

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: Cicconi, James W.: Files

Archivist: dlb/bcb

File Folder: JW Cicconi Memos, Jan - Jun 1983 [10 of 11]
Cicconi ~~OA 10793~~ **Box 2**

Date: 2/23/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	JW Cicconi to James A. Baker, III re U.S. Treasurer, 1p.	6/15/83	P5 B6
2. memo	JW Cicconi to James A. Baker, III re Comments on Virginia Knauer Memo, 2p.	6/21/83	P5 B6
3. memo	JW Cicconi to James A. Baker, III re Peace Corps Country Directors, 1p.	6/21/83	P5
4. memo	Suggestions re Country Directors, 1p.	n.d.	P5
5. memo	Cicconi to John Herrington re Country Directors, 1p.	n.d.	P5
6. note	Re clarification of points in item #5, 1p.	n.d.	P5
7. memo	Craig L. Fuller to Edwin Meese, III, James A. Baker, III, Michael k. Deaver re Peace Corps Response on Country Director Executive Order, 2p.	6/9/83	P5
8. memo	Loret Miller Ruppe to C. Fuller re response to Peace Corps Executive Order, 3p.	6/3/83	P5
9. memo	JW Cicconi to James A. Baker, III re Cost Sharing on Water Projects, 1p.	6/21/83	P5 (CJ) 10/19/00

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 Coccini Memos, Jan - Jun 1983 [10 of 11]
OA 10793

Date: 2/23/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	JW Cicconi to James A.Baker, III re U.S. Treasurer, 1p.	6/15/83	P5
2. memo	JW Cicconi to James A.Baker, III re Comments on Virginia Knauer Memo, 2p.	6/21/83	P5
3. memo	JW Cicconi to James A.Baker, III re Peace Corps Country Directors, 1p.	6/21/83	P5
4. memo	Suggestions re Country Directors, 1p.	n.d.	P5
5. memo	Cicconi to John Herrington re Country Directors, 1p.	n.d.	P5
6. note	Re clarification of points in item #5, 1p.	n.d.	P5
7. memo	Craig L.Fuller to Edwin Meese, III, James A.Baker, III, Michael k. Deaver re Peace Corps Response on Country Director Executive Order, 2p.	6/9/83	P5
8. memo	Loret Miller Ruppe to C.Fuller re response to Peace Corps Executive Order, 3p.	6/3/83	P5
9. memo	JW Cicconi to James A.Baker, III re Cost Sharing on Water Projects, 1p.	6/21/83	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

June 10, 1983

TO: JAB III

RE: PIK Program

The Cabinet met to discuss the PIK program this week. The main point discussed was what to do about the program next year. OMB has serious concerns about costs going out of control in PIK, which was originally designed to get a handle on such costs.

USDA is still exploring several options. However, one thing is clear: since grain stocks have been drawn down to very low levels, any extension of the program will probably not involve the type of "crop swap" we worked out this year.

USDA was told by Meese that the President would have to approve any PIK arrangements for 1984.

JC

THE WHITE HOUSE
WASHINGTON



June 10, 1983

TO: JAB III

RE: OSHA

It has been decided that the President will ask each agency to undertake to reduce injury claims by 3% a year for five years.

Thorne Auchter made a presentation to the Cabinet this week in which he requested that such a goal be set. He also pointed out that last year witnessed a healthy decline in federal injury claims.

In my view, OSHA has shown, and continues to show, that if we do our deregulation job efficiently and with due sensitivity, it can be done without serious political harm.

JC

THE WHITE HOUSE

WASHINGTON

June 13, 1983

MEMORANDUM FOR BILL SITTMANN

FROM: Jim Cicconi 

SUBJECT: AEI Constitution Conference

Last week, Bill Baroody of AEI called regarding the Constitution Conference they are holding in conjunction with the State Department. It is set for September 14-16, and they have requested some sort of Presidential involvement. However, as I understand, the event they requested, a luncheon on September 16, could not be scheduled.

Baroody says that they are flexible, and would like to work out some type of event involving the President during the Conference.

The Conference itself includes representatives of twenty democratic nations, many of whom authored their countries' constitutions. The idea of such a conference was originally presented to AEI by the State Department, and was subsequently mentioned by the President in his speech to Parliament.

I am sure Bill Baroody would appreciate it if some alternative form of Presidential participation can be worked out. I also think it would be a positive event for us, and would be tangible evidence of follow-up on the "Project Democracy" initiative.

Thanks.

cc: Fred Ryan

THE WHITE HOUSE
WASHINGTON

June 14, 1983

MEMORANDUM FOR CRAIG FULLER

FROM: Jim Cicconi
SUBJECT: Textiles Meeting Follow-Up

It would probably be helpful if we could convey word this week to Senators Thurmond and Helms about the action we plan as follow-up to the May 19 meeting on textile imports. I would think that this could be done by either you or Ken Duberstein calling first Thurmond, then Helms, then Representative Carroll Campbell. (It is important that Thurmond have the initial opportunity to pass on the information to the industry.)

The action-forcing event is a June 16 fund-raising dinner here in Washington for Senator Helms. The President plans to attend, and most of the textile industry representatives will also be present.

Thanks.

cc: Lee Atwater

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE WHITE HOUSE

WASHINGTON

June 15, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Specialty Steel

This is an issue which is coming to a head very quickly, and could have serious repercussions.

In summary, as I understand it, the International Trade Commission has found that the U.S. specialty steel industry is sustaining serious harm from imports, and has recommended that quotas be imposed for three years. A decision will need to be made within the next two weeks or so. We can accept, reject, or alter the ITC recommendation.

The industry has maintained that three years is insufficient given their capital investment cycle among other things, and argues that quotas be imposed for five years. To my knowledge, no agency supports five years, though four years is a possibility. Commerce, Defense, State, and Labor support the ITC finding in one form or another. However, OMB, Treasury, NSC, Justice, DOE, and CEA all oppose the ITC recommendation. USTR has reportedly been working to more sharply define the points at issue between the agencies, though, so the above lineup could change.

A preliminary meeting will be held this Friday, and the full Trade Policy Committee will convene on the issue next Tuesday.

The Administration's decision on specialty steel is of particular interest in Pennsylvania, where much of the industry is located. As you know, Sen. Heinz has asked for a meeting on the subject, and Gov. Thornburgh may seek to come in with industry representatives and the head of the Steelworkers. Also, there are rumors of congressional action to impose quotas if the President fails to do so. An additional complicating factor is that we have touted the specialty steel industry as a competitive growth industry in public comments.

I will keep you posted as this develops. As for meeting with Heinz, et al, I would suggest we stall until after next Tuesday's meeting. At that time we should have a more reliable reading on the range of agency opinion that will go to the President.

cc: Dick Darman
Ken Duberstein

checking into whether I can meet w/ Heinz's guy even if willing.

THE WHITE HOUSE

WASHINGTON

June 15, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Veto Recommendation

For your information:

Both OMB and Treasury have recommended that S. 973 be vetoed by the President. The last day for action on the bill is this Saturday, June 18.

The bill itself consists of technical amendments to the Indian Self-Determination Act. We have no objection to those provisions. However, Sen. Jesse Helms added a floor amendment that allows a "lease-back" arrangement to benefit the North Carolina School of the Arts. It is this amendment that is the basis for the veto recommendation.

In short, the School is in an historic building that was refurbished through use of a \$3 million EDA grant and \$6.5 million in private contributions. However, the School has been told that State funds will not be available to operate it, despite earlier assurances. The Helms amendment would allow the School to lease the building to private investors, who would in turn lease it back to the School. The investors would realize various tax benefits under both Federal and State law through this arrangement, all without first having to repay the \$3 million EDA grant. The School, for its part, would be able to stay open.

OMB and Treasury regard such lease-back exemptions as totally unjustified and costly to the Treasury, especially when one considers the precedent set. In essence, the tax benefits being sold to private investors here are attributable to property that was paid for partly through a Federal grant. If we were to allow such lease-back arrangements through special legislation, OMB warns of a potentially huge revenue drain given the billions in federal grants for similar tax exempt projects.

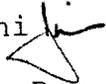
THE WHITE HOUSE

WASHINGTON

June 15, 1983



MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Food Stamp Regulatory Reform

As you know, Monday's Cabinet meeting discussed administrative proposals for tightening up food stamp eligibility and eliminating fraud. The President agreed with every recommendation (which we have already gone over).

One of the recommendations was that we not impose job search/work requirements on food stamp recipients by regulation. However, it was recommended, and the President agreed, that we seek legislation to accomplish the same thing.

THE WHITE HOUSE

WASHINGTON

June 16, 1983

MEMORANDUM FOR THE FILE

FROM: Jim Cicconi *JMC*
SUBJECT: Phone Call from Jack Garrett

On or about June 14, JAB received a call from his brother-in-law, Jack Garrett on the subject of rice.

Garrett complained that Merrill Lynch has raised the price of margin contracts on rice from \$600 to \$2400, and said that this was a disaster that would cost the federal government millions in deficiency payments.

JAB stressed that he could not and would not take any action on the issue, nor would he even discuss the subject. He suggested that Garrett forward his complaint directly to USDA, but said that he should not use JAB's name in doing so. Garrett indicated he understood, and promised not to use JAB's name in any government contacts on the subject.

cc: Fred F. Fielding

THE WHITE HOUSE

WASHINGTON

June 16, 1983

MEMORANDUM FOR WILLIAM P. CLARK
MICHAEL K. DEEVER
JOHN HERRINGTON
DEPUTY SECRETARY KENNETH DAM

FROM: Jim Cicconi *JMC*
SUBJECT: Memorandum from Charles Z. Wick

Jim Baker asked that the attached memorandum from Director Wick, along with the resume of John W. Shirley, be forwarded to you for your information.

Thank you.

**United States
Information
Agency**

Washington, D.C. 20547

Office of the Director



June 15, 1983

MEMORANDUM FOR: The Honorable
James A. Baker III
Chief of Staff
and Assistant to the President
The White House

FROM: Charles Z. Wick 
Director

SUBJECT: Jock Shirley

I would like to follow up on our conversation with regard to Jock Shirley and to reiterate to you in this more formal way my strong hope that he will be chosen to succeed Jack Matlock as our Ambassador to Czechoslovakia.

Jock Shirley is a Career Minister in the Senior Foreign Service and is currently serving as my Deputy Director on an interim basis. He is a veteran of more than twenty six years in USIA's Foreign Service. At the change of Administration, he was named Acting Director of USIA by the White House because of his experience, talent and commitment to the achievement of the Administration's objectives. Five months later, when I took over as Director, I created for him the position of Counselor of the Agency. In that capacity, as the senior career officer at USIA, he has been an invaluable adviser on policy and management, and has been thoughtful, loyal and energetic in implementing the President's policies.

Jock's extensive overseas experience includes assignments in Yugoslavia, Italy, India and Poland. From December, 1945, until August, 1946, he lived in Prague with his father. During the Nixon and Ford Administrations he was in charge of all of USIA's activities in Europe, an assignment in which he distinguished himself. From 1977 until shortly before the election, he was Counselor for Public Affairs at our Embassy in Rome. I am told that the Carter policy which in effect lifted the USG "veto" against Communist Party entry into the Italian government was reversed due largely to Jock Shirley's persistent efforts.

Jock Shirley's qualifications to be Ambassador in Prague are beyond question. Indeed, I am convinced that he would be prudent, and most of all tough, in the pursuit of American interests in Czechoslovakia. His background in Eastern European affairs is extensive. By an accident of fate, he spent the war years in pre-communist Hungary where he attended

four years of secondary school. As a result, he is virtually bilingual in Hungarian. At the same time he is also proficient in German, French, Italian, Polish and Serbo-Croatian. His knowledge of two Slavic languages, buttressed by his natural linguistic ability, should make it easy for him to acquire a fluency in Czech. Jock Shirley has long specialized in communist affairs, both in directing USIA's information and propaganda efforts aimed at the Soviet Union and Eastern Europe from Washington and during his service in Yugoslavia and Poland. I am convinced that his blend of knowledge of East European history, politics and languages qualify him to render exceptional service.

As you know, Jock's appointment as Ambassador to Czechoslovakia is of great importance to me as Director of USIA. First, I believe it proper that his exceptional contributions to this administration and his outstanding prior service be recognized. At the same time, I want USIA's Foreign Service to know that ability, hard work and loyalty are rewarded and that these rewards are not limited to State Department Foreign Service officers.

In closing, I want to emphasize that Jock is also one of the most gracious and competent people I have met during my tenure in Washington. I believe that his deep commitment to the policies of the Reagan Administration coupled with his exceptional ability and long experience in the Foreign Service merit his appointment as Ambassador to Czechoslovakia. He has my full backing. I hope that you will also support him.

Attachment: Curriculum Vitae

JOHN W. SHIRLEY

Career Minister, U.S. Information Agency (USIA).

RECENT PROFESSIONAL HISTORY:

1983 (May) to present -- DEPUTY DIRECTOR AD INTERIM -- Under a broad delegation of responsibility and authority from the Director of the Agency, the Deputy Director ad interim is charged with implementing the Administration's policies through oversight and direction of USIA operations, personnel and facilities in the United States and abroad.

1981 (June) to 1983 (May) -- COUNSELOR OF THE AGENCY -- and CHIEF OF STAFF. In present position has line responsibility for USIA's overseas operations. Supervises directly the five geographic bureaus in Washington and through them the Agency's 205 overseas posts.

As Chief of Staff, helps coordinate the activities of the Voice of America and of the Directorates for Programs, for Educational and Cultural Exchange, and for Management.

1981 (January-June) -- ACTING DIRECTOR OF THE INTERNATIONAL COMMUNICATION AGENCY -- from the inauguration of the new Administration until the confirmation of the new Director in charge of USICA and its 8000 employees and responsible for its \$500 million budget.

1980-81 -- ASSOCIATE DIRECTOR FOR PROGRAMS -- Supervised USICA's Policy Planning and Policy Guidance Staffs, Press Division, Exhibits Division, Research Division, Film and Television Division, and Evaluation Staff. The Associate Director for Programs is a Presidentially-appointed officer. Supervised 972 employees in Washington and overseas and responsible for a budget of over \$41 million.

CAREER HISTORY:

1977-80 Counselor of Embassy for Public Affairs, American Embassy, Rome, Italy.

1975-77 Director of European Affairs, U.S. Information Agency.

1973-75 Director of East European and Soviet Affairs, U.S. Information Agency.

1972-73 Deputy Director, East European and Soviet Affairs, U.S. Information Agency.

1970-72 First Secretary of Embassy for Press and Cultural Affairs, American Embassy, Warsaw, Poland.

1969-70 Polish language and area training, Foreign Service Institute.

1968-69 Policy Officer, Near East and South Asian Affairs, U.S. Information Agency.

1968 Officer-in-Charge, India, Nepal, Ceylon Affairs, U.S. Information Agency.

1965-68 Press Attache', American Embassy, New Delhi, India.

1963-65 Press Attache', American Embassy, Rome, Italy.

1960-63 Public Affairs Officer and Consul, American Consulate, Trieste, Italy.

1959-60 Assistant Cultural Attache', American Embassy Belgrade, Yugoslavia.

1958-59 Assistant Cultural Officer, American Consulate General, Zagreb, Yugoslavia.

EDUCATION:

Elementary and secondary schools in France, Yugoslavia, Hungary and Czechoslovakia.

Augusta Military Academy, Fort Defiance, Virginia (Diploma 1949).

Georgetown University, School of Foreign Service, Washington, D.C. Bachelor of Science, International Relations, 1957.

MILITARY SERVICE:

U.S. Air Force, 1952-56.

(Military intelligence assignments in Europe).

LANGUAGES:

Hungarian
Italian
German
French
Polish
Serbo-Croatian

AWARDS:

Edward R. Murrow Award for Excellence in Public
Diplomacy (1981).

Meritorious Honor Award, U.S. Information Agency, 1962.

PERSONAL DATA:

Date of Birth: August 18, 1931.

Place of Birth: Hailsham, Sussex, England,
of American parents.

Married.

Addresses: Home: 3101 P. St. N.W.
Washington, D.C. 20007
Tel: (202) 298-7252

Office: U.S. Information Agency
400 C. Street S.W.
Rm. 806
Washington, D.C. 20547
Tel: (202) 485-8747

✓

THE WHITE HOUSE

WASHINGTON

June 20, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Bankruptcy Legislation

Since you will be traveling this afternoon with Trent Lott, you should be aware that the subject of bankruptcy legislation could arise.

Lott has introduced a bill that differs from the Senate version we endorsed in one major respect: the bankruptcy judges in the Lott bill are appointed by the Circuit Courts instead of by the President. We have taken a stance of "no objection" to Lott's version, recognizing that the difference may be important in gaining the Democratic votes necessary for passage. We would, of course, then hope that a conference committee would support the Senate version.

I would suggest you not raise this subject. However, if it comes up, Congressman Lott should at least be made aware of the importance we attach to such legislation, even though we are not in a position to endorse his specific bill.

cc: Nancy Risque

THE WHITE HOUSE

WASHINGTON



June 20, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Reduction in Number of Federal Employees

At today's CCMA meeting with the President, Joe Wright reported that the reduction in number of federal employees promised by the President is running ahead of schedule.

Joe said we should be able to make the 1984 target of reducing the number of federal employees (FTE) by 75,000 provided there is no "hiring up" to currently allowed employment ceilings. OMB and OPM are working together to see that this "hiring up" does not occur.

At present, there are 65,000 fewer federal employees (FTE) than when the President took office. He indicated that he would like to use this fact in his speeches, along with several other points mentioned, such as a reduced number of federal publications, procurement efficiencies, and increased computerization.

cc: Richard Darman

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 2 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

THE WHITE HOUSE

WASHINGTON

June 21, 1983

MEMORANDUM FOR JAMES A. BAKER, III
FROM: VIRGINIA H. KNAUER
SUBJECT: Transition Implementation

In our last meeting, you informed me that I was to view my transition out of the Executive Office Building as an enhancement and promotion. Based on these assurances, I have been successful in containing any harmful repercussions from the press and the constituencies I have served; I have been able to put a positive outlook on the change by noting with a good deal of pride that I now report to the President through your office. However, the details and implementation of my transition are not reflecting the spirit of our discussion.

Specifically, HHS staffers are preparing transfer papers at the SES-1 level under the direction of John Rogers, even though I discussed an SES-3 or 4 level with your deputy, Jim Cicconi. White House staff have asked for all EOB staff passes, and we have been told that providing a White House phone connection would set a new precedent and be technically difficult and costly. Additional details on each of these points are attached.

As you know, an SES-1 level would place me at the lowest levels of the managing bureaucrats at HHS. Indeed, my deputy's slot is an SES-1 position. I need to retain at least three out of the present seven staff EOB passes if I am to continue to effectively use the White House facilities. A personal White House phone link had been established in my USOCA offices in previous Administrations: it is low cost and technically feasible and extremely important in working with knowledgeable and sophisticated representatives from the public and private sectors.

As one of the women pioneers in the White House, I know that especially in an inflamed atmosphere, one cannot risk giving political opponents facts upon which to build a case. If these present staff proposals go forward as planned, I have no doubt that women and consumer groups, and the disabled and aging communities that I have served will interpret those changes as a major downgrading. Our credibility to portray this transition

in a positive way will be seriously damaged with the constituencies who have followed my career and these current developments, and we will be inviting our political opponents to exploit a potential negative interpretation of this move.

There is an urgent need to resolve these three items promptly particularly since HHS plans to process my appointment tomorrow, June 22. I would like to discuss these issues with you as soon as possible.

CONSIDERATIONS IN THE ESTABLISHMENT OF AN SES POSITION IN HHS

HHS Assistant Secretary for Personnel Administration, Thomas S. McFee advised the USOCA administrative staff officer on June 20, 1983 that he was instructed by John Rogers of the White House Office to establish a position of Director, United States Office of Consumer Affairs in HHS at the SES-1 level.

According to the FY 1984 budget, there are 628 SES positions in the Department -- 548 of these are above the rank of SES-1 and would be perceived to have a higher degree of responsibility than the Director, USOCA. Federal government-wide there are 7,861 SES positions, of which 7,318 are above the SES-1 level. This would strongly suggest a non-substantive role of consumers in the Administration.

The following is an example of the position levels within the Office of the Secretary, HHS.

Chief of Staff	SES-6
Executive Secretary	SES-3
Assistant Secretary for Personnel Administration	SES-5
Assistant Secretary for Management and Budget	SES-5
Deputy Assistant Secretary, Budget	SES-4
Director, Division of Budget Policy Management	SES-2
Director, Office of Civil Rights	SES-5
Deputy Director, Office of Civil Rights	SES-4
Deputy Director, Office of Civil Rights	SES-3
Deputy Director, Office of Civil Rights	SES-3
Assistant Secretary for Legislation	EL-IV
Associate General Counsel	SES-4
Deputy Assistant Secretary, Legislation	SES-4
Deputy Assistant Secretary, Legislation	SES-2
Director for Technical Analysis	SES-3
Deputy Director, USOCA	SES-1

Since the creation of USOCA in 1971, the Director has been on the White House payroll, but the Deputy Directors have always been at the SES level. Four USOCA Division Directors at the GS-15 level have salaries in excess of the SES-1 level.

An appointment to the White House staff carries its own badge of authority in and outside government. On the other hand, within Federal agencies grade levels are the indicia of position, rank and authority and the importance of programs.

For the above reasons, it is recommended that the position of Director, USOCA be at the SES-4 level.

CONSIDERATIONS CONCERNING EXECUTIVE OFFICE BUILDING PASSES

A request has been received from John Roger's office that all EOB passes issued to U.S. Office of Consumer Affairs employees be turned in. Currently there are seven EOB passes outstanding; two for support clerical staff formally located at EOB, two for public affairs staff whose responsibilities included staffing White House OPL meetings and events, one for an OCA detailee to OPL as a Deputy Special Assistant to the President working on women's issues, one for Mrs. Knauer's deputy and one for an U.S.OCA messenger.

With U.S.OCA's changing role, vis-a-vis the White House, clearly some of these passes are no longer necessary; however, at least three of these passes need to remain authorized. This action creates no new expense for the White House.

Along with the prerogatives of the Special Adviser to the President for Consumer Affairs is the use of White House complex facilities for meetings and certain ceremonial functions and the receipt of mail. Additionally, there is an obligation for managerial reporting and the receipt of instructions from the Office of the Chief of Staff.

Associated with the meeting function is scheduling, clearance lists, room advance and set-up, clearing attendees at the door, escorting guests and principals in the complex, and remaining with the attendees throughout the full course of the meeting (or briefing). It is unreasonable to expect the Special Adviser to take personal responsibility for all these functions. The deputy or personal secretary are suited for these types of duties, but would be unable to perform them without an EOB pass.

The same type of circumstances arise in the occurrence of administrative liaison with certain ceremonial functions such as south lawn events and pick-up and delivery. In fact, since the Special Adviser no longer is physically located in the complex, the need to elevate the deputy's clearance to White House level is evident. Certain functions such as management reporting, Roosevelt Room meetings, and special VIP 7:00 p.m. tours important to the responsibilities and prerogatives acceded to in the new organizational framework of the Special Adviser, will become exceedingly difficult even with the deputy holding an EOB pass.

The three passes to be retained are those for the deputy, the Special Adviser's personal secretary and the U.S.OCA messenger.

There is no expense to the White House in approving this action. Should there be future costs (e.g., changing personnel), as with other costs previously incurred, they will be assumed through U.S.OCA's separate appropriation.

CONSIDERATIONS FOR RETENTION OF
WHITE HOUSE SWITCHBOARD AND 456 EXCHANGE ACCESS

The Office of the Special Adviser to the President for Consumer Affairs has been relocated from OEOB to a private building two blocks from the White House complex. There is a need and a precedent for the Special Adviser to retain White House switchboard and 456 exchange access, thereby necessitating a reassessment of the current telephone arrangement.

When calling the Special Adviser's former 456 exchange number, a recording informs callers that they have "reached a non-working number at the White House" and suggests calling the switchboard if assistance is desired. This is creating unnecessary confusion.

For example, many women's groups and organizations representing the elderly with which close working and personal relationships have developed, and to whom the Special Adviser counts on for the implementation of the Administration's programs for consumers, have begun to doubt the relationship with the White House. Additionally, since the primary audience that acts as the catalyst for accomplishing Administration goals are typically knowledgeable and sophisticated officials in both the private and public sectors, the ability of the Special Adviser to convey the importance of a Presidential program will be greatly hampered, if not dismissed.

This is not a problem for individual consumer inquiries as they are typically unaware of the connotation and nuances of the 456 exchange. They are satisfied in dealing with the U.S.OCA staff expert that can address their need.

The 634 exchange currently assigned the Special Adviser is also the exchange for ACTION, further hampering Washington insiders' perceptions.

The establishment of one (1) 456 line to the Special Adviser's office is technically possible and with considerable precedent in this and previous Administrations. This would be accomplished without cost to the White House, as U.S.OCA would assume all charges (as was previously done at the Special Adviser's EOB office) through its separate appropriation.

THE WHITE HOUSE

WASHINGTON

June 21, 1983



MEMORANDUM FOR: JAMES A. BAKER III
FROM: JIM CICCONI 
SUBJECT: Infanticide Regulation

For your information:

A revised version of the infanticide regulation, now known as the "Handicapped Infant Nondiscrimination Regulation," is in the OMB clearance process and will soon be issued for public comment.

A "conspicuous notice" must still be posted by the hospitals, which will detail the federal protections and give a "hotline" number at HHS for reporting violations. The rule also makes clear that infanticide violates Section 504 of the Rehabilitation Act, and requires states receiving Section 504 funding to institute procedures for assuring that handicapped infants denied medical care are protected by the state.

It should be noted that all references to federal criminal violations and possible prosecution have been dropped as a result of our meeting last week.

THE WHITE HOUSE

WASHINGTON

June 21, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Peace Corps Country Directors

As you know, consideration has been given to issuing an executive order that would revoke the delegation of authority to the Peace Corps Director to name country directors and return such authority to the President. The reason for this is dissatisfaction with the degree of cooperation from Peace Corps on such appointments. The Director has expressed serious disagreement with the issuance of such an order.

In my view, the main concerns can be met without resorting to such an order, and in a way that should not unduly burden Peace Corps. Accordingly, I would suggest the following compromise for the senior staff's consideration:

1. Action on the proposed executive order will be suspended.
2. All appointments, reappointments, and extensions of country directors will be decided by the Director, but will be subject to prior clearance by Presidential Personnel. Such clearances will be conducted on the same basis as for other Presidential appointments.
3. The Director will undertake to increase the number of country directors appointed on recommendation of Presidential Personnel (that is, where the names originate at the White House).
4. In accordance with the memorandum from the Office of Legal Counsel, Department of Justice, the Director will reinstate Ed Curran as Deputy Director of the Peace Corps with full powers and responsibilities, including those traditionally exercised by the Deputy Director. He shall be assured of sufficient staff to carry out such duties.
5. Lack of cooperation on the above points shall cause the White House to reconsider issuance of the executive order, or to consider other steps designed to address the points of disagreement.

cc: John Herrington
Craig Fuller

PEACE CORPS



June 1, 1983

Attachment #1

MEMORANDUM

TO : Loret Miller Ruppe
Director

FROM : Alexander B. Cook *ABC*
General Counsel

SUBJECT: Director's Authority to Appoint Country Directors

You have asked me to review the legal background and legislative history of your authority to appoint Country Directors, and the effect of P.L. 97-113 in this regard. The Peace Corps was established, first by Executive Order 10924 (March 1, 1961), then by the Peace Corps Act (22 U.S.C. 2501 et. seq.)--signed into law on September 22, 1961. As part of the Act, in Section 7(c), the President was authorized to appoint a Director in each host country "to have direction of other employees of the Peace Corps abroad and oversee activities carried on under the Act in such country or area."

Following enactment of the law, Executive Order 11041, August 9, 1962 (copy attached), delegated all functions except those reserved to the President (not including 7(c) authority) to the Secretary of State. The Secretary of State re-delegated his authority (85-11A--August 1962--copy attached), including authority to appoint Country Directors, to the Peace Corps Director. Executive Order 11250, October 10, 1965, an amendment to Executive Order 11041, was issued to implement personnel change in Peace Corps Act which authorized use of Foreign Service Act authorities to establish a unified personnel system. No change was made in delegation of authority to appoint Country Director, which remained with the Peace Corps Director pursuant to the 1962 re-delegation from the Secretary of State. (See attached letter from Acting Secretary of State George W. Ball, September 28, 1965).

When Peace Corps was transferred from the Department of State to ACTION, Executive Order 11603, (July 1, 1971) superseded Executive Order 11041. Section 102 of Executive Order 11603 delegated all authorities previously conferred on the Secretary of State by the latter Order to the Director of ACTION, including the authority to appoint Country Directors. Executive Order 12137, May 16, 1979, superseded Executive Order 11603 and returned these authorities to the Peace Corps Director. This Order (12137) did not reserve to the President authority to appoint Country Directors.

Section 601(d)(2), P.L. 97-113, December 29, 1981, which established Peace Corps as an independent agency stated "The Director of the Peace Corps shall continue to exercise all the functions under the Peace Corps Act or any other law or authority which the Director was performing on December 14, 1981. (Emphasis added--Underlined language added by Conference Committee--see Conference Report 97-413 (copy attached)). The Conference Report indicates the intent of this provision is "to supersede the authority under Section 4(b) of the Peace Corps Act to withdraw any authority which had been delegated to the Director of the Peace Corps on December 14, 1981." This brief explanation was amplified during the Senate floor debate on the Conference Report by Senator Alan Cranston (the author of the language included in this bill). Cranston's statement, appearing at p. S15299, December 15, 1981, reads:

Third, the conference agreement contains a provision-- derived from the House amendment--requiring that the Director of the Peace Corps continue to perform the functions the Director was performing on December 14, 1981-- the date the conference reached agreement on this bill. In other words, the President would not be authorized to withdraw from the Director of the Peace Corps responsibilities which had previously been delegated to the Director of the Peace Corps.

This is the only reference during debate in either House to the language of this amendment to Section 601 agreed to by the Conferees.

Since the authority to appoint CDs have been delegated to the Peace Corps Director by Executive Order 12137, and was in effect on December 14, 1981, there is a strong presumption that Congress intended this authority remain vested in the Peace Corps Director, not subject to withdrawal by the President. This appears valid despite the fact that the Peace Corps Act still refers to "the President" in several sections (including 7(c)) setting forth authority to carry out specific functions under the Act.

Upon review of the history of this authority, it is clear that since the inception of the Peace Corps, the Director of the Peace Corps (or ACTION between 1971 and 1979) had always been delegated authority to appoint Country Directors. P.L. 97-113 appears to preserve this authority in your office.

Attachments

Executive Order 11041

CONTINUANCE AND ADMINISTRATION OF THE PEACE CORPS IN THE
DEPARTMENT OF STATE

By virtue of the authority vested in me by the Peace Corps Act (75 Stat. 612), and as President of the United States, it is hereby ordered as follows:

PART I—DELEGATION OF FUNCTIONS AND ALLOCATION OF FUNDS

SECTION 101. *Delegation of functions to the Secretary of State.*

(a) Exclusive of the functions otherwise delegated or reserved to the President by this order, and subject to the provisions of this order, there are hereby delegated to the Secretary of State all functions conferred upon the President by the Act.

(b) The function of determining the portion of living allowances constituting basic compensation, conferred upon the President by Section 912(3)(D) of the Internal Revenue Code of 1954, is hereby delegated to the Secretary of State and shall be performed in consultation with the Secretary of the Treasury.

(c) The functions of prescribing conditions, conferred upon the President by the second sentence of Section 5(e) and the concluding phrase of Section 6(3) of the Act and hereinabove delegated to the Secretary of State, shall be exercised in consultation with the head of the United States Government agency responsible for the facility.

SEC. 102. *Continuance of the Peace Corps.* (a) The Secretary of State shall take such action as may be appropriate to continue in existence under the Act the Peace Corps established as an agency in the Department of State pursuant to Executive Order No. 10924 of March 1, 1961 (26 F.R. 1789).

(b) The Peace Corps shall be headed by the Director for whom provision is made in Section 4(a) of the Act. The Deputy Director, for whom provision is made in Section 4(a) of the Act, shall also serve in the Peace Corps.

SEC. 103. *Allocation and transfer of funds.* All funds appropriated or otherwise made available to the President for carrying out the provisions of the Act shall be deemed to be allocated without any further action of the President to the Secretary of State or to such subordinate officer as he may designate. The Secretary of State or such officer may allocate or transfer, as appropriate, any of such funds to any United States Government agency or part thereof for obligation or expenditure thereby consistent with applicable law.

SEC. 104. *Delegation of functions to the Civil Service Commission.* There is hereby delegated to the Chairman of the Civil Service Commission, with respect to the laws administered by the Commission, the function conferred upon the President by that portion of Section 5(f)(1)(B) of the Act which reads "except as otherwise determined by the President".

PART II—RESERVED FUNCTIONS

SEC. 201. *Reservation of functions to the President.* There are hereby excluded from the delegations made by Part I of this order the following-described functions of the President:

(a) All authority conferred upon him by Sections 4(b), 4(c)(2), 4(c)(3), 10(d), 11, 16(b), and 18 of the Act.

(b) The authority conferred upon him by Section 4(a) of the Act to appoint the Director and the Deputy Director of the Peace Corps.

(c) The authority conferred upon him by that portion of Section 5(f)(1)(B) of the Act which reads "except as otherwise determined by the President" except as otherwise provided in Section 104 of this order and except to the extent that such authority is in respect of the Foreign Service Act of 1946.

(d) The authority conferred upon him by Section 10(f) of the Act to direct any agency of the United States Government as provided in that section.

021

(e) The authority conferred upon him by Section 12 of the Act to appoint persons to membership in the Peace Corps National Advisory Council and to determine the length of service of the members of that Council.

(f) The authority conferred upon him by Section 19 of the Act to adopt and alter an official seal or emblem of the Peace Corps.

(g) The authority conferred upon him by the first sentence of Section 22 of the Act to establish standards and procedures to the extent not inconsistent with the proviso of Section 303 of this order.

PART III—INCIDENTAL PROVISIONS

SEC. 301. *Personnel.* Persons appointed, employed or assigned after May 19, 1959, under Section 527(c) of the Mutual Security Act of 1954 or Section 7(c) of the Act for the purpose of performing functions under such Acts outside the United States shall not, unless otherwise agreed by the agency in which such benefits may be exercised, be entitled to the benefits provided by Section 528 of the Foreign Service Act of 1946 in cases in which their service under the appointment, employment or assignment exceeds thirty months.

SEC. 302. *Determination.* Pursuant to Section 10(d) of the Act, it is hereby determined to be in furtherance of the purposes of the Act that functions authorized thereby may be performed without regard to the applicable laws specified in Sections 1 and 2 and with or without consideration as specified in Section 3 of Executive Order No. 10784 of October 1, 1958 (23 F.R. 7691) but, except as may be inappropriate, subject to limitations set forth in that order.

SEC. 303. *Security requirements.* (a) Pursuant to Section 22 of the Act, Executive Order No. 10450 of April 27, 1953 (18 F.R. 2489) is hereby established as the standards and procedures for the employment or assignment to duties of persons under the Act: *Provided*, That the Secretary of State may establish such additional standards and procedures with respect to the employment or assignment to duties of volunteers as he may deem necessary to accomplish the purposes of the Act.

(b) Nothing in Section 303(a) hereof or in Executive Order No. 10450 or in any other Executive order heretofore issued shall affect the exercise of the authority conferred upon the President by Section 5(i) of the Act.

SEC. 304. *Definitions.* (a) As used in this order the words "the Peace Corps Act" and the words "the Act" mean Title I of "An Act to provide for a Peace Corps to help the peoples of interested countries and areas in meeting their needs for skilled manpower" (Public Law 87-293, approved September 22, 1961; 75 Stat. 612 et seq.).

(b) As used in this order, the words "volunteers," "function," "United States," and "United States Government agency" shall have the same meanings, respectively, as they have under the Act.

SEC. 305. *References to orders and acts.* Except as may for any reason be inappropriate:

(a) References in this order to (1) "the Peace Corps Act" or "the Act", (2) any other Act, or (3) any provision thereof shall be deemed to include references thereto, respectively, as amended from time to time.

(b) References in this order, or in any other Executive order, to this order or to any provision thereof shall be deemed to include references thereto, respectively, as amended from time to time.

(c) References in this order to any prior Executive order not superseded by this order shall be deemed to include references thereto as amended from time to time.

SEC. 306. *Superseded order.* Executive Order No. 10924 of March 1, 1961 (26 F.R. 1789) is hereby superseded.

Sec. 307. *Saving provisions.* Except to the extent that they may be inconsistent with this order, all determinations, authorizations, regulations, rulings, certificates, orders, directives, contracts, agreements, and other actions made, issued or entered into with respect to any function affected by this order and not revoked, superseded, or otherwise made inapplicable before the date of this order shall continue in full force and effect until amended, modified, or terminated by appropriate authority.

JOHN F. KENNEDY

THE WHITE HOUSE,
August 6, 1962.

[F.R. Doc. C2-8022; Filed, Aug. 7, 1962; 4:58 p.m.]

[27 F.R. no. 154; p. 7859-7861, August 9, 1962]

PUBLIC NOTICE

DEPARTMENT OF STATE

ISSUED

EFFECTIVE

DELEGATION OF AUTHORITY NO. 85-11A

SUBJECT: Delegation of Functions Under the Peace Corps Act

By virtue of the authority vested in me by Executive Order No. 11041 of August 6, 1962, (27 F.R. 7859), the Peace Corps Act (75 Stat. 612) (hereinafter "the Act"), section 4 of the Act of May 25, 1949 (63 Stat. 111), and as Secretary of State, it is ordered as follows:

Section 1. Continuance of the Peace Corps. There is hereby continued in existence under the Act as an Agency in the Department of State the Peace Corps established by Delegation of Authority No. 85-11 of March 3, 1961 (26 F.R. 2196), pursuant to Executive Order No. 10924 of March 1, 1961 (26 F.R. 1789), with the records, property, functions, personnel, positions and funds thereof. The Peace Corps shall be headed by a Director as provided in section 102(b) of Executive Order No. 11041. The Deputy Director of the Peace Corps shall exercise such functions as the Director deems appropriate.

Section 2. Functions of the Director of the Peace Corps.

(a) Exclusive of the functions otherwise delegated or reserved to the Secretary of State herein, there are hereby delegated to the Director:

(1) The functions conferred upon the Secretary of State by the sections 101 and 303 of Executive Order No. 11041.

(2) The functions conferred upon the Secretary of State by the second sentence of section 9 of the Act.

(3) The functions conferred upon the Secretary of State under any provision of law, other than the Act and the Foreign Service Act of 1946, pertaining specifically, or generally applicable, to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees, including the authority to prescribe or issue regulations, orders, and instructions in pursuance of such provisions of law.

(4) The functions conferred upon the Secretary of State by the last sentence of section 402 of the Federal Property and Administrative Services Act of 1949 (63 Stat. 398) to the extent they relate to functions under the Act delegated to or vested in the Director.

(b) The authority of the Foreign Service Act of 1946 to appoint, employ, and assign personnel, which the Director is authorized to exercise pursuant to section 7(c)(2) of the Act, and the provisions of the Foreign Service Act which shall apply to personnel so appointed or assigned, shall consist of:

(1) The authority available to the Secretary of State under the Foreign Service Act of 1946 (including section 571 of that Act) relating to Foreign Service Reserve officers, Foreign Service Staff officers and employees, and alien clerks and employees.

(2) The authority available to the Secretary of State under sections 1021 through 1071 of the Foreign Service Act of 1946.

(3) The authority available to the Board of Foreign Service under the Foreign Service Act of 1946.

(4) The authority to prescribe or issue in pursuance of the Foreign Service Act of 1946 and the Act, such regulations, orders, and instructions, as may be incidental to, or necessary for, or desirable in connection with, the carrying out of the provisions of section 7(c)(2) of the Act or the provisions of this Delegation of Authority.

(5) The prohibitions contained in sections 1001 through 1005 of the Foreign Service Act of 1946.

(c) The concurrence of the Secretary of State shall be required with respect to the exercise by the Director of so much of the functions herein delegated pursuant to section 7(c)(1) of the Act as consists of the authorization of compensation at any of the rates provided for the Foreign Service Reserve and Staff by the Foreign Service Act of 1946 for persons employed or assigned by United States Government agencies, other than the Peace Corps.

Section 3. Allocation of funds. The Director is designated as the officer to whom all funds appropriated or otherwise made available to the President for carrying out the provisions of the Act shall be deemed to have been allocated by section 103 of Executive Order No. 11041.

Section 4. Functions reserved to the Secretary of State or otherwise provided for. There are hereby reserved to the Secretary of State:

(a) The functions of fixing the rates of compensation of the Director and Deputy Director of the Peace Corps conferred upon the President by section 4(a) of the Act.

(b) The functions with respect to the Foreign Service Act of 1946 conferred upon the President by section 5(f)(1)(B) of the Act.

(c) The functions of negotiating, concluding and terminating international agreements under the Act.

Section 5. Successive delegation of functions. The Director may, to the extent consistent with law, delegate or assign any of the functions delegated or assigned to him by this Delegation of Authority and authorize any of his subordinates to whom functions are so delegated or assigned successively to redelegate or reassign any of such functions.

Section 6. Rules and regulations. The Director may promulgate from time to time, to the extent consistent with law, such rules and regulations as may be necessary and proper to carry out any of his functions.

Section 7. General provisions.

(a) Any reference in this Delegation of Authority to any Act, order, or delegation of authority shall be deemed to be a reference to such Act, order, or delegation of authority as amended from time to time.

(b) This Delegation of Authority supersedes Delegation of Authority No. 85-11 of March 3, 1961 (26 F.R. 2196) and Re-delegation of Authority No. 85-103 of March 4, 1961 (26 F.R. 2196); Provided, That all determinations, authorizations, regulations, rulings,

certification, orders, directives, contracts, agreements, and other actions made, issued, or entered into with respect to any functions affected by this Delegation of Authority, and not revoked, superseded, or otherwise made inapplicable before the effective date of this Delegation of Authority shall continue in full force and effect until amended, modified, or terminated by appropriate authority.

(c) Notwithstanding any provisions of this Delegation of Authority, the Secretary of State may at any time exercise any function delegated by this Delegation of Authority.

(d) This Delegation of Authority shall be deemed to have become effective on August 6, 1962.

Date: August _____, 1962

Secretary of State

of Executive Order No. 11811. The Deputy Director of the Peace Corps shall exercise such functions as the Director shall designate.

(a) Insofar as the functions delegated or referred to the Secretary of State herein, these are hereby delegated to the

(b) The functions conferred upon the Secretary of State

of Executive Order No. 11811.

DATE
PAGE
NO
10
1
2
3
4
5
6
7
8
9
10

MMR
FILE

S/S 15184

SEP 28 1965

Dear Mr. Schultze:

I am enclosing for inter-agency clearance and for signature by the President a proposed Executive Order relating to the Peace Corps. The proposed order would serve three purposes.

First, it would permit redelegation by me to the Peace Corps Director of the functions authorized by Public Law 89-134, approved August 24, 1965, relating to reorganization of the Peace Corps personnel system along foreign service lines. Those authorities are contained in section 5(b) of the August 24 Act.

Second, it would clarify the authority of the Peace Corps to carry out the functions of the Board of Foreign Service and Board of Foreign Service Examiners to the extent such functions relate to the Peace Corps' own personnel system. Reorganization Plan 4 of 1965 vested the functions of these two Boards in the President, and a specific redelegation for purposes of the Peace Corps Act is considered necessary.

Finally, Executive Order No. 11223 of May 12, 1965, superseded Executive Order No. 10784, which

The Honorable
Charles L. Schultze,
Director, Bureau of the Budget.

S/S
A True Copy

specified certain general laws relating to public contracts and public funds which, when so specified, by law need not be applied to foreign assistance programs. The Peace Corps depended upon Executive Order 10784 for the same authority; however, through inadvertence, the superseding order specifying laws which need not be applied was not extended to the Peace Corps. The presently proposed order would remedy that omission.

Sincerely yours,

/s/ GEORGE W. BALL

Acting Secretary

Enclosure:

Proposed Executive Order.

L/E:KEMalmborg:eb 9/22/65 Retyped in S/S-S:ke 9/27/65

INTERNATIONAL SECURITY AND DEVELOPMENT
COOPERATION ACT OF 1981

DECEMBER 15, 1981.—ORDERED TO BE PRINTED

Mr. ZABLOCKI, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. 1196]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1196) to amend the Foreign Assistance Act of 1961 and the Arms Export Control Act to authorize appropriations for development and security assistance programs for the fiscal year 1982, to authorize appropriations for the Peace Corps for the fiscal year 1982, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "International Security and Development Cooperation Act of 1981".

TITLE I—MILITARY SALES AND RELATED PROGRAMS

REPORTS TO THE CONGRESS

SEC. 101. (a)(1) Section 3(d)(1) of the Arms Export Control Act is amended—

(A) in the text preceding subparagraph (A) by striking out "to a transfer of a defense article, or related training or other defense service, sold under this Act and may not give his consent

and organizational units in the Peace Corps as such personnel were assigned to immediately before the date of enactment; (3) the collective-bargaining agreements in effect on the date of enactment covering transferred personnel shall continue to be recognized until the termination date of such agreements or until a mutual modification by the parties otherwise specifies; (4) transferred personnel shall be given Foreign Service appointments under the authority of section 7(a)(2) of the Peace Corps Act except that no transferred employee may be so appointed without his or her consent until 3 years after the effective date and the Foreign Service appointment of each transferred employee holding a career or career-conditional appointment at grade 8 or below of the General Schedule would not be subject to the 5-year appointment limitation contained in section 7(a)(2)(A) of the Peace Corps Act or other time limitation; and (5) the basic rate of compensation for persons appointed under these provisions would not be permitted to be reduced below the rate received by such person immediately prior to the effective date of such person's appointment.

The House amendment does not contain similar provisions.

The conference substitute is similar to the Senate provision, but also specifies that such appointments may take place notwithstanding the provisions of clause (B) of section 7(a)(2) of the Peace Corps Act.

The committee of conference notes that the provisions in the Senate bill relating to the transfer of employees are derived from section 5 of Public Law 89-134, establishing the unique, unified Peace Corps personnel system, and should be implemented in similar fashion.

Functions of the Director of the Peace Corps

The House amendment (sec. 3(c)(2)) provides that the Director of the Peace Corps shall continue to exercise all the functions under the Peace Corps Act which the Director was performing on the day before the date of enactment.

The Senate bill does not contain a comparable provision.

The conference substitute provides that the Director of the Peace Corps shall continue to exercise all the functions under the Peace Corps Act which the Director was performing on December 14, 1981. The effect of this provision would be to supersede the authority under section 4(b) of the Peace Corps Act to withdraw any authority which had been delegated to the Director of the Peace Corps on December 14, 1981.

Reports

The Senate bill (sec. 506) requires, not later than the 30th day after enactment, the Director of the Office of Management and Budget to submit to the appropriate committees of Congress and to the Comptroller General a report regarding the steps taken to implement the separation of the Peace Corps from ACTION, and provides for the Comptroller General, not later than 45 days after enactment, to report to such committees whether determinations made by the Director of the Office of Management and Budget were equitable.

The House amendment contains a similar provision, but requires the report to be made only to the appropriate committees of the

PEACE CORPS



Attachment #2

Peace Corps Country Director Appointments

Since 2-81

7 of 8 "Must Hires" have been placed.

Since 1-82

Total Appointed	24
Referred by Presidential Personnel Office	14
Referred by Republican Officials	5
Professionals	5
Cleared by Presidential Personnel Office	24

Since 6-81

Total Appointed	35
Referred by Presidential Personnel Office	15
Referred by Republican Officials	7
Professionals	13
Cleared by Presidential Personnel Office	33
Cleared by White House Political Office	1

Since 2-81

Total Appointed	43
Referred by Transition Team	6
Referred by Presidential Personnel	15
Referred by Republican Officials	7
Cleared by Presidential Personnel	35
Cleared by White House Political Office	7

PEACE CORPS



Attachment #3

June 3, 1983

A PROPOSAL TO IMPROVE THE COUNTRY DIRECTOR APPOINTMENT PROCESS

Peace Corps currently has 45 Country Director Positions authorized supervising 64 countries throughout the world. Most of the CD's are appointed for a 30-month tour, though for a variety of reasons some are appointed for a shorter term. In any given year, up to 20 completions of tour or vacancies occur with most changes taking place in the May/June period. Traditionally, during the past 20 years outstanding CD's have been offered a second tour of 30 months and in some instances extended for a sixth (6th) year. Changing overseas staff is very costly. In an effort to maximize resources, CD's and other overseas staff should be reappointed or extended where it is in the best interests of the Peace Corps. As with other Peace Corps employees, CD's are subject to the five (5) year rule precluding a permanent or long term assignment as a CD. (There is no career opportunities in Peace Corps under the present legislation).

Two thirds of our overseas staff are host country nationals and perform a very valuable service to Peace Corps. Our American staff in country usually have less than 3 years service, many being on their first tour. In countries where the American staff, including the CD, have more experience the program tends to be more effective and costly volunteer turnover reduced.

Peace Corps must not jeopardise the established country program and the safety and welfare of the Volunteers by permitting a CD's employment to expire, thus being subjected to the "in/out" rule, leaving a country without an experienced American Director.

It is in the best interests of the Reagan Administration and the Peace Corps to have the most effective program in country, therefore I am proposing that the following plan be adopted in connection with CD appointments:

1. Executive Talent Search begin the recruiting cycle six (6) months before the completion of the CD's tour. This will give adequate notice to the Peace Corps International Operations and White House Presidential Personnel.
2. Where the CD has performed an outstanding job, he/she should be considered for a second tour as CD or possibly a sixth year extension in some other vacant management capacity at Peace Corps headquarters.

3. Many CD's will have already been cleared, by White House Presidential Personnel. They should remain eligible for reappointment if they have performed adequately.
4. In circumstances where the incumbent CD would not be considered by White House Presidential Personnel for a full 30-month reappointment, but no qualified replacement has been found, the Peace Corps Director may extend the incumbent in 6-month increments while Talent Search Continues to recruit.

In summary, this approach is the most professional one and is in the best interests of the Reagan Administration and the Peace Corps. In view of the current serious vacancy problem Peace Corps faces, I recommend we adopt this approach immediately.

DRAFT

EXECUTIVE ORDER

THE PEACE CORPS

By the authority vested in me as President by the Constitution and laws of the United States of America, including the Peace Corps Act, as amended (22 U.S.C. 2501 et seq.), it is hereby ordered that Section 1-301 of Executive Order No. 12137, as amended, is further amended by adding the following new subsection:

"(f) The authority conferred by Section 7(c) of the Act (22 U.S.C. 2506(c)) to appoint Peace Corps Country Directors."

THE WHITE HOUSE,

DRAFT

FACT SHEET

The President today signed an Executive Order which rescinded a previous delegation of authority to the Director of the Peace Corps to appoint Country Directors, who are the employees that oversee all the activities of the Peace Corps in the countries in which its volunteers serve. To indicate his interest in the Peace Corps, the President wishes to increase the prestige and status the Country Directors will enjoy in foreign countries by having these persons appointed directly by him.

My suggestions re country directors and the proposed executive order are as follows: There shall be an administrative hold on implementing the proposed executive order. Conditions as follows:

1. All appointments, reappointments, and extensions of country directors by Ruppe are subject to clearance by Presidential Personnel. Ruppe and Presidential Personnel shall establish a close working relationship on selection and appointment of country directors. Disagreements, if any, on the selection of country directors shall be brought to the attention of the Senior Staff for resolution.
2. Ruppe agrees to reinstate Ed Curran as the Deputy Director of Peace Corps with full powers and authority. Ruppe and Curran agree to affirmatively work together in a close and harmonious manner, jointly supporting and furthering Administration's goals, policies and initiatives. Ruppe agrees to insure that her assistants, in particular Dave Scotton, will recognize the status and authority of the Deputy as a Presidential appointment. Any allegations of disloyalty or non-performance against Curran shall be brought to the attention of the Presidential Personnel Office to be resolved at the Senior Staff level.

TO: JOHN HERRINGTON

My suggestions re country directors executive order are as follows:

1. Suspend action toward implementing the order.
2. Make clear that all appointments and reappointments of country directors by Ruppe are subject to clearance by Presidential Personnel.
3. Receive verbal agreement from Ruppe to increase the number of country directors appointed by recommendation from Presidential Personnel (i.e. where the name originates in Personnel; this is distinct from Peace Corps nominees simply cleared by Personnel under point #2).
4. Implicit in the overall agreement is that lack of cooperation from Peace Corps on implementation of points #2 and #3 above would cause the option of an executive order to be reconsidered by the WH.

Let me know what you think.

Thanks.

JC

THE WHITE HOUSE
WASHINGTON

Instead of re-design:
make clear that

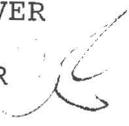
- ① all subj. to OK of Pres. pers.
- ② verbal agreement to incr.
of Pres Pers. nominees
apptd
- ③ implicit that lack of coop
from Peace Cps would cause
EO option to be reconsidered
- ④

THE WHITE HOUSE

WASHINGTON

June 9, 1983

MEMORANDUM FOR EDWIN MEESE III
✓ JAMES A. BAKER III
MICHAEL K. DEEVER

FROM: CRAIG L. FULLER 

SUBJECT: Peace Corps Response on Country Director
Executive Order

Following our discussions about the proposed executive order regarding Peace Corps Country Directors, I requested the views of the Agency through the normal staffing process. The views of the Peace Corps director are contained in the attached memorandum.

The following points are made:

1. At the present time the only "Presidential appointee" at the Peace Corps is the Director and the only "Presidential appointee in the Peace Corps countries is our Ambassador. Making the Peace Corps Country Director a Presidential appointee would alter the nature of the relationships among Peace Corps personnel, ambassadors and AID administrators.

It is pointed out that the delegation of authority to appoint Peace Corps Country Directors was made to the Peace Corps by executive order on August 9, 1962--21 years ago.

2. Adverse legislative action could be triggered by the executive order since, according to Peace Corps, the Congress has intended to keep the appointment of Country Directors at least partially removed from the White House.
3. Other issues are raised in the attached memo related to: management, intelligence gathering concerns and cost.

Finally, the Peace Corps has outlined a procedure to improve the Country Director appointment and clearance process

without the change in the delegation of authority contemplated by the proposed executive order.

In my view, the Peace Corps response raises several important points. The draft executive order has not been reviewed by State or AID and since they would be affected, they should have an opportunity to comment if you wish to proceed.

If it is your collective judgement to send the draft executive order forward, I will finish my staffing process and prepare a summary of the agency and department views for the President.

Please advise.

ACTION:

- _____ Assemble White House and agency views and prepare the proposed executive order for review by the President (RGD & CLF).
- _____ Take no further action on the executive order.
- _____ Hold the proposed executive order for further discussion.

cc: Richard G. Darman
John Herrington

PEACE CORPS



To: Craig Fuller, Assistant to the President

From: Loretta M. Ruppe, Director of the Peace Corps

Date: June 3, 1983

This is in response to your request for comment on Peace Corps: Executive Order re: Country Directors received at 5:15pm Friday, May 27, 1983.

Since August 9, 1962 by Executive Order 11041 the authority to appoint Peace Corps Country Directors has been delegated by the President to the Peace Corps Director, a Presidential Appointee. The draft Executive Order referred to above would remove this delegation of authority from the Peace Corps Director.

I strongly oppose this change in the delegation of authority for the following reasons:

1) The dynamics of "Country Team" relationships as well as relationships with other U.S. agency heads overseas -- particularly AID administrators -- would surely be adversely affected by this change. Currently the only Presidential appointee in each country is the Ambassador. To inject the Peace Corps Country Director into this U.S. contingent as a Presidential Appointee would create confusion and could be potentially destructive to the current relationships which are working for the Peace Corps program in particular and the U.S. Mission in general.

2) Perceived role of Peace Corps Country Directors. The U.S. has, since the establishment of Peace Corps, benefited from the "non-political" nature of its program. In the field, at both the Host Country ministry and village level, the U.S. has been praised because of the people-to-people nature of the Peace Corps program with no short term foreign policy objectives. As such it has scored enormous gains and has been embraced more fully than many other U.S. efforts overseas. To place Country Director overseas who are given high visibility as Presidential Appointees would not only call into question the successes of the past but most certainly risk the potential of the future.

3) The Peace Corps Director is responsible for managing the agency and its programs. Country Directors report to a Regional (area) Director, and through an Associate Director for International Operations to the Director. Only the Peace Corps Director is a Presidential Appointee. If Country Directors are appointed directly by the President, it would be difficult, if not impossible for the Peace Corps Director to manage and direct country programs, when the person responsible for that program has been directly hired by someone else. Differences of opinion between a Country Director and the Agency Director could end up in the White House for resolution.

Such a situation would frustrate management efforts within the agency, and fragment actual responsibility for the program, which could do nothing but harm the agency and be a continuing source of problems and possible political embarrassment.

4) Potential for legislative action. It is probable that an anti-Administration coalition on the hill opposing this move would be formed arguing that it is an attempt to politicize a program which since its inception has enjoyed an apolitical image due to its people-to-people approach. A review of the legislative history and Senator Cranston's involvement, seems to bear this out. (See attachment #1) It was suggested last year by the Chairman of the House Foreign Affairs Committee to require advice and consent of the Senate on Country Directorships. This would be cumbersome, given the needs of the program and could have negative political implications for the Administration disproportionate to the one cited advantage of drawing direct appointment authority into the White House. Debate of the issues could be as politically damaging as any actual legislative action in this direction. It could become an issue in the upcoming campaign.

5) The risk of being related to intelligence gathering activities. The integrity of the Peace Corps program, which has since its beginning been separated from intelligence gathering activities, could be potentially suspect under the new appointment system. This issue has already been raised twice, painfully, on the Hill since 1981, and is a very sensitive issue.

6) The new system is potentially more costly. Experience has shown that inexperienced "must-hires" generally need additional back-up personnel who are programmatically and professionally experienced in development activities. "Must-hires" would certainly increase under the new appointment system thus producing the need for additional staff and increasing financial tensions in a period of tight budget restraints.

In general, because of the above reasons, it is my opinion that this proposal could create serious programmatic difficulties and could potentially be an embarrassment for the President. The current system is working and has proper "checks and balances" to assure that all concerns are met. Peace Corps has recruited and placed 43 Country Directors since February 1981 working closely with White House Presidential Personnel. (See attachment #2)

As you know, we agree that some "fine tuning" needs to be worked out with Presidential Personnel as outlined in attachment #3. The U.S. would stand to lose many years of goodwill it has worked hard to achieve in countries critical to U.S. interests around the world.

Therefore, I recommend against this proposal.

THE WHITE HOUSE

WASHINGTON

June 21, 1983

MEMORANDUM FOR: JAMES A. BAKER III
FROM: JIM CICCONI 
SUBJECT: Cost Sharing on Water Projects

A decision memo is going forward to the President which recommends that non-federal financial participation be required in virtually every type of water project. This is a highly controversial subject, and such a proposal is sure to cause problems on the Hill.

In short, the CCNRE working group has proposed that the non-federal share of capital costs for various types of water projects be roughly as follows:

<u>Type</u>	<u>Non-Federal Share</u>
Flood protection and drainage	At least 35%
Agriculture (irrigation, etc.)	At least 35%
Recreation	50%
Municipal, industrial, hydro-electric, fish and wildlife conservation, etc.	100%

It should be noted that most types of water projects have a combination of purposes; thus the exact proportion of costs shared would be subject to negotiations.

The two options for Presidential decision are:

1. Immediately publish the cost sharing guidelines, implementing them as Administration policy; or
2. Announce the guidelines as an "interim statement of policy," with the agencies then directed to begin consultations with Congress prior to permanent approval.

The agencies with a direct interest -- Interior, OMB, and the Corps of Engineers -- all recommended the second option.

If you want, I can provide more details on this subject.

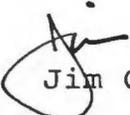
THE WHITE HOUSE
WASHINGTON

June 21, 1983

TO: RGD

Regarding the decision memo on water project cost sharing, JAB suggests that it would be better to consult with the Congress before announcing the guidelines (even on an interim basis). He mentioned that this is similar to the problem Jimmy Carter found himself in when he attacked water projects without adequate consultations. In this case, we will no doubt face especially strong opposition from the western states and their delegations.

Thanks.


Jim Cicconi