

WITHDRAWAL SHEET

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File Folder: JW Cicconi-Memos, Jul - Dec 1983 [2 of 7]
Cicconi ~~GA-10793~~ Box 2

Date: 2/18/98

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	JW Cicconi to James A.Baker, III re Washington Education Project, 1p.	7/21/83	P5
2. memo	JW Cicconi to James A.Baker, III re Telephone Rate Increases (p.1 partial, p.2 whole), 2p.	7/21/83	P5
3. memo	JW Cicconi to James A.Baker, III re Landsat, 1p.	7/28/83	P5 CDS 10/18/00

RESTRICTION CODES

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

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

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

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

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

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THE WHITE HOUSE
WASHINGTON

July 21, 1983

MEMORANDUM FOR JAMES M. CANNON

Jim Baker asked that the attached be forwarded to Senator Baker for his information. If the Senator wants us to do anything further on this matter, please let us know.

Thanks.


Jim Cicconi

THE WHITE HOUSE

WASHINGTON

July 20, 1983

GEORGE HALEY

African Development Foundation - part-time PAS
- was offered and approved 9/16/82
- declined while in clearance 11/17/82
- said he wanted full-time

Offered

African Development Bank - U.S. Executive Director
- interviewed at Treasury
- advised Chris Hicks 1/4/83 that he was not interested

Offered

Department of State
- Chet Crocker offered him DAS in the African Bureau, Haley turned it down

Offered

Department of Commerce - General Counsel
- Haley was interested in being the GC
- PPO sent him for interview
- A more qualified candidate was selected

ACDA - his resume was sent, no interest
AID - his resume was sent, no interest
DOD - resume sent, interviewed, no offer
DOT - interviewed for UMPTA Administrator, not chosen
DOL/ILO - wanted to become Deputy Director General
not selected as U.S. candidate

We pushed \$50,000 per yr.

THE WHITE HOUSE

WASHINGTON

July 21, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI *Jim*

SUBJECT: Washington Education Project

The Department of Education recently denied a grant application submitted by the Washington Education Project for a program using college students to combat inner city illiteracy. The total requested was \$249,544 over three years (\$35,000 in the first year). While the amount is small, the matter is not trivial.

I won't bore you with details of the many endorsements for this program and its founder, Norman Manasa. I have, however, attached copies of letters from Senators Baker, Laxalt and Pell regarding their efforts to persuade Education to fund the Project (it is obvious the letters go well beyond the usual, cursory endorsements). The President has also sent Manasa a letter endorsing his efforts (copy attached), and the Chief Justice has been active in assisting the Project. In addition, U. S. News has mentioned Manasa's proposal as "one of the most inventive ideas" in the field of education, and in last week's issue, Marvin Stone editorialized in support of the Project's application for funds (copy attached). William Raspberry has also devoted an entire column to singing the Project's praises.

In the face of all the above, including a Presidential endorsement, and given the small amount requested, I fail to understand why Manasa's application cannot get favorable treatment from our Department of Education. This is the type of program that would be worth mentioning in Presidential speeches on education; instead we risk some degree of embarrassment over our handling of it.

I would recommend that we ask Secretary Bell to fund the program from his Secretary's Discretionary Program if necessary, but that this be resolved expeditiously and favorably.

7/21 JC: I don't want to get involved in trying to force Bell to do this if he doesn't want to. even though it looks very worthwhile. Please don't use my name. Thom 7/21/83

ROBERT T. STAFFORD, VT., CHAIRMAN
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JOHN W. YAGO, JR., MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, D.C. 20510

February 15, 1983

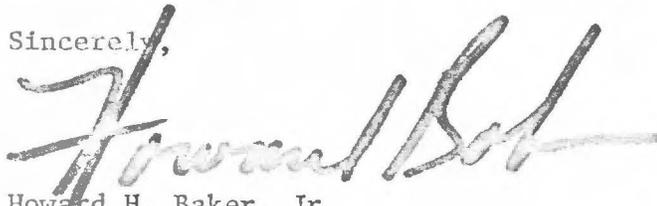
Mr. Norman Manasa
Director
The Washington Education
Project, Inc.
224 Third Street, S.E.
Washington, D.C. 20003

Dear Mr. Manasa:

Lynn Holmes has advised me of your request for funding under the Fund for the Improvement of Postsecondary Education.

I wanted you to know that I have contacted Education officials in support of The Washington Education Project's application. Just as soon as I hear from Education, I will let you know.

Sincerely,



Howard H. Baker, Jr.

HHBjr:jed

PAUL LAXALT
NEVADA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON JUDICIARY

United States Senate
WASHINGTON, D.C. 20510

February 18, 1983

WASHINGTON OFFICE:
315 RUSSELL OFFICE BUILDING
(202) 224-3542

CARSON CITY OFFICE:
705 NORTH PLAZA STREET
(702) 883-1930

LAS VEGAS OFFICE:
300 LAS VEGAS BLVD., SOUTH
(702) 385-6547

RENO OFFICE:
300 BOOTH STREET
(702) 784-5568

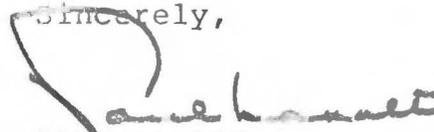
Dear Norman:

This is simply a short note to tell you that Barbara Burgess of my staff has briefed me on your proposal to establish a college student tutoring program to help low-income, disadvantaged students. It appears you have a sound idea; and, certainly, it seems that you have received several fair hearings from officials within the Department of Education.

I am enclosing a copy of the letter which I have written to Secretary Bell of your behalf. I will certainly get back in touch with you as soon as I learn the status of your application.

Again, thank you for bringing your proposal to my attention. Please do not hesitate to contact me again in the future if you should have any additional questions or comments on this or any other matter of mutual concern.

Sincerely,



PAUL LAXALT
U.S. Senator

PL:zmw

Mr. Norman Manasa, Director
The Washington Education Project, Inc.
224 Third Street, SE
Washington, DC 20003

Enclosure

PAUL LAXALT
NEVADA

COMMITTEE ON APPROPRIATIONS
COMMITTEE ON JUDICIARY

United States Senate

WASHINGTON, D.C. 20510

February 18, 1983

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Dear Ted:

It has been brought to my attention that Norman Manasa of the Washington Education Project has submitted a grant application for an innovative education proposal. His proposal would utilize college students as tutors for disadvantaged children who have learning problems in school.

I'm impressed by Mr. Manasa's proposal as it requires relatively limited funds while utilizing existing resources, namely college students, to supplement the education experiences of low-income children who need individualized help in school. At the same time this proposal would help our illiterate youth gain proficiency in reading and other skills, it places the college student in a position of assuming a degree of responsibility to society.

In many respects, this is the type of program which would best be initiated by each university or college. In light of budgetary restraints, however, it seems that these institutions are no longer in the position to implement new programs. And because Mr. Manasa's proposal seems to coordinate with, if not supplement, existing Title I programs, it appears this grant request most appropriately falls under the purview of the Federal Department of Education.

I understand Mr. Manasa has had several meetings with top officials within your department; he has testified in various House hearings as well. I think the consideration his proposal has received to date speaks well of its future.

I hope you will give his application your careful consideration. I will look forward to hearing from you on this matter. In advance, let me thank you for your cooperation.

Sincerely,


PAUL LAXALT
U.S. Senator

PL:zmv

The Honorable Terrel H. Bell
Secretary of Education
Department of Education
Federal Office Building #6
400 Maryland Avenue, SW
Washington, DC 20202

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United States Senate

COMMITTEE ON LABOR AND
HUMAN RESOURCES

WASHINGTON, D.C. 20510

February 18, 1983

GEORGE W. PRITTS, JR., CHIEF COUNSEL
RENN M. PATCH, STAFF DIRECTOR AND GENERAL COUNSEL
LAWRENCE C. HOROWITZ, M.D., MINORITY STAFF DIRECTOR

Mr. Norman Manasa
The Washington Education
Project, Inc.
224 Third Street, S.E.
Washington, D.C. 20003

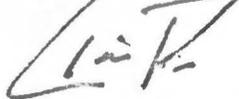
Dear Mr. Manasa:

This is just a brief note to let you know that I have written to Secretary Bell to express my strong personal endorsement of the Washington Education Project.

This is indeed a fine project, and I am very hopeful that the Department of Education will act favorably on it. I will be in touch with you as soon as I receive a reply from Secretary Bell.

Warm regards.

Ever sincerely,



Claiborne Pell

October 6, 1982

104140
4610
4800
ED003

Dear Mr. Manasa:

The Washington Education Project was recently brought to my attention, and I wanted to express my support and encouragement for your efforts to help solve this nation's illiteracy problem.

The idea behind this effort is an excellent one, since it provides remedial educational assistance to many low-income students and individuals who might otherwise never receive such training. In addition, it gives many college students the opportunity to expand their horizons by putting their own knowledge to a practical use in helping others. Most importantly, as an initiative of the private sector it offers an innovative and cost-effective approach to improving the overall educational skills of our citizens without the necessity of Federal involvement.

I congratulate you on your earlier efforts with the model program in Miami and wish you continued success with the Washington Education Project.

Sincerely,

RONALD REAGAN

Mr. Norman Manasa
Washington Education Project
224 Third Street, S.E.
Washington, D.C. 20003

021018



The Editor's Page

Three Chances to Help

By Marvin Stone

This magazine, as one might imagine, is besieged with requests for help in bringing special causes to the public's attention. We wish we could accommodate them all. Here are three that are typical—

Fighting crime. The Rev. Frank Dunn's Community Mobilization deserves to become a reality. If it doesn't, that will be because Congress has failed to act on plain good sense.

Community Mobilization is a system under which the civic and official organizations and prominent citizens of a city are pulled together to combat crime and its causes. Dunn has detailed directions for starting and running the system in any city. Scores of large and medium-sized cities have indicated they want to do this.

A test surely could be made in a few cities. All that is lacking is a small sum of seed money for a start-up, after which the citizens' organization would be expected to take over. For this, the country would get an outpouring of free help, with the priceless ingredient of success—that the people would be doing it themselves.

Community Mobilization's supporters include big names in Congress. The Justice Assistance Act, passed by the House and now in a Senate committee, provides money for just such enterprises. If powerful senators speaking for the bill make it clear in debate that they are thinking of the Dunn plan as one use for some of the funds, they will be sending a strong message.

Tutoring for literacy. A very small grant, now under consideration, can kick off a test of a national program under which student volunteers, for no compensation except college credits, will tutor community groups of children or adults lagging in basic education.

An O.K. would cap a six-year, one-man campaign in Washington by Norman Manasa. He conceived the service while a student at the University of Florida. In a four-year tryout there, student volunteers got valuable experience while achieving these results: Jail inmates won high-school diplomas; disturbed young people

raised their reading ability by two years in three to five months; migrants improved their English.

Money that could be tapped to start this vital service is in a discretionary fund in the Education Department, where a decision will be made soon. Senate Majority Leader Baker is among those urging approval. President Reagan has shown the plan strong favor. We take the liberty of agreeing with them.

Saving the young. A year ago, we described the services and needs of Timber Ridge School, near Winchester, Va., which prepares able but disturbed youths to re-enter society as productive members. There have been developments:

- Timber Ridge has become a model studied by educators from abroad.

- An innovative university program sponsored by the school is within one year of delivering professionals with master's degrees in teaching disturbed young persons.

- Timber Ridge has enhanced its permanency by acquiring the plant and land it occupies—and a big mortgage.

Humane considerations aside, money needed to return just one individual to useful activity is only a fraction of what it would cost the community to take care of him for life. But for construction, medical bills, field trips, reference books, major tools, electronic training equipment and a host of other essentials, nonprofit Timber Ridge has to depend on generous persons and organizations. Some foundations hesitate to aid an institution that does not own its plant. That, and a wish to escape the heavy expense of leasing, moved Timber Ridge to incur a debt of several hundred thousand dollars to purchase the whole property.

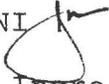
This step already has won most of the cost of a badly needed dormitory from a contributor who otherwise would have held back. But Timber Ridge could free funds that are badly needed for further improvements if there were help in defraying the first and second trusts. Foundations and philanthropists please note.

THE WHITE HOUSE

WASHINGTON

July 21, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES W. CICCONI 
SUBJECT: Telephone Rate Increases

Since you felt it advisable to call Paul Laxalt back this week on the telephone rate increase issue, I would suggest the following for your consideration:

1. It is clear that rates will go up significantly next year.
2. Outside of normal pressures, rates will go up due to the dismantling of the Bell System and due to the FCC's long distance access charge decision, which takes effect in January.
3. It is difficult to gauge whether the Administration will be blamed for increases due to the AT&T break-up; we will probably not know this for certain till next year.
4. It seems certain, though, that the Administration will be blamed for increases resulting from the FCC's action, especially since the charges are precise (\$2 per residence) and directly attributable to "our" FCC. Also, the impact of this increase will be national, not regional, and it will hit all at once in January.
5. Due to the uniform application of the access charge, we are especially vulnerable to accusations that it falls most heavily on the poor and the elderly on fixed incomes.

Recommendations

1. The Cabinet Council on Commerce and Trade should be asked to begin monitoring the telephone rate increase issue. A working group could be formed to concentrate on this, and to make periodic informational reports to the CCCT. This will make it easier to react quickly should the issue heat up.
2. The CCCT should immediately begin examining the specific issue of the FCC-sanctioned access charges. They should

Memorandum for James A. Baker, III
July 21, 1983
Page 2 of 2

assess the overall impact of such charges, and would also consider whether we should urge the FCC to provide exceptions for the poor, the elderly on fixed incomes, and other groups who might be particularly hard hit by the access charge decision. (Charles Brown, the chairman of AT&T, indicated to me that they would have no real problem with such exceptions in principle.)

3. If the issue heats up, we may want to consider a statement of concern by the President regarding the impact of significantly higher phone rates.

At this point in time, I would not go beyond the above recommendations. Rate increases due to the AT&T break-up are not yet a major national issue, though they have the potential to develop into one. Given that situation, our focus should be on preparing to respond quickly should the need arise. The FCC's access charge policy should be dealt with in a slightly different manner, as suggested above, largely because it is more certain to be a major issue.

THE WHITE HOUSE

WASHINGTON

July 14, 1983

MEMORANDUM FOR: EDWIN L. HARPER
ROGER B. PORTER

FROM: WENDELL W. GUNN

SUBJECT: Q&A -- Telephone Rate Increases

Q: "What telephone rate increases have regional telephone companies formerly associated with Bell System requested since the divestiture agreement was announced?"

A: Attached is a preliminary tabulation. It is broken down by state and shows all proposed and awarded Bell System telephone company rate increases since the AT&T divestiture agreement on January 8, 1982. This list is reasonably comprehensive and current through May, 1983. It is based solely on published reports. We estimate that \$5 to \$6 billion in local phone rate increases is now pending.

NTIA's research staff in Boulder is currently updating and revising this preliminary tabulation. This effort should be completed early next week. Information concerning rate increases sought by non-AT&T companies will also be included.

Q: "What rationale are the companies publicly using to explain or justify these increases? To what extent are they attributing the increases to the divestiture agreement?"

A: These increases are said to be necessary for number of reasons. First, the carriers maintain, increases are necessary to cover higher operating costs. Although they acknowledge that inflation has eased some of the pressures on

their costs, they generally contend that the rate increases sought are needed to recoup losses incurred as a consequence of earlier "regulatory lag." Second, in 1980-81 the Federal Communications Commission (FCC) permitted the carriers to accelerate their depreciation. This has increased annual revenue requirements for interstate operations. Telephone companies have sought to make corresponding changes at the intrastate and local levels as well. Third, many local telephone companies are seeking increases in their allowable rates of return. The FCC currently permits AT&T to earn 12.75 percent on its interstate enterprise. State rates of return, however, typically are lower. The industry, as in the past, is seeking to equalize these rates of return.

The upcoming AT&T divestiture is the stated cause for only some of the proposed rate increases. In the past, for example in Texas, the state utility commission followed a policy apportioning most of the requested rate increases to intrastate toll. Local service rates were artificially depressed and Southwestern Bell was encouraged to make up the difference on its intrastate toll offerings. Under the divestiture, however, approximately half of the intrastate toll business will be assigned to AT&T. Consequently, Southwestern Bell is now seeking a local rate increase in Texas to cover the prospective revenue losses involved.

By number, a majority of the rate increases set forth in the tabulation were filed prior to court approval of the AT&T divestiture plan. Recently, very large proposed rate increases have been filed and the stated reason has been that the divestiture will necessitate major revenue increases. It should be borne in mind in this regard that a large number of additional rate increase proposals are anticipated to be filed later this year. These proposed rate increases, moreover, are independent of the price increases expected to result as a consequence of the FCC's March, 1983 Access Charges order. Under that order, end users will be assessed charges to defray nontraffic sensitive costs associated with interstate toll calling. In essence, a \$2 per month per line charge will be placed on each residential customer commencing in January, 1984. Business users will be assessed \$4 per month per line. These charges for toll network access will be increased over the next five years.

Q: "What projections were made at the time of the divestiture agreement by both the Administration and the Bell System regarding its anticipated impact on telephone rates?"

A: The long report on the AT&T antitrust litigation submitted to the Cabinet Council on Commerce and Trade by NTIA in 1981 recommended that the case be dismissed. That report concluded there was little evidence radical structural changes along the lines ultimately agreed upon by the Antitrust Division and AT&T were needed to sustain existing equipment and toll services competition (which had increased

exponentially after the case was filed in 1974 notwithstanding AT&T's alleged monopolistic depredations). Local rate issues were not addressed as such, although the matter of risk premiums and their effects on this capital intensive enterprise was raised. In addition, NTIA questioned the desirability of undertaking major changes in structure of AT&T prior to a careful benefit-cost appraisal.

NTIA argued against the proposed settlement of the AT&T case on grounds including that it would result in substantial local telephone rate increases. The settlement having been approved by the Administration, however, NTIA endeavored to defend its features in a number of congressional proceedings. At the request of the Senate Commerce Committee, a detailed evaluation of the rate implications of the settlement was undertaken. This evaluation forecasts telephone price increases aggregating 76 percent on average over the next five post-divestiture years. To the best of our knowledge, at no stage prior to filing the AT&T case was any detailed appraisal of rate increases undertaken by the Justice Department. AT&T witnesses testified against the relief proposals advanced by the Antitrust Division during the trial of the case. These witnesses contended, among other things, that to restructure the Bell System along the lines ultimately reflected in the antitrust settlement would result in substantial local rate increases. We are aware of only one AT&T rate increase study, however, and it was prepared following announcement of the divestiture in January, 1982. This study essentially tracked the rate study NTIA prepared for the Senate Commerce Committee, and forecast slightly lower local rate increases.

Q: "What federal jurisdiction exists, if any, in this area beyond the federal antitrust laws?"

A: The 1934 Communications Act ostensibly reserves to the states regulatory authority over intrastate and local phone rates, as well as local rates in exchanges that span state lines (e.g., Washington, D.C., New York, Kansas City, etc.). In recent years, however, the FCC has successfully preempted state regulatory authorities with respect to both most equipment and some long-distance services offerings.

All the local and intrastate rate increases proposed since the settlement were filed with state regulatory agencies. While the FCC can alter some of the cost and other factors supporting those rate increases, under present law as interpreted by the courts, it has essentially no authority to act on these rate increase proposals.

The authority of the district court administering the AT&T antitrust decree to address these rate increases is unsettled. U.S. District Court Judge Harold Greene in two decisions has sharply criticized the FCC's Access Charges ruling and associated it with the rate increases (somewhat erroneously, we believe). Whether Judge Greene will take steps to deal with the causes ostensibly giving rise to these increases is thus not clear at this time.

LOCAL TELEPHONE RATE INCREASES AND AWARDS (1982-1983)

AT&T OPERATING COMPANIES

June, 1983

<u>State</u>	<u>1982</u>		<u>1983</u>	
	<u>requested</u> (\$millions)	<u>granted</u> (\$millions)	<u>requested</u> (\$millions)	<u>granted</u> (\$millions)
Alabama	—	—	—	111.5
Alaska	—	—	—	—
Arizona	84.4 49.9	60.2	79	
Arkansas	25.2 26.1	18.7	137.9	
California	610.1	—	813.2	
Colorado	—	38.5	38.5	—
Connecticut	0.4 128	89	—	—
Delaware	2	1.86	—	—
DC			82	

<u>State</u>	<u>requested</u>	<u>1982</u> (\$millions)	<u>granted</u>	<u>requested</u>	<u>1983</u> (\$millions)	<u>granted</u>
Florida	330.4			285.1		
Georgia	75.4			158.5		
Hawaii	—		—	—		—
Idaho	2.3		4.2 7.3	28.9 26.9		5.9
Illinois	170		217.7			
Indiana	71.5		66.8	96 (12.6%)		
Iowa	44.7		24.2	18.7		
Kansas			46.7 9.3	213.7 (16%) 63.7		17.8
Kentucky	66.1			3.4		4.6

<u>State</u>	<u>requested</u>	<u>1982</u> <u>granted</u> <u>(\$millions)</u>	<u>requested</u>	<u>1983</u> <u>granted</u> <u>(\$millions)</u>
Louisiana				
Maine				
	8.5	1.7		
Maryland				
			125.5	28.2
Massachusetts				
		19.1		
Michigan				
	143			
	451			
Minnesota				
	83.6	59.6		
Mississippi				
	98.2			
Missouri				
	165.9		110.2	63.8
	134.1			

<u>State</u>	<u>1982</u>		<u>1983</u>	
	<u>requested</u>	<u>granted</u>	<u>requested</u>	<u>granted</u>
		(\$millions)		(\$millions)
Montana	27	8.1	20.7	
Nebraska				
Nevada		1.9		
New Hampshire	8.4			
New Jersey	212.9	84.4		50.6 34.8
New Mexico	76.6	(-6.5)	55.6	30
New York	878	99.3		
North Carolina		81.8 27.76		

<u>State</u>	<u>requested</u>	<u>1982</u> <u>granted</u> <u>(\$millions)</u>	<u>requested</u>	<u>1983</u> <u>granted</u> <u>(\$millions)</u>
North Dakota				
Ohio	10.6 123.4 187.5		179.8	103.6
Oklahoma	129.2	16.4		
Oregon	36.6	26.3	38.4	
Pacific Islands	—	—	—	—
Pennsylvania		255.6	378.9	
Puerto Rico	—	—	—	—
Rhode Island	7.6	9.28 6.5		

<u>State</u>	<u>requested</u>	<u>1982</u> <u>granted</u> <u>(\$millions)</u>	<u>requested</u>	<u>1983</u> <u>granted</u> <u>(\$millions)</u>
South Carolina	72.2			21
South Dakota	23.4			
Tennessee	44.8 130.5	49.4		
Texas	223.7 471.5		\$1B	221.8
Utah	78.8	22.6		36.6
Vermont	6.5			
Virginia	66.5			
Virgin Islands	—	—	—	—
Washington				

<u>State</u>	<u>1982</u>		<u>1983</u>	
	<u>requested</u> (\$millions)	<u>granted</u> (\$millions)	<u>requested</u> (\$millions)	<u>granted</u> (\$millions)
West Virginia	—	—	—	
Wisconsin	99	61.8		
Wyoming	26.7		18.0 (2.09%)	2.6

Source: 1981, 1982 Telecommunications Reports.

THE WHITE HOUSE

WASHINGTON

July 21, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: JAMES CICCONI

SUBJECT: Federal Home Loan Bank Board

Chris Hicks called me today to ask your views regarding two Houston women who are possible candidates for the new vacancy on the Federal Home Loan Bank Board. They are:

--Marcella Perry, President of Heights Savings Association

--Mary Grigsby, President of 1st Houston American Savings

Chris does not want to contact either of these women if you have a problem with them, and would like to know your feelings. Also, since this is a Democratic seat on the Board, any information you have on their political affiliation would be helpful.

Thanks.

7/26 JC:
No problem. Both are probably pretty conservative. I know Perry but not Grigsby.

J. White

Call Hicks → DONE

7/25/83 JC

THE WHITE HOUSE

WASHINGTON

July 25, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: James Cicconi 

SUBJECT: Issues Update

For your information:

1. Ed Meese said that he expects that the President will make a decision on the timber issue today or tomorrow. From the type of questions he asked in last week's Cabinet meeting, I tend to think the President will favor some type of relief, though it may be targeted.
2. The omnibus portion of our crime package was approved 15-1 by the Senate Judiciary Committee last Thursday. As expected, they separated out the more controversial portions of the package, including capital punishment, exclusionary rule, tort claims, and federal habeas corpus. These issues will be voted on separately, perhaps as early as tomorrow. If any one of them fails, we will still have a chance to attach it as a floor amendment to the omnibus bill.
3. The natural gas bill is still being held up in the Senate Energy Committee. The vote count is very close, and McClure wants to be sure he has a majority before proceeding.
4. The Senate added changes in the cotton PIK program to the supplemental, and quickly passed it. However, we understood that Silvio Conte was going to try to remove the amendment on a point of order. Our position seems to be that we oppose a cotton PIK change, but if it has to pass, we prefer that it be attached to the target price freeze bill where it would help passage of something we want.
5. Jesse Helms has apparently decided to delay confirmation hearings for Thomas Pickering to be our new ambassador to El Salvador. Helms seems to want leverage for other commitments from the Administration, including Shultz' appearance for a hearing on the 1962 agreement that ended the Cuban Missile Crisis. This whole matter is being checked into; its seriousness is that it could delay Pickering's arrival in San Salvador until September or October.

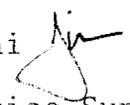
THE WHITE HOUSE

WASHINGTON

July 25, 1983



MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Tobacco Price Support Freeze

For your information:

Congress has passed a bill freezing tobacco price supports at 1982 levels. This is estimated to save \$46M in FY '83. There is also a provision in the bill that would require the Secretary of Agriculture to, in certain circumstances, review whether imports of burley tobacco are interfering with the price support program. If the President agrees with the Secretary's finding, he is then required to ask for an investigation by the International Trade Commission, which in turn could lead to import fees or quotas.

This bill clearly passed because of a trade-off whereby price support levels were frozen in return for new powers to control imports of burley tobacco. Since the latter provision was added on the Senate floor, OMB had no chance to object. However, they feel the provision includes enough discretion that it does not raise serious trade policy concerns.

All agencies support the bill, and it will probably be signed by the President before August 1.

THE WHITE HOUSE
WASHINGTON

July 25, 1983

TO: JAB III

RE: Vice President's Involvement
in Hispanic Strategy

To answer your question on the attached, the VP is indeed referring to the Willie Velasquez event. I had asked Jennifer if they could reconsider their earlier turndown on the basis that (a) Velasquez' convention was now going to stretch into two days, making an August 9 event possible, and (b) Ted Kennedy had since confirmed his plans to speak to the convention. Thus, it became more important to make a good, high-level showing. Atwater also made a pitch. Upshot is that VP will do an August 9 luncheon speech; Kennedy will speak that evening.

Re VP's overall involvement in the Hispanic effort, I think a meeting is the next step. Atwater, VP, Jennifer, Rhodes, Villalpando, JC Ryan would attend. I'd like to get Dick Darman there also. Do we need any OSG signoff before proceeding?

JC

*NO - Keep Darman
apprised.*

THE WHITE HOUSE
WASHINGTON

June 29, 1983



MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi *JC*
SUBJECT: Hispanic Strategy

Yesterday Lee Atwater, Cathi Villalpando and I met to discuss the state of our Hispanic efforts. One thing we agreed on is the important role the Vice President could play. In fact, there have even been some questions about why we are not making better use of the Vice President's popularity among Hispanics.

If he were willing, the Vice President could be a sort of point person for the Administration's Hispanic strategy. He could provide the sustained effort needed to build a political base among the group, while the President's personal involvement must, of necessity, be more occasional. This would, of course, require a significant commitment of time for trips to Hispanic areas (especially Texas, Florida, and California), meetings in Washington, and private contacts.

Would you be willing to explore this with the Vice President?
Thanks.

cc: Dick Darman

*J.C.: What would this mean?
Willis Velazquez*

*J.B. III
very interested
will do Texas event you
mentioned - but
need to include
Tenneter, + Steve Rhoads.*

Yes
Buy me to do it?

*why don't I
a meeting with
Lee, Jim C
+ our people?
GB*

THE WHITE HOUSE
WASHINGTON

July 25, 1983

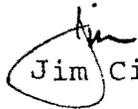
TO: NANCY RISQUE

/ FYI

You may want to take note of the attached regarding independent agency status for NOAA.

I have no idea what position OMB may have conveyed to the Hill on this legislation. We will probably see it surface soon in Cabinet Council, though.

Thanks.


Jim Cicconi



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

July 21, 1983

Memorandum to the President

Attn: Jim Baker (An unauthorized legislative initiative)
Ed Meese (Cabinet Council Agenda Issue)

From: Secretary of the Interior

Subject: Proposal to create a new Department of International Trade and Industry

The proposal to create a new Department of International Trade and Industry focused intensively on consolidation of the principal Executive Branch trade functions. Congressional interest, however, is beginning to coalesce around an ancillary component of the trade proposal: creation of an independent National Oceanic and Atmospheric Administration (NOAA).

Legislation has been introduced to grant independent status to NOAA and to provide it with an Organic Act that will be the foundation of its authority. Hearings are now scheduled for August 4, 1983, before the House Merchant Marine and Fisheries Committee. This development has outpaced careful consideration by the Executive Branch of the future functions and policy role of NOAA. Many Departments with vital ocean interests were not included in the initial planning process related to the Department of International Trade and Industry, and therefore could not voice concern over the implications of independent agency status for NOAA. These Departments would include the Department of Energy with its outer continental shelf energy policy interests, the Department of Agriculture with its Congressionally-mandated aquaculture program, the Department of Defense's Army Corps of Engineers with its critical civil coastal responsibilities, the Department of Transportation's U.S. Coast Guard with ocean safety and enforcement responsibilities, and the Department of the Interior. I therefore propose an immediate and prompt consideration of these issues through the Cabinet Council on Natural Resources and Environment. H

The concerns of the Department of the Interior help illustrate some of the overlapping functions and duplicative activities that pose operational problems with NOAA.

- The National Marine Fisheries Service. In 1970, the functions of the Bureau of Commercial Fisheries within the Department of the Interior were transferred to the Department of Commerce. The attempt to define jurisdictions along geographic lines has caused overlap, confusion, inefficiency, delays and mismanagement of the resources. State and private resource organizations are frustrated by the need to deal with multiple agencies on questions involving endangered species, permit issuance, and Federal grant-in-aid programs. Conflicting policy signals often result.

- Mapping, Charting, and Geodesy. A 1973 OMB Task Force and a 1981 National Research Council review panel each recommended that there be a single agency responsible for civilian mapping, charting, geodesy, surveying and multipurpose cadastre. Combining the National Geodetic Survey Division of the Department of Commerce (NOAA) with the National Mapping Division of the Department of the Interior (United States Geological Survey) would connect two interdependent national programs of basic geodetic control and mapping. The U.S. is the only major Nation that has these activities functionally and organizationally separated. The USGS has long been the lead agency in developing the national digital cartographic data base and is the logical agency to develop the integrating mechanisms required to make the geodetic data base useful to the needs of the Federal, State, local and private users.
- Deep Seabed Minerals Mining. The Deep Seabed Hard Mineral Resources Act of 1980 created a geographic split in ocean minerals jurisdiction by granting the Secretary of Commerce the authority over legal and regulatory regimes associated with manganese nodule mining in the deep ocean. The break from tradition in placing mineral jurisdiction in Commerce was based on the argument that the resource was in international water and not subject to the historical body of law regulating domestic mineral leasing and mining. The Act was considered an "interim" authority which would be superceded by a Law of the Sea Treaty. The Declaration of a U.S. Exclusive Economic Zone highlighted the transitional nature of the Act's provisions and underscored the jurisdictional tangle created by its authors. The Department of the Interior has managed an ocean minerals leasing program for 30 years. It is also the Government's repository of knowledge and experience in geology (including seafloor processes), metallurgical research, mineral exploration and development, and royalty management. NOAA has only begun to develop a regulatory regime for manganese nodule mining.
- The National Estuarine Sanctuaries Program. This program was established in 1972 to provide grants to States to acquire and operate estuarine areas as natural field laboratories. Because the program is managed by NOAA, States must coordinate their estuarine activities with NOAA's National Marine Fisheries Service and the Fish and Wildlife Service (FWS) of the Department of the Interior. The FWS manages the national wildlife refuges and the National Wetlands Inventory, as well as anadromous fish programs, marine mammals, shorebirds, endangered species and separate grant programs to States related to these activities. Inclusion of the Estuarine Sanctuaries Program in the DOI will increase operational efficiency.

NOAA was created to provide an organizational focus for a national oceans program and to advance marine and atmospheric sciences. NOAA's primary focus should continue to be with scientific, technical and service functions necessary for expanding our knowledge of the ocean. However, efforts should be undertaken to review carefully the current activities of NOAA, the impact of the possible change in reporting relationships adjunct to independent status, and, most importantly, the review should focus on eliminating duplicative activities, removing inappropriate or anomalous functions, and consolidating weaker program elements within lead agencies.

The product of such a review would serve to guide the transition of NOAA to independent status and provide an alternative to current Congressional proposals.

THE WHITE HOUSE

WASHINGTON

July 25, 1983

MEMORANDUM FOR MARYANN URBAN

FROM: Jim Cicconi *JWC*
SUBJECT: Federal Housing Commissioner

As I understand it, the choice for Federal Housing Commissioner has largely been made. However, on the chance that it might be reopened, I wanted to pass on for your files the fact that Congressman Steve Bartlett (R-Tex.) is very supportive of Maurice Barksdale. Bartlett's interest goes beyond the fact that Barksdale is from Texas: Steve also serves on the Housing and Community Development Subcommittee, and thus deals regularly with HUD.

Thanks.

THE WHITE HOUSE

WASHINGTON

July 26, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Target Price Freeze

For your information:

The target price freeze is expected to come up tomorrow in the Senate. A group of Democrats, though, have threatened a filibuster to prevent consideration before the Congress recesses. Howard Baker could move immediately for cloture, and could probably prevail. However, even if cloture is voted, it would still be very difficult to pass the legislation within the limited number of working days left. Baker has said he is willing to push, but does not want to waste the Senate's time.

The importance of a vote before the recess lies in the fact that USDA must announce the terms of its farm program on August 15. Right now, the uncertainty of what we will do on August 15 (including the implicit threat of harsher terms) gives us some leverage for passage of the target price freeze. However, if consideration of the bill is postponed till after recess, we will have to go ahead and announce our program before the Senate reconvenes, thus losing the leverage it provides.

Right now, Secretary Block and Senator Dole are trying to reach an agreement with the Democrats that would avoid a filibuster and allow passage of the target price freeze before the recess.

cc: Richard Darman

THE WHITE HOUSE
WASHINGTON

July 26, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Legal Fee Cap

The emerging consensus is that we should send our legal fee cap legislation to the Hill shortly after Congress' summer recess. Though Mike Horowitz made a push to send the bill up immediately (ostensibly to counter legislation by Kastenmeier), he backed off after a recent meeting. I argued for extra time to discuss our proposal with outside groups, and to consult with the Hill, after learning that Mike had only spoken with Orrin Hatch. Joe Wright and Ed Schmults agreed that such consultations would be helpful, and appropriate meetings will be held before we finalize our legislation.

As you may recall, the bill in its present form will impose a \$75 per hour cap on all legal fees in federal suits against governmental units. The bill will not provide a lower ceiling for salaried attorneys (such as those employed by NAACP Legal Defense Fund), although an earlier version did so. Coupled with the fee cap is a provision doubling the fees for lawyers assigned to indigent defendants under the Criminal Justice Act. Such fees have not been raised since the Act first passed, and it is felt that this provision will broaden support for the legal fee cap. The Justice Department strongly supports the legislation as currently drafted.

THE WHITE HOUSE
WASHINGTON



July 26, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Safe Drinking Water Act

For your information:

You may recall that, prior to Gorsuch's departure, an effort was made in CCNRE to amend the Safe Drinking Water Act. This was stopped on the basis that it would have caused serious political damage for only modest policy gain.

Bill Ruckelshaus has been looking into the Act, which is up for reauthorization, and recently called to let me know that EPA now has no plans to ask for substantive changes. Instead, he feels he can make some minor administrative adjustments to deal with the policy problems, and has been quietly consulting with Congress toward that end. He intends to have the appropriate Hill committees on board before proceeding.

In short, Ruckelshaus has turned reauthorization of the Safe Drinking Water Act into a non-issue.

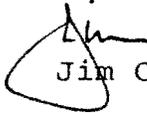
THE WHITE HOUSE
WASHINGTON

July 26, 1983

TO: FAITH WHITTLESEY

Re your request for pictures of your breakfast with Jack Albertine, there is a rule against any press in the WH Mess. However, there would be no problem if you wanted to have breakfast brought to your office on trays, and then have the pictures taken there. Just a suggestion...

Thanks.


Jim Cicconi

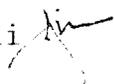
THE WHITE HOUSE

WASHINGTON

July 27, 1983



MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Fund-Raiser for the Texas Republican Party

For your information, Lee Atwater will be talking with George Strake today to let him know that he cannot get a firm date for a fund-raising dinner until Mike Deaver returns.

As you know, when the Party demanded a date, we offered them the afternoon of October 20. However, Strake said they had to have a dinner, and since that requires an overnight stay, October 20 was not possible.

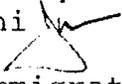
Will keep you posted since you may get calls on this.

THE WHITE HOUSE

WASHINGTON

July 28, 1983

MEMORANDUM FOR LEE ATWATER

FROM: Jim Cicconi 
SUBJECT: Poll on Immigration Issue

For your information:

As I understand it, FAIR, an immigration reform group, will hold a press conference next Tuesday to announce the results of a poll they commissioned on the immigration issue. The poll was apparently conducted jointly by Lance Tarrance and Peter Hart, and showed overwhelming support for a tougher immigration policy. The random sample consisted of 800 blacks and 800 Hispanics.

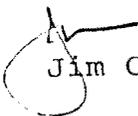
THE WHITE HOUSE
WASHINGTON

July 28, 1983

TO: DICK DARMAN

The attached letter is forwarded
for appropriate staffing. (This
is the same letter mentioned by
Joe Wright in senior staff today.)

Thanks.


Jim Cicconi

MARK D. HATFIELD, OREG., CHAIRMAN

TED STEVENS, ALASKA
LOWELL P. WEICKER, JR., CONN.
JAMES A. MC CLURE, IDAHO
PAUL LAXALT, NEV.
JAKE GARN, UTAH
THAD COCHRAN, MISS.
MARK ANDREWS, N. DAK.
JAMES ABONOR, S. DAK.
ROBERT W. KASTEN, JR., WIS.
ALFONSE M. D'AMATO, N.Y.
MACK MATTINGLY, GA.
WARREN RUDMAN, N.H.
ARLEN SPECTER, PA.
PETE V. DOMENICI, N. MEX.

JOHN C. STENNIS, MISS.
ROBERT C. BYRD, W. VA.
WILLIAM PROXMIER, WIS.
DANIEL K. INOUE, HAWAII
ERNEST F. HOLLINGS, S.C.
THOMAS F. EAGLETON, MO.
LAWTON CHILES, FLA.
J. BENNETT JOHNSTON, LA.
WALTER D. HUDDLESTON, KY.
QUENTIN N. BURDICK, N. DAK.
PATRICK J. LEAHY, VT.
JIM BASSER, TENN.
DENNIS DE CONCINI, ARIZ.
DALE BUMPERS, ARK.

J. KEITH KENNEDY, STAFF DIRECTOR
FRANCIS J. SULLIVAN, MINORITY STAFF DIRECTOR

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, D.C. 20510

July 27, 1983

Mr. James A. Baker III
Chief of Staff and Assistant to
the President
The White House
Washington D.C. 20500

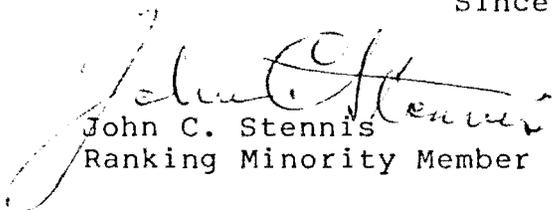
Dear Jim,

We have been informed by Senator Mathias that he intends to offer an amendment to the conference agreement on H.R. 3069, the Supplemental Appropriations Bill for fiscal year 1983. His amendment will bar the revised OPM regulations affecting pay for performance and reductions in force from going into effect.

As you know, the bill currently prohibits the earlier set of regulations from becoming effective. There is a substantial likelihood of the amendment passing thereby delaying the passage of this urgently needed supplemental bill. We may be able to avoid consideration of such an amendment if the Administration will agree to delay publication of the final regulations at least until October 1, 1983.

We appreciate your prompt and careful consideration of this matter.

Sincerely,


John C. Stennis
Ranking Minority Member


Mark O. Hatfield
Chairman


Dennis DeConcini
Ranking Minority Member,
Treasury Subcommittee


James Abdnor
Chairman,
Treasury Subcommittee

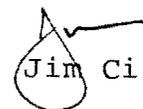
THE WHITE HOUSE
WASHINGTON

July 28, 1983

TO: DICK DARMAN

Per JAB, the attached is forwarded
for your information, and for
staffing as you feel appropriate.

Thanks.


Jim Cicconi



The President Pro Tempore
UNITED STATES SENATE

July 26, 1983

Honorable James Baker, III
Chief of Staff
The White House
Washington, D.C. 20500

Dear Jim:

The attached wire is self-explanatory.

I am amazed that Ambassador Peter Murphy has attempted to negotiate our bilateral agreement with the Peoples Republic of China in a manner that is detrimental to our domestic textile industry.

The present level of textile imports into this country represents 700,000 jobs. The overall unemployment rate in the textile industry nationwide is 16% and in South Carolina alone, 15,200 textile jobs were lost last year.

If an unreasonable and excessive bilateral textile agreement is reached with the Peoples Republic of China, our domestic textile/apparel industry cannot be expected to continue to employ over 2 million Americans nationwide.

Thank you for your attention to this urgent matter.

With kindest personal regards and best wishes,

Sincerely,

Strom Thurmond
Strom Thurmond

ST/ed
Enclosure

Please help us

ATMI DC

289704A HIG CH

TO: Mr. Wendell Gunn - THE WHITE HOUSE

The labor advisors whose names appear below asked that I forward to you the following urgent telex that they sent from Geneva a few minutes ago. They also asked that copies be provided for Mr. Edwin Meese, Mr. James Baker and Mr. Craig Fuller

INDUSTRY/LABOR ADVISORS ARE SURPRISED AND DISTURBED AT U.S. GOVERNMENT POSITION IN CHINESE TEXTILE/ APPAREL NEGOTIATIONS AND SEE NO REASON TO REMAIN IN GENEVA. NO CHANGE FROM POSITION AT END OF ROUND SIX IN WASHINGTON IS INCONSISTENT WITH PRESIDENT'S COMMITMENT. ADVISORS URGE YOU TO REASSESS CURRENT NEGOTIATING INSTRUCTIONS.

AMALGAMATED TEXTILE AND CLOTHING WORKERS

UNION- ARTHUR GUNDERSHEIM

AMERICAN APPAREL MANUFACTURERS ASSOCIATION-

THOMAS ROBOZ AND STEWART BOSWELL

AMERICAN TEXTILE MANUFACTURERS INSTITUTE-

CARLOS MOORE

INTERNATIONAL LADIES GARMENT WORKERS UNION-

LAZARE TEPER

MANMADE FIBER PRODUCERS ASSOCIATION- ROBERT

PENNELL

NATIONAL COTTON COUNCIL- CARL CAMPBELL

NATIONAL KNITWEAR MANUFACTURERS ASSOCIATION-

ROBERT BLANCHARD

NATIONAL KNITWEAR AND SPORTSWEAR ASSOCIATION-

SETH BODNER

FROM: Ray Shockley 862-0555
American Textile Manuf. Institute
1101 Connecticut Avenue, N.W.

289704A HIG CH

1446 07/25

PLS REPLY VIA TRT

THE WHITE HOUSE

WASHINGTON

July 28, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Acid Rain

For your information:

At a meeting on Tuesday of this week, Bill Ruckelshaus briefed members of the WH staff on efforts to deal with the acid rain problem. Ed Meese chaired the meeting.

In short, Ruckelshaus feels we are at the point where a Working Group on Acid Rain, chaired by Nancy Maloley, should begin formulating options to address the problem. His objective is to get control of the issue by "seizing higher ground which we can defend." Ruckelshaus seems to envision options that will not only accelerate research, but will also set a goal and a timetable for reaching it. This would amount to a control strategy, which we have previously resisted in favor of more research. Ruckelshaus argued that lack of an Administration plan risks having a bill reach the President that would be unnecessarily severe, yet extremely difficult to veto. He also stressed that we should have no illusions about measures for controlling acid rain: any option will be costly and would involve social disruption.

As I understand it, a group of scientists will be invited to give a briefing on acid rain in the near future, with the President doing a drop-by.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

July 28, 1983



MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi

SUBJECT: Landsat

Background

Yesterday, CCCT discussed the question of whether to purchase an additional Landsat for launch in 1988. Because of rapid deterioration in the present Landsat-4 system, the follow-on system, Landsat-D', will have to be launched about 18 months sooner than expected--perhaps as early as next spring. Original plans had envisioned a four-year transition period to a private sector system, with vendor selection in May 1984 and final transfer in late 1988 (which would have coincided with the end of Landsat-D's useful life). Now, though, we face the prospect of an 18-month data gap because of the need for an early launch of Landsat-D'. This fact, coupled with the possibility that Congress might halt any transfer to the private sector, is the reason CCCT was asked to consider purchase of an additional Landsat.

Options

There was no support in CCCT for accelerated procurement of a follow-on Landsat (FY '84 cost: \$65M). The Council was evenly split between the remaining options:

1. No procurement of a follow-on Landsat (favored by OMB, CEA, and others); and
2. Spend the minimum necessary (\$15M in FY '84) to begin procurement of those components with the longest lead times (supported by Commerce, Interior, and others).

Those supporting #1 oppose a follow-on system on the basis that the Landsat system is only marginally useful, and is not worth a further commitment of federal funds.

The main argument for #2 is that it keeps open more options for the post-1988 period--if private sector transfer is blocked, the necessary steps will have been taken for a follow-on system; if transfer is accomplished, the government can probably recoup its expenditures for long-lead procurement.

The above options will be forwarded to the President for decision.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

July 28, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 

SUBJECT: Acid Rain

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As I understand it, a group of scientists will be invited to give a briefing on acid rain in the near future, with the President doing a drop-by.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

July 28, 1983

MEMORANDUM FOR JAMES A. BAKER, III

FROM: Jim Cicconi 
SUBJECT: Intellectual Property

Yesterday, CCCT discussed legislation which would protect copyright holders from unauthorized rental of records and videotapes. Currently, the "first-sale doctrine," which is a feature of copyright law dating back to the last century, allows a retailer to rent records or videotapes without compensating the copyright holder. This type of rental business began several years ago, and has since grown dramatically. Such rentals are obviously for home taping purposes, a practice which has reduced record and tape sales and deprived copyright owners of benefits they would otherwise receive for commercial use of their work.

Last year, Congress considered a bill that would have addressed the problem of home taping in a broad, complex, and somewhat distasteful fashion. In short, it levied a tax on the sale of all blank tapes and recorders; the tax went into a royalty compensation fund which was distributed in an inevitably arbitrary way. The WH declined to back the bill on the basis that it was better to wait for the Supreme Court's ruling in the Sony case (on the legality of VCR sales). However, on July 6, the Supreme Court announced that a decision would be delayed until at least its October term. Thus, the Court effectively punted the issue back to Congress.

The legislation now under consideration is much simpler, yet would effectively compensate copyright holders in their main area of loss: commercial rentals. Briefly, the bills would modify the "first use" doctrine by prohibiting commercial rental of records and videotapes without the copyright owner's consent. A "fair use" exception would be preserved since home taping by consumers would not be restricted. The clear upshot of such legislation would be that retailers would reach agreements with copyright owners to compensate them for rentals just as they now do for sales.

Memorandum for James A. Baker, III
July 28, 1983
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The CCCT was unanimous in recommending that the Administration support this legislation. However, it agreed to seek a change suggested by Bill Niskanen that would apply the laws only to future copyright material. Our support was not made contingent on such a change, though, and since resistance from the sponsors is certain, our advocacy of it will no doubt be brief.

cc: Richard Darman

THE WHITE HOUSE

WASHINGTON

July 29, 1983

MEMORANDUM FOR JAMES W. CICCONI

FROM: VIRGINIA H. KNAUER

Virginia Knauer

SUBJECT: Hatch Act Coverage

The Department of Health and Human Services has reviewed the Hatch Act coverage of the SES position I have been placed in pursuant to the transfer and has advised me that there is no exemption applicable. In accordance with that advice, it will require that I resign any connections with partisan political groups, the most significant of which is my membership on the Board of the National Federation of Republican Women. I have no personal objection, but I thought that you ought to be informed of this development before I took the action.

Attached is a draft of the letter I propose to send to the National Federation of Republican Women, and if you concur, I will proceed.

Action:

Concur

[Signature]

Please call me _____

Virginia -

This is unfortunate, but it's of course better to be safe in such matters.

Thanks for advising us; I've informed JAB.

*Jim Ciccon
8/1*

ATTACHMENT

DRAFT

Dear Betty:

As you may know, the President has named me as Special Adviser to the President for Consumer Affairs and to give me better physical proximity to the staff of the United States Office of Consumer Affairs, has relocated my office. These changes have required some administrative and operational changes, one of which is that my salary now comes from the funds appropriated for the United States Office of Consumer Affairs, rather than the White House. The net effect is that the new position is subject to the Hatch Act provisions and will not permit me to continue to serve as a Member of the Board.

I am certain that you will understand that I resign as a Member of the Board because of the legal requirement to do so and not because of any lack of interest in or admiration for the National Federation.

Sincerely,

Virginia H. Knauer
Special Adviser to the President
for Consumer Affairs

Ms. Betty Rendel
President
National Federation of Republican
Women
310 First Street, SE
Washington, DC 20003