

PARTICIPANTS FOR THE DOMESTIC POLICY COUNCIL MEETING

September 8, 1993
Roosevelt Room
2:00 - 3:00 p.m.

Secretary Donna Shalala
Eleanor Acheson for Attorney General Janet Reno
Tom Glynn for Secretary Robert Reich
Secretary Lloyd Bentsen
/Secretary Jesse Brown
/Secretary Bruce Babbitt
Marshall S. Smith for Secretary Richard Riley
/Secretary Henry Cisneros
/Secretary Mike Espy
/Secretary Federico Pena
/Larry Parks for Secretary Ron Brown
/Secretary Hazel O'Leary
Robert Sussman for Administrator Carol Browner
/Director Leon Panetta
/Laura Tyson
/Robert Rubin
/Eli Segal
/Ira Magaziner
/Lee Brown
Kristine Gebbie

*NOTE: The Domestic Policy Program Staff will also attend as observers

THE WHITE HOUSE
WASHINGTON

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I. Opening Remarks.....President Clinton

2:10 p.m.

II. Program Updates

A. Office of the National Drug Control Policy.....Lee Brown

B. Office of the AIDS Policy Coordinator.....Kristine Gebbie

2:35 p.m.

III. Health Care Reform.....Hillary Rodham Clinton
Ira Magaziner

3:00 p.m.

IV. Adjourn

2:35 p.m. to 3:00 p.m.

Health Care reform with Hillary and Ira presenting. The purpose is to give in particular those cabinet members who have not been regularly involved in health care reform planning an overview of the plan, some pointers for including the key concepts in their regular speeches, and ways they can become even more informed about the topic.

3:00 p.m. Adjournment

VI. REMARKS

No formal remarks necessary.

THE WHITE HOUSE

WASHINGTON

September 7, 1993

Meeting with the Domestic Policy Council

Date: September 8, 1993
Location: Roosevelt Room
Time: 2:00 - 3:00 p.m.
From: Carol H. Rasco

I. PURPOSE

You will preside over a second formal meeting of the Domestic Policy Council. The plan is to have a meeting monthly.

II. BACKGROUND

There has been no opportunity to date to brief the Domestic Policy Council as a full body on the work of Lee Brown and Kristine Gebbie, nor present the outline of the health reform plan.

III. PARTICIPANTS

See attached list (Attachment #1)

IV. PRESS PLAN

There will be no pool spray.

V. SEQUENCE OF EVENTS (Attachment #2 - Agenda)

2:00 p.m. to 2:10 p.m.

Opening remarks for 10 minutes by you. You will perhaps want to use this time to discuss reinventing government and your commitment to it.

2:10 p.m. to 2:35 p.m.

This time should be split between Lee Brown and Kristine Gebbie to talk about the programs they are undertaking in their respective policy offices. The emphasis you should place on these reports is how each department represented needs to be aware of responsibility in these two areas of drugs and AIDS. Each individual has been asked to speak about 5-7 minutes and you can entertain or ask questions at the conclusion of each, time permitting.

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TO: Carol
FR: Jose

Carol, as I finalized Lee Brown's talking points for this afternoon's DPC meeting (attached), I drafted some possible follow-up questions for you to consider.

- Q: Lee, are you saying that it is possible that we will fund fewer treatment slots than the previous Administration. How can we correct this? What do we need to do?
- Q: What about interdiction? At the last Domestic Policy Council Meeting, Secretary Pena and the Attorney General both raised the issue -- and both were interested in playing a role in re-examining our interdiction policy. Yesterday, the NPR report included a general recommendation that interdiction be made more efficient. Where exactly are we in terms of re-evaluating our interdiction policies, and do you have a preliminary sense as to what direction that policy should take? It has been suggested that our interdiction policy has been a failure, and that these funds would be better spent on demand reduction programs. Is this really the case? Or should we be concerned -- as I am -- about a potential increase in the amount of illegal drugs entering the country.

Another important follow-up point to make is that the President wants DPC members to work closely with ONDCP and through DPC on these controversial -- but important -- issues. Given ONDCP's reduced staff, these issues will have to be handled at a "higher level" than previously in order to come to resolution.

Hope this is helpful -- and not too late.

cc: C. Varney
R. Neel
M. McLarty
M. Gearan
DPC Program Staff

THE WHITE HOUSE
WASHINGTON

September 7, 1993

MEMORANDUM FOR DOMESTIC POLICY COUNCIL

FROM: Carol H. Rasco, Assistant to the President for
Domestic Policy *CR*

SUBJECT: Meeting Agenda

Attached is the agenda for the Domestic Policy Council meeting to be held September 8, 1993, 2:00 - 3:00 p.m. in the Roosevelt Room.

As stated in a previous memorandum, because of space limitations, this meeting is for principals only. If the principal is unable to attend, please call Rosalyn at 456-2216 with the name, date of birth, and social security number of the designee.

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MEMORANDUM TO CAROL RASCO

FROM: Brian Burke, Mike Schmidt ^{MS}

SUBJ: Proposed "Clean Cities" Initiative: First
Interim Report of the Federal Fleet Conversion Task Force

Last Friday, you asked us to review and make recommendations on the Memorandum from Garry Mauro to Bill Burton Re: Presidential Clean Cities Initiative ("Clean Cities Initiative"). The initiative is the primary recommendation contained in the First Interim Report of the Federal Fleet Conversion Task Force ("the Report"). This memorandum discusses our review of the Report and our recommendations.

I. SUMMARY AND RECOMMENDATION

The Report frames a number of important issues surrounding the conversion of the Federal fleet to alternative fueled vehicles ("AFVs")¹. The concept underlying the Report's primary recommendation, the establishment of a Presidential Clean Cities Initiative, is innovative and should be supported. However, more hard data and analysis is needed on cost issues, funding availability, and technical feasibility. Hopefully, the next report, scheduled for later this month, will fully address these issues.

II. BACKGROUND

The Federal Fleet Conversion Task Force was created by Executive Order 12844, signed by President Clinton on April 21, 1993. The Order directs the Federal Government to increase the purchase of AFVs well beyond the levels required by current law. The President charged the Task Force with developing recommendations for carrying out the Executive Order, with special emphasis on setting a course that will lead to the widespread use of alternative fueled vehicles by Federal, State, and local government fleets, private fleets, and ultimately by individuals. Texas Land Commissioner Garry Mauro was appointed by the

¹ Such alternative fuels include, ethanol, methanol, propane, compressed natural gas, liquified natural gas, hydrogen and electric powered veicles.

President to chair the Task Force, while Energy Secretary Hazel O'Leary designated Susan Tierney as the Vice-Chair.

The main recommendation of the Task Force is the creation of a Presidential Clean Cities Initiative. This initiative is aimed at providing a high level of prestige and coordinated Federal, State, and local effort to make progress toward the eventual commercialization of AFVs. The Initiative would have two parts:

- A locally-directed program to acquire certified low-emitting AFVs and to establish the necessary refueling and service infrastructure to support their efficient use;
- Support of those locally-directed programs through coordination at the national level of efforts to remove regulatory impediments, provide Federal funds, and provide incentives for AFV use.

The Task Force has identified 38 cities and regions, prioritized into three tiers, for concentrating the initiative's efforts through Fiscal Year 1996. The Task Force continues to exist for an additional nine months, with the intent of assisting in implementing the initiative and monitoring progress.

III. IMPORTANT ISSUES

The Task Force's interim report is thoughtful, comprehensive and consistent with the President's commitment to have the federal government play a critical role in stimulating the development of and markets for environmental technologies. Additional analysis and discussion is needed in the following areas:

A. Economic Barriers

The Report identifies the following economic barriers: (1) inadequate concentrations of AFVs to make a refueling investment cost-effective, (2) inadequate incentives available to develop infrastructure; (3) lack of recognition of tax disparities as well as environmental and social externalities. However, the Report does not fully discuss the strategies for overcoming these barriers. Instead the Report has postponed their analysis of these problems until September 21, 1993.

B. Cost Analysis and Budgetary Implications

The report is unclear as to how this initiative will be paid for. It suggests several potential funding sources -- The Intermodal Surface Transportation Act (ISTEA) authorizes \$1 billion annually to fund State Air Quality Improvement

programs, The Department of Energy has some funding available in its Clean Cities Program, and the Energy Policy Act of 1992 has some unknown amount of funding available -- without specifying how much is available from these sources. Moreover, the report calls for "Provision of adequate resources for the successful implementation of the Presidential Clean Cities Initiative" (p. 32) without specifying where this funding will come from.

C. Technical Barriers

The Report recognizes that there are significant technical barriers to the implementation of the Clean Cities Initiative. Most importantly, the report recognizes that there is a lack of widespread alternative refueling infrastructure, which creates a strong disincentive to buying and operating AFVs and explains why auto companies are not willing to mass-produce AFVs. The Task Force suggests that Federal and State fleet conversion to AFVs will prompt the private sector to respond and provide alternative refueling stations. However, this barrier and other technical barriers are not fully discussed in the report. Task Force recommendations in these areas deferred until September 21.

D. Political and Public Perception Issues

There are two major issues in this area:

1. **Is this initiative politically feasible?** As it is discussed in the Report, it is not at all clear how this initiative will be received by the general public, by States, or on the Hill. There is reportedly a good deal of excitement among Task Force members, but there is no word on how the initiative will be received by other affected groups. For example, much will hinge upon the reaction of the first and second tier cities identified in the report, but no political analysis on this point is given. The Administration's Fall and Winter agenda is already quite full -- more information on these points is needed before adding another item.
2. **There is a good deal of "political baggage" already attached to this issue.** The politics of alternative fuels is inherently contentious, with pro-natural gas interests battling with supporters of methanol and other alternative fuels. This initiative will most likely inspire opposition and debate on the Hill. While a wide variety of alternative fuel interests participated on the task force, it is not clear how these interests will react politically to the initiative.

IV. RECOMMENDATIONS

- **A more comprehensive political analysis is needed before embarking on the Clean Cities Initiative.**
- **A more detailed analysis is needed on the level of funding already available for this initiative, and how much the initiative will cost.**
- **The Task Force should be directed to include a technical analysis, in its next report, covering the present status of AFVs, including the hauling capacity of the largest AFV's in existence, the range of AFV's, their service records, purchase maintenance and operation costs, refueling time, safety records, and the AFV's compatibility with the current needs of the Federal fleet (e.g., mail trucks, etc.).**
- **Consideration should be given to forming an interagency working group to analyze the task force's recommendations and to develop the Administrations response. By convening a small working group the Administration would demonstrate its commitment to the Task Force's initiatives and assure a thorough review.**
- **Consideration should be given to implementing the Clean Cities initiative on a smaller more controllable scale.**
- **Any subsequent reports by the Task force should include a discussion of the Administrations soon to be announced Greenhouse Gas and Global Climate Change Mitigation Plan.**