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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

JUN 9 1982

OFFICE OF  
THE ADMINISTRATOR

Mr. Morton Blackwell  
Special Assistant to the President  
for Public Liaison  
The White House  
Washington, D. C. 20550

Dear Morton:

What a pleasure it was to have seen you again the other day at Paul's office.

As your schedule permits, I hope we can get together sometime soon, maybe for lunch or something. I'd like to introduce you to a couple of new people in my office as well.

If we can ever be of any assistance to you at EPA, please do not hesitate to call on me.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brad".

(Rep.) Brad Cates  
Director, Office of  
Intergovernmental Liaison

BC/cyl

THE WHITE HOUSE

WASHINGTON

file  
EPS

TO: ANN GORSUCH  
FROM: MORTON BLACKWELL *MB*  
RE: High Altitude Automobile Sales

Attached is a letter I received from Tom Rolfe. I am taking the liberty of forwarding this letter to you for your information and appropriate handling.

Thank you.

# ROLFE AND WOOD, INC.

P.O. BOX 1130

25 NORTH WILLSON

A.C. 406-586-5438

BOZEMAN, MONTANA 59715

Since 1947



"It's GOTTA BE good at Rolfe and Wood"

Dodge

CHRYSLER

Dodge Trucks

Plymouth

August 25, 1981

Morton C. Blackwell  
Liaison Office - Whitehouse  
1600 Pennsylvania Ave.  
Washington, D.C. 20510

Dear Morton,

As I mentioned to you the other night, we are having some serious problems with a rule that is being enforced by the EPA. This rule relates to automobile emissions and more particularly to emission standards for vehicles sold at altitudes over 4,000 feet. A similar rule was enforced in 1977. It proved very costly for honest dealers and unenforceable, when dishonest dealers decided to ignore it. The rule was abandoned in 1978, but is now back to haunt us.

Apparently, the EPA standards are more difficult to comply with at high altitudes and more costly because only 2% of the automobiles sold in the United States are registered in EPA designated high altitude counties. As it stands now, our manufacturer, Chrysler Corporation, has decided not to make all of the engine and transmission combinations, which are available at lower altitudes, available for us to sell in high altitude areas. This severely restricts our competitive ability.

These missing cars amount to at least 28% of the cars we have sold so far this year. While this is a Chrysler Corporation decision, that we are trying to get them to change, I am sure that the reason they have made this decision is one of expense reduction. The rule adds a great deal to the expense of the cars.

Even if we are able to talk Chrysler into making the cost concessions necessary, to provide us with all of the cars they make, there are still severe problems for us. In small towns like ours, we are not able to stock enough inventory to satisfy everyone. It is quite common for people to drive to other towns to shop for cars. When customers go to Billings for example, they will be able to buy cars without the high altitude package and bring them back to Bozeman. This is illegal according to the rule, but there is no practical method of enforcement and it only serves to hurt the dealer who is trying to obey the rule and help the dealer who is willing to bend the rule. Let me give you an example:

Suppose one of my customers from Bozeman is on a vacation and has a car accident in Nebraska. There is no way he can legally buy a car in Nebraska, where they will have no high altitude cars, and bring it back to Bozeman. But chances are the dealer down there will go ahead and sell him the car and register it in the high altitude area because that's the most economical way for the customer to get back to Bozeman. Also, if a Bozeman resident goes to Billings, (a low altitude area), buys a car and brings it back to Bozeman, there is nothing in the law that prevents him from titling it in Bozeman. Only the good conscience of the salesman selling the car would prevent the car from being sold in Billings.

These ideas are not conjecture. These things happened to us in 1977. And once people find out they can buy a car without the government forced pollution equipment, by driving to a "low altitude" area, they will do it!


Additionally, our small dealerships require dealer exchanges as a fact of life. We cannot afford to stock vehicles to satisfy everyone as can be done in big dealerships, in big cities. Many times each year we call other dealers in the area to trade cars in order to satisfy a customer's wants. Unfortunately, under this law I will not be able to get cars from most of the dealers that we have worked with in the past. There is only one dealer within 175 miles that I can trade with because most of the dealers in the area live in counties under 4,000 feet and will not be stocking high altitude cars.

I understand that in the future the rule may be changed to provide that all cars sold must meet the government standards at both sea level and over 4,000 feet. If it is determined that a high altitude law is needed, this last version is the only one acceptable to us. The rule as it exists, makes an already difficult business much harder for the few dealers who live in the high altitude counties. Metropolitan areas like Denver and Salt Lake City may need this high altitude law, but the population is so sparse in our area that the returns are indeed marginal. Our county, Gallatin, is 140 miles North to South and 70 miles East to West, but the recent census shows only 45,000 people in the entire county.

There is a sad irony in the fact that I was one of the few Chrysler Dealers who opposed the "Chrysler Bailout" on the grounds that I don't believe in government intervention to help or hinder a private enterprise, but now I am also one of the few Chrysler dealers who stands a chance of loosing everything because that same government is now getting involved in restricting my business.

Morton, I would appreciate it if you pass this letter on to anyone in the administration who, would be in a position to help get these regulations altered. They go into effect with the introduction of 1982 models in September and October, so we must get the changes made as soon as possible. If the high altitude rules were to be simply eliminated our problem would be solved. Thank you, very much!

Sincerely,



Tom A. Rolfe, President  
Rolfe and Wood, Inc.



OCT 28 1981

Tom A. Rolfe, President  
Rolfe and Wood, Inc.  
P.O. Box 1130  
25 North Willson  
Bozeman, Montana 59715

Dear Mr. Rolfe:

This is in response to your inquiry of August 25, 1981, to Horton Blackwell concerning the high-altitude emission standards that take effect with the 1982 model year. You question the need for such standards.

High-altitude areas of this country experience a unique pollution problem. The thinner air at high altitude causes incomplete combustion of the fuel in vehicles operated in these areas. Therefore, greater amounts of hydrocarbons and carbon monoxide are emitted by vehicle traffic at high altitude than in low-altitude areas. Normal vehicle turnover will not be sufficient to combat this problem of vehicle pollution at high altitude.

EPA studied the problem of model availability that occurred when the high altitude regulations were implemented in 1977. EPA has structured the current regulations to diminish the model availability problem that occurred in 1977. The 1982/83 high altitude regulations require that all models available at low altitude be capable of meeting standards at high altitude or be capable of being modified to do so. This requires the manufacturer to develop technology to meet the standards for all models. In spite of this requirement, EPA cannot force the manufacturers to actually offer all vehicles for sale. Some manufacturers may choose to certify certain models, but not offer them for sale. Certain models may be exempted from the above requirement, at the manufacturers' discretion, if they meet the criteria for a low-power exemption. This exemption was established so that a manufacturer could choose not to certify and offer for sale at high altitude vehicles that the manufacturer considered undesirable to sell at high altitude due to inadequate performance capability at such altitudes.

Another step EPA has taken to ease the burden of the high altitude regulations is to allow more flexibility in the sale of high altitude vehicles at low altitudes. In response to a petition from Ford Motor Company, EPA revised the regulations, on May 4, 1981 (46 FR 24948), to allow the sale of high-altitude vehicles at low altitudes. Prior to this change, only low-altitude cars could be sold in low-altitude areas. This added flexibility relieves some of the burden for dealers who service both high- and low-altitude areas. When driven at low altitude, a high-altitude car will

actually emit less amounts of HC and CO. Additionally, in the "fringe" areas between 1,000 and 2,000 feet in altitude, a high-altitude car will provide better performance than a low-altitude car. It is unlawful for a manufacturer to sell or deliver a low-altitude vehicle to a consumer if the principal use for this vehicle will be at high altitude. Any dealers aware of specific violations of this provision should contact this Agency. Action will be taken if specific complaints are received.

As part of the Administration's April 6 regulatory relief package for the auto industry, Vice-President Bush stated that the Administration would ask Congress to eliminate the 1984 high-altitude requirements currently mandated in the Clean Air Act. The 1984 requirements would require all vehicles sold in the country to be equipped with additional controls (at an added cost) to meet the statutory (low-altitude) standards wherever the vehicles are sold. This would make all cars capable of meeting standards at high altitude, while only 3 to 4 percent of these vehicles would be sold in high-altitude areas which need the additional control. This would certainly be costly for the majority of consumers. On the other hand, the current requirements cost, on the average, about \$71 per vehicle. Elimination of the 1984 requirement, in favor of the current standards, will allow significant cost savings for both the industry and consumers.

You mention that you will be unable to trade with other dealers you have traded with in the past who are located in low-altitude areas. This is a problem that will impact certain dealers that are located on the fringe of high-altitude areas, but should not impact the majority of dealers. For dealers such as yourself, trading will be less convenient, but not eliminated. Since every car must be modifiable, if it does not already meet standards, a dealer should be able to trade for a low-altitude car and procure the necessary hardware to make the modification or keep a supply of the necessary parts on hand. High-altitude cars can be sold at low altitude, so those can be traded to low altitude dealers for low-altitude cars.

I hope this discussion has been useful. If you have any further questions, please contact me.

Sincerely yours,

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Robert E. Maxwell, Acting Director  
Office of Mobile Source Air Pollution Control  
(ANR-433)

ANR:455:GDana:evj:10/21/81:737 WT:x50596  
ANR:455:GDana:pj:10/23/81 Rewritten:737WT:62464  
ANR: Control NO. AX 1305  
AX Due Date: 10/26/81



EPA

# Republican Study Committee



Chairman  
REP. ROBERT E. BADHAM

Executive Director  
RICHARD B. DINGMAN

## SPECIAL REPORT

### THE SPECTER OF ENVIRONMENTALISM: THE THREAT OF ENVIRONMENTAL GROUPS

This special report examines the threat that environmental groups represent to natural resource development and economic growth. The report specifically analyzes the influence, objectives, composition, agenda, and public support of environmental organizations. The report also details some examples which illustrate the disproportionate influence of these environmental groups.

#### Introduction

Extremist environmentalism threatens to undermine natural resource and economic development. This environmental threat has been spearheaded by a few prominent environmental groups which are engaged in a systematic campaign intent on promoting environmental interests largely to the detriment of energy development and economic prosperity. This investigation attempts to define this "specter of environmentalism."

At the outset, a fundamental distinction should be made between balanced environmentalism and what has been termed environmental extremism. Probably all Americans could be called environmentalists since most support protection of our delicate ecology and the prudent management of our natural resources. The consensus among Americans is that all reasonably appropriate means should be employed to protect the environment without seriously inhibiting economic growth. However, the environmental extremist fails to balance the competing interests of resource development and environmental preservation. These extremists are determined and sometimes insistent on advancing provincial environmental objectives at the expense of other necessary objectives. This paper comments on this dichotomy between balanced environmentalism and environmental extremism by concentrating on the influence and goals of "environmental extremists."

#### The Influence of Environmental Organizations

Despite initial prospects that the environmental movement of the 1970s might wither away during the conservative resurgence of the 1980s, environmental organization memberships and donations are at all-time highs. Major environmental groups, including the National Wildlife Federation, the National Audubon Society, the Sierra Club, the Natural Resources Defense Council, the Environmental Defense Fund, and

This material was prepared at the request of a member of the Republican Study Committee. The views contained in it should not be construed as being the views of any specific officer or member of the Republican Study Committee.

ROOM 433, CANNON BUILDING, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. 20515 (202) 225-0587



the National Wilderness Society, have all shown increases in membership. The Sierra Club, one of the more liberal and politically active environmental groups witnessed a membership increase of at least 25 percent during the first nine months of 1981.<sup>1</sup> The Sierra Club now boasts a membership of over 245,000 (nearly half of which<sup>2</sup> are from California) and their fiscal year 1980 budget was almost \$10 million.<sup>2</sup> The memberships of the other large environmental organizations stack-up as follows: the National Wildlife Federation, more than four million members; the National Audubon Society, over 400,000 members; the Natural Resources Defense Council, 40,000; the Environmental Defense Fund, 52,000; and the Wilderness Society, more than 50,000 members.

The principle function of the environmental groups is to influence policy in a direction which promotes environmental interests. Environmental organizations take pride in their efforts to isolate more wilderness lands from energy exploration and take credit for much of the landmark environmental legislation enacted during the 1970s. The Sierra Club, for instance, openly describes itself as a "conservation lobby" dedicated<sup>4</sup> to preserving the nation's forests, waters, and wilderness from development.

These various environmental groups have been extremely effective as lobbyists. A clear illustration of the influential voice of environmental groups is the systematic campaign to undermine Interior Secretary James Watt. Environmental groups called for Watt's immediate dismissal and led the charge to influence public opinion and congressional sentiment against the Interior Secretary. Even though it appears that Secretary Watt has now secured his position in the Cabinet, the environmental groups have successfully thwarted some of Watt's efforts to restore a judicious balance between energy development, economic vitality, and environmental protection.

Despite the environmentalists' inability to force the firing of Secretary Watt, some environmental groups are expanding their lobby assault to attack other Administration officials such as EPA Administrator Ann Gorsuch, Agriculture Secretary John Block, Energy Secretary James Edwards, OMB Director David Stockman, and even President Reagan himself.<sup>5</sup> Apparently environmental groups have finally recognized that their efforts to isolate Watt as an environmental madman and as the aberration of the Administration's natural resource policy have failed. Since the Reagan Administration is committed to restoring a proper environmental balance and support Watt's Interior program, the environmental organizations are now obligated to attack the entire Reagan Administration.

Environmental groups are also entering the political process in an effort to mobilize support for their environmental causes. The Sierra Club has already been characterized as a "crypto-political outfit" and as a "political party in miniature."<sup>6</sup> Now environmental groups are organizing Political Action Committees to finance and assist environmental candidates. The Sierra Club, Friends of the Earth, Environmental Action, and the Solar Lobby have all organized PACs to mobilize environmental support. These PACs regularly meet with the League of Conservation Voters to develop and implement electoral strategy. Fourteen states now have environmental PACs working for or against targeted state and congressional candidates.

The League of Conservation Voters in 1980 spent \$460,000 and reached over 400,000 people with their door-to-door canvassing. The League specifically credits its door-to-door campaign effort for the 1980 election to Congress of Robert Edgar (D-Pa), an arch-environmentalist. The Friends of Earth PAC in connection with Environmental Action and the League of Conservation Voters actively worked last year for the primary and general election campaigns of James Florio, the Democratic candidate for Governor of New Jersey.<sup>8</sup> League of Conservation Voters has also targeted environmentalists in Congress for support in the 1982 campaigns, including such liberals as Howard Metzebaum (D-Oh), Paul Sarbanes (D-Md), and Morris Udall (D-Az).



Environmental groups pride themselves on their ability to attract active and dedicated campaign volunteers. Environmentalists are convinced that their campaign volunteers can dramatically determine electoral outcomes and environmental policy. The liberal and environmentally-oriented magazine, the Progressive, even suggests that "an army of volunteer workers making one-to-one contact with voters could be... more effective for the cause of environmentalists and progressives" than Richard Viguerie's direct mail effort was for the New Right. (Oct., 1981, p. 32).

Outside their involvement in election campaigns, environmental groups also are collaborating with other special interest groups. The Washington Post recently reported that nine major environmental groups are striving to convince the March of Dimes and the American Cancer Society to lobby against the Reagan Administration environmental policy. Specifically, these environmental organizations are trying to enlist the support of these health charities and their lobbying funds to fight the proposed budget cuts in the EPA.<sup>10</sup> Environmental groups have also cultivated a cooperative relationship with liberal labor unions including the United Auto Workers and leftist labor leader William Winpisinger and his Machinists Union. This Environmentalist/Labor Union marriage has been characterized as "especially productive" in promoting the interests of both groups.<sup>11</sup>

### Objectives of Environmental Groups

Careful empirical studies and surveys have established that environmentalists are overwhelmingly Democrats and predominantly liberal. Results of a statistically controlled survey of the five major environmental groups conclude that while only 21 percent of the general public view themselves as liberals, three times as many environmentalists willingly accept the liberal label. Additionally, fully one-quarter of environmental group members believe that economic growth and development must be slowed or completely halted to preserve the environment.<sup>12</sup> Supporters of environmental issues in legislative bodies also tend to be predominantly liberal and Democrats.<sup>13</sup>

Another indication of the liberalism that has engulfed environmental groups is their ever expanding liberal agenda. Environmentalism now transcends the simple desire to protect the environment. It has been expanded to encompass an entire outlook of broad political and social affairs. Malcolm Forbes Baldwin, the former acting director of the Council on Environmental Quality, explains that:

...environmentalism transcends the programs and desires of any particular political, social, or economic group. It involves a powerful and complex view of the world, grounded both in science and in human experience, that has attracted all kinds of people and organizations (Environment, April 1981, p. 25).

There is also a trend toward a new revolutionary stream in the environmental movement referred to as "deep ecology." As Sociology Professor Bill Devall articulates in the Natural Resources Journal, this revolutionary force of environmentalism is seeking "a new metaphysics, epistemology, cosmology, and environmental ethic of person/planet."<sup>14</sup> This powerful faction of environmentalism is not merely content on striving for environmental protection; this radical branch of the environmental movement is seeking to cultivate a liberal, almost counter-culture view of the world. An authority on environmental activism, Dr. H. Peter Metzger, the manager of Public Affairs Planning at the Public Service Company of Colorado, terms these new environmentalists "coercive utopians" and argues that they have a hidden liberal agenda. He articulates that today's environmentalist is not merely seeking a clean and safe environment, but is striving for "some vague political goal, designed to come about by stopping energy production as we know it."<sup>15</sup>



An example of this expanding agenda of environmentalism is the embracement by environmentalist of soft energy technology. Environmentalism has allied itself with the growing movement promoting soft energy such as solar power. The environmental movement and the soft technology movement now overlap in personnel, resources, and organization.<sup>16</sup> An additional example of how environmentalism has been broadening its scope to encompass other liberal factions is the connection between environmentalists and feminists. In fact, feminists now are analyzing the relationship between the macho ethic and the tendency to despoil the environment.<sup>17</sup>

These indications of the liberalism inherent in environmentalism dispel the notion that today's environmentalism naturally springs from conservatism, or generally the disposition favoring preservation. The liberal environmentalists that dominate the major environmental groups of today are sharply divergent from the preservationists that initiated the conservation movement at the turn of the century. As the surveys of the political attitudes of environmentalists indicate, yesteryear's preservation movement has been skewed by today's liberalism. Whereas Teddy Roosevelt styled preservationists favored a balanced approach to resource management which emphasized some development of land to maximize the public's utility, today's environmental extremists are intent on locking up natural resources and precluding resource development and economic growth.

Another erroneous notion that should be quickly dispelled is that environmentalists are true altruists seeking to preserve the environment for the benefit of all mankind and future generations. Actually several authorities have concluded that environmentalists are "fundamentally self-interested" and that they "act as self-interested contenders for a publicly controlled resource."<sup>18</sup> Environmentalists tend to be members of the affluent, upper middle class termed the Leisure class. Members of environmental groups typically are part of the upper middle socio-economic class, college educated, and professionally oriented. In fact, a central factor contributing to the growth of environmentalism has been the emergence of a "strong, vocal, politically self-identified upper middle class in American society" which has formed the backbone of the environmental movement.<sup>19</sup>

Since environmentalists are members of an elite and affluent class, they are largely insulated from the consequences of stagnate resource development and economic growth. Those in privileged professional positions are obviously more inclined to favor maintenance of their current favorable conditions.<sup>20</sup> Furthermore many members of the leisure class stand to gain the most from complete preservation of scenic refuges because only they have the time and money to frequent such retreats. The recreation and scenic value of unharvested forests, for instance, outweighs the value of economical timber provided you are a member of the affluent "wine and cheese belt," and not an employee of a lumber mill or a member of lower middle class seeking to purchase a home.<sup>21</sup> In light of this, it is not surprising<sup>22</sup> that minorities and the poor tend to be hostile toward environmental reforms.

Environmentalists thus are self-motivated to thwart economic development through resource preservation because only they garner the benefits of extremist environmental protection and only they are isolated from the harmful consequences of sluggish economic activity. As William Tucker concludes, environmentalism fundamentally constitutes protection of the entrenched privileged few:

To say that one is an "environmentalist," or that one favors "no-growth," is to say that one has achieved enough well-being from the present system and that one is now content to let it remain as it is -- or even retrogress a little -- because one's material comfort under the present system has been more or less assured. ("Environmentalism and the Leisure Class," Harper's, Dec. 1977, p. 80)



## The Minority Status of Environmentalism

The views advocated by environmental groups do not reflect the vast preponderance of the American populace. Even the most optimistic surveys indicate that only 13 percent of the general public regard themselves as active in the environmental movement.<sup>23</sup> Based on these studies, it can be safely asserted that environmental groups represent only a minority fringe of the American public.

Public opinion surveys also confirm that the majority of the electorate favor resource development which balances economic and environmental interests. According to a statistically accurate survey conducted by the Sindlinger & Company, Inc., almost 96 percent of those sampled favor policies which attempt to stimulate economic growth and achieve energy independence while protecting the environment. A recent Gallup Poll also found more than 75 percent of the American people believe it is possible to maintain strong economic growth and still maintain high environmental standards.<sup>25</sup>

Other specific results from these two polls further reveal that Americans favor resource development:

- \* More than 76% of the American people favor increasing oil exploration and other commercial uses on federal lands;
- \* Almost 84% favor spending more money to improve the condition of existing national parks rather than expanding the national park system;
- \* More than 70% favor enlarging the area of offshore drilling on the East and West coasts; and
- \* Almost 82% favor prospecting for strategic minerals on public lands.

Polls even indicate that of those American's who express an opinion about James Watt, a majority approve of the controversial Interior Secretary.<sup>26</sup> Additionally, of the 220 national special interest groups that the Interior Department deals with, only 10 (primarily environmental groups) are opposed to Watt.<sup>27</sup>

These survey results clearly indicate that the often extremist views of environmental groups are not shared by most of the American public. Furthermore, most of the environmental activities that influence decision-making seem to be initiated and coordinated by a few elite activists who operate detached from most other environmental group members. Indeed, there is a schism between these elite environmental activists and the grass-roots members of environmental groups. As the Progressive characterized it: "Environmental work...is most often carried out by a few front line activists in Washington, in state capitals,<sup>28</sup> and in courtrooms across the country, while the public sits on the sidelines." There is also little correspondence between these two discrete components of environmentalism, the organized environmentalists and the broad-based grass-roots environmentalists. For instance, the organized environmental groups support preservation of remote wilderness areas whereas most public environmentalists live and work in urban areas.<sup>29</sup>

Another illustration of the schism between the two environmental factions is the controversy over Secretary Watt. Environmental groups take pride in claiming that their grass-roots members are vehemently opposed to Watt. However, the membership poll on which the National Wildlife Federation based its call for Watt's resignation substantially misrepresented Secretary Watt's positions. A comment prepared by the Resource and Environmental Quality Division of the Chamber of Commerce concluded that the National Wildlife Federation questionnaire of 4000 selected members was invalid. The NWF survey openly admitted that there may be "variances between Watt's actual position and the position...which we consider to be his." Moreover, almost half of those surveyed indicated that they did not know enough about



Watt's policies to make a judgment of him.<sup>30</sup> Based on this spurious poll of the National Wildlife Federation membership (who generally favored Reagan in the election), the NWF's leadership decided to join other environmental groups in calling for Watt's immediate ouster. This is another indication that the liberal leadership of major environmental groups largely acts independently of their grass-roots memberships.

Further aggravating the division between environmentalists and most of the American public is that the media are sympathetic to environmental issues. The elite press tends to be substantially more liberal than the general public. According to a study conducted by Robert Lichter and Stanley Rothman under the auspices of the Research Institute of International Change at Columbia University, the majority of media elites are political liberals, college graduates, and affluent. Most of the media elite, those most likely to influence public policy, come from northeast or north central states; only three percent are drawn from the entire Pacific coast. Since 1964, less than one-fifth of the media elite supported any Republican presidential candidate. These influential media personalities also have strong pro-environmental views.<sup>31</sup> Because these media elite are liberal and environmentally biased, they obviously elevate environmental interests and subordinate economic and energy concerns in their widely read writings. This creates the fallacious impression that the environmental views they report and editorialize reflect the consensus of the American public.

#### EXAMPLES OF THE SPECTER OF ENVIRONMENTALISM

There are numerous examples illustrating the inordinate influence of environmental groups. The examples outlined below provide a flavor of the strategic ploys environmental organizations will use to promote their liberal environmental agenda. These examples by no means exhaust all the schemes environmentalists will employ to fulfill their objectives; they only represent some of the more blatant examples of the disproportionate policy-making influence of environmentalists and the improper steps they will take to advance their parochial causes.

##### Media Manipulation

Environmental groups have successfully manipulated the media to voice their environmental concerns. The environmentally sympathetic press has essentially been a promotional conduit for environmental groups. Environmental strategists aware of the biased media have often crafted their activities to take full advantage of the favorable media coverage.

A current example of the environmental group's media manipulation is a recent Sierra Club confidential strategy memorandum. The memo, circulated only to higher echelon Sierra Club leaders, detailed the Club's media strategy for presenting to Congress over a million alleged petition signatures demanding the immediate dismissal of Secretary Watt.<sup>32</sup> The confidential memo elaborated on "Watt Petition Week" in which Sierra Club representatives would converge on Capitol Hill in a well-orchestrated effort to persuade Congress to oust Secretary Watt. The entire plan was openly intended to take full advantage of national media exposure to create the impression that there was a pervasive grass-roots movement clamoring for the immediate dismissal of Secretary Watt. Even the press characterized the confidential memo as a "battle plan or a lobbying assault on the nation's capital that has all the trappings of an undercover KGB or CIA exercise."<sup>33</sup>

The memo laid out a systematic strategy which employed every media manipulation tactic imaginable. The memo specifically called for carefully orchestrated airport press conferences to send off local Club members on their way to Washington, breakfast or lunch gatherings with reporters to ensure a second wave of publicity, and strategic meetings with Republican legislators to create the impression



of bi-partisanship. This would all culminate in a climatic Capital steps ceremony in which the million petitions would literally be dumped on the steps in front of reporters and TV cameras! The petition plan claimed that the media blitz could have a "major lobby impact" in Washington and would represent "an unparalleled opportunity" to emphasize "the unique grass-roots political strength of the Sierra Club." The memo concluded by indicating that "the potential for political and media impact -- on a national scale and with each individual Member of Congress -- is virtually unlimited."

Even with prior notice to Congressmen and the press that the Sierra Club anti-Watt demonstration was a staged media event, the Capital steps ceremony complete with heaps of petitions received front page news and network TV coverage. The Washington Post even reported that the press at the capitol steps ceremony outnumbered the rest of the Sierra Club rally.<sup>34</sup> In the end, the Sierra Club media blitz was largely successful in denouncing Secretary Watt. This is a fine illustration of how the Sierra Club and other environmental groups have manipulated the sympathetic media in promoting their parochial environmental interests.

### Manipulation of the Courts

Environmental groups also manipulate the litigation process in order to pursue their environmental goals. Extremist environmental groups have repeatedly used the courts to delay energy and industrial projects on specious technicalities.<sup>35</sup> The concomitant effect of delaying environmental lawsuits is usually increased costs for consumers and the likelihood of project abandonment as the cost overruns escalate. Thus, even though environmentalists may frequently fail to prevail on the merits of the case, they have effectively won because the time-consuming litigation precludes natural resource development and economic growth.

There is also evidence that environmental groups shop around to find the most sympathetic courts in which to initiate their suits.<sup>36</sup> A study by the Capital Legal Foundation suggests that environmental groups flock to the District of Columbia Federal courts because of the reputation the D.C. courts have for favoring environmental claims. After comparing the litigation data of environmental suits, the Capital Legal Foundation study concluded that "environmentalists clearly have a major ally in the D.C. federal courts, which are often deciding cases of minimal concern to D.C. area residents." According to the study's statistical results, the D.C. District and Circuit courts litigate roughly one-third of all major environmental action brought by environmental organizations, and it is estimated that no more than 15% of the D.C. cases had to be initiated by D.C. courts. These data clearly suggest that environmental groups purposely sue in Washington, D.C., even if the environmental issue under review is only tangentially related to Federal government functions, because the "remarkably sympathetic Washington D.C. federal bench "allows them "to win a shocking number of cases in D.C. compared to their suits outside the D.C. circuit."

In addition to selecting favorable courts to initiate environmental suits, environmental activists have fraudulently manipulated the courts in a fashion that legitimizes illegitimate "energy advocacy" programs and defrauds the government and the poor. In September of 1979, five legal aid attorneys with the Legal Services Corporation filed a class-action suit on behalf of a group of low income people against the Consumer Services Administration. The case, Simer v. Olivarez,<sup>37</sup> alleged that CSA had unlawfully administered the low-income fuel assistance program to the detriment of the poor elderly plaintiffs. The benign altruistic appearance of this complaint is deceiving; as Dr. H. Peter Metzger observed in an article entitled "The Great Ecology Swindle," the complaint was actually a complete sham."<sup>38</sup>

The legal aid attorneys specifically colluded with the CSA lawyers to draft an out-of-court settlement which effectively provided for the dispersal of roughly \$10



million in federal funds to environmentally-slanted "energy advocacy" programs. The court originally accepted this "sweetheart" settlement but subsequently vacated the decision after being notified that it had been duped by the colluding attorneys into diverting millions of taxpayer dollars to environmental activism.<sup>39</sup> Dr. Metzger summarizes this example of environmental manipulation of the courts:

In an unusually blatant and shameless display of their willingness to manipulate the poor, environmental activists have concocted a fraudulent lawsuit which was just recently settled and then vacated by the very same judge who was duped into legitimizing the activists' attempt to defraud the government...millions of dollars from a federal low-income fuel assistance program were briefly diverted into the coffers of political activists. (Policy Review, Winter 1981, p. 71.)

This example aptly illustrates how environmentally motivated lawyers (whose salaries are paid by the federal government) can manipulate the judicial process to promote environmental interests. The Simer case also represents only the tip of the iceberg of the potential for environmentalists defrauding the government and taking money intended for the poor for their own particular environmental interests.<sup>40</sup>

### Infiltration of Academia

Environmental organizations are apparently collaborating with some strategic state Universities and Colleges. The scheme essentially allows environmental groups to strive for the promotion of environmental concerns under the guise of a respectable state University natural resource institute. Two well-documented examples elaborate.

The first example is the University of Oregon School of Law environmental law clinic, called the Pacific Northwest Resources Clinic. The Oregon state chapter of the National Wildlife Federation (which raises money for the national organization) agreed with the University of Oregon Law School to establish this natural resource law clinic. The Wildlife Federation and the Law School each contributed \$75,000 to the program. An independent investigation by the Foundation for Oregon Research and Education concluded that the National Wildlife Federation's objective for establishing this clinic at the University of Oregon Law School was to create an "inexpensive litigating arm sheltered in the University for prosecuting the issues and policies of NWF and its local affiliate organizations in the West."<sup>41</sup>

An example of the environmental activities of this natural resource law clinic includes a recent suit in which the law clinic took the U.S. Forest Service to court to prevent logging access to some timber-rich land in Idaho.<sup>42</sup> Even though the timber companies won the law suit, this example clearly illustrates that the Oregon Law School natural resource institute was operating as an advocate of the National Wildlife Federation. Aaron Jones of the Seneca Sawmill Company has called the law clinic "a convenient front for NWF activities" and indicated that the relationship between the University of Oregon and the NWF resulted in an "inherent and fundamental conflict of interest for the University of Oregon as a public tax-supported institution."<sup>43</sup> The official involvement of the National Wildlife and the Law School ended last year when it was discovered that the NWF association with the Oregon Law School was contributing to a dramatic 25% decrease in private donations to the University.

Another example of environmentalism infiltrating American colleges is the graduate study Institute for Resource Management, established jointly on the campuses of the University of Idaho and Washington State University. The new program is experiencing funding difficulties and is not expected to accept its first students (who are supported by \$10,000 a year fellowships) until next fall. The graduate program on natural resource management was proposed by arch-environmentalist actor, Robert Redford, and Cecil Andrus, James Watt's predecessor as Interior Secretary. Redford has already appointed Hope Moore, a liberal environmentalist and a former assistant



to Cecil Andrus in the Carter Administration, as executive director of the institute. Judging from the environmentally biased origins and leadership of the institute, it is widely believed that the Institute for Resource Management at the University of Idaho and Washington State may become a center for environmental advocacy.

These examples illustrate that some environmental organizations are attempting to collude with respectable learning centers in order to promote environmental interests. The relationship between environmentally motivated organizations and presumably objective tax-supported academic institutes represent an unconscionable conflict of interest and is blatantly wrong.

#### Federal Funding of Environmental Activism Groups

There are numerous examples of where extremist environmentalists have secured some sort of federal subsidization to pursue their environmental objectives. During the Carter Administration several liberal and environmental activists were plucked out of the environmental movement and inserted into high-level government positions. Examples include anti-war activist Sam Brown (Director of ACTION programs), Michael Pertschuk, former associate of Ralph Nader (Chairman of the Federal Trade Commission), Joseph Duffey, former head of the Americans for Democratic Action (Chairman of the National Endowment for the Humanities), and anti-nuclear crusader Tina Hobson (Director of the Office of Consumer Affairs at the Department of Energy). These high-level officials were able to funnel federal grants with impunity to various environmentally motivated organizations.

The Sierra Club was one of the many benefactors of sympathetic officials in the Carter Administration. The Sierra Club, for instance, recently received over \$87,000 from the National Endowment for the Humanities to finance taped interviews with Sierra Club activists. The FTC under the leadership of Naderite Michael Pertschuk also doled-out grants to prominent environmental groups including the Union of Concerned Scientists, Friends of the Earth, the Environmental Defense Fund, the National Resources Defense Council, and the Sierra Club.

A great deal of this federal funding of environmental activism groups has gone to anti-nuclear energy activities. An example of the Department of Energy's support for groups overtly against nuclear energy was their financial support and endorsement of the Black Hill's Alliance International Survival Gathering, held July 18-27, 1980. The Gathering received a \$10,000 grant from the Office of Consumer Affairs (under Tina Hobson) to defray the costs of organizing the event. The Survival Gathering was characterized by the press as a "conference on anti-nuclear tactics," and "a microcosm of the whole anti-nuclear movement." The four-five hundred participants were entertained by the "Nuclear Regulatory Commission," a rock singing group which "added a special flavor" with its sarcastic name, and the "Plutonium Players," which "performed skits about the follies of nuclear energy to the delight of a mostly young audience." This 1960's style anti-nuclear gathering was even visited by the mobile exhibit on alternative energy, which was sponsored by the DOE and the Tennessee Valley Authority.

The event was highly criticized by local residents of the Black Hills area. One hundred, thirty persons signed a petition to their Congressman protesting "the use of federal funds to subsidize and add credence to such organizations as the Black Hills Alliance and its survival gatherings." The Black Hills Alliance is but one of the anti-nuclear energy organizations the Department of Energy provided grants to under the Carter Administration. Others included Ralph Nader's Critical Mass Citizen Groups, the Grand Junction Public Energy Information Office, and the Union of Concerned Scientists.

With the new Administration and its strong support of nuclear energy development, much of this past practice of funding leftist and anti-nuclear organizations has



ceased. However, there is still some evidence that anti-nuclear groups are securing federal taxpayer money. For example, at least three groups part of an anti-nuclear coalition in the Pacific Northwest are entirely funded by federal funds. They are the Southwest Oregon Community Action Council, the Watcom County Opportunity Council, and the People's Organization for Washington's Energy Resources (POWER). POWER specifically received \$300,000 in a federal grant in 1981; the group collects no formal dues and relies upon the federal government for all its funds.<sup>55</sup>

Other environmental groups also receive an indirect federal financial benefit in the form of specific income tax deductions. The Sierra Club Legal Defense Fund for instance, benefits from a Section 501(c)(3) (of the federal Internal Revenue Code) tax exemption. The Sierra Club itself lost its tax exempt status in 1966 when it sponsored full page advertisements in the New York Times and the Washington Post urging congressional opposition to certain hydroelectric dams.<sup>56</sup> However, the Sierra Club Legal Defense Fund, despite its direct affiliation as the Sierra Club's arm for environmental litigation, retains its tax exemption. The Club's Legal Defense Fund's expressed purpose is to implement and enforce environmental issues promoted by the Sierra Club.<sup>57</sup> Despite this role as the Sierra Club's judicial lobbyists, the Legal Defense Fund is still considered tax exempt under 501(c)(3), even though the provision explicitly excluded those groups which engage in substantial attempts to influence legislation.

All these examples indicate that environmentalists, if given the opportunity, can garner direct and indirect federal subsidization of their promotional projects and activities. These examples of federal funding of environmental organizations above all others underscore the pervasive specter of unfettered environmentalism. For it is these examples that illustrate how taxpayer dollars are actually being utilized by environmentalists to impede healthy and productive natural resource development and economic growth.

### Conclusion

This special report is intended to alert readers to the threat environmental groups represent to natural resource development. The principle conclusions of this study are:

- \* Environmental groups, the spokesmen for extremist environmentalism, are influential and effective lobbyists. Environmental organizations are growing in numbers and are collaborating with other special interest groups. The prominent environmental groups are also entering the political process in greater force to influence environmental policies.
- \* Environmentalists are predominantly liberal and belong to the upper-middle socio-economic class. The leadership of environmental groups also tends to be more liberal and extremist than the grass-roots members of their organizations. The inherent liberalism and affluent status of contemporary environmentalism dispels two erroneous notions: environmentalism is an out-growth of conservatism and environmentalists are altruistic. Actually, environmentalists are liberal and self-motivated and content on preserving their privileged social status.
- \* Most Americans fail to identify with environmental groups. National survey results indicate that the preponderance of Americans favor resource development.
- \* Environmentalists employ a myriad of strategies to promote their activities. Some of these tactics include the manipulation of the sympathetic media, the manipulation of the judicial process through endless litigation and fraud, the infiltration of academia by originating natural resource institutes, and the acquisition of federal funds for environmental endeavors.



These conclusions underscore the fact that environmental groups are a powerful and active force in American politics. This specter of environmentalism haunts America by threatening to inhibit natural resource development and economic growth. Failure to recognize this and to respond accordingly compromises the natural resource development objectives supported by the majority of the American public.

\* \* \* \* \*

Tim Peckinpaugh  
February 12, 1982

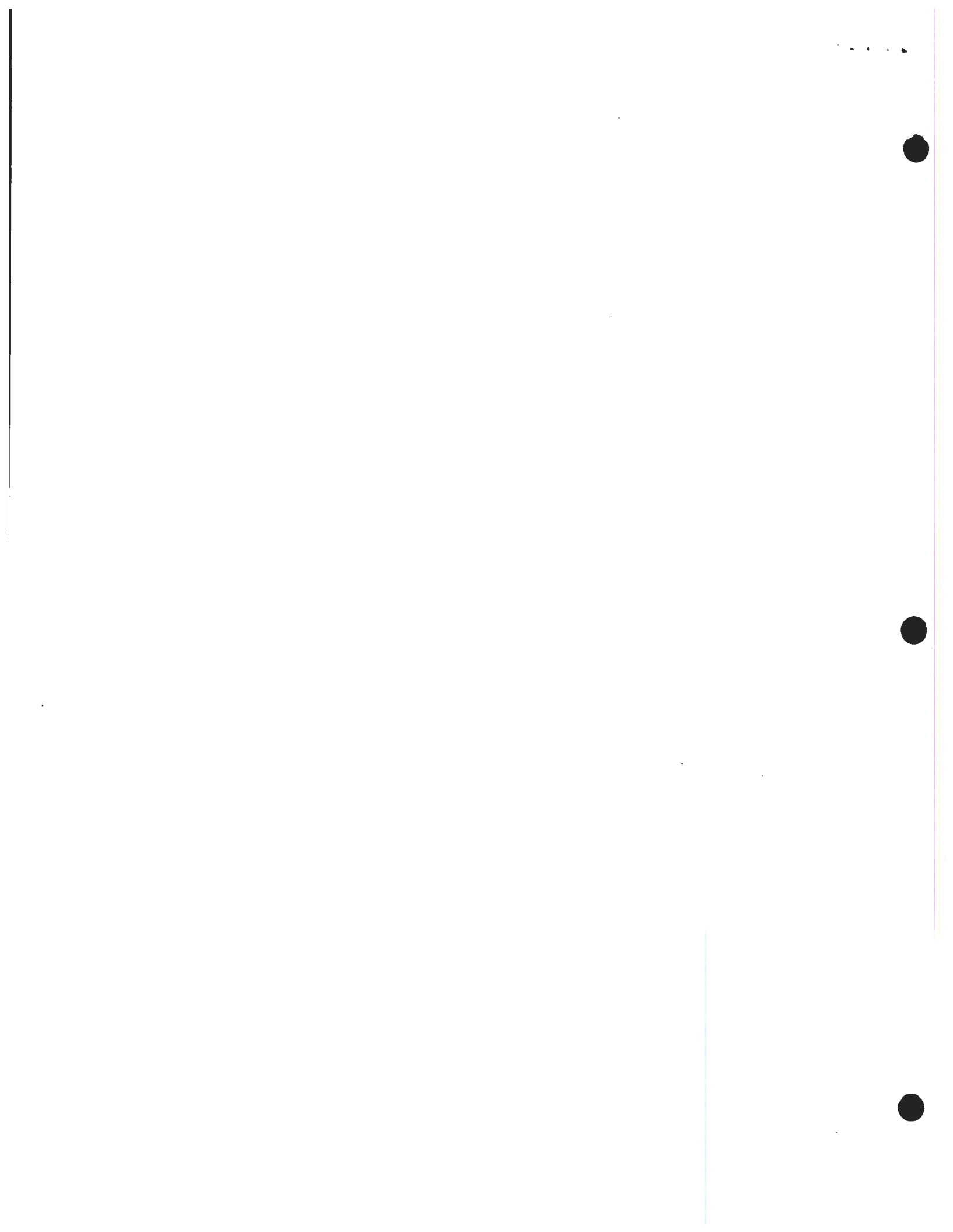
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# Annual Report to the President

## The Protection of Our Environment

Anne M. Gorsuch  
Administrator





**The Honorable  
Ronald Reagan**  
The White House  
Washington, D. C.

**Dear Mr. President:**

This month marks the completion of my first year serving as your Administrator of the U.S. Environmental Protection Agency. This report summarizes some of the major efforts and accomplishments during that time to further the mission for which the Agency was founded: the protection of our environment, and to do so within the framework of the initiatives of your Administration—regulatory reform, better science, state and local involvement, and improved, more efficient management. With your enthusiastic support, EPA has made progress in pursuing its critically important mandate.

Significant environmental gains have been registered in the following broad and important categories:

**The Health of Our Citizens.** First and foremost, EPA is pledged to safeguarding the health and welfare of the American people and the protection of their environment. Our reforms, in all instances, hone true to that objective. Improved efficiency at EPA translates directly into better environmental protection.

**Better Science.** Sound environmental regulation can only be as good as the scientific foundation upon which it is based. The Agency frequently finds itself at the frontier of health-related research, in an ongoing effort to determine the risks to humans posed by synthetic substances and waste products. To assure the best possible scientific information, EPA has undertaken a number of reforms in the area of research and development.

**Regulatory Reform.** Regulatory reform is one of the major pillars of your economic recovery program and an area in which EPA is making a substantial contribution. The Agency has actively been reviewing its entire body of regulations to eliminate needless red tape. The result of this effort conservatively will add up to a savings of \$6 to 7 billion as a result of our first year's work.

**Elimination of Backlogs.** One of the most immediate and pressing tasks confronted upon taking charge of EPA was the elimination of costly, time-consuming delays as the Agency ground down under the weight of its own backlog of paperwork. With the adoption of procedural reforms and more businesslike management structures, all backlogs have been addressed and many have been drastically reduced.

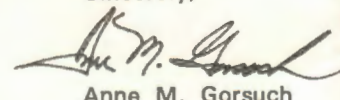
**State Partnerships.** We are strengthening positive working relationships with state and local governments. The major laws EPA administers provide for delegation of key program responsibilities to the States, should they decide to accept. In accordance with your philosophy of New Federalism, we want to make sure that the responsibilities transferred are substantive, and not token.

**Improved Management.** Finally, we are improving the basic organizational structure of the Agency. We have initiated reforms that promise to produce a more streamlined organization—one that will be more responsive in delivering the highest quality environmental protection at the lowest practical public expenditure.

Such innovations in environmental protection are a traditional Republican mainstay. EPA was founded under a Republican Administration. Seven of its 11 years of existence have been under GOP leadership, and the cause of national conservation goes back to President Theodore Roosevelt, a Republican. This Administration carries forward that tradition. I am confident that the quality of America's land, air and water will be better for our efforts.

We have only made a start in this first year, but it is a start in which we take pride.

Sincerely,



Anne M. Gorsuch

May 1982

# Introduction



The creation of the U.S. Environmental Protection Agency ("EPA") on December 2, 1970, was the product of an effort to streamline the Federal Government and a desire to respond positively to the environmental concerns of the country.

Prior to EPA, the Federal Government's environmental control functions had been spread across several federal departments and agencies, including Interior, Agriculture, Health, Education and Welfare, and the Atomic Energy Commission. Fifteen programs were brought together to make up the new Agency, which began with a Fiscal Year 1971 operating budget of \$303 million and 7,198 permanent employees. Today EPA's operating budget is approximately \$1.3 billion and employs just under 10,000 permanent employees.

EPA is charged with protecting the nation's environment by:

- administering laws passed by Congress,
- ensuring compliance with those laws, and
- performing research to support its activities.

EPA is responsible for ensuring compliance with these laws and is committed to a vigorous enforcement program. The Agency's enforcement philosophy is to encourage voluntary compliance by communities and private industry, but to adopt a firm posture where cooperation is not forthcoming. Most laws administered by EPA contemplate a partnership with States to perform direct enforcement activities needed to meet environmental standards. States now shoulder a substantial share of this enforcement responsibility.

Science provides much of the base for environmental protection. EPA's research activities span the spectrum of research interests: developing and standardizing techniques to detect pollutants; assessing their impact on human health and the environment; developing and evaluating techniques for pollution control; and transferring information to the public.

These functions constitute the principal work of EPA. Its activities enter into nearly every aspect of daily life, just as the environment it protects affects all Americans, as well as citizens of our neighboring countries.

The major laws administered by EPA include:

- Clean Water Act, as amended, is the basic authority for water pollution control programs. The goal of the Act is to make national waters fishable and swimmable.
- Safe Drinking Water Act, as amended in 1977, permits EPA to regulate the quality of water in public drinking water systems and the disposal of wastes into injection wells.
- The Resource Conservation and Recovery Act of 1976 ("RCRA") authorizes EPA to establish regulations and programs to ensure safe waste treatment and disposal.
- Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), as amended, directs EPA to regulate the manufacture, distribution, and use of pesticides and conduct

research into their health and environmental effects.

- Toxic Substances Control Act of 1976 ("TSCA"), provides authority to regulate the manufacture, distribution and use of chemical substances.
- Clean Air Act, as amended in 1977, provides the basic legal authority for the nation's air pollution control programs, and is designed to enhance the quality of air resources.
- Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("Superfund") establishes a program to deal with release of hazardous substances in spills and from inactive and abandoned disposal sites.
- Marine Protection, Research, and Sanctuaries Act of 1972 permits EPA to protect the oceans from the indiscriminate dumping of waste.



# The Health of Our Citizens

*Every program directly affects the air we breathe, the food we eat, the water we drink and swim in, and the land on which we live.*

Of all the tasks, large and mundane, for which EPA is responsible, the overriding goal is the protection of the physical health of the American people. Every program administered by the Agency directly affects the air we breathe, the food we eat, the water we drink and swim in, and the land on which we live—in short, all those things which directly affect human health.

The Agency takes pride in the substantial progress which has been made during the past year toward making our world a healthier, and therefore more pleasant one in which to live.

Some of the Agency's most notable accomplishments can be found in the actions EPA has taken in response to the health threats posed by disposal of pollutants, including hazardous waste. Under the Resource Conservation and Recovery Act (RCRA):

- The almost 58,000 generators of hazardous wastes are now required to properly identify these wastes, ensure they are sent to legitimate hazardous waste management facilities, properly package and label them, and maintain vital records of the amounts, types, and ultimate disposition of these materials.
- Over 14,000 transporters of hazardous wastes are required to comply with a manifest system to ensure that shipments are sent to and received by legitimate hazardous waste management facilities.
- Almost 10,000 hazardous waste facilities are now registered with EPA. To determine

if these facilities are meeting EPA's standards, over 2,000 inspections have been carried out by EPA Regional personnel.

- Over half the states have been authorized to carry out their own hazardous waste programs on an interim basis.

As part of EPA's efforts to administer RCRA, EPA had, by March 1982:

- Issued compliance orders at 300 facilities, with penalties in appropriate cases.
- Filed 62 civil actions in Federal court.

One of EPA's priorities in 1981 was also its newest duty: to administer the Superfund program which was enacted by Congress in December 1980 to deal with the release of hazardous substances in spills and from inactive and abandoned disposal sites.

To implement Superfund, EPA first had to establish an effective organizational system. To this end, the Agency:

- Supervised the merging of the RCRA and Superfund programs under a newly established Assistant Administrator for Solid Waste and Emergency Response.
- Began new accounting procedures to ensure proper fund management.
- Instituted a Superfund community relations program to promote the local support that is crucial to achieving Superfund's goals.

Under Superfund, EPA can take either removal or remedial action. Removal actions are

short-term or emergency in nature, similar to those undertaken to clean up accidental spills of oil and hazardous substances. To date, EPA has authorized \$20.8 million for removal actions at 61 locations.

The remedial program is intended to clean up problem hazardous waste sites. By April 1982, the Agency had:

- Allocated over \$45 million for cleanup at 48 sites.
- Compiled and published (in October 1981) an Interim Priority List of 115 sites. Depending on current circumstances at each site, funds are available and clean-up work can begin.

EPA revised the National Oil and Hazardous Substance Response Plan to reflect and implement the new authorities under the Superfund legislation. In addition to streamlining the existing oil response mechanism under the Clean Water Act, the new plan sets out the criteria and procedures for using Superfund money to respond to hazardous substance spills and sites. The revision is the cornerstone of the





- Mariana Islands
- Guam
- American Samoa

Superfund's 115 top priority hazardous waste sites

Superfund program and is written in the spirit of regulatory reform. The provisions are concise, its language is nontechnical and the requirements are flexible. In addition, the plan establishes a strong federal-state partnership for implementing the Superfund program.

Hazardous waste sites are evaluated by state and EPA personnel, including Field Investigation Teams stationed at EPA Regional Offices. Staffed under contract by 180 trained professionals with a breadth of technical skills, the teams carried out 2,347 preliminary assessments, 1,769 site inspections, and 279 field investigations during 1981.

Making the most out of the limited monies in Superfund requires that every effort be made to have any private

parties responsible for a site, manage and finance its clean-up.

The Superfund legislation authorizes judicial and administrative action to compel responsible parties to undertake clean-up. Where use of these mechanisms does not abate hazards, the Agency will proceed with remedial actions and is empowered to seek recovery of all the funds expended. EPA established a task force in February 1982 to notify as many responsible parties as had then been identified of their potential liability should fund monies be used at sites with which they were associated. EPA believes these communications give a clearer picture of whether prelitigation private-party cleanup, administrative or judicial orders to compel clean-up, or fund-response with cost-recovery, would be appropriate at individual sites. As of April 1982, EPA had:

- Issued notice letters to over 850 individuals or firms at 75 sites on the list.

- Issued notice letters to 29 responsible parties at 7 sites not on the list.

While Superfund and the related solid waste clean-up activities received considerable publicity in 1981, there were other less publicized, but nonetheless important, activities taken by EPA to help protect the health of our citizens.

- EPA set in place a coordinated fish monitoring strategy to determine levels of toxic contamination in the Great Lakes, and surveyed sediments in 17 harbors and river mouths on the Great Lakes to determine toxic sources and trends.

- EPA prepared eight health advisory documents to inform state authorities and water facility operators of health risks posed by unfamiliar contaminants. These include toxicological information as well as monitoring and removal data.

- EPA initiated the review of ocean dumping regulations to assess the comparative risks of land versus ocean disposal.

- To protect our water, EPA conducted 110 on-scene oil response actions, monitored over 5,000 removals, completed over 2,000 spill prevention inspections and conducted 25 damage assessments.

- Final standards for disposal of Uranium Mill Tailings at inactive sites are complete.

- In EPA's toxics program, actions are being taken to obtain more testing data when valid concerns about new chemicals are raised. EPA banned importation of two

new potentially dangerous chemicals pending submission of additional data.

- Emphasis has been placed on finding acceptable PCB disposal methods. Two high-temperature commercial incinerators for PCBs have been approved, as well as incineration aboard the ship Vulcanus. EPA also has approved two chemical destruction processes which reduce PCBs to easily disposable substances and allow the residual oil to be cleaned and reused.

- In January 1982, the U.S., including two EPA representatives, participated in an international meeting of experts concerning protection of stratospheric ozone. Further cooperation is anticipated in this area.

- EPA has released a long-awaited study of environmental pollution in the Niagara frontier which affects both the U.S. and Canada. This comprehensive review reveals that substantial progress has been made in controlling many of the water contamination problems in the Niagara frontier. EPA is undertaking additional actions to provide further assistance in the area.

- Both the Administrator and Deputy Administrator have been personally involved in high-level and technical meetings with Mexican officials to further U.S.-Mexican cooperation on environmental issues and to develop new approaches to the existing air and water pollution problems.





# Better Science

EPA's new administration firmly believes that there cannot be good regulation without good science. Without adequate scientific understanding, steps necessary for the protection of human health might never be taken and, conversely, wholly unnecessary regulations might be foisted upon the public. To avoid these pitfalls, EPA is taking steps to improve the scientific basis of its regulations, including selecting 15 to 25 rule proposals each year for special review by its Science Advisory Board.

Other activities to produce better scientific and technical understanding include:

- Insisting that any proposed regulation whose rationale depends on scientific assumptions undergo a thorough peer review by knowledgeable scientists to test the validity of those assumptions; and
- The production of certain Air Quality Criteria documents that serve as the primary scientific basis for the establishment or revision of national ambient air quality standards under the Clean Air Act: CO (Carbon Monoxide), NO<sub>x</sub> (Nitrogen Oxides), HC (Hydrocarbons), SO<sub>x</sub>/PM (Sulfur Oxides and Particulate Matter).

Comprehensive health assessments are near completion for seven chemical solvents: Carbon Tetrachloride, Methyl Chloroform, Methylene Chloride, Chlorofluorocarbon 113, Tetrachloroethylene, Trichloroethylene, and Toluene. This information will be submitted to the Science Advisory Board for public and peer review.

*Without adequate scientific understanding, steps necessary for the protection of human health might never be taken.*

This is the first time EPA has prepared a single document which addresses the varied scientific health assessment needs of EPA's many regulatory programs.

Several projects (which influence the Agency's approach to health and risk assessment) are in varying stages of completion:

- Exposure assessment guidelines have been developed for Agency-wide use.
- Guidelines for mutagenicity risk assessment have been reviewed and are being revised based on the public comments. They will receive peer review by the Science Advisory Board.
- Guidelines for risk assessments on reproductive toxicity are under development. A workshop has been successfully completed and proceedings have been published. Notably, this workshop included prominent academic and industry scientists and is a cornerstone for the continued development of the Agency's reproductive toxicity guidelines.

These projects serve to bring uniformity and consistency to future Agency risk assessment activities. The peer and public reviews afford increased opportunity for industry and academic involvement

in the development of the risk assessment process.

Further steps toward better science include the following:

- EPA sponsored an International Hazardous Waste Symposium in October 1981. The Symposium contributed significantly to advancing world-wide knowledge of proper methods for dealing with the hazardous waste disposal problem.
- EPA participated in the Organization for Economic Cooperation and Development ("OECD") Chemicals Program. In June 1981, the OECD Council reached an agreement binding on member countries that test data on chemicals produced in one country will be accepted as valid in all others for assessment purposes.
- Under the U.S.-Canada Memorandum of Intent on Transboundary Air Pollution, five bilateral work groups under EPA chairmanship are providing technical support for the negotiations. The final technical reports will assist the Administration in its negotiations and in the resolution of major scientific uncertainties concerning acid precipitation.
- EPA completed analysis of 14 chemicals leading to the development of water quality criteria documents; initiated research on the toxic effects of some organic compounds; and gathered additional scientific data to revise criteria documents for the 65 water pollutants which will form the basis for the development of water quality standards.





# Regulatory Reform

When the Reagan Administration took over EPA management, it found that success in protecting the environment appeared to be measured by the ever-increasing amounts of tax dollars being spent on producing regulations. A program of vigorous regulatory reform and relief was clearly necessary. The Agency's potential to provide regulatory relief to the American economy amounts to as much as \$6-7 billion in direct costs. Within this opportunity, top Agency management had two goals:

- To focus on activities that would produce significant environmental protection without stifling economic growth; and
- To revise existing regulations to provide industries and states greater flexibility in meeting our nation's environmental goals.

Since beginning its regulatory reform program, EPA has produced significant pay-offs. Without compromising its responsibility to protect the environment, EPA has successfully implemented the following regulatory reform and relief measures:

- EPA responded to the President's request for regulatory relief for the auto industry by announcing the Agency's intent to change several regulatory requirements. As a result, air quality protection is being achieved at a greatly reduced regulatory cost burden. Relief measures taken include: consolidating the CO and NO<sub>x</sub> waiver proceedings; assuring adequate time to meet regulatory requirements; al-

## *A program of vigorous regulatory reform and relief was clearly necessary.*

lowing manufacturers to self-certify high-altitude vehicles and forego assembly-line testing at high altitude; reducing the number of annual assembly-line tests; streamlining the preproduction testing program; deciding not to pursue on-board controls for refueling hydrocarbon emissions, and deferring the 1983 truck noise standard to 1986. These initiatives, and others planned to be taken, should save manufacturers and consumers more than \$4 billion over the next five years.

- EPA has made progress on paperwork reduction. In October 1981, the Agency completed an inventory of its information collection activities, and for the first time, now has a complete information collection budget linked to its fiscal budget. In specific program areas, improvement has been dramatic. For example, reporting burdens under RCRA have been reduced by about 3 million hours without affecting program quality.
- The Agency established a small business ombudsman in EPA's Office of Policy Analysis to help small businesses that experience difficulties in meeting or understanding regulatory requirements.
- EPA is aggressively moving to expand the cost savings from emissions trading. The best known example of

emissions trading is the use of "bubble" trades—so named because a firm is allowed to place an imaginary bubble over all its sources of air pollution at a particular site and develop its own alternative for reducing air pollution to the total amount allowed under the bubble. These trades can be accomplished within a plant or firm or by transactions among firms.

To date, 19 air "bubbles" have been approved by EPA. These will save industry approximately \$40 million. At least 90 others are under development and could produce savings of \$200 million. In addition, the adoption of generic emissions trading rules by many states will produce greater reliance on the trading process and is expected to produce savings of nearly \$1 billion.

- EPA has reduced the time it takes for the Agency to act on State Implementation Plan (SIP) revisions through new processing techniques that include conducting administrative procedures in parallel with the state. EPA now comments on proposed SIPs concurrently with the state's public comment period (instead of after). The improved techniques have resulted in a savings of up to 70% over the previous average time.
- EPA's toxics program is encouraging negotiated testing agreements as substitutes for rulemaking, to allow appropriate and necessary testing to begin earlier and test data to be generated more quickly.
- Similarly, the Agency's toxics program is issuing test

methodologies as guidelines rather than as requirements. This provides greater flexibility as well as the ability to take advantage of the latest test methodologies.

- Progress has been made in overhauling the much criticized and expensive sewage treatment construction grants program. This regulatory reform is based on the idea of producing only those regulations that are mandated by law or which are necessary for effective program management. Guidances are to be discretionary—not regulations in disguise. A serious problem in years past was lack of local funds to provide plant maintenance. EPA's new regulations require the approval of a user-charge system before a community receives money for certain grants. This approach will foster fiscal responsibility and should provide environmental benefits for many years to come.

Major reforms in the construction grants program were accomplished through EPA's 1981 legislative initiatives to streamline the program, redirect its focus from public works to environmental needs, and reduce the long-term federal commitment by 60% from \$90 to \$36 billion. As a result of prompt Congressional action on this effort, the program was reauthorized for FY 83-85 at \$2.4 billion annually (down from \$5 billion in FY 82). Over a three-year phase-in period, eligibility categories will be restricted to present treatment needs, the Federal share will be reduced to 55%, and states will be given greater flexibility in allocating funds.



# State and Local Involvement

EPA's new leadership views the Agency's relationship with states and localities as a true partnership. The previous pattern of EPA dictating to the states, treating them at best as junior partners, not only makes for bad relations—it also makes for bad regulations, and, therefore, poor environmental protection. This Administration believes that the people most affected by a problem should have a significant voice in deciding the solution. Therefore, one of EPA's primary goals in this first year has been to increase the involvement of state and local governments in the Agency's decisionmaking and actual operation of programs for pollution abatement and control. In seeking to delegate more authority and decisionmaking to the states, EPA has accomplished the following:

- More than doubled the number of states which now operate the New Source Performance Standards program.
- Increased by 50% the states which operate the Hazardous Air Pollutant program.
- Increased by 60% the states which have interim RCRA Phase I authorization.

Perhaps most importantly, a combination of Federal programs and state initiatives have built, over the last decade, a highly-trained, well-motivated workforce in state and local environmental agencies across the country. The air quality program alone has invested nearly one-half billion dollars in state programs. States have moved into this

area strongly, strengthening their statutes and providing real financial support, to the point where Federal contributions now represent less than half of the operational costs of state environmental programs.

## Solid Waste

Under RCRA, the states have the primary responsibility for managing solid, including hazardous, waste. The first task is to gear up the priority hazardous waste regulatory programs for which Congress intended states to be primarily responsible. In FY-1981 and 1982, EPA will provide a total of \$71.7 million to the states for developing their own regulatory programs and will complete the basic regulatory framework.

The second major task facing states under RCRA is to evaluate nonhazardous waste disposal facilities on the basis of EPA criteria which place restrictions on facilities that allow open burning or are in wetlands, floodplains, habitats of endangered species, or recharge zones for principal sources of local drinking water. EPA has published the first installment of an inventory of nonhazardous disposal facilities that fail to meet the criteria.

The third task is to develop and implement comprehensive plans for managing non-hazardous solid waste. Development of the state plans has been a long and arduous process. To aid these efforts in FY-1981, EPA:

- Provided technical assistance and \$8 million in financial assistance to the states to help them develop their plans.

*The people most affected by a problem should have a significant voice in deciding the solution.*

- Received state plans from over half the states for review according to EPA guidelines.
- Approved 14 state plans with the remainder expected to be approved in 1982 and 1983.

## Water

As the result of a recent legal settlement between EPA and a number of industries, the burden of underground injection control regulations has been lessened without weakening their effectiveness.

- There are now more flexible standards for judging the mechanical integrity of injection wells, a reduction in routine monitoring requirements by well operators and greater leeway for states to define the extent of their underground drinking water sources. These changes are expected to result in economic savings of \$65 to \$75 million over the next five years.
- During 1981 seven additional states agreed to accept delegation of the construction grants program, bringing the total to 45. This is an important step toward the President's goal of a New Federalism.

## Toxics and Pesticides

• Improved information flow among states has been fostered. Through a grant to the National Governors Association ("NGA"), states now have access to the computerized Chemical Substances Information Network. NGA also acts as a clearinghouse to publicize state toxic substances management practices and to allow experts from one state to advise their counterparts in another.

• EPA has employed retired engineers in its ten Regional Offices to help states and local districts inspect asbestos in schools and advise on appropriate containment or removal techniques where warranted.

## Air, Noise and Radiation

• Work is underway to transfer from EPA to the states responsibility for ensuring that new plants satisfy new source performance standards ("NSPS") and National Emission Standards for Hazardous Air Pollutants ("NESHAPS"). Currently, approximately 67% of the NSPS and NESHAPS compliance work is being administered either partially or fully by the states. Systems now in place will result in this figure totalling over 87% by the end of FY 1982.

In addition to the Clean Air Act, the Office of Air, Noise, and Radiation also administers and manages national programs relating to noise abatement and control and radiation programs. In 1981, the Office of Noise Abatement and Control began phasing out the Federal noise program.

# Reduction of Backlogs

- Twenty-one states requested training assistance as EPA transfers control of noise programs to them. Nine state training sessions have already been conducted with 16 more scheduled in FY 82. Approximately 500 state and local noise officials will have been trained before the noise program is completely phased out as a federal responsibility.
- Approximately \$1.5 million in noise control equipment was made available to states, localities, and universities from EPA.
- Fifteen states requested assistance from EPA in designing public support programs.
- Twenty-four states will have active noise abatement programs in place by September 1982.
- EPA provided support to the Conference of State Radiation Program Directors in the form of technical expertise and financial grants.
- The Agency has assisted several states and Indian nations on special radiation surveys by direct involvement or by equipment loan.

An unglamorous, but nonetheless important, task facing EPA's new leadership in 1981 was the elimination of backlogs which had accumulated throughout Agency programs. Were these backlogs allowed to stand, or worse, to continue growing, opportunities for innovation and reform in environmental protection would have been thwarted. This was not permitted to happen. Significant progress has been made in this area.

- In the past three months, the Office of Pesticides and Toxic Substances has reduced its backlog of chemical reviews from 417 to 123, a 71% reduction. Similarly, the backlog of amended registration reviews has been reduced 56%.
- EPA is now firmly on schedule to produce six effluent guidelines standards this fiscal year and an additional ten next year. In the previous five years, only one such guideline, although required by law, had been produced.
- In 1979, the Agency received 70 applications for 301h waivers under the Clean Water Act. These are requests from publicly owned treatment works for a variance from secondary treatment requirements when discharging into marine waters. Of these 70 applications, 30 involved discharges of more than 16 million gallons per day. When the new Administration took office last year, a few of these applications were finally coming to

*Were backlogs allowed to stand, opportunities for innovation and reform in environmental protection would have been thwarted.*

completion, but the majority still remained incomplete. Under the new leadership, half of the 30 major projects were completed by the end of calendar year 1981 and the remaining major projects are scheduled for completion by October 1, 1982. The 40 smaller projects can be evaluated by the end of December 1982.

- The backlog of State Implementation Plans for air quality was reduced by more than 63% between August 1981 and April 1982 and should be eliminated altogether by mid-1982.
- In May 1981, EPA had approximately 500 wastewater treatment construction grant projects on which final audit issues had not been resolved. The backlog had accumulated in spite of the fact that each audit was supposed to be resolved within six months. Prompt action was required. As of February 15, 1982, there were only 14 projects which had not been resolved within the six-month period.

• Prior to the current Administration, EPA had missed five legislative deadlines for decisions on testing of priority chemicals. The Agency is now on schedule in addressing the backlog of testing decisions and responding to new recommendations.

- The Office of Toxic Substances' publication of notices of receipt of pre-manufacture notices and its review of exemptions for test marketing new substances have been streamlined and now comply with statutory deadlines.
- Some of the most dramatic reductions in backlogs have been achieved in EPA's pesticide program. All registration programs have seen reductions (ranging from 40% to 100%) in the backlogs which existed when the new Administration took office.



# Improved Management

*Procedures have been instituted to control costs, eliminate fraud, waste and abuse, and streamline operations.*

Effective environmental protection requires that every dollar be spent wisely and efficiently. We owe it not only to our environment, but also to the American taxpayers.

Accordingly, new procedures have been instituted to control costs, eliminate fraud, waste and abuse, and streamline operations to make them more efficient, effective and responsive.

Some of the more noteworthy management accomplishments at EPA during the first year of the Reagan Administration include:

## **Budget Reform**

The 1983 budget increases funding for hazardous waste and Superfund by \$36 million, maintains a strong enforcement program, preserves essential research and development, maintains the wastewater treatment construction grants program at \$2.4 billion, and substantially reduces the regulatory burden on state and local governments.

The 1983 budget is a sound and effective environmental protection plan which will cost \$85 million less than in 1982 and \$237 million less than in 1981. Reductions in the last two years are in marked contrast to the increases which had occurred in every prior year of EPA's existence.

## **Management Accountability**

The Agency designed and began operating the Administrator's Accountability

System, which enables the Administrator to identify at a glance:

- major initiatives being carried out on schedule,
- areas where successful performance may require additional attention, and
- the specific manager responsible for results.

## **Grants Administration**

The Agency is revising grant regulations and procedures to strengthen management and simplify administrative requirements for recipients. This will streamline the process while better guarding against waste, fraud, and abuse. The revisions will also eliminate unnecessary requirements, limit the paperwork required of grantees, and develop consistency across all of EPA's financial assistance programs.

## **Contracts Administration**

EPA has institutionalized the review and approval of contract expenditures at the highest Agency levels (Assistant Administrators) to ensure that Agency resources are used in the most efficient and cost effective manner.

## **General Administrative Procedures**

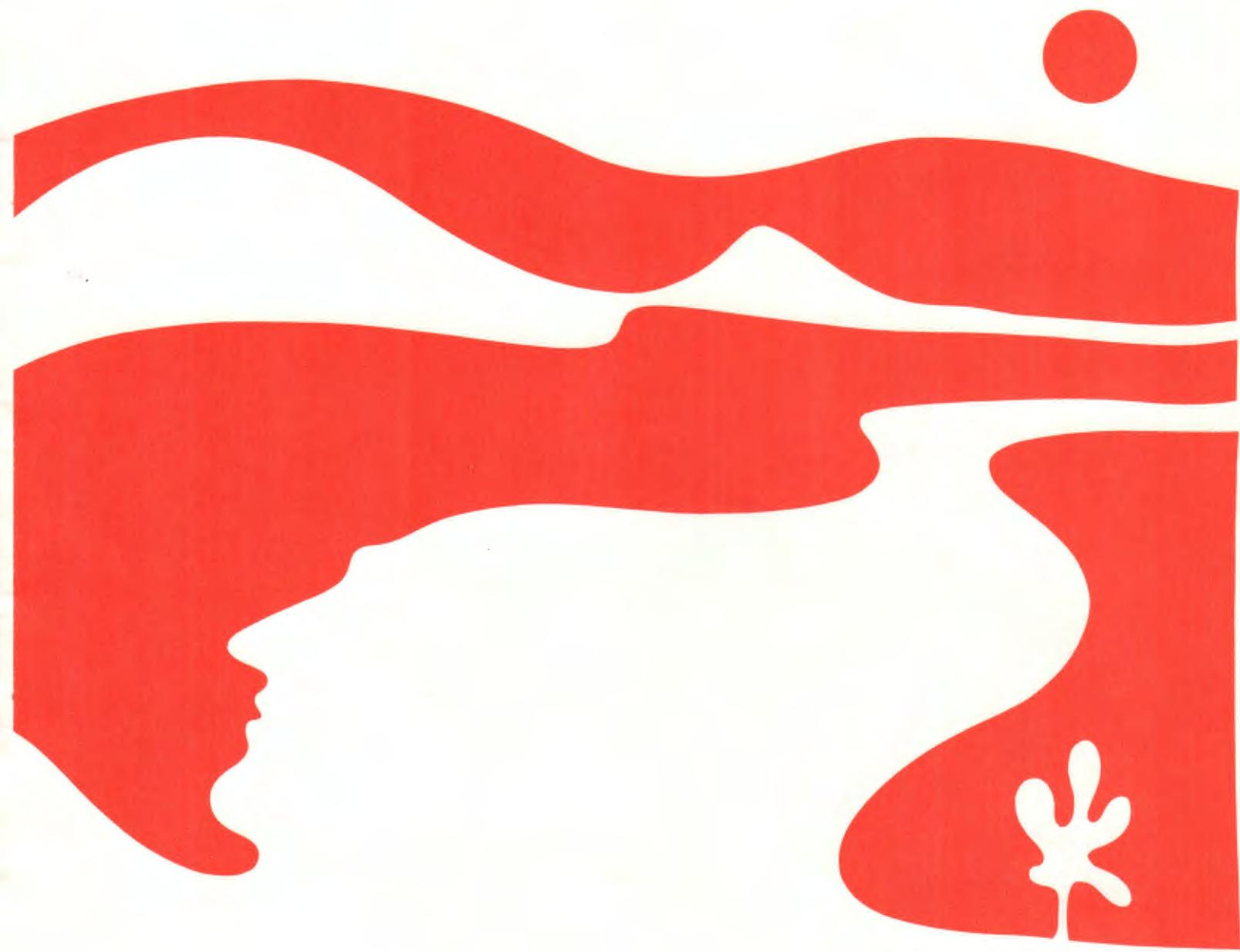
The Agency has eliminated or simplified many of its forms and records, is automating aspects of its personnel and financial management systems, and has refined and fully automated the Merit Pay System.

## **Consolidated Financial Assistance**

A consolidated financial assistance program will make it easier for states to do business with EPA. The consolidation allows a single application for all program funds, a single comprehensive public review, a coordinated EPA review, consolidated reporting by the grantee, a single evaluation, and an integrated audit. The mechanism is flexible so that a state may consolidate some of its assistance while continuing to be eligible for categorical awards under other programs.

Efficiencies concerning cash management, overtime, leased space, publication distribution, audit resolutions, telephones, travel expenses, procurement, contract processing, library subscriptions, printing and the purchase of capital equipment have been undertaken, resulting in savings of hundreds of thousands of dollars to the American taxpayer.





United States  
Environmental Protection  
Agency

Official Business  
Penalty for Private Use  
\$300

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Washington DC 20460

# Executive Memorandum

The Heritage Foundation

513 C Street N.E. Washington, D.C. 20002 (202) 546-4400

**RUSH!**

3/17/83

Number 17

## TIME TO DECENTRALIZE EPA

The controversy at the Environmental Protection Agency has obscured the real issue and diverted the Reagan Administration's attention from it. At question is not whether the environment should be protected. All sides agree on this. The real issue is strategy.

Conservatives favor a policy that eliminates unnecessary federal government intervention imposing enormous costs with little benefit and that shifts services and functions to state and local governments. This gives officials on the spot the incentive to write rules reflecting the needs of their community. Liberals, on the other hand, generally feel that a strong centralized government should dictate national environmental policy. The Reagan Administration is--or is supposed to be--committed to decentralize EPA and make it into an oversight body. Most of the EPA bureaucracy wants to centralize power in Washington and in their own hands.

The structure of EPA has turned what should have been an honest difference of approach into an environmental gunfight. The agency is divided into five major program areas, administering an alphabet soup of overlapping and often contradictory laws. This structure discourages technical innovation in pollution control and leaves little room for innovation at the local level. No wonder Washington has been inundated with business and environmental groups trying to change things. No wonder that EPA seems like an executive agency out of control, unable to implement its mandate.

What can be done? It is time to recognize that EPA's problems are structural, not one of personalities. Congress should move quickly to redesign the agency, transfer more functions to the states, where rules would fit reality, and limit EPA itself to overseeing broad national standards implemented by the states. Among the specific changes needed:

- 1) Eliminate the media (air, noise and radiation; water; solid waste and emergency response and pesticides and toxic substances) divisional policy research offices. Because they are not connected with the central Office of Policy and Resource Management, this leads to contradictory policies.

- 2) Transfer all but 40 of the Washington Headquarters' attorneys to the regions where they are needed. The bulk of EPA litigation is in the regions, not in Washington.

*Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.*



3) Revoke the "Memorandum of Understanding" between EPA and the Justice Department, whereby Justice has responsibility for litigating EPA cases. EPA has dozens of under-utilized trial attorneys, while Justice's environmental legal staff is overworked and less knowledgeable. The result: few cases go to litigation.

4) Audit every grant issued by the agency during the Reagan Administration. This includes Carter-era grants whose reimbursements were made by this Administration. The EPA grant program is extremely inefficient and loosely monitored. The list of grantees and the subjects of their research might provide clues for further reform.

5) Continue decentralization of appropriate functions and responsibilities to the states, leaving international and most interstate matters to be handled in Washington. The federal government should finance the process of transferring functions to the states. The environment is best protected if local officials accept responsibility for the burdens of locally caused environmental pollution.

6) Establish an aggressive legislative strategy for streamlining the nation's environmental laws to remove costly contradictions and discouragement of local initiative in developing disposal and protection techniques.

7) Encourage profitable uses of wastewater, sludge and other pollutants by permitting environmentally safe private sector alternatives to government programs. With rare exceptions, the private sector can protect the environment better and cheaper than the government--if it has the incentive to do so.

8) Appoint a bipartisan council to review the entire EPA administration and field structure to determine what precise format will best serve America's needs into the next decade. This report should be published by January 1, 1985.

EPA's current turmoil offers the opportunity to repair the structural faults at the agency. Concentrated regulatory power invariably leads to power politics, battles between consumers and producers and political grandstanding. The real solution is clear--move the power and responsibility, where possible, to state and local officials. They are more sensitive to local concerns than any federal bureaucrat can be.

Paul T. Langerman  
Policy Analyst

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For additional information see:

"Potential Impacts of Reducing the Environmental Protection Agency's Budget," General Accounting Office Report No. GAO/RCED-83-75, December 30, 1982.

Lawrence Mosher, "Distrust of Gorsuch May Stymie EPA Attempt to Integrate Pollutions Wars," National Journal, February 12, 1983, p. 322.

"A Fresh Start for the EPA," Business Week, March 21, 1983, p. 156.





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

JUL 23 1982

OFFICE OF  
ADMINISTRATION

Honorable Donald J. Mitchell  
House of Representatives  
Washington, D.C. 20515

JUL 26 1982

Dear Mr. Mitchell:

I am following up my interim response to your request for information about a training grant the Environmental Protection Agency (EPA) awarded to the Friends of the Earth in February 1981. You asked that I apprise you of the work performed under this grant mentioned in the Member's Report published by the Conservative Caucus, Inc.

My staff have reviewed the official project file and they are satisfied that the grantee used EPA funds (\$1,345) in furtherance of our objectives. Please note from the enclosed excerpts from the official file, that this project is supportive of EPA's educational and environmental goals. The grantee produced a slide presentation and script to educate public groups about national air quality issues, what strides had been made in that area, and what problems remained. The slide presentation also explained EPA's responsibilities under the Clean Air Act.

Our Agency received one copy of the presentation and script and the Friends of the Earth retained five copies for its showings (four per month) throughout the year. The project was designed to contribute to EPA's efforts to make information available to the public about air pollution control.

I hope this response is satisfactory.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "John P. Horton".

John P. Horton  
Assistant Administrator

Enclosures



## CHAPTER 1

PROJECT SUMMARY: Friends of the Earth requests ~~\$1045~~<sup>1345</sup> of to assist in the production of a Clean Air Act slide show to be used to educate citizens about air pollution. A particular theme would be the requirements of the Clean Air Act as amended in 1977.

The slide show would be developed by David E. Ortman of the N.W. office of Friends of the Earth, Seattle, Wa., who has already written a grant to the Dept. of Energy and helped produce a 1980-Year of the Coast slide show for the state of Washington. Mr. Ortman would also be the project director.

The slide show would be ready for viewing by 15 April 1981 and throughout the year to groups and organizations concerned about air pollution.

## CHAPTER II

GOALS AND OBJECTIVES: The objective of this proposal will be to duplicate a slide show to educate citizens about national air quality issues. A special feature of the slide show will be a focus on where significant strides have been made in air quality and where problems remain. EPA's responsibilities under the Clean Air Act would also be explored.

The principal goal will be educational in nature, to explain air pollution, the Clean Air Act as well as to better understand the role of the EPA.

A goal of one showing a week, or four viewings a month will be sought.

An EPA decision to fund this proposal would further carry out the EPA's congressional mandate to educate the public about ways to protect and enhance our nation's air resources.

### CHAPTER III

PROCEDURES: David E. Ortman, Conservation Representative for the N.W. office, Friends of the Earth (who has been with FOE for nearly six years) will receive the funding to come to Washington, D.C. to assemble the slide show together with an accompanying tape. EPA will be asked to provide some slides from its collection, which Mr. Ortman selects for the show.

Friends of the Earth, and the National Clean Air Coalition of which it is a member, will help arrange slide show viewing opportunities throughout the year.

### CHAPTER IV

FINAL REPORT: Foe will submit to EPA a report about the production and distribution of this slide show within one year of receiving the fund.