imperatives of history.

In a word, no one understands that a free society is precious, fragile, and needs nurturing and defense in a hostile world, except for our president. I think we are lucky to have him. I wish he could receive the thanks he deserves, and I suggest we all start to think about what our chances are if we get a president in 1985 as confused as the America he will have to lead. A clear-thinking leader can rescue a dizzy society. A wandering country with a wandering leader has dark days in store. ■

THE WHITE HOUSE  
WASHINGTON

April 12, 1983

TO: JAB III

RE: Judgeships

FYI, among the judges agreed on at our last meeting was a woman supported by Gov. Kean for a NJ District Court bench. Also, yesterday we announced a woman nominated by Howard Baker for a district bench in Tennessee. Our intention to nominate Ricardo Hinojosa to the S.D.-Texas judgeship was also announced yesterday.

Finally, we agreed on Steve Trimble for a vacancy on the DC District Court. Trimble is a conservative vouched for by Fielding and DOJ, but he is also a Democrat. Meese, however, concurred in his selection (I said nothing-- frankly we need at least a couple Demos to make our overall figures comparable to previous presidents).

JC

THE WHITE HOUSE  
WASHINGTON

April 14, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *Jim*  
SUBJECT: Today's CCEA Meeting with the President

The CCEA will meet with the President at 2:15 today to discuss two important issues: reauthorization of general revenue sharing, and health insurance for the unemployed. I would urge that you try to personally attend this meeting.

The issue is whether to opt for a five-year reauthorization at existing levels (preferred by OMB), or go for a one-year extension while pressing for adoption of a block grant proposal for the remaining four years (preferred by Rich Williamson).

Rich argues that this may be the best shot we have at getting this part of our Federalism initiative, and that without this as a bargaining chip the whole effort may collapse. I have asked that Rich give you a short note on his arguments before the meeting.

OMB, in turn, argues that a five-year extension now will relieve pressures to increase funding in future years, since the extension would be at existing levels of funding.

Regarding the issue of health insurance for the unemployed, the Cabinet Council will consider recommendations of its working group on the subject. In short, they strongly oppose creating any new entitlement, even if it is temporary. They recommend that, if we must appear to be addressing the problem (and I feel we must so appear), they suggest confining ourselves to regulations designed to improve access by the unemployed to continuation of whatever coverage they have while working. Obviously, the considerations discussed the other day in LSG should be brought to bear on consideration of the issue today, though I'm not sure it is wise to do so in the meeting itself.

I made sure that Ed Rollins knew the health insurance issue had been added to the agenda, and he said he would attend.

Papers on both the above issues are attached.

2:15  
Today

THE WHITE HOUSE  
WASHINGTON

**CABINET AFFAIRS STAFFING MEMORANDUM**

DATE: April 13, 1983 NUMBER: 118628CA DUE BY: \_\_\_\_\_

SUBJECT: Cabinet Council on Economic Affairs with the President

April 14, 1983 2:15 P.M. Cabinet Room

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Darman ( <i>For WH Staffing</i> )	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Harper	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interior	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
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Counsellor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
UN	<input type="checkbox"/>	<input checked="" type="checkbox"/>			
USTR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CCCT/Gunn	<input type="checkbox"/>	<input type="checkbox"/>
			CCEA/Porter	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CCFA/Boggs	<input type="checkbox"/>	<input type="checkbox"/>
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OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCLP/Uhlmann	<input type="checkbox"/>	<input type="checkbox"/>
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_____	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: The President will chair a meeting of the Cabinet Council on Economic Affairs Thursday, April 14, 1983 at 2:15 P.M. in the Cabinet Room. Agenda and paper are attached.

AGENDA: Reauthorization of General Revenue Sharing CM 357  
(paper attached)

RETURN TO:  Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs  
456-2823

Becky Norton Dunlop  
Director, Office of  
Cabinet Affairs  
456-2800

CABINET COUNCIL ON ECONOMIC AFFAIRS

April 14, 1983

2:15 p.m.

Cabinet Room

AGENDA

1. Reauthorization of Revenue Sharing (CM#357)

THE WHITE HOUSE

WASHINGTON

April 12, 1983

MEMORANDUM FOR THE PRESIDENT

FROM: THE CABINET COUNCIL ON ECONOMIC AFFAIRS

SUBJECT: Administration Position on the Reauthorization of  
the Revenue Sharing Program

The current authorization for the \$4.6 billion Revenue Sharing Program expires at the end of FY 1983. The Congress is pressing for the Administration's position on legislation reauthorizing the Program.

A five-year reauthorization is implicit in your Federalism Initiative. However, it is virtually certain that the Congress will reauthorize the Program before it completes its deliberations on the Initiative. This suggests that the Administration must either proceed with a five-year reauthorization before Congress acts on the Initiative or propose a one-year reauthorization and press the Congress to consider the longer-term future of revenue sharing in the context of your overall Initiative.

Background

On February 24, the Administration transmitted legislation providing for including the Revenue Sharing and Community Development Block Grant (CDBG) (Entitlement Portion) programs in a Local Block Grant, one of the four block grants in your Federalism Initiative. The Administration's bill would authorize the new Block Grant for five years, with both programs funded throughout the period at their current levels. The message transmitting the legislation noted that "implicit in the federal-local block grant is the assumption that revenue sharing would be reauthorized for 5 years at the current funding level."

Administration spokesmen have characterized the Administration's position as support for a five-year reauthorization of Revenue Sharing at the current funding level "in the context of the Federalism Initiative."

The current authorization for the CDBG Program, the other element in the Local Block Grant, expires at the end of FY 1983.. HUD has already transmitted a bill to the Congress that would reauthorize the Program for three years at the current funding level.

The Treasury Department has drafted legislation that would reauthorize the Revenue Sharing Program for five years at the current funding level. Senator Heinz's Subcommittee of the Senate Finance Committee and Representative Weiss' Subcommittee of the House Government Operations Committee have held several days of testimony on the nearly dozen reauthorization bills that have been introduced in both Houses. Both chairmen have been talking of moving to markup in April.

Given the pace of Congressional action on Revenue Sharing, it is almost certain that the Program will be reauthorized before consideration of your Federalism Initiative is completed. Indeed, such consideration might be delayed until the next session of the Congress.

#### Options

The Council has considered two basic options.

Option 1: Support a five-year reauthorization at current funding levels.

#### Advantages

- o A five-year reauthorization would avoid opening a renewal of general revenue sharing during 1984 and the potential for congressional efforts to increase the funding level. A chart describing alternative cost options that some in the Congress might press for is attached at Tab A.
- o The Congress is virtually certain to reauthorize the Program for at least three years. (Senator Dole observed in a speech to local officials on March 6th that "Revenue Sharing is the safest thing in town;" and Senator Durenberger has 69 cosponsors for a three-year reauthorization.) The five-year option can help defuse Senator Durenberger's other proposal (S.700), which would permanently reauthorize revenue sharing and increase funding.
- o Many State and local officials and supporters of revenue sharing in the Congress are suspicious of the Administration's intentions with respect to the Program. Support for a five-year reauthorization would allay those suspicions. A proposal for a one-year reauthorization, in light of the Administration's bill for a three-year reauthorization of the CDBG Program, might be interpreted as a signal that the Administration's professed commitment to both programs is asymmetrical. It might well be interpreted as indicating that the Administration will not support Revenue Sharing if the Local Block Grant is not approved.

Option 2: Propose a one-year reauthorization that would keep the program alive while Congress considers the Local Block Grant.

Advantages

- o A one-year reauthorization would provide time for serious consideration of the Local Block Grant proposal, which is not likely to occur until late in the current session or next year, without risking expiration of the Revenue Sharing Program before that debate is concluded. If a one-year extension could be enacted, it would preserve the Administration's option to oppose a further reauthorization of Revenue Sharing if the Local Block Grant were not enacted.
- o The Federalism Initiative has not received a notably enthusiastic reception on the Hill. Support for the reauthorization of Revenue Sharing is strong in the Congress and Administration support for a five-year extension of the Program could result in a reauthorization without serious attention being given to the Block Grant proposal.
- o Local officials have largely ignored the Federalism proposals in favor of reauthorizing Revenue Sharing. A proposal for a one-year reauthorization of Revenue Sharing would demonstrate that the Administration intends to take the Initiative seriously -- that its support for the reauthorization of Revenue Sharing is contingent upon enactment of the Local Block Grant, and that it is prepared to deal with the controversy that such a strategy would provoke.

Decision

- Option 1 \_\_\_\_\_ Support a five-year reauthorization at current funding levels.
- Supported by: Treasury, OMB, CEA, OPD, Commerce, Labor, HUD, USDA, Interior, State
- Option 2 \_\_\_\_\_ Propose a one-year reauthorization that would keep the program alive while Congress considers the Local Block Grant.
- Supported by: Office of Intergovernmental Affairs, USTR



Donald T. Regan  
Chairman Pro Tempore

April 11, 1983

General Revenue Sharing Renewal--Alternative Cost Options

(Budget Authority, \$ in billions)

	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>Total</u>
I. Extension at current dollar level.....	4.6	4.6	4.6	4.6	4.6	23.0
II. Extension at real dollar maintenance (Real 1983 dollar level--GNP deflator)						
Cost.....	4.8	5.0	5.3	5.5	5.8	26.4
Difference with I.....	0.2	0.4	0.7	0.9	1.2	3.4
III. Extension indexed to 1983 share of individual income tax (1.6%)						
Cost.....	4.7	5.3	6.0	6.5	7.4	29.9
Difference with I.....	0.1	0.7	1.4	1.9	2.8	6.9
IV. Extension including state share at real dollar maintenance (Real 1983 dollar level of \$6.9 billion--GNP deflator)						
Cost.....	7.2	7.5	7.9	8.3	8.7	39.6
Difference with I.....	2.6	2.9	3.3	3.7	4.1	16.6
V. Durenberger Proposal						
Cost.....	11.8	13.2	14.9	16.4	18.4	74.7
Tax Expenditure Offset.....	0.7	4.8	4.1	4.4	4.8	18.8
Net Cost.....	11.1	8.4	10.8	12.0	13.6	55.9
Difference with I.....	6.5	3.8	6.2	7.4	9.0	32.9

THE WHITE HOUSE  
WASHINGTON

**CABINET AFFAIRS STAFFING MEMORANDUM**

DATE: April 13, 1983 NUMBER: 118628CA DUE BY: \_\_\_\_\_

SUBJECT: Cabinet Council on Economic Affairs with the President

Thursday, April 14, 1983 2:15 P.M. ROOSEVELT ROOM

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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CEA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input type="checkbox"/>
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REMARKS: As previously announced, the President will chair a meeting of the Cabinet Council on Economic Affairs Thursday, April 14, 1983.

The meeting will be held in the Roosevelt Room, not in the Cabinet Room as previously announced.

Revised Agenda and paper are attached.

AGENDA: General Revenue Sharing CM # 357 paper distributed April 13, 1983

Health Insurance for the Unemployed paper attached

RETURN TO:

Craig L. Fuller  
Assistant to the President  
for Cabinet Affairs  
456-2823

Becky Norton Dunlop  
Director, Office of  
Cabinet Affairs  
456-2800

CABINET COUNCIL ON ECONOMIC AFFAIRS

April 14, 1983

2:15 p.m.

Roosevelt Room

AGENDA

1. General Revenue Sharing (CM#357)
2. Health Insurance for the Unemployed

April 12, 1983

MEMORANDUM FOR: Cabinet Council on Economic Affairs

FROM: Working Group on Health Insurance for the Unemployed

SUBJECT: Administration Position on Health Insurance for the Unemployed

LEGISLATIVE BACKGROUND

Congress is considering a number of proposals to finance health insurance for the unemployed. During the debate on the Social Security bill, Senator Dole offered an amendment for Federal payments of \$1.8 billion for the period June 1, 1983-June 1, 1985 to States establishing programs to cover the unemployed. Dole agreed to withdraw his amendment in return for the Administration's commitment to make a good faith effort to determine if there were a relatively low cost proposal for health insurance for the unemployed that it could support. This memorandum presents the Cabinet Council with the results of the Working Group's study of this issue.

THE PROBLEM

Even in good economic times, substantial numbers of people--perhaps 30 million--lack health insurance coverage. This reflects the fact that some employers do not provide it or that many of the unemployed are unable or unwilling to purchase coverage on their own. This includes:

- those who are employed, but lack health insurance;
- those unemployed, receiving UI, who never had employer-based health coverage;
- those long-term unemployed whose health insurance, if any, and UI have ceased; and
- a narrower group of relatively short-term unemployed receiving UI who have lost employer-based health insurance.

Establishing coverage for everyone, i.e., national health insurance, would be extremely costly and inconsistent with Administration philosophy.

In the fourth quarter of FY83, the unemployed are estimated at 11.1 million, of whom 3.7 million are estimated to be receiving UI; of this group, an estimated 2.8 million had employer-based health insurance.

The length and depth of the recession has focused public and Congressional Republican attention on the narrower uninsured group, i.e., those who received UI and lost employment-based health insurance as a result of involuntary unemployment. These unemployed workers can be exposed to significant short-term financial risks if they are unable to replace employment-based health insurance with other coverage or if they are not reemployed before extended employer health benefits expire. Health insurance linked to the temporary nature of unemployment reflects the changing nature of compensation to include health insurance and would be consistent with the partial replacement of compensation inherent in UI.

In his press conference of April 6, the President stated:

"... several states already, have taken it upon themselves to resolve this problem, and we're looking at that and where the federal government can cooperate on that.

"Also, there has been a movement on the part of the private sector -- doctors and hospitals, to get together and provide medical care for the unemployed.

"Now, there's a limit to how much or how far they can go without help and we're going to look at that for where we can cooperate with them in that. But we're certainly not going to stand by and see that people, because of the misfortune of unemployment, are going to be denied necessary medical care. So we will find an answer to that. ..."

#### PROPOSED SOLUTIONS--Inventory of Possibilities

Regulatory. A regulatory approach could be accomplished through direct Federal intervention in State health insurance regulation of employer plans, a Federal mandate of State health insurance regulations, or Federal tax incentives. Alternative regulatory approaches include mandatory:

- conversion options. Employers could be required to include a conversion option in health insurance plans for those who become unemployed. Most plans have conversion options at individual rates. Conversion could be mandated at either the group rate obtained during employment or at individual plan rates. Conversion plans are required in 11 States.
- continuation of coverage. Employer plans could be required to offer continuation of the current health insurance benefit package to those becoming involuntarily unemployed for a specified period of time. An estimated 80% of the health insurance plans provide the unemployed continuation coverage through end of the month in which they become unemployed. Continuation requirements have been mandated in 12 States.

- spouse open enrollment. Employers of those whose spouses/dependents became unemployed and lost employment-based health insurance coverage could be required to provide an open enrollment period during which a family plan could be elected. Such elections by the employed spouse could be required. An estimated 40% of UI recipients have working spouses.
- catastrophic coverage. Employers offering health insurance could be required to provide catastrophic health insurance coverage to employees who become involuntarily unemployed.

New Federal Entitlements. Perhaps the opposite extreme of the regulatory approach would be a new Federal entitlement program for the unemployed. Various proposals being discussed in Congress are characterized by their reliance on large, if not total, Federal financing and/or administration and standard-setting. The President has publicly indicated his opposition to such approaches.

- Riegle (S.307), Walgren (H.R. 1823) would require the establishment of reinsurance pools in each State to make health benefits available to unemployed workers and their dependents. Before either a State sponsored, private or Federal reinsurance pool is established in a State, unemployed workers would be able to purchase Medicare coverage.
- Dole (S.951) would fund a temporary two year program providing hospital and physician coverage through Title XX. Federal costs would be authorized at \$1.8 billion over two years. Federal matching would be set at 80% and 95% depending on unemployment rate. All regular EB and FSC unemployment insurance beneficiaries would be eligible.
- Heinz (S.811) would fund block grants to States for health insurance or health care benefits to unemployed workers. Federal costs would be authorized at \$3 billion over three years.
- Durenburger is considering a proposal that would link the revenues from the tax cap to financing health insurance for the unemployed.
- Waxman (to be introduced) would fund State Medicaid agency administration of a health insurance program for unemployed workers tied to UI eligibility at approximately the \$2.7 billion 1984 expenditure figure in the House Budget Resolution.

Federal Leverage/State Actions. More States could be given incentives, e.g., through a special, Federal tax to adopt a program that makes available health insurance for the unemployed. States and employers could be responsible for all elements of the program. A Federal role could be confined to developing minimum standards and designing an appropriate incentive system, possibly including tax deductions for Federally qualified plans, tax penalties, and limited Federal transition funding.

Elements of a State program that could qualify under a Federal incentive system could include:

- conversion options. States could mandate that employer-based health insurance plans provide a conversion option for those becoming unemployed.
- continuation of coverage. States could mandate that plans continue health coverage for a period of time. This approach could allow States to specify continuation of current benefits, or at a minimum, catastrophic coverage.
- spouse open enrollment. States could mandate that plans allow an open enrollment period for conversion to family plans if one spouse loses health insurance by reason of involuntary unemployment, and/or a re-enrollment option of the other spouse securing this benefit.
- linkage of health insurance for the unemployed and unemployment compensation. States could mandate that eligibility for unemployed health insurance benefits be linked to States' unemployment compensation programs.
- insurance pools. States could establish, or require carriers to establish, insurance pools financed by State payroll or other taxes or health insurance industry premiums.

Rely on States and Private Employers. All of the foregoing can, of course, be done without Federal action. To date, 23 States have taken steps to assure health insurance coverage. Moreover, virtually all employment-based health insurance permits conversion at individual plans.

#### ANALYSIS OF PROPOSED ALTERNATIVES

No federally mandated coverage is cost-free. Even pure regulatory solutions will impose some expense on the private sector due to expansion of the insured risk pool.

The Impossibility of Containing a Federally-Financed System. The Working Group, as part of its deliberations, considered a draft proposal to establish a State-financed entitlement system modeled on the unemployment insurance system, to provide minimal "catastrophic" insurance coverage to those on unemployment insurance who had previously had employer-financed health coverage.

A FUTA-like penalty tax would have been established to encourage States to establish systems to provide such coverage. Federal "bridge" financing would have been provided July 1 to December 31, 1983, at an OMB estimated cost to the Federal Government of \$532 million. This relatively low cost figure, however, resulted from the unrealistically stringent criteria--from a political perspective--applied to both eligibility and benefits.

It became clear to the Working Group, however, that this proposal could not be feasibly contained at this level during the legislative process. This was due to:

- Huge Universe of Potential Claimants. As noted earlier, the target eligibility group would have comprised only one quarter of the unemployed without health insurance. This restrictive definition of eligibility would have been impossible to hold during Congressional deliberations. Dropping the "prior employer coverage" criterion, for example, would expand eligibility by 33%. Dropping the "UI eligible" criterion could double or triple program costs.
- Restrictive Benefit Package. Restricting the health care package to "catastrophic only" is the only way to hold costs down. Yet the Congress would inevitably sweeten the benefit package past affordable levels. The package considered by the Working Group provided coverage (other than for emergency care and maternity benefits) only after the unemployed family had paid \$1,500 out-of-pocket. Simply dropping this threshold down to \$500 -- even without adding in other benefits -- would increase costs by at least 120%. Providing coverage equivalent to average employer coverage, on the other hand, could raise program costs per beneficiary from \$22 per month to \$115 per month -- a 410% increase in program costs.
- Short Start-Up Time. The Working Group study package assumed that States could start up systems by July 1, 1983, and that only six months of Federal bridge financing would be necessary. In reality, the vagaries of State legislative session scheduling and the administrative start-up time needed implies continued Federal participation -- if not outright Federal operation -- for as long as two years. Such an extension would undoubtedly triple or quadruple Federal cost exposure.
- Persistent Unemployment. Even if all of these objections could be met, persistent high unemployment would create heavy pressure for a continuing Federal financing presence. Even under the revised April economic forecast, the number of unemployed will not fall below .9 million before 1987. In this environment, given the poor fiscal posture of the States, political reality would dictate a continuing Federal stake.

## A Policy/Political Quagmire

In all, once the decision is made to inject direct Federal financing into a program of health insurance for the unemployed, there is absolutely no prospect of keeping the commitment limited or temporary.

### WORKING GROUP RECOMMENDATION

The Working Group strongly recommends that the Administration oppose all efforts to create any new entitlement at any level of Government even if only temporary Federal financial support is implied.

If it is necessary to put forward proposed solutions in the present legislative environment, however, the Working Group recommends that the Administration restrict its consideration to regulatory efforts designed to improve the access of the unemployed to continued health insurance coverage. A universe of options that the Working Group believes can be considered includes:

- continuation/conversion alternatives. Employers could be required to offer continuation of health coverage or conversion to individual coverage to be financed by unemployed workers. Sub-options include requiring employers to offer:
  - continuation or conversion of existing plans at group rates;
  - continuation or conversion of existing plans at individual rates; or
  - a major medical plan at special rates.
- spouse open enrollment alternatives. Employers could be required to offer their family plan coverage to spouses of unemployed workers. This requirement could be:
  - limited to spouses who already have single coverage; or
  - broadened to allow spouses that option whether or not they had elected coverage previously.

Tax Qualification. To give employers an incentive to offer extended coverage and spouse open enrollment, Federal tax deductions for employer-paid health insurance premiums would be limited to plans that include those provisions.

Reach Back. For the "reach back" group of unemployed workers, i.e., those unemployed before the effective date, similar options would have to be offered by employers for unemployed workers receiving UI who were previously covered by employer-based health insurance plans. Individuals in the "reach back" group would be responsible for identifying themselves to, and obtaining coverage from, their former employers.

ESTIMATE OF POTENTIAL ANNUAL COST EXPOSURE  
(billions of dollars)

<u>Type of Coverage</u>	<u>Previous Coverage</u>	<u>Population Eligibility</u>		
		<u>All UI</u>	<u>All Unemployed</u>	<u>All Uncovered</u>
<u>Catastrophic Benefits</u>				
(1) \$1,500 Deductible.....	\$1.1 <sup>1</sup>	\$2.6 <sup>1</sup>	\$6.2	\$6.5
(2) \$500 Deductible.....	2.4 <sup>1</sup>	5.7 <sup>1</sup>	13.6	14.3
<u>Comprehensive Coverage</u> <sup>2</sup>				
(3) Average Employer Plan...	2.2	5.2	12.4	13.0
(4) High Option Plan.....	3.5	8.3	19.8	20.8

1/ Estimate includes cost of covering those who exhausted benefits prior to July 1, 1983.

2/ Estimate does not include benefits for those ineligible after July 1, 1983.

THE WHITE HOUSE  
WASHINGTON

April 18, 1983

TO: JAB III

FYI, I took calls to you from both Sen. Gorton and Cong. Sid Morrison. Both were hot about the proposed change in marketing orders policy. Morrison said that he would be especially hard hit by it in his district.

I have explored with Joe Wright the possibility of "stretching out" the changes proposed by OMB. Instead of an abrupt end next year, there would be a more gradual, scheduled phase-out. It would accomplish our policy objective, and might be more saleable. (Sen. Gorton's main objection, he said, was the abruptness of the cut-off, and not the cut-off itself.)

Will keep you posted if you wish.

*Pls stay on top of this w/ these 2 Congressmen. Talk again w/ Joe Wright & DeMuhl*

JC

*for JC memo  
(Apr 18)*

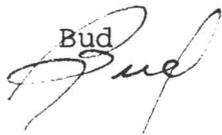
THE WHITE HOUSE  
WASHINGTON

April 20, 1983

Jim Cicconi

I appreciate your original note regarding our nominee for the INTELSAT position and your more recent followup (attached).

I have talked to Larry Eagleburger who shared your concern. He has now been in touch with Bill Schneider (who handles it at State) and has been assured that Bill will get behind our candidate and get it done. I will keep in touch.

Bud  


cc: Ken Cribb

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

4-18-83  
Sent Bai  
Staffing

April 18, 1983

TO: BUD McFARLANE  
FROM: JIM CICCONI *JMC*  
SUBJECT: Intelsat

As an addendum to the memo Ken Cribb and I sent last week on Intelsat, I wanted to let you know that we have since gotten a call from Ward White, chief staffer of the Senate Commerce Committee. He expressed concern about State's handling of the Intelsat election, and cited some specific examples. White seems to feel that, in general, the issue is being given a low priority and is being handled at too low a level.

There is also a rumor, though nothing concrete, that the Committee is considering oversight hearings on this issue.

cc: Ken Cribb

THE WHITE HOUSE

WASHINGTON

5 May 1983

MEMORANDUM FOR BUD MCFARLANE

FROM: KENNETH CRIBB, JR. *Ken*

The attached is for your further information concerning allegations that the State Department failed to act on behalf of the U.S. candidate for director general of INTELSAT.

cc: Jim Cicconi

*AA*  
*PI file w/ my notes*  
*to Bud re Intelsat.*  
*Thanks*  
*jc*

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, D. C. 20554

May 4, 1983

OFFICE OF  
THE CHAIRMAN

05

Mr. William Schneider, Jr.  
Under Secretary of State for Security,  
Assistance, Science and Technology  
Department of State  
Room 7208  
Washington, D.C. 20520

Dear Secretary Schneider:

I would like to commend you for the efforts you personally undertook in April to meet with representatives of the Embassies of Belgium, Japan, the Netherlands, Luxembourg, Germany, Norway, and Denmark on behalf of Mr. Richard Colino in his effort to be elected director general of INTELSAT.

Your efforts here in Washington, however, have not been duplicated by American Embassies abroad, with rather grave implications for Mr. Colino's nomination. I have been informed of the following developments on this score.

1. On April 26, Ms. Andrea Malater, on behalf of our INTELSAT representative, COMSAT, told Mr. William Salmon of the Department that timing of Department efforts will be critical to Mr. Colino's election. In particular, contacts from U.S. Ambassadors in Belgium, the Netherlands, Luxembourg, Norway, Switzerland, and Austria to their nations will be crucial to electing a U.S. candidate. These countries were singled out based on information obtained during the Bangkok meeting of INTELSAT. Belgium, the Netherlands, and Luxembourg as well as Norway are leaning in favor of the U.S. candidate. Switzerland and Austria, COMSAT believed, can be persuaded to support a U.S. candidate.

2. Later that day, Ms. Maleter informed Mr. Salmon that Dr. McLucas of COMSAT had visited the American Embassy in Japan and was told that the U.S. Ambassador had not as yet made an approach to the Japanese foreign ministry. This nation too is critical to securing the election of a U.S. chairman.

3. After months of requests, Ambassadors at U.S. Embassies in key Arab countries, including Saudia Arabia, Kuwait, and the United Arab Emirites (all of which maintain a seat on the board of INTELSAT) had not as yet contacted their host governments. Such contacts, COMSAT believes, are critical.

4. COMSAT's request for messages to be sent to the U.S. Embassies in Argentina and Chile have gone unanswered.

5. No responses from U.S. Embassies in Mexico and Spain to make contact at the highest level on an immediate basis have been received. I have been informed that COMSAT gave to Mr. Salmon the name of the appropriate official to be contacted at the Spanish foreign ministry on this score.

6. No follow-ups by the Department to U.S. Embassies in Peru and Columbia have been made, this despite receipt of information by those Embassies of negative trends concerning election of a U.S. director general.

Two other examples sum up the state of affairs. COMSAT was informed by Mr. Salmon that the United Kingdom, our close ally, has not been contacted on this issue as yet by the Department of State. The explanation was that the Department has not figured out its "strategy" yet. Mr. Salmon further informed COMSAT that he has no knowledge of any Department plans to take the matter up with Prime Minister Thatcher or her delegation during her visit to Williamsburg later this month. This oversight is unacceptable.

In Brazil, the situation is as bad. The U.S. Embassy failed to send its Ambassador to visit the Minister of Foreign Affairs in a timely way. Instead, the scientific attache was sent to visit the personal assistant to the Minister for Communications. But this very Minister, I am informed, has been behind Brazil's support of a Canadian candidate. Rather than instructing the Ambassador to call on the President of Brazil or the Brazilian Foreign Minister weeks ago as had been suggested, your Department, by sending the scientific attache to visit the Communications Minister's office, may have made it harder to turn Brazil around on this question.

The situation is perilous. It is urgent that we move rapidly. The information contained in this letter is current up until April 29; there may be developments beyond those contained in this letter.

I know that you are in the eye of the storm in matters relating to Central America. In comparison, the election of a U.S. representative as director general of INTELSAT may seem minor. But its long-range impact cannot be underestimated. I hope you will be able personally to see to it that the right individual is assigned to this issue and that the Department undertake an immediate review to insure all appropriate actions necessary to enhance the election of Mr. Colino.

I will be happy to assist in any way I can. Time is short and the need is great.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark', with a horizontal line extending to the right.

Mark S. Fowler  
Chairman

THE WHITE HOUSE  
WASHINGTON

April 20, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *Jim*  
SUBJECT: Helen Marie Taylor

*Baker + Falwell  
went by.  
JC - let FW.  
+ M.B. know ~~details~~  
details  
Done  
JC*

As you know, Helen Marie Taylor's nomination to the Board of the Corporation for Public Broadcasting has been held up by Sen. Barry Goldwater. To date, all efforts to persuade the Senator to release her nomination have failed.

Pressure from conservative groups has not moved the Senator, and he has consistently refused to see Mrs. Taylor. After the President's recent meeting with Jerry Falwell, Ken Duberstein called Sen. Goldwater, again to no avail. (This was in addition to our other, repeated legislative contacts.) We also asked if Sen. Goldwater would be willing to speak with Mrs. Taylor if she was accompanied by Senators Warner and Tribble, and former Senator Harry Byrd; Goldwater apparently said he did not care what kind of delegation was sent, he still would not meet with her. As a footnote to this particular effort, Senator Warner talked with Mrs. Taylor and reported that she spoke of Senator Goldwater in such intemperate terms that he would not consider taking her in to see Goldwater.

Our efforts on this are clearly going nowhere. Unless Senator Goldwater can be persuaded-- perhaps through a call from the President-- we will be forced to consider withdrawing Mrs. Taylor's nomination. Given Mrs. Taylor's long record of support for the President, and her standing among conservatives, he may want to make such a call in one last attempt to salvage her nomination.

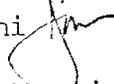
If such a call fails, Personnel would, of course, make every effort to find a comparable position for Mrs. Taylor-- and one that would not have to go through Sen. Goldwater's subcommittee.

THE WHITE HOUSE

WASHINGTON

April 21, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi   
SUBJECT: Personnel Meeting

1. Reminder that you wanted to stress importance of placing Henry Zuniga in a job soon. We are getting lots of heat from Hispanics and Tower's office. I asked Personnel to coordinate a series of interviews after sitting down with Henry, and now understand that Joe Ryan is helping Henry re a job at Commerce.
2. Re Charles Cox, who has been OK'd for the SEC, I have heard that Jake Garn just stated that he felt Cox's nomination would be "another Adelman." This is very surprising coming from Garn, and we may want to check it further. Cox apparently has written and spoken a lot on the subject of securities regulation, and the general theme seems to be that securities regs should be greatly loosened. I assume we have taken a close look at his record, but if we have not, suggest that we should go into this with our eyes open and not just in reliance on John Shad's recommendation.  
  
FYI, Faith Whittlesey has some background in this area, and also has strong feelings on this.
3. As you know, former Congressman Paul Findley is under consideration for BIFAD, a board dealing with international agriculture in conjunction with A.I.D. Bob Michel and others are supporting Findley; however (as I understand it), Mike Gale has argued that Findley's appointment would greatly upset the Jewish community due to his past support for a Palestinian homeland, and for what is perceived as a generally pro-Arab attitude.

BIFAD is a part-time, low-level, low visibility board which Findley helped create when he was in Congress. We have a general commitment to help defeated Republicans, and it is hard to see how such a minor appointment can cause an uproar in the Jewish community. To make certain, though, I would hope someone would check with David Brody (B'nai B'rith) and Tom Dyne (American-Israeli PAC) and assess the degree of opposition before deciding against Findley.

THE WHITE HOUSE

WASHINGTON

April 22, 1983

MEMORANDUM FOR DENNIS PATRICK

FROM: Jim Cicconi 

SUBJECT: Jeff Wentworth

It is my understanding that Jeff Wentworth has expressed an interest in an Administration position. Jeff is an attorney and served for years as the only Republican on the Bexar County (San Antonio) Commissioners' Court. He resigned to run for Congress against Chick Kazen in 1982 and, in a very difficult district, gave Kazen the toughest reelection fight he's had for many years.

Jeff would be a real asset to the Administration, and I am sure his appointment to some position would be well-received among Republicans in South Texas.

Thanks for your consideration.