

EXECUTIVE OFFICE OF THE PRESIDENT
PRESIDENT'S ADVISORY COUNCIL ON EXECUTIVE ORGANIZATION
WASHINGTON, D. C. 20506

April 29, 1970

MEMORANDUM FOR

THE PRESIDENT

SUBJECT: Federal Organization for Environmental Protection

This memorandum deals with the organization of anti-pollution programs. A second memorandum, which you will receive shortly, will deal with the organization of natural resource programs.

The President's Advisory Council on Executive Organization recommends that key anti-pollution programs be merged into an Environmental Protection Administration, a new independent agency of the Executive Branch. In your February 10 Environmental Message, you pledged yourself to "...repair the damage already done, and to establish new criteria to guide us in the future." The Environmental Protection Administration will be the principal instrument for the fulfillment of that pledge.

In reaching this conclusion we have explored, but regard as less desirable, several other organizational alternatives (Appendix A):

- Creation of a Department of Natural Resources and Environment;
- Assignment of most anti-pollution responsibilities to a new bureau within the Department of Health, Education, and Welfare;
- Creation of a small standard-setting entity within the Executive Office of the President, or as an independent agency.

The details of our recommendations will follow brief examinations of (1) the environmental crisis; (2) the inadequacy of the present government structures which attempt to cope with it; (3) the organizational concepts we regard as pertinent; and (4) the specific rationale for the Environmental Protection Administration (EPA).

The Environmental Crisis. Pollution is essentially a by-product of our vastly increased per capita consumption, intensified by population growth, urbanization, and changing industrial processes. In the coming years, problems of environmental degradation will rise exponentially.

While our population will increase from 200 to 260 million by the year 2000, pollution will increase much more rapidly. Even if 50 percent of the nation's electric generating capacity is nuclear-powered by the year 2000, pollutants resulting from fossil-fuel generation will double by 1980 and redouble by 2000.

Similarly, a seven-fold increase is expected in industrial wastes produced by the large water-using industries. These wastes are also expected to become more variable, more difficult to decompose, and more toxic. At the same time, our demand for fresh water will increase from 350 to 800 billion gallons a day -- considerably exceeding the dependable supply of fresh water now available, some 650 billion gallons daily. More and more clean water will have to be retrieved from progressively dirtier waterways.

Even the fact that Americans annually junk 7 million cars, 100 million tires, 20 million tons of paper, 28 billion bottles, and 48 billion cans, does not reveal the dimensions of the problem. The 7 million cars, for example, represent less than 15 percent of the annual solid waste load. Each year we create 400 to 500 new chemicals. Many are toxic, but their exact ecological effects are not fully understood. We cannot even reliably forecast where or how they will turn up in our environment after they are used.

The enormous future needs for land, minerals, and energy require that the protection of our environment receive a powerful new impetus. In this, the nation will be on the "horns of a dilemma." The economic progress which we have come to expect, or even demand, has almost invariably been at some cost to the environment.

Pesticides have increased the yield of our crops and made it possible for less land to produce more food. They have also polluted the streams and lakes. Automobiles have broadened our economic and social opportunities, even as they have dirtied the air and jammed our highways. Some means must be found by which our economic and social aspirations are balanced against the finite capacity of the environment to absorb society's wastes.

Inadequacy of Present Organization. Our National Government is neither structured nor oriented to sustain a well-articulated attack on the practices which debase the air we breathe, the water we drink and the land that grows our food. Indeed, the present departmental structure for dealing with environmental protection defies effective and concerted action.

The environment, despite its infinite complexity, must be perceived as a unified, interrelated system. Present assignments of departmental responsibilities do not reflect this primary characteristic.

Many agency missions, for example, are designed primarily along media lines -- air, water, and land. Yet the sources of air, water, and land pollution are interrelated and often interchangeable. A single

source may pollute the air with smoke and chemicals, the land with solid wastes, and a river or lake with chemical and other wastes. Control of the air pollution may convert the smoke to solid wastes that then pollute land or water. Control of the water-polluting effluent may convert it into solid wastes which must be disposed of on land.

Similarly, some pollutants -- chemicals, radiation, pesticides -- appear in all media. Successful interdiction now requires the coordinated efforts of a variety of separate agencies and departments. The result is a blurring of focus, and a certain Federally-sponsored irrationality.

A far more effective approach to pollution control, in our view, would:

- identify contaminates;
- trace them through the entire ecological chain, observing and recording changes in form as they occur;
- determine the total exposure of man and his environment;
- examine interactions among forms of pollution;
- and identify where in the ecological chain interdiction would be most effective.

Scientists we have consulted tell us that over the next ten years a geometric increase in our knowledge and ability to understand the problem will be required if we are to make wise and economic judgments concerning our environment. The Administration is on the threshold of a major Federal effort. It will not prosper without a sound organizational base.

Organizational Concepts. The special contribution that organization can make to the administration of large-scale enterprise is to mobilize people, ideas, and things in ways best calculated to achieve clearly articulated goals. While good people can sometimes make a poor organizational form work, more to the point is the fact that the system within which people operate can make it difficult for them to reach their institution's objectives. Conversely, good organization can greatly increase the probability of reaching those goals. Organization, therefore, is not a neutral factor. It is a major determinant of the success of almost any enterprise.

There is no perfect structural arrangement which will reconcile all interests or resolve all conflicts. Yet there is no real substitute for clear, logical assignments of functions and unequivocal establishment of centers of responsibility in accordance with sound organizational concepts.

- Opposing interests should be drawn together at the right levels of government, so that the vast majority of conflicts are resolved below the level of the Executive Office.
- The objectives of a proposed agency must be plainly set out, and must respond to a distinct and enduring public need.
- There must be some assurance that the functions to be housed in a single agency not only belong together, but that the package can be managed efficiently.
- The Executive Branch should be so structured that a high order of public interest is served in making policy, rather than a narrower advocacy position.

Rationale for the Environmental Protection Administration (EPA).

Almost every part of government is concerned with and affects the environment. But since each agency has a job to do -- resource development, transportation, health, defense, urban growth, or agriculture -- its view of the environment is likely to be influenced accordingly. Sound environmental administration must reconcile divergent interests and serve the total public constituency. It must appreciate and take fully into account competing social and economic claims.

To bring together under one organizational roof all the Executive Branch entities dealing with the environment is impossible. This practical fact overwhelms the normally sound concept of building line organizations which can make trade-off decisions among competitor groups.

Nor would it help very much, given the large number of departments involved, to affiliate the environmental responsibility, particularly the critical standard-setting function, with any single existing department. That department would then be called upon to make decisions affecting other departments, when its own objectivity could be called into question. If in HEW, for example, a decision affecting DOT or HUD might well give primacy to HEW's health mission. If in Interior, a natural resource bias might well exist with respect to a matter involving the farmer or the city dweller. In short, no single agency encompasses more than a few of the perspectives requisite to environmental administration.

Given the nature and causes of environmental deterioration, programs to rectify pollution are largely geared to the great concentrations of urban population. This fact further weakens the argument for associating environmental protection with an agency predominately concerned with natural resources and less populated areas.

Since the Council believes that the key standard-setting function should be performed outside the agencies whose interests may affect those standards, we regard the EPA as the strongest organizational alternative. The question then becomes one of deciding what other functions such an agency should have to do its job.

We believe the standard-setting function cannot stand alone. We must know that standards are soundly based; thus, a research capability is necessary. We must know if standards are working; thus, we must be able to monitor the environment. And we must be able to offer incentives for compliance and to move against violators. These are the activities that will give effect to the standard-setting function.

The Council also believes that an independent EPA would offer distinct advantages to the business community and to state and local governments.

The Federal Government is not equipped solely or even primarily to effect a turnabout in our environmental situation through its own powers and resources. The business community is an indispensable partner in this process, even though enforcement is needed so that a business which cooperates will not be placed at a competitive disadvantage. The single agency would simplify the relationship of the private sector whose cooperation and ingenuity are essential if any real progress is to be made.

Federal anti-pollution programs must rely heavily on state and local efforts. The trend toward merger and coordination of environmental efforts at the state and local level is often inhibited by present Federal fragmentation. The EPA will simplify relationships with state and local governments and reduce the need to shop around for grant programs and other assistance.

THE COUNCIL'S RECOMMENDATIONS

The Council on Environmental Quality (CEQ) and the Environmental Protection Administration (EPA). The EPA's specific mission cannot be stated much better than Section 204 of the National Environmental Policy Act of 1969, which states the CEQ mission. Only one major addition, power to establish and enforce standards, is required to equip the EPA to do its job effectively.

The role and functions of the EPA will be:

1. To develop and recommend to the President policies to promote environmental quality and to form strategies for carrying them out.
2. To establish and enforce environmental standards consistent with national environmental goals.
3. To conduct research on the adverse effects of pollution, to gather information on environmental conditions and use it in modifying programs or recommending policy changes.
4. To coordinate pollution control activities with state and local agencies and with the private sector, and to take the lead in coordinating among Federal departments on activities which affect the environment.

5. To appraise and to assist other Federal agencies in appraising existing and proposed programs, policies, and Federal or Federally-supported projects which may affect environmental quality.
6. To prepare reports required by the President and the Congress on the environment or related matters.

The establishment of the Council on Environmental Quality on January 1, 1970, was a forward step, and the Council, under its able Chairman, has gone about its task with commendable vigor. But to avoid duplication and enhance the effectiveness of the environmental effort, the functions of the CEQ and the EPA should be performed by one entity -- the EPA. Such a merger would strengthen the environmental thrust by combining the broad powers of the Council with the deep operating functions and activities of the agencies merged to create the EPA.

Since the CEQ is required by law to consider the environmental, social, economic, and other goals of the nation in recommending national policy, the EPA will reflect the same factors in coming to its recommendations. This should provide for balance and perspective in arriving at EPA policies.

Finally, we believe that the proposed merger of functions will permit both the EPA and the Executive Office of the President an efficient and uncluttered arena for interaction. Some issues, both of policy and operation, will undoubtedly arise between the EPA and other agencies of government which will come to the Executive Office of the President. As in the case of most other domestic issues, these should normally be resolved, depending on their content, by either the Domestic Council or the Office of Management and Budget. Because environmental considerations are so pervasive, we suggest that thought be given to designating the head of the EPA a member of the Domestic Council.

Composition of the Environmental Protection Administration. As the nucleus of the new administration, the Council recommends the merger of key Federal entities dealing with air and water pollution, pesticides registration and regulation, solid waste management, and radiation standard-setting, including their closely related monitoring and research facilities.

Many programs with environmental implications could be seriously impaired by extracting them from their present contexts. We have not proposed, for example, that all pollution-related research be concentrated in the new administration. The technological expertise for controlling a particular pollutant, for example, may well reside with other government entities or with the industry affecting the source. Or a Federal agency such as HEW may have the principal expertise to make the medical input to standard-setting.