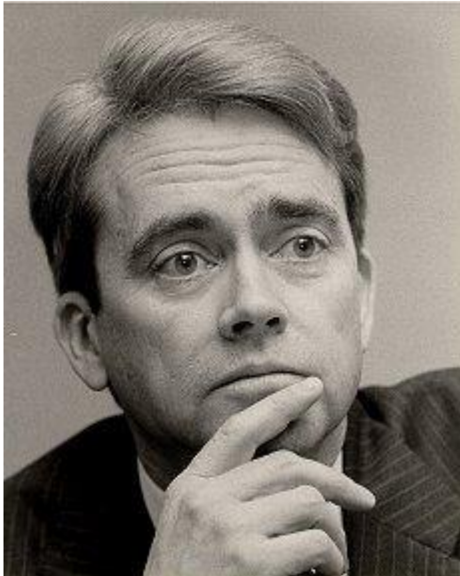
William K. Reilly: Oral History Interview



Foreword

This publication is the fourth in a series of interviews of EPA leaders that includes William Ruckelshaus, Russell Train, and Alvin Alm. The EPA history program undertook this project to preserve, distill, and disseminate the main experiences and insights of the men and women who have led the Agency. EPA decision makers and staff, related government entities, the environmental community, scholars and the general public will all profit from these recollections. Separately, each of the interviews will describe the perspectives of particular leaders. Collectively, these reminiscences will illustrate the dynamic nature of EPA's historic mission; the personalities and institutions which have shaped its outlook; the context of the times in which it operated; and some of the Agency's principal achievements and shortcomings.

The techniques used to prepare the EPA oral history series conform to the practices commonly observed by professional historians. The questions, submitted in advance, are broad and open-ended, and the answers are preserved on audio tape. Once transcripts of the recordings are completed, the History Program staff edits the manuscripts to improve clarity, factual accuracy, and logical progression. The finished manuscripts are then returned to the interviewees, who may alter the text to eliminate errors made during the transcription of the tapes, or during the editorial phase of preparation.

A collaborative work such as this incurs many debts. Kathy Petruccelli, Director of EPA's Management and Organization Division, provided the leadership to support the history program. Her superiors, who have changed over the course of the period in which this interview has been produced, John Chamberlin, Director of the Office of Administration and Jonathan Z. Cannon, Assistant Administrator for Administration and Resources Management provided the funds. Susan Denning and Daphne Williams performed invaluable proofreading and logistical services.

Finally, the crucial contributions of two EPA Administrators must be recognized: Carol Browner, who has seen fit to continue the EPA History Program in the face of tight budgetary times; and William K. Reilly himself who not only has provided a candid and highly insightful interview but also was responsible for creating the EPA History Program.

EPA Administrator William K. Reilly

Biography

William K. Reilly (b. Jan. 28, 1940) served as the seventh Senate confirmed EPA Administrator between February 8, 1989, and December 31, 1992. Born in Decatur, Illinois, into a conservative, deeply religious household, Reilly was strongly influenced by his father, a highway construction steel merchant, who impressed upon him an interest in land, history (especially that of Abraham Lincoln's Illinois days), and justice through the example he set while young Reilly accompanied him to state and county auctions to peddle his steel culverts and bridge materials. Reilly's father then led his family from Illinois to South Texas when William Reilly was 10. There Reilly learned to appreciate the unique cultural and environmental problems associated with transnational environmental affairs.

From the Rio Grande Valley, the Reillys moved to Fall River, Massachusetts, where he finished high school at Durfee High School. From Durfee he went on to Yale where he earned a B.A. in History. During his Yale years, Reilly took advantage of Yale's junior year abroad program to study in France. Reilly then earned a law degree from Harvard, completing a thesis on land reform in Chile. After law school, Reilly entered the Army and served a tour of duty (1966-1967) in Europe with an intelligence unit planning for the evacuation of U.S. troops from France. During that time, he married Elizabeth Buxton.

After completing his military service, Reilly returned to school at Columbia, where he earned a Masters degree in urban planning. In 1968, fresh from planning school and a four month project in Turkey, Reilly went to work for Urban America, Inc., where he worked to integrate century old concerns for urban beautification with the concerns brought to the forefront of the American conscience by the civil rights movement - concerns which would grow into the environmental justice movement with which he dealt during his EPA Administration.

In 1970, Reilly became a senior staff member of the President's Council on Environmental Quality (CEQ) under Russell Train, who would later become the second EPA Administrator in 1972. Reilly moved from CEQ to become President of The Conservation Foundation, which merged with World Wildlife Fund (WWF) in 1985. After the merger, he served as President of World Wildlife Fund until taking over the helm at EPA in 1989.

As the following interview will show, the Reilly Administration accomplished several important tasks between 1989 and 1992. EPA oversaw the crafting of new Clean Air Act Amendments in 1990. It pushed for leadership in international environmental affairs in the face of global political changes by establishing liaisons in eastern Europe, participating in trade negotiations to ensure that the environment was considered during the North American Free Trade Agreement (NAFTA) and the General Agreement on Trade and Tariffs, and encouraged the Agency to play a larger role in working with Mexico to address problems along the Mexican border both in environmentally and socially responsible ways.

Reilly also encouraged EPA to continue to work with the regulated community to find voluntary ways to go beyond mandated emissions standards. Reilly also encouraged EPA to address regional pollution problems which forced the Agency to strive to design cross-media regulatory strategies. These strategies had been discussed but deemed too unmanageable and complex to devote vast amounts of energy in the face of more pressing needs by previous Administrations.

Perhaps the most significant failure of the Reilly Administration, as Reilly suggests below, was that EPA was unable to garner the unalloyed support of the Bush Administration during the second half of that Administration's term. This was largely due to the inability of the Agency to muster the politically valuable praise of the Administration's environmental efforts by environmental organizations. As a result, the Bush Administration chose to work more closely with elements of its constituency that would provide political support during the 1992 election season. As a result, EPA found its agenda stifled in the White House and its credibility compromised before Congress.

After leaving the Agency during the final days of 1992, Reilly returned to World Wildlife Fund. From his office in that institution's headquarters, Reilly summed up his time at EPA by saying:

I find myself introduced, sometimes, as the voice that cried in the wilderness, as someone who tried to be the conscience of the Bush Administration on the environment. I went into that job with no illusions. I knew all of my predecessors; I knew how much conflict there had been and how many disappointments some of them had had in their times. In fact, I had many more than my share of good days. I remember Bill Ruckelshaus said as he announced his retirement, his resignation from EPA, that an EPA Administrator gets two days in the sun, the day he's

announced and the day he leaves, and everything in between is rain.

That was not true for me. I had a lot of sunny days and I owe them to George Bush and. . . . it is thanks largely to the quality of the people who work at EPA, their zeal, their commitment, the fact that for them it's not just a job. They really believe in what they're doing and that they are doing something fundamentally important. That is what made our four years a very productive and exciting time. It's a time that EPA professionals, and the country beyond Washington, will look back on as a time of enormous creativity and energy and achievement in the environment. So, I was happy to have been along for that ride.

Interview

[SESSION 1: July 26, 1993, World Wildlife Fund Headquarters, Washington, D.C.]

Early life

Q: Mr. Reilly, would you please describe for me your upbringing, your early life and your education?

MR. REILLY: I was born in Decatur, Illinois, into a very close-knit, very religious, and very conservative family. My father was in business for himself. He sold steel - bridge materials, reinforcing bars, and metal culvert through his own Highway Supply Company. And my mother worked very closely with him. She was his bookkeeper, accountant, and partner. I had one older sister, four and a half years older than I, who is now a teacher outside of Chicago.

I lived for 10 years in Decatur, Illinois - downstate, Illinois - a city then of about 80,000 population; it's not too much more now. I grew up surrounded by Lincoln memorabilia and memories. My father sort of rode the circuit, just as Lincoln did, but for a different purpose. He traveled to county lettings - auctions - and state lettings and township lettings to sell his materials. Whenever we would pass a Lincoln marker we would stop. The Lincoln-Douglas debates took place in that area. Every single courthouse had its Lincoln memorabilia because he, typically, argued cases in those courthouses, or their predecessors. It's farm country and we had a farm. I spent some time on that. I went to parochial schools there, Catholic schools.

When I was ten, we moved to Texas, southern Texas, largely because a big steel strike in 1949 pretty much put my father's business on hold for four or five months - he didn't have anything to sell. We relocated to the Rio Grande Valley. My father was, for a little while, working for Dow Chemical. Then he went to work on his own as a contractor and did some construction. I remember that was the time when I became familiar with some of the problems that we now call colonias - these unsewered communities without any services at all, typically of undocumented aliens, or first-generation Mexican-Americans, along the border.

My father employed some undocumented workers. In fact, he got in trouble with the local construction contractor establishment because he paid them too much. I remember that we used

to drive out in the country to pick them up in the morning and then drive them back out in the evening. I saw the abject poverty that they lived in. I got to know some, one became a good friend. Neither of us had many friends then in Texas. He was in his twenties, I was then probably 11. His name was Dom Juan Garza.

Whenever he was picked up by the Bureau of Immigration and taken to Mexico, he would reappear within a few days, having walked all night, if necessary, and ready to do anything - pick grapefruit or work at the motel where I first met him and where he was a worker. I developed some limited knowledge, but a lot of affection and respect and sympathy for Mexicans. I think that affected my later priority on some of those issues at EPA. One of the proudest things I did was to help get $50 million for colonias in the last Bush budget - and a lot of money for the border. I worked hard on the North American Free Trade Agreement, too.

I lived in the Rio Grande Valley for two years. It didn't really work too well for my father economically there. We finally then moved to northern Illinois. By that time he was quite ill; he had serious ulcers. After another two years, when I lived in St. Charles, Illinois, he had one of the first operations to remove most of his stomach. To recuperate from that, he went back to live with his sister in Fall River, Massachusetts. By that time my sister was off in college and my mother and I went with my father.

When he was finally recovered and ready to go back to Illinois, I just stayed behind because I had started high school and was doing well there. He left me there in the care of my aunt. So, I went to a large public high school in Massachusetts for four years, Durfee High. I'd go out and work, drive for him, in Illinois in the summertime. When I finished high school, I went to Yale. I spent my junior year in France and then after that went to Harvard Law School, followed by half a year or so in law practice, two years in the Army, and then another year and a half in school, at Columbia, studying urban planning.

So, I've had somewhat of a wandering up-bringing in various parts of the country, which I must say I never minded. I always thought that the moves we made were pretty interesting, the parts of the country I lived in, the Middle West and its prairie and farm country and the German-Irish settlement influence, and Texas, which was very heavily Hispanic - even then, the city I lived in, Harlingen, was about 50 percent Hispanic. Then, up to the northeast, to Fall River, which had the only French daily newspaper in the United States at that time, had twenty-some French-speaking Catholic churches and another twenty-some Portuguese-speaking churches and a lot of Italian-speaking churches!

A very large ethnic population - Syrians, Lebanese, Jews; a really fascinating melting pot to be exposed to - very different from the Midwest where I had begun life. So, I thought each of those moves was enriching in one respect or another. The Fall River era was the time I came to love the sea and came to know Cape Cod and Newport, Rhode Island, Providence, Mount Hope Bay, and some of those areas. My family vacationed there, and most of my aunts and uncles and cousins lived around there.

Anyway, after Harvard I went to practice law for a little while in Chicago, but had a commitment to go in the Army so I took the bar exam in both Massachusetts and Illinois, and then went into

the Army. I went to the Infantry Officers School in Ft. Benning, Georgia; Intelligence Officers School in Baltimore, Maryland, Ft. Holabird; and had orders to Vietnam much of that time. Then, at the last minute, my orders were changed and I was sent to Germany with a little group of sixteen or seventeen - the first intelligence officers' class in two or three years to have been sent to Europe, because by that time we were depleting our intelligence officer numbers in NATO with everyone going to Vietnam.

My responsibility was to help plan the quick departure of our forces, or at least the Army Intelligence component of them, from France after de Gaulle gave the U.S. forces 90 days to get out. My knowledge of French and being a lawyer had a very practical advantage: it resulted in my being assigned very interesting work in Europe. I did that and then went to German Language School as part of my Army experience in Europe.

When I had fewer than 13 months to serve, less than the standard Vietnam tour of duty, and thus could no longer be sent there, I came home to get married to Elizabeth Buxton, a woman I had met at Harvard. We were married at St. Thomas More Chapel at Yale, where her father was a professor and chairman of the Psychology Department. After another year in Germany, I came back to a different country, really, in early 1968. The place was very different from what it had been when I left. The anti-war movement was going strong, there was a lot of anti-authority feeling in the schools - in fact, I was scarcely at Columbia a few months when Mark Rudd and the Students for a Democratic Society shut it down, beginning with the school I was in, the Architecture School where I was an Urban Planning student.

For a few days I was annoyed about that, but then I realized this was a marvelous education. So, I used to go up to the Columbia campus every day and just listen to the speeches, whether they were by Mark Rudd and his colleagues in SDS, or Black Panthers, or whoever was holding forth that day. I went to Columbia because of Charles Abrams, a really great man who had written *Man's Struggle for Shelter in An Urbanizing World*. He was an architect of the 1968 Housing Bill with Senator Percy and with the HUD Secretary. I did three semesters there, after which they awarded me a Masters degree.

I spent a summer working on a regional planning project in Turkey, on which my wife accompanied me. She had worked for the City Planning Department of New Haven and had more experience than I had. I thought at that time I wanted to be some kind of international urban planner and consultant. But in Turkey we experienced very strong anti-American feeling. Our new ambassador was fresh from the Vietnam pacification program Ambassador Komer, and his car was turned over and burned on his first visit to the university with which we were affiliated, Middle East Technical University.

That summer's experience indicated to me that it wasn't a good time for Americans to be going around the world telling other people how to behave. So I came back and ended up going to work for something called Urban America, Incorporated, which I thought I would just do for a year or so before going back to my law practice in Chicago. As it turned out, I never went back. Urban America, Inc. merged with the National Urban Coalition. Then, the President's Council on Environmental Quality, which was setting up and looking for a land use lawyer, went to my old law firm for advice about whom to pick. They suggested me.

So, I found myself one of the Council's first staff members under Russell Train and was given the job of helping draft the regulations - they were then guidelines - implementing the National Environmental Policy Act and the Environmental Impact Statement procedures. I also drafted a National Land Use Policy Act. That was the only one of the big legislative proposals on which we worked in the early 1970s that did not make it into law. The Coastal Zone Management Act is essentially the same bill that I had drafted, based on the American Law Institute's Model Land Development Code. So, we got a piece of it, a grant incentive program for the coast but not for the whole country.

After two years there, I was invited to direct a task force on land use for the President's Commission on Environmental Quality, chaired by Laurence S. Rockefeller. We produced a report in 1973, *The Use of Land: A Citizen's Policy Guide to Urban Growth*, which went through three printings and sold 50,000 copies. I accepted an invitation then to become President of The Conservation Foundation. In 1985, it affiliated with World Wildlife Fund and later merged completely. In 1985, I became President of both institutions. That's where I was when President Bush asked me to become EPA Administrator. That's probably more than you wanted to know.

Interest in Land Use Management

Q: No, that was very thorough. It covered several questions. I do want to go back just a second, though. You earned your Juris doctorate and then returned from Europe and earned a masters in urban planning. Reading your resume, it seemed to me that there was a big jump there. Was there something that had happened before going into the military or during the time you were in the military that encouraged an interest in land use management? Can you explain that?

MR. REILLY: Well, I was always interested in land and I have often tried to figure out why that was - whether it was because we had a farm early on and I spent a lot of time there, or because my father was interested in land. We used to look at land, he used to think about buying it - he liked to think about buying a lot more property than he ever bought. I can remember looking at beautiful oceanfront property with him near Point Judith in Rhode Island.

I honestly don't know where the motivation came from, but I did my law school thesis on land reform in Chile, with Charles Harr. I worked one summer on a book with a team of people headed by Lawrence Wylie, who was then C. Douglas Dillon Professor of French Civilization at Harvard. The book we wrote was called *Chanzeaux: Village d'Anjou*, published by Harvard University Press in English and by Gallimard in French. Basically, my part of it was to write about land tenure, agricultural law, the passage of property to children, credit systems, how the French were trying to reassemble parcels that had been divided through generations of Napoleonic law.

In fact, I chose to go to work for Ross Hardies in Chicago, because they were the premier law firm dealing with land use issues, certainly in Chicago and probably in the country. I found myself working on gas rate regulation, which was also a large part of their practice. Later, I decided to go to planning school partly to get reintroduced to the country, having been away at a time of great social change and turmoil, but partly also to help ensure that if I did, or when I did,

go back to the law firm, I would be used in the area of my interest because I would have a degree in urban planning.

Urban America, Incorporated, for which I worked following my studies at Columbia, was concerned with what seemed to me the two great themes in American city development: one was race and civil rights and the other was planning, the city beautiful movement - the Frederick Law Omsted tradition and the parks and the rest. Very few of our institutions have been successful at bridging the divide between those two concerns, social policy and development policy, generally, for the broader population. They tried to do that. I became an expert in how you prevent communities from using large lot zoning or minimum lot sizes to exclude minorities and poor people. At that time I didn't think that I knew very much about conservation law or how to protect land.

I can recall saying to Timothy Atkeson, who was my immediate boss at the Council when I started there - he was General Counsel and he later became my Assistant Administrator at EPA for International Activities in 1989 - I said to him, "I don't really know much about how you protect land from development. I'm really an expert at breaking down restrictive procedures and laws." He smiled and said, "Well, it's really just the oher side of the same coin, isn't it?" And, of course, it is.

I found myself then working on protection schemes - but not completely. With the help of Fred Bosselman, a Ross Hardies lawyer, I drafted a federal legislative proposal to provide funds to communities to protect what we called areas of critical environmental concern and also to ensure that "development of regional benefit" be accommodated, even against the wishes of localities that resisted it. It was a balanced approach, which I think we have to have in our land use and development law. So, I kind of sidled into the conservation side of law and can't say that this was a charted course or a direct route, but it happened to be mine.

Council on Environmental Quality

Q: You told me a little bit about how you became involved in the Council on Environmental Quality (CEQ); was this the first encounter you had with Russell Train?

MR. REILLY: Yes. I remember going to visit him at the Interior Department when he was Undersecretary there, just prior to his taking up his new position as CEQ Chairman, and having an interview with him after I had been interviewed by Timothy Atkeson. Atkeson told me that I should tackle him as he came through the hallway there. He came through a little out of breath - coming from the Congress, I think - and I immediately jumped up and started to speak to him.

"In a minute, in a minute," he said, "let me catch my breath, I'll call for you in a few minutes."

I can remember, in fact, the first conversation I overheard with him. Someone said to him, "We're going to have a phone installed in your car this week," and he said, "Good Lord, why do you want to do that, it's the only peace and quiet I ever get." When I served at EPA, I discovered why he might not have wanted a phone in his car. Truly the only peace and quiet you get in public life is traveling in an airplane, although now they're getting phones in planes, too.

He called for me and then interviewed me. We had a very nice interview and always got on well. I became not only a land use staff member at the Council, but I ended up writing a number of speeches on other issues for him as well. He became a mentor to me. I suppose if I have two in public life, they are Russell Train and Bill Ruckelshaus.

In fact, Train has had most of the jobs that I have had for the last 20 years. He preceded me as President of The Conservation Foundation, as President of World Wildlife Fund, as EPA Administrator. I've not gone on the tax court and I don't intend to - not that they would have me. But, I have enormous respect for him and have learned a great deal from him.

Other Mentors

Q: Would you say that you had any other mentors?

MR. REILLY: I certainly had another mentor in a man named John Bross, John Adams Bross, who was a CIA official and member of The Conservation Foundation Board from 1974 on. He was thoughtful, very modest, and very cultivated in an unassuming way. He had a wry, twinkly, humorous attitude towards a lot of things and particularly was able to be funny about the things that a lot of people would be pompous about - things that he knew and had experienced. He knew Shakespeare and he knew art and he knew government and politicians and he knew people, he'd known the important ones who'd come through Washington over the last 25 years or so.

I can recall many a fine lunch with him where I just soaked up the kind of wisdom he tossed off nonchalantly. I remember, in fact, I went directly from my announcement as EPA Administrator at the White House with President Bush to his hospital room and talked to him about everything. He'd seen it on television. He had a bad case, then, of cancer. It had him in the hospital, but he recovered for another couple of years and died, just about two years ago, now.

My father, of course, has been a very important figure in my life, too. Very strong, very generous, capable of being severe but also quite compassionate to people who need help. Very religious. I often think how much easier I've had it than he had it. He was a child of the Depression. As a teenager he worked on the Fall River Line on a boat that went back and forth from Fall River to New York. He was also a dining car steward on the Pennsylvania Railroad. Then he went out on his own to Illinois, very bravely, without any health insurance or benefits or retirement or any security or clear prospects at all. It took him two or three years before he made any money at all. He pretty much was supported by his brother who was also in the business and would give him an advance for the week.

He finally had a big success at the Illinois State Fair where he sold a big pile of steel culvert several times over, metal culverts, to township commissioners responsible for country roads and drainage who were coming through. He was able to make that the start of his success in business. But he worked very, very hard for what he got and paid the price in his health.

He later recovered that and has been a very successful man by any measure. But I think he has the sort of divine discontent that characterizes a lot of artists and perfectionists. He sees a lot of ways that things could have been better. He gave me a great education and obviously valued that

tremendously. He also made great sacrifices, not just financial, but in allowing me to stay in Massachusetts where he thought I was going to get a better high school education than if I had moved around with him, which is certainly true.

What he, and I, did was always with the great support of my mother, who is a very warm, loving, tolerant person and who has no rough edges. She just communicated a great love and security to me that probably has a good deal to do with my sense that life would go on and it would unfold in ways that I would probably like - which it has. Successful, confident men tend not to talk much about their mothers. I've noticed, though, more than anyone it's mothers who make for secure sons, I think. Unlike my father, my mother radiated a quiet, reassuring faith in the future, and a sunny optimism. Like my mother, I don't worry a lot.

Q: What would you say you've learned from Mr. Ruckelshaus?

MR. REILLY: Ruckelshaus had a very clear concept of the need not only to ensure integrity in public service, in government, as a government official, but also to communicate to the country what a government agency was doing and why. I saw my job, in very large part in 1989, as one of communication. At that time, and certainly now, we had more diffuse anxieties in the country than we could ever craft policies and programs to address.

The public is very concerned about risk - particularly the involuntary kind, the kind that they believe they're subjected to by chemicals in their food or pollutants in the air or water. They need to have all of that put in perspective and they need to embrace some sense of proportion. People need to have some guidance from a trusted source about what matters and what doesn't, or rather about what matters most and what matters less. That is necessary for EPA to do its job with respect and credibility.

We heard in 1989, as we continue to hear, that EPA isn't doing this or that or it's missing this or that milestone. Of course, it's always true. It's a consequence of so many responsibilities that have been given the Agency without sufficient authority or resources to carry them out. But ultimately, government is accountable to people and it's people who are causing their Congressional representatives to write these bills and to continue to write them, even though the money isn't there any longer. In fact, the EPA budget's gone down this year very substantially from what the last Bush budget was. The only way to do that is to cause people to believe fundamentally that there is integrity in the process - those in government do know what they're doing.

Second of all, some things pose much less risk to people than others and officials need to acknowledge that in their public representations to the Congress and finally in the budgets and priorities that the Agency proposes. The only way that you arrive at that point is through constant communication. I think that Ruckelshaus had a clear sense of that.

Certainly at the very beginning of EPA he spent considerable time on it and, when he came back in '83, he spent even more time on that. I believe in that. He was not excessively focused on the Congress or on the internal workings of the bureaucracy, which happens to so many agency

leaders. He recognized the broad country out there from which our mandate comes but also whose sense of priorities have shaped the program that needs reform.

International Interests

Q: You mentioned a bit earlier about going to Europe and then Turkey and experiencing those places. Would you say that was the origin of your keen interest in international work or would you say that came from something else?

MR. REILLY: The truth is that I think I developed my international interests as a high school student in Fall River, Massachusetts, who was just fascinated by some of the French convent girls who were sheltered from us non-French folks. I remember trying to crash the Franco-American dances and having people grill me at the door about "What's your name? What's your mother's name?" and then saying, "Well sorry, you can't come in here." There were five convent schools, I think then, and I eventually succeeded in dating one of those girls. I was very interested in French and in France. When I applied to college, I only applied to two schools, Georgetown and Yale. I made it very clear in my application that their junior year abroad programs were part of what I was applying for. I was true to that; I went on to study in France.

I've spent a lot of time abroad in the course of my life. I worked a number of summers and then studied one full academic year in France. I spent one summer in Switzerland working for the United Nations while I was in law school. I spent one summer hitch-hiking all over Europe - I used to hitch-hike whenever I went there. In fact, I hitch-hiked one summer starting out in Paris across England to Wales, to Ireland and all around Ireland, back across England and then across Belgium and to Germany up to Stockholm and back from Stockholm almost down to Vienna. I learned a lot doing that - that's a good way to get to know a place.

I lived for a year and a quarter in Germany and went to language school there when I was in the Army. I lived for four months in Turkey, in 1968, when I went there on a regional planning project. I've had about 13 summer vacations in Italy. A friend has a place there that our family often goes to. I spent two weeks in Spain and two weeks in Mexico this past spring just working on language. I like Europe a lot and I've always thought it was very important. I was a history major in college, and believe, with DeGaulle, that "America is the daughter of Europe."

Europe is obviously the cradle of our civilization, our values, and our institutions. And I have become very interested in Latin America. When I was President of World Wildlife Fund that was my principal area of interest. Mexico and Brazil were WWF's two biggest programs and Central America was a large one. I then set out to learn Spanish and came to understand that part of the world much better.

I'm sure that the international interest was the reason why I gave such priority to some things at EPA - like the Border Plan, and the North American Free Trade Agreement, for which I testified six or seven times. I discovered, incidentally, that, as far as I could ascertain, no environmental minister from any country had ever gotten involved in a trade treaty, nor had an EPA Administrator testified on a trade treaty. I thought that the NAFTA was very important to the environment but also very important to our Mexican-American relationship and the stability of

Mexico. I continue to give a high priority to that and one of the public lectures I deliver in the fall at Stanford will be on international institutions, another one will be on trade and the environment, both of them very international in orientation.

We are part of a larger world and the environment of that world is one that cannot be managed successfully by one country. It cannot be managed because the pollutants travel and don't respect borders. It also cannot be managed because we are going to be in a web of trade relationships for which the environment can be misused for protectionist purposes, to exclude goods by claiming their production harms the environment, or to create a competitive advantage at the expense of the environment - by having lax controls that make your products cheaper, i.e., by creating a pollution haven.

As we gradually relieve the tariff burdens on trade, countries will pursue their economic interests through other means. Very often those other means will be by saying, "Well, we're not clamping down on beef hormones to keep your beef out, but rather because it's environmentally unacceptable, and so forth." That will require people who are concerned about the environment to become much more knowledgeable about trade and to come to respect the need for free trade because it advances the environment, aside from advancing other aspects of welfare.

But we need to advance trade interests with a sense of protection for those things that we value and don't want to see unraveled - which trade people, often insensitive to environmental controls, can unwittingly unravel. I don't know how I got there. Your question didn't necessarily lead all over there, did it?

The Conservation Foundation and World Wildlife Fund

Q: It didn't necessarily, but that was a good path. What did you learn from your earlier experiences with The Conservation Foundation and World Wildlife Fund?

MR. REILLY: The Conservation Foundation's niche was to recognize those issues on which the country was stalemated or which were not being very successfully addressed but in which we saw an opportunity. In the mid-seventies when the oil shocks hit and the economic crisis occurred, there was a sense that we had bitten off quite a lot in the environment. We had passed laws on air and water and strip mining and toxic substances and coastal zone management and endangered species - many of them quite ambitious and virtually all of them more expensive and, in some cases more obstructive of other interests, than had been understood.

The economic community, which was capable of helping us refine and make efficient many of those laws, had pretty much opted out of their early formulation. They had fought them so bitterly that they weren't really at the table in helping craft regulations. Yet, it seemed to me, that the environmental community could not take those laws much further alone, and certainly couldn't ensure their successful, efficient implementation without the involvement of business.

These laws were coming under heavy fire for their cost and bureaucracy, particularly at a time of national economic difficulty. The business community was being driven crazy by some of the early costs of regulation, the demands being placed on them, and also by the public image they

were getting as obstructionists. And yet, any reasonable reading of the polls, it seemed to me, indicated that the nation was wedded to environmental values, wanted to see those laws kept, and, in some cases, wanted to see them strengthened. The environment was entering the core values, as the pollster, Bob Teeter, has put it, of our people.

If you think of those two sets of interests - of environmentalists wanting to see the laws they had championed work, and industrialists realizing that environmentalism was here to stay and therefore the realistic goal was to achieve more cost-effective implementation - you realize there is a common basis for getting some agreements between business and environmental groups.

Based upon that, in 1974 we developed a program in business and the environment which tried to get consensus on critical, divisive issues such as on road building in national forests, which environmentalists prefer to keep as little intrusive as possible and which the timber industry also doesn't want to have to build wider or more expensively than necessary. Toxic substances control and the early implementation of a new toxics law was another issue we took on then. We sponsored a project on natural gas with the Committee on Economic Development. Project participants advocated deregulating natural gas prices in order to bring on a fuel that would really help the environment and was in plentiful supply in the United States.

We had a program on groundwater chaired by Governor Babbitt that included business leaders, environmentalists, state and Federal officials. It designed measures that would protect groundwater and give some clarity and certainty to the development process. Babbitt had done that very well in Arizona. We followed that project up with a major task force on wetlands, chaired by Governor Kean of New Jersey, and that was designed to try to bring people together on that very divisive subject. Out of that group came the recommendation for no net loss of wetlands, the recommendation that President Bush committed to in the 1988 campaign and later became a priority of EPA and the Administration. The groundwater report fed into policies that we implemented at EPA also. Those reports had far-reaching impact.

The Conservation Foundation's operating style was relatively quiet, very inclusive, with a sense that we wanted to look for ways to bring people together around policies that would endure. It always struck me as a conservationist that those policies will not endure that do not have the adherence of the economic sector. We simply must embrace economics in our environmental formulation, just as I think the economic sector has to factor in the environment and health now to a degree that it did not used to do, if we're to have a sustainable economy and also public support and acceptance of a lot of what the industrial sector does and wants to do. So, that was our philosophy.

World Wildlife Fund, of course, was almost exclusively an international institution. It was active in Latin America, in Africa and Asia. It, too, largely avoided stridency and confrontation. We worked in some countries with rotten governments, with undemocratic systems, that we had to make peace with if we were going to continue to operate. We worked through local institutions, generally. We tried to build up non-governmental organizations and local pressure groups in many countries that lacked them.

We did not, ourselves, go in making noise to their public as Americans, but rather tried to get locals to study and to appreciate their environmental treasures, in many cases, their wildlife, their flora and fauna. We had access to decision-makers to a degree that most environmental groups did not, simply because the organization was a worldwide group with then 24 - now, I think, 28 - national organizations headed internationally by Prince Philip, with significant people on most of the national organization boards. So we had a good bit of influence.

For a conservation organization, we also had a fair amount of money and resources. But, compared to the size of the problem or to what the economic sector deploys, we didn't amount to a rounding error. I gave, again, with that institution, a priority to bringing economics and the environment together. Our flagship program there was something called "Wild Lands and Human Needs," recognizing that the traditional approach to protecting animals, of punching a hole in the map or putting a fence around an area, wasn't going to work.

Hungry, needy, land-poor people can't be fenced out. Conservation must work for the people, the culture in which it finds itself. We had to find ways to accommodate the very legitimate development and economic demands of quite poor people who were multiplying in number, who were often poaching in these parks or going in for resources - like cutting down the timber or gold mining in Corcovado in Costa Rica. People living near those great reserves had to gain by them, had to see them as helpful to them. Very often we could do it - reconcile wildlife and human needs - with programs like eco-tourism or agro-forestry.

Timber could be harvested in areas adjacent to important wildlife preserves and cut and marketed by cooperatives. The object was to help people exploit the resources of their own environment but in a way that would allow them to continue to use and enjoy the environment over the long term, while conserving a critical mass of species of flora and fauna.

I heard this concept put very well by President Salinas of Mexico a few weeks ago. I accompanied him for three days as he was dedicating some new reserves in Mexico. In the Yucatan, deep in the jungle, with the camposinos as his audience, he said,

This forest is very valuable. The ancient monuments here are valuable - not just because people pay good money, which they do, to come see the monuments and enjoy the jungle, as important as the money is - not just for the wildlife, which is also very valuable, but it's not as valuable as you are. The reason to keep the forest is that out of the forest your ancestors and you have come. It has sustained the ground-water under it, it has created and made possible your culture and your society, and only if you keep it will it continue to do so for the children of your children.

I don't think I've ever heard a head of government speak so simply and persuasively and eloquently to the nature-culture relationship as he did. People believe him and that's one reason he's still popular in Mexico. That, essentially, was my, much less eloquently put, vision for World Wildlife Fund when I was there and one that I think we did a good bit to advance at that time.

Initial Perception of the Agency

Q: Before you came to EPA, what was your perception of the Agency?

MR. REILLY: You know, I didn't have a terribly good impression of EPA before I went there. I think that I had been exposed to two kinds of criticism. One is the stereotypical view held by much of the regulated sector, which views EPA as: excessively concerned about small risks; highly bureaucratic; ludicrously protective, sometimes; always overestimating threats to health; not very responsive to economic concerns; and very insensitive to cost-effectiveness. I shared some of that view. I think I partook also of the environmentalist critique of EPA, which is of a hide-bound, bureaucratic agency, deeply scarred by the Burford years, risk-averse, wrought up in its own systems in ways that cause decisions to take far longer than they should, unwilling to embrace finality - partly for reasons of bureaucratic anxiety that if you keep the decision going, you won't be subject to a nasty Congressional hearing or to criticism.

I had lunch one day a couple of weeks before I was sworn in as EPA Administrator with a veteran journalist, Guy Darst, an Associated Press reporter. He had been around forever and had covered a lot of agencies and said, "Well, you're going to the best."

"Really?" I said, "That's not the view on the street."

"EPA will make five decisions in the amount of time it would take Interior or Agriculture to make one, and they'd still screw it up. EPA is at the intersection of science and public policy and economics and health," he said, "and just has to keep turning out the decisions. There is no place to hide. That's the function and that has made the Agency very good at what it does. It's very sophisticated."

I must say, that was news to me at the time - that a very informed and quite objective observer would have that judgment. That's the judgment I took away from the agency-of a group of highly motivated professionals with a great deal of élan. One often hears people criticize that zeal and sometimes, I suppose, EPA may be guilty of having a bit much of it, but that's what makes it a joy to go to work there. It's one of those agencies where you get invigorated walking down the halls, not one where the adrenaline flows out your shoes after about 30 feet - and we certainly have those in the Federal establishment.

I remember a conversation with Interior Secretary Manuel Lujan one day. He was talking about the difficulty that the Secretary of the Interior has dealing with the Fish and Wildlife Service or the Park Service. He said "You give them an order and you have the feeling they're not going to carry it out until they check with God. Whereas the Bureau of Reclamation, or the Bureau of Mines, salutes and performs." Then he laughed and he said, "Oh, for a moment I forgot who I was talking to. All you have is people who take their orders from God."

You know what he means, and that's true. EPA is a place with a moral fervor that sometimes can be excessive. But, it is a place with commitment and, I think, a great degree of professionalism. I tried to broaden its perspective, somewhat, to make much more of economics, of prevention, of incentives rather than strictly holding people to account for doing bad. I encouraged it to think about how to motivate regulated industry, and about the whole larger world out there, the international environment, to which EPA can be so helpful.

EPA's prestige rises almost directly in proportion to the distance one gets from Washington. In the rest of the world, people do understand what many here at home don't, which is, EPA is the place you go to for information about the environment, for criteria documents, for health information, for the best science that we have on the health impact of pollutants, and the way to set standards, the best laboratory work on automobile pollution, and increasingly on a number of other issues like indoor air pollution.

EPA has more experience with remediation of toxic contamination than any other agency in the world. These are all cutting-edge problems - they require so little, relatively, of the U.S. government to be deeply, lastingly helpful to South America, to Russia and Eastern Europe, to China and Taiwan.

I can recall having sent two or three people to Latvia to deal with a spill in a river that provided their drinking water - a spill of some stuff that the Russians dropped in the water inadvertently but hadn't bothered to warn the Latvians about, even though the age of *Glasnost* had dawned. The Latvians detected an unfamiliar odor and figured out they had a problem and did not want Russian experts. We sent some professionals and I heard later from the Latvian President that this was the most important American mission since Lindbergh's visit there.

We helped Mexico when they had the big gas explosion and fire in Guadalajara; we sent a team to help Morocco cope with a big oil spill; we did those things, and buried the costs in programs. Our professionals returned invigorated, were animated, energized by their encounter with a real need in another country whose environmental problems are so much more egregious than our own. Thus, involvement with helping others was very useful to the Agency and a very inexpensive way for the United States to express what is one of the most benign qualities of our culture, our environmental aspirations and experience.

President Bush

Q: You talked a bit earlier about the process by which you became EPA Administrator. Could you describe that in more detail and talk about what qualities President Bush may have sought in an Administrator and any particular sponsors you may have had?

MR. REILLY: Well, you know, that history - I'm not sure I understand it all. I know that in the summer of 1988, Russell Train, who was then Chairman of World Wildlife Fund, hosted the Ruckelshauses at his house in Hobe Sound, Florida, I think in May or June. Not long after that he returned to say that he had had a conversation with Bill Ruckelshaus. He quoted Ruckelshaus as saying, "If our candidate George Bush becomes President, he's likely to turn to you and me for advice about who should be EPA Administrator and my advice would be Reilly. What would you think of that?"

Train, who just three years before had initiated with me a big merger of The Conservation Foundation and World Wildlife Fund, with me then taking over the organization as Chief Executive Officer, and him as Board Chairman, obviously wasn't going to find it convenient to

see me run off to government. Nevertheless, he told Ruckelshaus that he couldn't disagree. Upon returning from Florida, he told me of the conversation with Ruckelshaus and he asked, "What would you do if that were offered to you?"

I said I'd say no.

I said I hadn't really completed what I had set out to do with WWF, there was a lot of continuing work necessary to make our two institutions mesh. I really liked what I was doing. I liked the international character of it. And, I just didn't know how serious George Bush would be about the environment, anyway.

So he said, "When a President asks you to do something, it's pretty hard to turn him down. So I'd just like to ask you to think about your succession here, how that would work, should this invitation come."

I didn't hear anything more about it until the day after the election. Ruckelshaus called me up and said, "Would you like to do something in this Administration?" He mentioned EPA Administrator and Interior Secretary.

I said, "No."

He said, "Well, if people were to talk to you, would you agree with me not to turn it down or say no until you get in front of the President-elect because he doesn't talk to enough people like you. If you have that encounter with him, you can probably have some influence on his thinking early on, whatever you do."

I think Ruckelshaus figured that if I ever got that close to the President, it would be pretty hard to say no to him. My wife later told me that she decided the previous June when she heard of the conversation with Train that I would do what the President wanted me to do. She didn't see me saying no.

I remember a lot of our friends would say, "How was it that when hardly any of your colleagues in Harvard Law School ever ended up in the Army, you did?" She would point to me and say, "Patriot." It was true. I thought you should serve. I came out of the Midwest and even though I didn't like the Vietnam War much, I thought one served the country in the military.

And when I finally did get in front of the President-elect, I found it impossible to say no to him. Someone had said to me in the transition - I guess Bob Teeter finally got in touch with me and talked with me about what they were looking for - and said, very frankly, that they were going to tilt one way at Interior and another way at EPA and that I'd come highly recommended by Ruckelshaus. I, however, went through that fall without any formal meetings other than the one Ruckelshaus conversation where he said he thought they would be getting in touch with me. They didn't call for at least a month or a month and a half. Then I began reading that I was one of the two hot candidates under consideration, but still no one had talked to me.

My friend, Phil Shabecoff, called me one day. He was the *New York Times* environmental correspondent. He said, "I have it on very good authority that you are on a short list of three. Do you know about this?"

"Nothing more than I read in the newspapers," I said.

"That's very strange," he said, "this comes from a good authority. But," he said, "there is something wrong with my EPA list."

"What's that?" I asked.

"Elizabeth Dole is on this list, and she's politically ambitious," he said.

"What does that mean?" I asked.

He said, "Well, you'd never go to EPA if you had any political aspirations. It would be the graveyard for those hopes." He talked about the position, said it was an impossible job. He said that it requires you to master more data and information than any job he'd ever covered. It's a thankless job. You'll make enemies, he said. You'll end up without any friends, probably, in your own community and you won't make anybody else happy. He later changed his mind and said that he had reconsidered and that he should have encouraged me to go there.

I guess I was finally called in early December. I had a meeting with Teeter and then was to meet with Craig Fuller, but he was ill. Finally, then, I was invited to meet with President-elect Bush. I had about 35 minutes with him with Craig Fuller present. At the end of that, he did not offer me the job. He said he wanted to check a few things first - although in the course of that conversation, he had asked Fuller, "Where do we stand on this?"

"It's ready to go, or," Fuller said, "you can talk to someone else if you want to."

"That won't be necessary," Bush said.

The next day he called me up, he'd been trying to hold the secret, obviously. About ten or eleven he called me up and asked me to be his EPA Administrator and invited me to come over about two and said he would announce it in public and introduce me to the White House press corps. I told him I would work to make him a great environmental President.

I never really knew a lot about his thinking, other than from one evening in the Netherlands when Mrs. Bush and the Queen of the Netherlands were talking at a State Dinner in the Netherlands and I was part of that conversation. Queen Beatrice asked Mrs. Bush where they had found me. She said to the Queen, "'For EPA,' George said, 'I want the best, nothing else. No politics, no partisanship, just the best we can find.' Everybody said, 'Well, if that's what you want, Bill Reilly's the person you want to get.'" That could have been very generous on Mrs. Bush's part, but that's the sum total of my exposure to their thinking about it all.

I remember Train said that he thought I would get on very well with Bush, that our temperaments would mesh well, and certainly they did. He and Mrs. Bush were very generous, very kind, to my wife, Libbie, our children Katherine and Margaret and me through all of that. They communicated even when we had difficulties with the White House Staff.

He had a fundamental confidence in what I was doing and when things mattered a great deal to me, he would take them seriously. He always kept his promise to provide access when I needed it to talk to him and kept a promise to ensure that I didn't get anybody I didn't want in any of the key jobs. As some of the current Cabinet are discovering, that is a very valuable commitment to have from the President and very few people get it. But, I got it.

He did say to me at our initial interview, there wasn't any more money for EPA, and that the budget would not be going up. He asked what that would do to my standing in the environmental community and whether I was prepared for that. In fact, we did a lot better than he had led me to expect we would because we increased EPA's operating funds by 54 percent on our watch and the overall budget by about 45 percent. That's a measure of Bush's support for which he didn't get much credit during his term, though the League of Conservation Voters later wrote approvingly of our budget performance.

Q: During that one hour meeting and subsequently, did he or any of the White House staff give you specific advice on what he expected you to do or not to do at EPA?

MR. REILLY: No, and it's interesting that you don't necessarily get that in top jobs. I don't believe my predecessors ever got a clear sense from their President of that. Bush expressed his own philosophy. He said, "I'm not a rape-and-ruin developer and I'm not for locking everything up, either." He said he believed in balance.

That's really my philosophy. It's one of integration and reconciliation of priorities. That's a philosophy I can subscribe to. It's really very close to my own. I'm sure that's the way Ruckelshaus had characterized me to him. He seemed very open to ideas when I talked to him. I remember that I thought, "Well, I don't know if I'm going to talk to him again or if I'm going to be offered or accept this job, but I'm sure going to use my time well."

So, I told him about "Debt for Nature," which I had been working on for two or three years, the concept of forgiving debt or writing down debt in hard currencies, dollars, and having some portion of the forgiven amount being applied to conservation in local soft currencies in the debtor country.

He said, "Well, that's a hell of an idea."

I remember thinking, "I've been working for three years on that and if I'd just gotten the President of the United States to think that it was a good idea, I'd really advanced the ball." Of course, it did reveal to me the enormous potential power in access to the President and in the kind of job he was talking about my taking. That certainly had an impact on me.

We talked about Cabinet status for the Agency. He was very frank and direct and said he didn't support it. He said that he thought there were too many in the Cabinet and he wanted a lean Cabinet, a small Cabinet, but he was open on the question. At one point he said, "Well, if we could do that in lieu of putting out millions of dollars in new budget outlays, that might be a good trade." It was a very congenial conversation.

[July 29, 1993]

Top EPA Personnel

Q: Mr. Reilly, the last time we spoke, you described your one-hour meeting with President Bush, as you were deliberating whether or not to take the job at EPA. Can you describe now your top personnel?

MR. REILLY: I can recall that Bill Ruckelshaus had indicated to me early on that there were two problems endemic to the White House-EPA relationship. One was the OMB regulatory review relationship and the other was personnel. I found that the promise that President Bush had made to me that there would be no one I didn't want at the Agency, which obviously meant that we both had a veto, was kept. It was hard slogging, there was a lot of negotiation. My first nominee was Terry Davies as Assistant Administrator for Policy. He was, I think, the lone Democrat in the crowd and he was the last one agreed to by the White House. White House personnel simply held hostage Terry Davies until they made sure the rest of the complement was to their liking.

I think that was a big mistake and they came to regret it. It meant that the Office of Policy, Planning and Evaluation had no champion and was not effectively represented in the formulation of the Clean Air Act. It might have been a somewhat different Act had they been included. The staff there was somewhat critical of parts of it. But, as Counsel to the President, Boyden Gray used to complain about not having OPPE involved in it, he was quick and generous in acknowledging that it was his and the White House's fault. They hadn't given me Terry Davies until the Clean Air Act had been forwarded to Congress.

Bill Rosenberg, a Michigan developer and former energy official in the Ford Administration, came to me with the very strong endorsement of Bob Teeter, who'd been central in the President's election. Rosenberg wanted to be Deputy, as I recall. Clearly his energy and aggressiveness and imagination would be valuable to the new organization. But, his lack of EPA and environmental experience did not, in my view, fit him so obviously for Deputy as it did for Assistant Administrator for Air, which is where we put him.

I thought his relationship with Teeter would bode very well for our working with the White House and his obvious energy would be a wonderful asset in seeing through the first major legislative program that we wanted. That proved correct, even though there later was considerable anxiety and hand-wringing about him in the White House. He did the job the President and I asked him to do and the President's domestic policy would have been much poorer without Bill Rosenberg. But he drew the lightning of resentment about our very strong Clean Air bill.

We chose LaJuana Wilcher for Assistant Administrator for Water. I can remember she came to me with the highest endorsement of Senator Mitch McConnell from Kentucky, who called to say that probably the Senator from New York or California or Illinois, frequently had candidates of great quality and distinction to press upon a government agency head, but he had never had one, as Senator from Kentucky, of the likes of LaJuana Wilcher. That got my attention, so I agreed to see her, even though I had all but decided on a different candidate, a Congressional aide.

I remember I asked her what she thought of my having begun the process to review for possible veto the Two Forks Dam, a huge project in Colorado. She looked very serious and paused and said, "I think it was a mistake." Well, you can imagine that was one of the most controversial decisions I had made. There was a very heated debate at that time within the Administration and in Congress about what I had done and a great concern about it in some quarters in Denver and other parts of the West.

For the prospective Assistant Administrator for Water to tell me to my face that she didn't agree with it, I thought was very brave and interesting. I respected her independence and obvious integrity. Clearing her was no problem because Senator McConnell had been one of the two Senators who had endorsed President Bush before the convention.

Tim Atkeson, the Assistant Administrator for International Activities, was a name whom the White House had already cleared on a list for the job. He was an old friend and colleague, much admired, of mine. I'd worked for him on the Council on Environmental Quality in the early '70s. So that was an easy choice.

For General Counsel, I can recall, it came down to two candidates. One was a lawyer with a New York City firm who, no doubt, would've done fine but to me lacked drive, didn't look particularly imaginative or energetic. The other was Don Elliott who was a very creative, positive can-do, law professor from Yale, an expert on administrative law and very much interested in economic incentives and pollution prevention and innovative new directions in environmental law. He was someone that colleagues found sometimes abrasive and professorial. He gave good service to me and I never regretted that choice. I thought he did an outstanding job.

Don Clay was a career figure. He was about my fourth choice, frankly, for Assistant Administrator for Waste. I was never confident that I could get him through the White House. In the end, White House Chief of Staff Sununu agreed to his appointment reluctantly late one evening. Sununu called me the next morning to say that he had changed his mind. I was able to say I had already offered the job to Clay. I remember Sununu said, "Well, he's part and parcel of that gang over there and I'm going to be watching him very closely. He's on probation as far as I'm concerned. If he steps out of line over the next six months, we're going to yank him."

In fact, Clay had built that marvelous air staff that Rosenberg wielded so effectively. He deserved a great deal of credit for that. He had the respect of people inside the Agency and I thought would immediately be perceived in the Congress as a non-political figure, a professional, which the Waste Office badly needed, given the history of scandals in the early '80s. I thought he also understood the need for reform of some of those laws. He hadn't grown up with them, he

wasn't wedded to them, and he could rethink them. He also was a very good manager and that's one of the most difficult offices in the place to manage.

Linda Fisher was Chief of Staff to my predecessor, Lee Thomas. She also had been Assistant Administrator for Policy, Planning, and Evaluation. She had been very heavily involved in the reauthorization of the Superfund Law and had made some enemies in that, as anybody who is effective will. She was interested in international activities at the time, but I frankly thought that I wanted a new face there -- someone not identified with the previous Administration speaking for me internationally. But, I concluded that she would be very good at Pesticides and Toxic Substances. I think she is outstanding and is qualified to be a future Administrator. She knew the Agency well and was very effective. She won the trust of everybody who dealt with her. She gave me some of the most objective, and rational, and clear briefings of anyone. She was a key negotiator on the environmental provisions of the North American Free Trade Agreement. She is a star.

The Deputy is a slot that the White House paid a good deal of attention to and we actually had some arguments over it. There were a couple of candidates that the White House pressed on me whom I did not find suitable. One I'll tell you a story about. I didn't know the candidate personally and so I called Al Alm, former Deputy Administrator of EPA, to ask if he knew this person. He was in Boston at the time, in his office. He paused upon hearing the name and said, "I have in front of me the Boston Telephone Directory. If I open it at random and select a name, I will do a better job for you at finding a Deputy than the one you've mentioned." So, that took care of that.

I had interviewed Hank Habicht and thought that I wanted to find a place for him at the Agency. I had known him somewhat previously - had come in contact with him when he was Assistant Attorney General and then when Clean Sites Inc. was looking for a new President. He very much wanted to be Deputy and I thought we had a very consistent understanding of the needs facing the Agency and the role of the Deputy that I envisioned. I told the White House I didn't want their candidate, considered him weak and unqualified. The individual had some political support, but I wanted a real Deputy. They said, "Look, just take this person and keep him out on the road and have your Chief of Staff run the Agency."

I said, "I don't want to do that. I want a genuine Deputy who knows the place, who does the job, who is Mr. Inside, who is effective and respected, and who will work with me as a colleague." That's what I got in Hank Habicht. Beyond even my high expectations, Habicht proved outstanding. I think the Agency came to see him, having had some reservations at first because of his history as Assistant Attorney General in the Reagan years, as a thorough-going professional - insightful, sensitive, a very good manager, and a very bright prodder toward total quality management and toward reform of some of our laws.

He also proved to be extremely good at negotiating with the White House. He has a very attractive, even temperament and an obvious knowledge of the issues. He does his homework and speaks with quiet authority that is compelling. There have been a number of good Administrator-Deputy relationships going all the way back to Bill Ruckelshaus and Bob Fri; and

then Ruckelshaus and Al Alm; this is in that league and I like to think is even better than that terrific record. Hank, obviously, is a future Administrator or equivalent, also.

The unsung hero of my Administration at EPA was Gordon Binder, my Chief of Staff. Gordon missed nothing, spotted problems and quietly fixed them, shaped up personnel, alerted me to various Agency weaknesses or threats, and faithfully communicated my views. He was always objective, could tell me unpleasant news, and had a masterly control of the paper flow. He had been with me for 19 years and knew I liked a taut, congenial team, with no backbiting, no friction costs owing to petty competitive games. No one was more helpful to me or to the Agency in the Bush Administration than Gordon Binder.

Conflicts with the White House

Q: What was your relationship to the White House?

MR. REILLY: The conflicts with the White House on policy matters started early. Budget Director Dick Darman, at the very first informational briefing that I gave on the Clean Air Act, went ballistic and indicated that Ruckelshaus, as EPA Administrator, had brought an acid rain proposal over to the White House in which fish from the Adirondacks were going to be valued at something like $20 a fish. Now Reilly, if anything, has brought over something that is going to cost twice that much, he said.

I said, "There are a lot fewer fish, you should have taken the deal Ruckelshaus offered you." That was the tone of our exchanges for that period. He startled me because his opposition seemed so fundamental. I had rather assumed that - given the President's very public commitments to a Clean Air Act with three parts, an acid rain title, an ozone-smog title, and an air toxics title - we would all get behind that, get in harness, and produce such a bill.

The Budget Director philosophically disagreed with that and didn't hide it. He did not argue as though he considered that we were bound by those promises. He doubted the seriousness of the air pollution problem in the United States. It was a philosophy that [David] Stockman had also espoused - in fact, I think Stockman had greatly influenced Darman.

Governor Sununu, I think, at the beginning had difficulty knowing quite what to make of me. Obviously the Chief of Staff's job is a terrible job. It involves taking responsibility for a very motley crew of people, whom you don't select, who have relationships with the President, political histories with him, who are valuable for one reason or another to constituencies, and making a success out of all that, getting some serious work out of that diversity. Sununu was quick, bright, and perceptive on a number of issues.

He was very helpful to me in the run up to our proposing the Clean Air bill. He asked good questions, knew the utility industry very well, knew pricing policies, and was familiar with the acid rain problem as former Governor of New Hampshire. He paid less attention to other features of the bill and put Roger Porter in to oversee both our development of the legislation and our Congressional shepherding of the law. Porter was very constructive and positive, had endless

meetings on the issues - wore people down that way sometimes - and produced with us a very good bill.

I think, looking back on it, it is a model on how public policy in the executive branch ought to be developed. The originating Agency was EPA. That's where the impressive conceptual work was done. The staff that Don Clay had left behind in air had anticipated the need and had prepared themselves very well for the day when clean air would be on the agenda. They had patiently done the analysis, they had all the facts marshaled, and the bill that finally emerged was in large part what they had written. The President was, himself, directly responsible for the alternative fuels part of it. I learned during a visit to Rome with the President how strongly he felt about alternative fuels and the need to promote them.

The pollution rights trading concepts, which are so imaginative and novel in that law, came from a number of sources. It owes a lot, intellectually, to Resources for the Future, work that had been underway there for 20 years. The Environmental Defense Fund had worked with Senators Wirth and Heinz on Project '88 and had advanced those ideas and had played a very important role within the environmental community of giving them legitimacy and credibility in a community that was very deeply suspicious of them. The Council of Economic Advisors, particularly Bob Hahn, were very interested in those approaches and pressed that upon us, and the bill was a vastly stronger bill as a result.

The speed with which we operated we owed to the staff at EPA. They put us in a position to be able to run out so far, so fast. Had we not done that, had we waited until the other agencies were better organized, had their people in place, which by and large they didn't, when we first began moving the Clean Air Act through, I doubt we would have produced as strong a bill. In fact, I used to wonder if ever again in the Bush Administration, had we been given the go-ahead, we could have produced as complex and progressive a piece of legislation as the Clean Air Act. It's one of those things that you get to do, I think, only in the first year, perhaps even the first six months.

We had a very fast start, I remember - partly the consequence of knowing what we wanted to do coming in. We formulated right here in this office the concept - Terry Davies, Dan Beardsley, and I - of having EPA's Science Advisory Board review the major threats to health and ecology and then the degree to which the Agency's programs responded to those problems. We got that started as soon as we got to EPA. We began work immediately on the Clean Air Act.

The Regional Administrator for Denver brought in the Two Forks Dam issue to me at my very first briefing. The Acting Administrator during the hiatus between Administrations was Jack Moore, and during those two weeks between Administrators he began the cancellation process for Alar; and that meant that that was on my plate, so we quickly moved to develop new food safety legislation after that, incorporating the lessons I thought I had learned from that experience. We got the Agriculture Department, thanks to Secretary Clayton Yeutter, interested and supportive of that. The Exxon Valdez oil spill occurred just about five weeks into my term.

That, obviously, took a lot of our time and we then began a follow-up to that. The Oil Pollution Act flowed out of that work and the survey of all the harbors in the United States followed. We

also got the President to commit the U.S. to phase-out ozone-depleting chemicals by the year 2000, and we completed a review of Superfund. All in the first six months.

It was an extremely busy, productive, exciting time. There was also the international work. We made a commitment within those few months to embrace a framework convention on climate change - something that Governor Sununu and I worked out late at night in his office after we learned that yet another negative story would appear the next day on the Administration's slowness to appreciate this problem. The President was becoming impatient and concerned and we made that commitment.

On the one hand, one could say that there was conflict, certainly between me and Dick Darman and, not infrequently, between the Chief of Staff, Governor Sununu, and myself. But, I felt it was a productive period and particularly credited Governor Sununu in that phase for accommodating the priority the President had committed to and probably the Governor didn't really sympathize with. He once said to me, "I wouldn't do this, but we're not doing it for me, we work for him." I always respected that about Governor Sununu. I think, despite our frequent encounters and differences of opinion, we respected each other.

I, in fact, felt some affection for Sununu. I used to joke with him, he had a sense of humor. Not many others did joke with him. I recall going to a gas station with him where we were dedicating a new methanol pump with the President. I was concerned with trying to get more publicity for this aspect of our program so I asked the Governor if he could step over so I could pour some methanol on his shoe. I said that it would serve two advantages. One, it would guarantee we got attention to the event - it would put us on the evening news. And two, it would clarify to the country that methanol was, in fact, safe - that is, if his shoe didn't erode off.

Well, that's sort of a rambling answer to your question, but anyway, that characterizes, I think, the first six to nine months of it - at least within the White House itself. There also, I should point out, was a very good early relationship with the President himself. I remember when I learned about the Exxon Valdez accident, I called Governor Sununu and said, "I'm going up there."

He said, "I'll get back to you." He found Sam Skinner on a golf course down in Florida and Sam agreed to cut short his Easter vacation and go up there with me. The Coast Guard, which had legal responsibility under law for the spill, was under him, as Secretary of Transportation. We went up and I can recall having a somewhat different reaction to the experience than Sam did, partly because I think he felt more need to defend the Coast Guard. From our initial overflight I thought the response to the spill was woefully inadequate and ineffective. All the protective booms were broken around the key rivers and streams. The sea had been high the night before I got there. We had been told that a dozen skimmer ships were at work. I only saw two and neither one was working. They weren't suited to a major spill on open, turbulent water.

When we came back, I chose to tell the President exactly what I thought. It occurred to me not to - I thought, he is an oil man, this is going to be distressing to him. But I had remembered that I had reviewed the environmental impact statement on the Alaska pipeline for the Council on Environmental Quality in 1971 or '72, and there had been predictions made that there would be

this kind of event. It didn't take a genius to realize that, statistically, one ship would eventually founder.

Given all the money that had been made on oil by both Alaska and the oil industry, it seemed to me inexcusable that the capability to respond and control such a spill was so poor. So, I said so and described the history and what I had seen. I later learned that after leaving the room - I learned from Richard Breeden who later became SEC Chairman but who was then a staff member for the White House - the President turned to Governor Sununu and said, "We're lucky to have him over there; that's one of the best things we've done."

Knowing that helps to explain why my relationships were as good as they were with some other White House staff. The President not only liked and respected me, but he made known to others that he did. So, whatever resentments people may have felt about having an environmentalist on the team, and after all, many of these people were veterans of the Reagan administration where the environment was not taken seriously, it helped me both not just to stick around but to be effective.

The President did any number of other things that were generous and kind to my wife and me. He had us to dinner at the White House, to watch movies, to some State Dinners - I think over the period I was in office I went to five; I'm not sure any of my predecessors had been to one. I know my immediate predecessor had not. We were at Camp David a few times.

The President was just very generous, particularly to someone who had no history with him, who had not been involved in the campaign, who had not been a party stalwart, who didn't have a Republican constituency or certainly a White House staff or insider constituency. That mattered a great deal. It particularly mattered when the going got rougher later. I think he probably knew that. Jim Cicconi, who was Assistant to the President and managed the paperflow, told me that he felt that some of those personal invitations were efforts by the President to compensate for what he knew were very stormy relationships with others of his aides.

We did, however, make some enemies in work on the Clean Air Act and got the reputation for being very aggressive and moving quite fast. Rosenberg bore the brunt of that. He consistently played the role of flak-catcher for me, which was useful to me. But, he accumulated scar tissue in the process.

Assessment of President Bush as the "Environmental President"

Q: You said that early on your relationship with the President was good. You know that he ran on the platform - on the slogan, anyway - of being the environmental President. Of course, the environmental press harpooned him for that later on. What is your assessment of President Bush as the "Environmental President" that he styled for himself in the campaign?

MR. REILLY: Looking back with as much objectivity as I can muster, he kept his promise. You typically judge a President according to three measures on an issue like the environment: new initiatives, for which the Clean Air Act must stand as a milestone - progressive, genuine response to the problem, something that really will get most of the cities in the country into

attainment within the next ten years. Budget commitments - the President raised the operating budget of EPA 54 percent and the budget overall about 45 percent at a time when he didn't do that for other agencies.

He was equally generous with the Land and Water Conservation Fund and the environmental components of the Interior Department budget. He increased waste clean-up funds in the Energy and Defense Departments by several orders of magnitude. Enforcement is the third area. If a President is trimming or an Administration not on the level with the environment, enforcement is where you'll see it. We set records for having put more people in jail for environmental crimes on our watch than in the whole previous history of the Agency. We also assessed more fines than in the previous 18-year history of the Agency.

We vastly increased the settlements under the Superfund Law precisely because we were enforcing the hell out of that law. Finally lawyers counseling Corporations changed the advice they were giving to their client companies and said, "You better settle with these people, they're coming after you." I took 500 people out of one part of the program and put them into enforcement precisely to create that effect and it worked. We ended up cleaning up Superfund sites at the rate of one a week, which was meteoric compared to the previous history of that program.

I think that you have to credit the President, who also supported me on the Two Forks Dam - it was difficult for him to do, it wasn't easy. He saw food safety legislation go up to Congress that was anathema to the House Agriculture Committee - it never went anywhere because of that, but was nevertheless progressive and needed. Some of the international initiatives, like the Forest for the Future program and the President's proposal at the 1990 Houston G-7 Summit of a forest convention. Those are very significant measures, as are the three new marine sanctuaries, the nearly 3,000 miles of wild and scenic rivers he established, 6.5 million acres of wilderness, 52, I think, new wildlife refuges, and 20-some parks. From an environmental perspective, this was a very vigorous Administration.

The decision to close down the California coast to further oil and gas development was very difficult for President Bush as an oil man who believed that the technology was there and that society's needs had to be met with more oil. These were important moves that should have worked better for him politically. They didn't work well for him politically because there was an ambivalent, kind of conflicted, body language that we communicated.

I think Governor Sununu and Dick Darman were, more than anyone else - later Quayle and the Competitiveness Council - responsible for that. It muddied the waters. They failed to communicate a consistent environmentalism. In fact, they seemed to be constantly skeptical about things environmental in their remarks to the press and in their speeches. We were, and were perceived as, a divided Administration, but our thrust was very environmental, particularly for the first two years.

When it didn't work for the President, and he began to be challenged from the Right, and we also had economic problems, the President distanced himself from his environmental record. He came to accept the Quayle, Sununu, Darman view that there was no constituency for the environment

that offered him anything politically, and no public incentive or encouragement to stay on the issue. Even for the Clean Air Act, he only got credit from environmental group spokesmen after it was passed.

For the 18 months it took to get it passed, we took daily drubbings in the press because one part of it or another wasn't to their liking or wasn't sufficiently "strong." They later acknowledged it was a significant law. Henry Waxman said it was owed to the two Georges, George Bush and George Mitchell. But, that was a brief moment of glory in a long tough slog. By then Sununu was aggressively negative on anything environmental. Environmentalists had particularly vilified him as negative on the issue and he was open in his contempt for them.

I think the environmental community failed to behave in a way that rewarded environmental good conduct and thereby made a strategic mistake. I cannot say with certainty that things would have come out differently, particularly in Rio and on the international front had they played the President differently, but I think they might have. Environmental groups simply created no rewards and there were significant penalties out there in the form of both the bad press they were generating and impatience on the part of the traditional Republican constituency - of farmers' concerns about wetlands and businessmens' concerns about regulation - that weren't offset by compensating new support or encouragement.

Executive Branch Coordination

Q: You mentioned Vice President Quayle and the Competitiveness Council and [Richard] Darman at the Office of Management and Budget (OMB) and their less than environmental approach to matters within the White House. What is your assessment of the whole concept of regulating the regulator through OMB processes or through sort of an ad-hoc Council on Competitiveness?

MR. REILLY: There is a function that some White House Agency must play for the President of coordination and policing. It affects all agencies, or should. The fact is, the reach of EPA authority is such that it will affect energy policy, economic policy, development policy, housing policy, agricultural policy, and it would be unreasonable to expect that an EPA Administrator alone ought to be able to make those decisions.

Also, a President wants to have some focus, some clear direction, some unity in the way his Administration behaves and is perceived. It's necessary for those two purposes, then, to have a coordinating body. However, the coordinating body needs to respect the same principles that govern the Agency itself in making particular decisions.

I was continually amazed that the kinds of contacts and information that EPA was restricted in having, at least *ex parte*, other than on the record with notes taken and memoranda prepared and acknowledgments in the record, went on unconstrained by these rules all the time with people in the Executive Office of the President. It was not uncommon in my time to get back comments from the Office of Management and Budget or the Competitiveness Council that incorporated verbatim lobbyist documents that we had seen from trade associations three or four months before on particular matters of concern in legislative or regulatory policy. That had a very

demoralizing effect on EPA. Finally, as this sort of thing came to the attention of Congressman Waxman and others, it resulted in unpleasant but very well publicized hearings.

The lack of transparency in that Executive Office process and the disregard for the regulatory procedures that we had built up, I thought, undermined our credibility. They certainly contributed to a great deal of criticism and suspicion. So, I think the function is necessary but it needs to be quite specifically circumscribed, respect procedures everyone understands, and not involve wholesale disregard for the kinds of constraints that affect a regulatory agency.

Bill Ruckelshaus and Russell Train

Q: You mentioned having Bill Ruckelshaus and Russell Train as significant mentors. Did you have an ongoing relationship with them while you were Administrator; and what impact did their advice, such as they gave you during that time, have on your thinking and the decisions you made?

MR. REILLY: My relationship with Bill Ruckelshaus was episodic and infrequent, principally because he was running a waste company. We did have a breakfast one morning at the Jefferson Hotel at which I made a pitch to him that he should chair a committee of the National Academy of Sciences on climate. A whistle-blower at EPA later tried to get that encounter investigated on the grounds that I had probably engaged in something improper and Ruckelshaus had probably lobbied me to do something that would benefit his company. That experience made meetings alone with Bill Ruckelshaus somewhat risky for me and I didn't have any more, though I did meet with him in the company of others from time to time.

I often had lunch - I say often, probably every three or four months - with Russell Train and always found him thoughtful and reflective. He gave me some advice going in that I found very useful. He said, You don't have a lot of friends in this Administration, you don't have a history with these people, you don't have a political constituency that will support you, so pay attention to the press; they could become an important ally of yours. I think you will do well with them. That will annoy the White House when they see you getting good press, it always does, but it will also make them wary of you, cause them to respect you, and it will give you more clout in conflict situations.

I took that advice quite seriously and it proved correct. That's just one example of the kind of practical help that he was able to give me. I also solicited his advice before I met with President Bush, then President-elect Bush, to talk about going to EPA. Train encouraged me to try to obtain an assurance of access and also control over personnel appointments to EPA. And then, I saw him socially also through that time because we would have dinner from time to time and, in his capacity as Chairman of World Wildlife Fund, he would have me back for functions that they held.

I saw Lee Thomas just a few times, I think, and talked to him a few times on the phone. He was constrained from calling me by the terrorizing ethics briefing that is given to an Administrator before he leaves EPA that makes clear that any initiative on his part to contact the Agency to do anything could possibly result in his going to jail for it. I don't think Lee called me for two years.

I did call him occasionally, and he was really an outstanding figure, I think an underappreciated one, who kept the Agency together during a very difficult time and did it quite well. EPA has been very fortunate in its Administrators. It, by and large, is a classy group.

Relationship with EPA Career Staff

Q: How did you go about establishing a relationship with EPA career staff, coming from a non-governmental organization?

MR. REILLY: When I went to (Assistant Administrator for Air) Bill Rosenberg's farewell, I can recall, I believe it was Rob Brenner of the air staff who made a remark to me to the effect that you never made any distinction in your time between the political and the career people at the Agency. You took both of them into your confidence and all felt a part of the team. I was very pleased to hear him say that because that's, in fact, what I tried to do. I can recall one occasion when career staff kept me from doing something dumb when I became angry at the White House and considered acknowledging that in testimony, and an Air staff member advised, "No, not before Congress. There are other ways to do that if you decide it's a good idea."

I remember thinking later, one doesn't rely on career staff for that kind of advice, but they gave it to me. And of course it was correct. I felt they were quite protective of me and loyal to me. I certainly tried to be both to them. They gave good value consistently. They were very dedicated, very committed. I must say, they certainly belie the stereotype that much of the country has of the Washington bureaucrat. They worked very long hours and brought to their task a degree of sophistication about the interplay of politics, economics, science and health that made working with them intellectually very stimulating.

Apart from all of the power we had, apart from whatever impact we may have had on history in my time, the experience itself of working with those people, those men and women, is one that was consistently exhilarating for me. As far as my interaction with them, I can recall early on having 25 or 30 troop into my office for a briefing and wondering whether this was cost-effective. In the private sector, the meter would be running, of course, and it would be pretty hard to justify that.

I later came to conclude that it both was rewarding to them to see the Administrator finally get the issue on which they might have spent several years of their lives and also was an extremely effective way of communicating within the Agency. It multiplied the people who heard the message directly and could repeat it. So, I used those meetings - often asking questions, the answers to which I knew, and probably more often asking questions, the answers to which I didn't have a clue.

I also used to enjoy sometimes some of the old crocodiles there who had been around a while and knew all the answers watch me in a briefing just gradually come to some level of understanding so that I could ask a certain question and I'd almost see in their eyes, "Oh good, he's reached the primary level of comprehension here, so we'll reward him with an answer." We had a good, humorous, I think, congenial relationship. I came to respect them a great deal. I think they understood that and appreciated it.

Their largest deficiency was the result of their beleaguered history, which had resulted in limiting their openness and involvement with much of the outside world, with the most innovative segments of the business community, and with other countries. I tried to broaden their horizons, and open them up a bit.

Management Style

Q: How would you define your management style?

MR. REILLY: My management style was to work very hard to ensure that I had the right people in the right jobs and that they understood me and how I like to proceed. I believe very strongly in loyalty and in openness. I have no patience whatever for back-biting or for staff working at cross purposes with each other. I think conflict within an institution that itself is subject to a lot of exterior pressure and criticism can be very costly.

The friction costs of having a son-of-a-bitch on the staff are very high and almost never worth it, no matter how good the son-of-a-bitch, so I try to weed them out. I like personal congeniality and smarts. I really value frankness. I try to make it painless for people to bring bad news to the boss and I often ask questions to elicit it, to see if there is any, even if it's not brought to me.

I believe in delegation - really believe in it. I think that people ought to be allowed to make mistakes and if they're good, they'll learn from them. An Agency as large as EPA, if it does not delegate, will become very slow to make decisions and actions. To the extent that decisions funnel up to the top, they will get focus and high-level attention and maybe eventually priority, but they will also require time.

There is no way that you can put that many decisions on the plate of an Administrator and expect the daily lives of Americans to benefit from prompt solutions to their problems. I believe that with respect to the Regional Administrators as well. I was a little surprised, frankly, to find the degree of delegation at EPA when I got there. It is one of the most decentralized agencies of the Federal government. Since you're dealing with so many location-specific problems, that is probably inevitable, but it is unusual.

It used to be upsetting to some other agency heads or Congressmen who didn't quite understand that a decision that they wanted to influence would be made in the field. They didn't understand why I just wouldn't pick up the phone and order that something be done in a certain way. Well, if you respected the structure that we had, you had to trust it to produce the right consequences. Generally speaking, I did and didn't interfere that much, other than to ensure that the right criteria and priorities were being applied and the processes being respected in the field.

There were exceptions to that. I reversed my Regional Administrator on the Two Forks Dam. I also withdrew authority from my Regional Administrator in Chicago to oversee wetlands implementation in the state of Michigan where I thought more discretion should have been given to the one state to which that authority had been delegated. Those were rare decisions, quite unpopular in their regions - in some quarters of their regions. Reaction among the Denver Region

staff to my action on Two Forks Dam actually was mixed. There were a lot of EPA staff in Denver who thought that was the right decision, but there were some who certainly didn't.

Finally, I believe in a clear exposition of purposes and priorities, to focus energies and to ensure coherence. It's also vital to morale and Agency effectiveness for everyone to understand what the key objectives are. I think my own management style is one of trying to create a sense of purpose and significance and even excitement and hoping that that will be infectious. Trying to dignify the effort which, after all, if you're protecting peoples' health and their ecology, shouldn't be that difficult. And then, letting good people get on with their work. I necessarily had to protect them from the Congress or the White House from time to time and didn't mind that; they were worthy of it.

Hank Habicht

Q: How did you and Hank Habicht carve out your respective roles as Administrator and Deputy?

MR. REILLY: We came to a working understanding early on that on certain issues, I would be very personally involved - certain issues that either I cared about particularly or that would not be moveable to the same degree absent the Administrator. Those issues included the Clean Air Act and controversial regulations, the Two Forks Dam decision, the Exxon Valdez and follow-up, wetlands regulation, our international activities, the North American Free Trade Agreement, and, I suppose, our food safety initiative.

There was nothing, however, that Hank was discouraged from getting into. I particularly encouraged him to get into the whole area of risk characterization and systematizing the way that we assessed risk within the Agency. He, himself, picked up on the management issue and became a prophet of total quality management. He saw the things that I was not doing and was quick to pick up on them.

He and I met regularly - sometimes in meetings we set and lunches that we tried to hold fairly frequently, weekly or bi-weekly; other times just before our early staff meeting in the morning or after it, or in the course of the day. My door was always open to Hank. He just freely came and went. There was nothing that we couldn't talk about. He also had a very good sense of when to do something on his own, and when to tell me he was going to do it, and what those things were that he could act on with his own initiative and just tell me after the fact. He knew my philosophy and what I cared about. I thought we had one of the most congenial Administrator-Deputy relationships I had ever seen. That owes a great deal to his sensitivity, too.

I traveled a great deal, I probably traveled a third of my time. I think my predecessor told me he averaged one day a week out of the office; I probably averaged two. Hank was quick to pick up the loose ends that necessarily got left and generally make sure that our agenda was moving forward. He made sure the initiatives that he knew I cared about were getting a proper degree of attention and priority-that the White House was being mollified or snags that came along were addressed.

It was a very easy relationship. We saw the world, I think, quite similarly - the needs of the Agency, both the importance of protecting its regulatory integrity, of restoring to some degree its public image, of really strengthening internal morale, which had not been great throughout the 1980s, and of leading some reforms to introduce more science and economics into Agency thinking.

He had had more experience than I with the programs, having been Assistant Attorney General, and so often knew more about specific issues than I did but was always very modest and unassuming about his knowledge. I think in retrospect, he was a very astute observer of what I was not doing and was quick to pick up on it and do it. In some cases I encouraged him to take on certain things, in other cases he just recognized that they needed doing and did them. It was, fundamentally, a relationship built on a lot of mutual respect.

Agenda

Q: You talked about your agenda and you set ten goals or themes when you first came to the Agency. How did you come to choose those particular themes to concentrate on?

MR. REILLY: Well, some of them I thought were relatively obvious. I have a long history of promoting non-confrontational, consensus-building solutions to environmental problems. The time was right for that. The adversarial approach has been very costly to this country and to the extent that you can find ways that do not frustrate the fundamental objectives either of the regulated sector or the public-at-large and some of their interest groups, environmental organizations and others, that makes sense.

Hence, my emphasis on voluntary programs, the incentives to pollution prevention, the safer pesticide initiative, the 33/50 program, Green Lights, the Environmental Leadership Program, and Design for Environment. All of those things that reward good behavior rather than simply punishing bad behavior were, I thought, the kind of things that Bush put me there to do. He mentioned my history as a conciliator and as someone who tries to build bridges across the divides when he swore me in.

The international agenda was something that mattered personally to me a great deal. I thought that the United States could be of enormous help to the rest of the world for very little outlay in an area where we led the world, at a time when other countries were beginning to address a backlog of environmental problems. So, that initiative seemed logical to me.

The elevation of ecology was something that I cared about and it was also a recommendation of the Science Advisory Board. I thought, frankly, that a major priority EPA had been conceived to uphold, of protecting the natural systems of the country, had been somewhat diminished, historically, in favor of protection of public health, and I wanted to restore that balance. Two Forks served that purpose very well. So did our national estuary program and our aggressiveness on wetlands and my proposal for a world convention on forests.

We increased the annual budget for regional areas - for the Great Lakes, Chesapeake Bay, Long Island Sound, San Francisco Bay, the Gulf of Mexico - from $40 to $700 million plus. Our

budget for wetlands went up very considerably. There were a number of reasons for that. One, frankly, was that people care about, even love, some of these places, the Chesapeake Bay or the Great Lakes.

They don't love emissions controls or effluent limitations or reducing parts per million of benzene. It's very hard to communicate some of those things to the public as it is to the President. It's not so difficult to communicate what you're doing to protect the Chesapeake Bay and why that matters, even though it may all go to the same purpose.

Thinking in terms of special places forces you to integrate things, so it also served another one of my priorities, which was to promote cross-media attention to problems. I had become concerned that in the fragmented history and Congressional oversight structure of the Agency we had built walls between our treatment of air, water, waste, and the rest.

We didn't have the authority to break down all those walls because the statutes are different, the traditions are different, the expectations and requirements of the laws are different, even the risk methodologies are different. But, some of those, by heaven, I thought we could break down. The risk assessment methodologies was one of them, and we did. We tried to get the same risk characterization for air as for waste as for pesticides, or at least to clarify when we weren't and why we weren't.

The environmental equity priority is one that responded to a growing concern that was very deeply held by a lot of poor people and a lot of minorities in our country - by people on the Indian reservations and in the urban ghettos and in some very poor rural communities. There is a sense, and it's true, that these people suffer more environmental assaults, on average, than those who live in affluent neighborhoods. To some degree, this is a consequence simply of purchasing power, and we can't protect against it entirely.

The land values will be lower and so rents will be less in places where air pollution is more severe. But, to the extent that waste facilities really are sited where political clout is least, and where people are most powerless or have the least capacity to understand what they are getting, which has been true of some of the Indian reservations, I thought that was EPA's responsibility to get into, even though we didn't have location control authority in most of our laws. So, we took that on seriously and I think moved it forward.

The concept of applying risk to our laws was simply the outcome of a lot of thinking that had gone on and was popularized first by Bill Ruckelshaus, particularly, that we needed a language that was common to the Agency and would allow us to prioritize better than the kind of episodic political noise that accompanied the discovery of the Valley of the Drums or Love Canal and that typically set the agenda, and determined priorities. It was a necessary template, I think, to apply to environmental priority setting in the United States.

It was also a good shield with which to defend the Agency when charges would come up that one or another of our responsibilities was not being kept, or some milestone was missed, if we could say we were attending to the important business as determined by the scientific community, based upon their assessment of comparative risk.

Our priorities complemented one another. They stood together. I've been pleased that they haven't been undone by my successor. Some of them have been renamed, but I think they are still going forward. I believe, I like to believe, at least, that we won the adherence of the professionals for those priorities, that we legitimized comparative risk assessment, and market-based programs like pollution-rights trading, and also the voluntary programs, on our watch.

We spent a lot of time thinking about total quality management (TQM) and how you improve service and morale, how you improve quality of regulation and of attention to the regulated sector, to clients, so to speak, in a service institution. There was a good deal of skepticism about that, but I think by the end we had made some in-roads. So many people had had TQM training and had begun to see that it's really just another name for common sense and respecting your peers and not duplicating effort, and delegating when you can, and not doing things more than once.

I remember we had one senior priority-setting meeting in Maryland where there was a revolt against my having laid on too many priorities. Linda Fisher told me a story not long ago of my smiling when this point was made to me by some hapless candidate who was chosen to come forward with the bad news - this is a case where I certainly didn't punish bad news, I just didn't believe it. I didn't really agree with it. In my remarks I said, "There will be more initiatives, this is not a custodial era in EPA's life.

There have been such eras, but we enjoy a moment of opportunity that must be characterized by creativity and imaginative new ideas. Therefore, it makes sense for us to have these initiatives, and I don't promise there won't be more." Linda said, I put it less graciously in a note that she saw and that I had given to Gordon Binder, my Chief of Staff, when I left the room on that occasion. The note she saw, he showed her, read, "Kick ass and take names, Gordon, there will be more initiatives."

Well, I have always believed that the Agency has been strongest, most effective, also most exciting to work in when it was moving forward, when it had ideas, when it was making policy, when it was promoting and initiating and framing the debate and not reacting. That's what it seemed to me the times called for and we had an opportunity, however brief, to enjoy it. That's called rising to your moment.

[October 1, 1993]

Risk Assessment

Q: It occurs to me that in the '70s, a number of environmentalists were concerned that risk assessment was a means by which industry watered down environmental legislation, watered down environmental mandates - I've read some material that seemed to imply that. What changed during the '80s and then during your tenure in the later '80s that made risk assessment something that the Agency was using to further its environmental mandate, its environmental goals?

MR. REILLY: There was an attitude towards risk assessment, and still is, in some environmentalist circles and in some parts of the Congress, some important ones, that regard risk assessment in about the same way that the traditional environmental establishment regards dilution as a means of pollution control. That is, you work down to the level at which you will tolerate death and disease and set a restriction there, set a tolerance or a pollution standard there, that isn't too costly.

I can recall during the Thomas Administration at EPA there was a very negative exchange on public radio, as I recall, where someone alleged that at EPA people were actually trying to calculate the number of acceptable deaths due to a particular carcinogen. The attitude reflected in that radio program's excoriation and caricature of Thomas' approach to risk posits the possibility, ultimately, of zero risk and regards zero risk as the ideal towards which we should work. That has tremendous appeal. There is no question but that one would like to live in a society that is risk-free, or at least render that part of it to which we are involuntarily exposed free of risk - the chemicals that come on our food, the pesticides that are used on products that we consume, the air that we breathe and the water we drink.

I think that the concept of risk assessment and then risk management, that is, of trying to determine a level of practical achievable control, gradually gained currency as a consequence of two things. First of all, the Agency dealt with many more problems than it used to, as a consequence of a whole plethora of legislation that was added to its responsibilities in the '70s and '80s - the Toxic Substances Control Act, the Resource Conservation Recovery Act, the Superfund Law.

The result of this was to cause even the most idealistic and protective of EPA staff to realize, we can't do it all. We have got, ourselves even, to make some allocation of our resources, given the fact that there's more for us to do than we can do. The Congress never came through with sufficient funds, nor did Administrations typically request them, truly to allow all of the responsibilities carried by that Agency to be borne.

Secondly, the technology of detection advanced very significantly. Within a space of a few years, we went to the possibility of detecting not just parts per million but parts per billion and even in some areas, parts per quadrillion, as detectable, though admittedly trace, amounts of particular chemicals. This began to pose the problem of, as Senator Moynihan once said to me, "Well, knowledge is sorrow, really." To the degree that we understand that there are trace amounts of carcinogens on our food from pesticides, or even in natural products like coffee or peanut butter, we ourselves have to acknowledge that we are making these choices and tradeoffs of the kind that the public radio criticized.

I think this throws everything into somewhat greater relief. It certainly requires a more mature accommodation of reality. It also reminds us that some of these pollutants are facts of life. They are in the environment, many of them irrespective of human alteration and manipulation. Ultimately, you will find, for example, arsenic, which is a naturally occurring phenomenon, in common food products, once detection is fine-tuned enough. That forces you to acknowledge that what you need is some reasonable method for predicting levels of real impact on humans so that you can protect people to an adequate standard.

The ideal is to ensure through regulation that such inevitable risks are negligible, i.e., that they would not over a lifetime of anticipated exposure in a real world situation result in more than one excess cancer death in a million people. Zero risk is a chimera, a beckoning illusion. To try to achieve it would consume unjustifiable amounts of resources, and entail forgoing much progress. Tolerating a certain trace level of pollutant in certain circumstances, is more than offset by gains to health that you can get with the freed-up resources. We have probably way over-emphasized cancer, for example, in regulating for pollution control in the United States, to the neglect of things that cause neuro-toxic problems in fetuses, developmental problems, brain development concerns that have nothing to do with cancer.

I think that when you realize that in some instances you would be better able to protect society against a larger problem in gross if you didn't deploy a disproportionate amount of your resources on what is a much smaller problem, it causes you then to get into the realm of risk assessment and risk management. The regulator, then, is in fact, however, doing nothing different from what you and I do every day. We decide to walk as opposed to take the car someplace or ride a bicycle or maybe do something a little more dangerous like ride a motorcycle or scuba dive. The difference, of course, is that some of those risks we choose for ourselves. There is a popular preference that government should try to absolutely eliminate those risks we do not have direct control over, that people don't voluntarily choose. It can't be done.

Risk assessment, I think, has gained currency as a consequence of a very large set of responsibilities that forced prioritization. Secondly, the discovery that we cannot provide perfect security for everyone at all times. Again, as Senator Moynihan once put it, "Well, life really is about risk and it ends badly."

Ecosystem Management

Q: Using risk assessment opens the door to dealing with ecological risks overall instead of just the how-much-pesticide-do-you-have-on-our-apple sort of thing. And looking at your tenure, it seems that the Agency moved more and more towards an ecological approach, maybe an ecosystem approach, of environmental management. It seems to me that the Agency has come full circle, in a sense, in that it inherited certain organizations like the Federal Water Quality Administration in the '70s that had been doing watershed management for many, many years - and moved towards that end-of-pipe approach and more industry-specific approaches - and now it's moving back again towards ecosystem management. Why do you think it's come full circle that way? Why do you think it took 20 years or 25 years to determine that maybe this ecosystem approach, or watershed approach, was truly valuable?

MR. REILLY: Well, the environment is a matter of more than health. Health certainly is very important, but the concept underlying the establishment of EPA was the *Environmental* Protection Agency. It posited an integrity of our natural systems of which we are a part and said to keep an eye on all of them. I think that the Agency has placed the emphasis in different areas at different times, but certainly in the latter '70s, the emphasis shifted to health. It's difficult to argue against emphasizing health. However the consequence of that, I think, was to create a certain imbalance in the Agency.

We, in my watch, tried to reassert the priority for ecological systems, particularly in view of the fact that the best scientists we could consult, who make up the Science Advisory Board, told us to. They told us that some of the major threats to the environment in the United States were, in fact, ecological - upper atmospheric ozone depletion, climate change, forest fragmentation, species loss - all of these properly the concern of an environmental agency like EPA. We didn't, however, for a moment have the kind of budgetary resources deployed in accord with those priorities.

SAB said, "Raise the ecological priority of the Agency." It was a very welcome message to me. I went into the Agency believing that was important to do. We strengthened the budget for special ecologically significant systems like the Great Lakes and estuaries and wetlands systems.

I think there is a second reason, however, for attending to ecology. As compelling as it can sometimes be to talk about health, we have provided a very high degree of health protection for the people of the United States. In my view, the health of our citizens has improved significantly over the life of EPA - not certainly as a consequence only of what EPA has done, but of what it has improved. You cannot say the same thing about a number of ecological systems.

Certainly through the Clean Water Act expenditures we have vastly improved some of our major water bodies, particularly the Great Lakes. We still do not have a handle on nitrates in the Chesapeake Bay nor nutrients in the Long Island Sound. We have substantial areas that are dead in those water bodies. Forty percent of the Gulf of Mexico shellfish beds are off limits at any one time because of pollutants that flow off the land. That really has always struck me as scandalous. I don't think we will be able to say, in the popular phrase of the moment, that we have attained a sustainable level of development until we function in harmony with these ecosystems and learn to keep them productive.

The public gets that, I think, to a surprising degree. One problem EPA has always had, particularly when it's communicating about health and pollutants, is a difficulty making clear to the public what the issue is. We complicate that problem ourselves by developing language that is so opaque as to defy penetration even by some specialists and often, I think, has led the public to think, there is something that is going on here; this is a trick to keep us out of the game. We are not, nor ought to be, fundamentally about reducing this effluent or that emission, but rather about protecting the totality of the environment. If you talk in those terms and identify places like the Chesapeake Bay or the San Francisco Bay or the Great Lakes, people get it. Those are the places they love, that's the way they understand nature, the outdoors, the environment. So, it's a way to reach the people and engage them in your work.

I always felt that education about the Agency's mission, about the state of the environment, about the choices the country had, was among the highest priorities I respected and the language to communicate about the environment is, in my view, more properly, ecological than health.

Thoughts on Abolition of CEQ

Q: CEQ has played a predominant role in protecting areas, at least geographically - by focusing people's attention on ecological management in these areas through NEPA, using environmental

impact statements, and that sort of thing. You have no doubt heard the Clinton Administration wants to abolish CEQ, set up a smaller office in the White House and then transfer - depending on which day you listen, I guess - those functions into EPA. What's your opinion on that?

MR. REILLY: This nation and this government so badly needs systems that integrate a variety of policy concerns that different agencies have that I consider it a profound mistake to eliminate CEQ. Many of us worked for years to try to get an understanding of the need to have better coordination for environmental protection, which after all involves your reaching out to Agriculture, Interior, Commerce, HUD, and other agencies. CEQ can do that; that's its very modus operendi. That's the concept under which it was established. EPA can try to do it and has to do it sometimes, but as one more agency, and not even a cabinet agency at that, it's a little more difficult.

There is a provision of the Clean Air Act, Section 309, that gives EPA the right to involve itself and make judgments about other agencies' conduct and behavior. It's not a very popular thing when EPA does it. And yet, an agency in the White House that both has cross-cutting responsibilities as part of its charter and also is free of the day-to-day administration of the laws to look long-term is, I think, a very important asset to Presidents who want to use it.

The problem CEQ has had is that Presidents have neglected it. It's not been given the kind of role that it might have, unfortunately. The Bush Administration chose not to put into CEQ some of the major environmental issues that in the Nixon Administration would have been lodged there, such as the coordination of wetlands policy. To have given that kind of issue, essentially, to the Competitiveness Council, in my view, fore-ordained the kind of acrimony, ideology, and conflict that we encountered.

It's not sufficient simply to set up a CEQ and assume that it will have the kind of influence that the statute contemplates. The head of the agency has to have a relationship with the President, has to be able to influence other White House officials, and has to be deferred to by the President in a way that suggests that they are to be taken seriously. But if you have that, and we certainly had it in the Nixon Administration and also, I think, in the Carter Administration with the kind of work that was done on *The Year 2000 Report*, whether one agrees with the conclusions or not, that is a classic achievement of a White House council charged with taking the long view and looking beyond the turf of any one agency. With CEQ gone, where is long term forecasting to be done?

I don't think that moving some of those functions directly into the White House into the domestic policy council or the domestic staff of the President is a sufficient or reassuring replacement for CEQ. They will be more political. They will be more subject to other pressures directly in the White House. They will be more episodic in their capacity to identify issues and characterize them and focus attention on them as they do or do not get a priority from the President.

Even in the time when it might be in the desert, so to speak, as an Agency in the eyes of the Chief of Staff or the President, CEQ nevertheless has its NEPA responsibilities, its statutory functions, its responsibility to report on environmental conditions and trends, its interagency coordination role - which in our administration it tried to exercise with respect to water contracts,

for example, and, I thought, made a contribution. I don't believe it's a good idea to eliminate CEQ and transfer the NEPA oversight functions to EPA.

EPA's Relationship with Natural Resource-Based Agencies

Q: With regard to the idea of cross-cutting and maybe EPA not being quite the place to do that in government, how would you characterize, during your Administration, the Agency's relationship with other natural resource based agencies in the government - Agriculture Department, Interior Department, and the various bureaus beneath them?

MR. REILLY: We had excellent relations with the two agencies that EPA ordinarily conflicted with, the Corps of Engineers and the Department of Agriculture, particularly during the first two years of the Administration.

The Assistant Secretary of the Army for Civil Works, Bob Page, was very sensitive to environmental concerns, courageous in the face of criticism he received from people in the White House and in Congress for taking wetlands protection responsibilities seriously, constructive in working with me and others concerned about wetlands. As a result, I thought we had a relatively contention-free period and were able to make some progress.

The same was true for the Agriculture Department under Secretary Yeutter. He and I, early on, worked on the Alar issue and both of us came to see that the pesticide law was flawed. What the Agriculture Department really wanted in the way of a new pesticide law was uniformity of application so that we wouldn't have 50 states going their own way setting different pesticide tolerance levels. I thought that a reasonable proposition, provided that you are dealing with chemicals you have registered recently - that have been subjected to all the modern scientific testing. So, I conceded that point in return for the Agriculture Department supporting me in getting a cleaner faster cancellation authority than existed under current law.

Presently, absent a very high standard of emergency, the EPA Administrator, after years of research and analysis, can start the process of removing a chemical from commerce. But, even after the decision is made at EPA and it goes out of the building, it is subjected to *de novo* administrative hearings and then, inevitably, judicial review all over again which can take 2, 4, 6 years. That is profoundly destructive of public trust and confidence in government when you realize that the cancellation decision is based on a considered judgment that the chemical causes a problem - it has carcinogens at a level that is intolerable. How then explain why you're allowing it to continue to be used?

Yeutter understood that and so together we proposed pesticide law reform. We were not successful because, I think, in the absence of a decision overturning the Delaney clause, which since has occurred, the House Agriculture Committee, particularly, saw no urgency. It was not unhappy with the pesticide law. Conservatives did not want to increase EPA's cancellation authority, and liberals did not want to abandon the Delaney clause's zero carcinogen prescription for processed food in favor of a negligible risk standard, which we also were proposing, as the National Academy of Sciences had recommended.

One thing that triggered, I think, a readiness in the Bush Administration to support reform, was my own position after Alar that I would not again stand up and reassure the country that the food supply was safe when EPA had acted to remove a chemical, unless we could promptly get that chemical out of commerce. That was the position I, and many of my predecessors, had been put in after making a cancellation decision. I just said, "Next time, I won't do it."

Yeutter also embraced EPA and environmental concerns in the preparation of the 1990 Farm Bill. He was very clear with me early on. He had encountered an unprecedented amount of concern for the environment as he made the rounds of his Senate confirmation committee members and he said that was a big change since he had last been at USDA. He realized that our support for any farm bill would be important to him; it would matter to Senator Leahy, the Chairman of the Senate Agriculture Committee, and others.

He said, in return for our giving that support, he was willing to pull EPA right into the process, have us as central participants, which we'd never been, in the evolution and development of the farm bill. As a result, we got the most environment-sensitive farm bill we'd ever had. So, our relationships were very good. They were not as good after Secretary Yeutter left. And then the recession began to hit and there was a greater concern for the politics of the environment, and a sense that the issue wasn't playing as well for the Administration as it might have.

Our relations with the Interior Department were, I think, on the whole, congenial. I got along personally with Secretary Lujan very well. We, as he often pointed out, had different constituencies and were responding to different groups, which he characterized as clients. I thought that the Fish and Wildlife Service and the Park Service relationships to EPA on wetlands and air pollution, respectively, were very successful and productive. In the evolution of the Clean Air Act, Secretary Lujan reflected a point of view of concern for coal contracts and for the developmental side of his brief, which, I think, the President and others fully understood he would in making him Interior Secretary. We all understood that and accepted that.

We did have a serious disagreement over the Endangered Species Act. I thought one could make a case for systemic reform of the Act but not for exempting application of the law on less than 2,000 acres of old-growth timber in Oregon, which was habitat for spotted owls. I thought the suspension of the Endangered Species Act for that small tract was purely symbolic and negatively symbolic. It was something that was not going to preserve or create any jobs and was unlikely to destroy any owls, it simply was firing for effect. I angered a number of people in the Administration, and probably Secretary Lujan, when I chose to be the only member of the team who voted against, in public, the suspension of the Act in that case. But, given the kinds of issues that EPA has, I thought our relations with other members of the cabinet were generally surprisingly cordial.

We fought very hard with the Energy Department on specific Clean Air Act implementation regulations and that received some publicity, some attention, and yet there was much less attention paid to the fact that I had an excellent relationship with Secretary Watkins, as did my staff on cleanup of Federal facilities - at least after we got over his anger at our criminal investigators having broken into Rocky Flats one night without having warned him. He and I agreed early on that he would support my proposal for a 10-million-ton sulfur dioxide reduction

in the Clean Air Act in return for a concession he wanted, which was to grant an extra three-year extension for clean coal technology, which I did.

I thought, by and large, those relationships were probably less troubled than they had been in previous EPA Administrations - largely because the President had campaigned on the promise to be the environmental President and had shown by a number of decisions, early decisions, particularly, that he wanted the issues and me and EPA to be taken seriously. His coming to the Agency headquarters building, the first President who ever did, to swear me in was a very important gesture. It wasn't lost on anybody. The number of Senators, the number of members of Congress, the number of Ambassadors who were present, I'm sure, to some significant degree because the President, himself, was going to do the honors, helped us a great deal.

EPA and Congress

Q: How would you assess your relationship to Congress?

MR. REILLY: I had a relationship with Congress that I thought was productive in some areas, certainly in the Senate more than in the House when you consider the controversiality of some of the things with which I was associated: the Clean Air Act Reauthorization, Wetlands Reform, Resource Conservation Recovery Act testimony, Superfund testimony. Those are very difficult issues and I thought the Senate Environment Committee, the Senate Foreign Relations Committee, and then appearances before the Senate Finance Committee and the Senate Labor Committee on the North American Free Trade Agreement - though there were rocky moments - by and large were congenial, respectful, and productive.

My relationships with the House were very good with the Waxman subcommittee, although obviously I was in the position very often of defending the Competitiveness Council or other things they despised. We had a professional relationship. I had a good working relationship with Henry Waxman and with the ranking Republican Norm Lent that survived a particularly difficult Clean Air hearing where they tried to position our Clean Air Act as unaggressive. I had a good relationship with the House Foreign Affairs Committee, and with Ways and Means, which I testified before on the North American Free Trade Agreement, and other House committees.

There was a great deal of tension in my relationship with Chairman Dingell that really dated almost from the beginning. I came from a sector, the organized environmental community, that he detested. I also had associates like Bill Rosenberg with whom he had a history, and not a good one. He simply didn't like the kind of environmental priority my appointment represented nor did he find the Clean Air Act, as we submitted it, a good bill.

In the Waxman subcommittee of his committee it was pushed even farther in directions he didn't like and I think he considered we didn't help him enough in holding the line against some of the things he cared about, to protect the auto industry and manufacturing sector. We had different roles and I was probably less attentive and artful than some of my predecessors in managing the personal relationship with him - though I did try a number of times. He thought that I tilted towards the Senate on the Clean Air Act and I think I probably did because they returned my phone calls and didn't regularly go around me to the White House.

I had conversations with Senator Chafee and Senator Mitchell and Senator Baucus throughout the deliberations, as I did with Congressman Waxman. But Mr. Dingell and I, and his staff, were less frequently in communication. He tended to call the White House when he had a problem with us on the Clean Air Act or with me. I didn't react well to that, either. I thought ultimately, looking at the Clean Air Act we got, that relationship worked satisfactorily for me, but it certainly left some scars.

You don't serve in a position like mine where you're not just custodial, where you're not just reactive, without making waves and without causing people to become angry from time to time. That's the nature of the job. There is very little that an EPA Administrator does that confers an unqualified good on somebody, at least of an immediate, perceptible sort. A decision to have a new NO_x standard for automobiles obviously will help the public good, will improve the Chesapeake Bay as we get NO_x deposition down, and improve our environment all around. But the immediate recipient of the problem and the entity that bears the cost is the auto industry, which is not going to look very favorably on that. That's true of virtually every decision.

The EPA Administrator doesn't go around handing out funds for housing projects or developments or enhancing a national park or paying for airports or roads or clinics. We just have to accept that and hope that in spite of the contention and costs that are associated with EPA's decisions, the public at least trusts both the laws and the integrity of the people who administer them to take the right things into account. That is one reason I gave so much attention to communicating about what we were doing. I thought that was a real need, particularly coming on the heels of the Reagan Administration, which had a rocky start on the environment. I think it's true for any Administrator that sometimes one is tempted in Washington to spend a good deal of time in Congress.

That, in my view, for the head of an agency, unless there is an immediate legislative issue pending, can be a mistake, can be a distraction. It's a very large country and the Congress is important, but the rest of the country needs attention too. This anxiety that Americans have about insiders, I think, is exacerbated by agency heads who don't get out and around the country to communicate, to pick up things that you only get when you see things first hand.

Once we had gotten the Clean Air Act through, frankly, my relationship with Congress was one of holding the line. We had no other major legislative objectives, I'm sorry to say, that we were able to further in the latter two years of the administration. If things had been different and we'd had a new Clean Water Act proposal, then we would have been spending more time on the Hill, but the opportunities were not there, at least from 1990 on, after signing the Clean Air Act. And, I think some in Congress felt neglected. They'd been disappointed.

I recall when I testified on RCRA and essentially stonewalled and said we didn't have a legislative proposal and we thought the legislative proposal they were considering was bad, there was a lot of disappointment. Senator Baucus said he really would have liked to have the same relationship on RCRA reauthorization as we had on Clean Air. I also noticed that when I made some specific criticisms of his pending bill, there was more sadness than annoyance on that committee as they thought, look what poor Bill is now having to carry up here now and represent. In fact, they were my own views, but the White House by then had so engaged the

environmental issue in a negative-seeming way it was more difficult to communicate a position that said, "You're going too far with this law," and to be believed.

Stagnation of EPA's Legislative Proposals

Q: What stalled EPA's legislative proposals?

MR. REILLY: I think certainly Governor Sununu and probably the President concluded that the Clean Air Act, which was a marvelously comprehensive and ambitious bill with a great deal of innovation, hadn't worked politically.

During the 18 months that bill was pending, we heard regularly how pusillanimous it was and how inconsequential it was and reactionary it was - all caricature, in fact, of the bill we forwarded to the Congress. As we costed it out, the bill would cost something between $17 billion and $22 billion per year when fully mature in terms of new added cost to the economy. The bill that was reported out by the Senate Environment Committee, we costed at $42 billion to $44 billion per year, and therefore we saw the need, as Senator Mitchell understood, to pare down that bill, to put it in the realm that we could support and justify for the health and other benefits we would get from it.

We did succeed, we got it down to - I think it probably costed out at about $24 billion as it was finally passed. That's a big ticket. That, itself, is a measure of seriousness. Our bill, as we had proposed it, wasn't far from those costs. But during the long period when we were in negotiations to scale back the cost of the Senate Committee bill, we were criticized and positioned as naysayers.

Finally, when the bill was enacted and signed, Mr. Waxman said, "This bill is owing to the two Georges, George Bush and George Mitchell" - a generous thing for Henry Waxman to say, and it was the truth. Yet neither he nor anyone else on that side had said anything positive about the President's contribution for the better part of a year and a half. So, that was credit that was too late in coming. I think the White House decided environmentalists were not going to work with us, were not willing to give credit to us as they might have to a Democratic administration for an initiative of that magnitude, and we wouldn't do that again.

Certainly there was a sense, too, that those costs were very significant. We just got the bill signed when the economy began to show some of the first signs of distress. Dick Darman related those economic problems to the Clean Air Act. He never lost an opportunity to disparage it, to say the only possible conceivable reason for having done it was to gain a political advantage, but, in fact, it had not done even that. The failure of the Clean Air Act to work politically for us weakened my position in advocating new environmental initiatives. It reinforced the arguments of those who disdained environmental initiatives as likely to alienate traditional Republican interests without winning any new support from activist environmentalists.

So, from a political point of view, I think that the environment could have worked better for us if we'd had a more forthright response on the part of those who set the tone for the environmental debate, to a large degree the organized environmentalists, but also the press. In fact, Lee Atwater

told me after I had been in office less than a year, that the country regarded us and the President as very serious about the environment. As he put it, "Our polls show that the country considers Bush an environmentalist, but he ain't nuts." Well, that's exactly where George Bush wanted to be.

So, we were succeeding in the longer term and, I think, had we been more careful with the rhetoric, had we not engaged in the fights on the specific, and many of them relatively trivial, regulatory issues, like the minor permit amendments, and then had we not had the big public wetlands fight, and had we positioned ourselves as leaders and not become isolated at the Rio Conference, we could have come into the 1992 elections as serious, responsible people who really had done a good job of integrating economic and environmental priorities. We could have achieved that reputation in spite of the activists' brickbats. But too many of the people around the President were only too ready to abandon the environmental standard and were reenforced by environmental groups' criticism.

OMB and the Council on Competitiveness

Q: What role did OMB and the Council on Competitiveness play in EPA's life during that time?

MR. REILLY: In the era prior to my arrival at EPA, OMB was a thorn in the side of EPA for its constant involvement in regulatory decisions. [David] Stockman, when he was Director of OMB, made it a matter of great personal interest to engage specific regulatory choices and argue against EPA proposals. Dick Darman did not really intrude much on our regulation-setting, unless some issue happened to get to the Competitiveness Council, where he could be counted on to weigh in. So, we didn't have that kind of high-level conflict.

By and large, I thought we were able to work through many, if not most, of our regulations with the OMB process reasonably well. That was not true of a relatively small number which got a large amount of public attention, I think, as much for the way the issue was framed and dealt with by OMB as for their substantive view.

It is profoundly frustrating to an EPA Administrator to go through all of the careful control processes of arriving at a regulatory decision or proposal and to respect all of the rules against *ex parte* contact - make sure any contact with the regulated community is recorded, noted, memorialized, public, on the record - and then to have it go to the White House and see many of the same parties engaged in influencing other people who have influence over such decisions without any public record, without any acknowledgment that this is going on. The secrecy that characterized that process, I think, is a source of great mistrust and, potentially, of corruption. Corruption in the sense that it violates process, not that it involves anyone taking any money.

The Competitiveness Council was layered onto the so-called Office of Information and Regulatory Affairs (OIRA) review when the President became distressed about articles in the *Wall Street Journal* and other places indicating he was reregulating society and repudiating the Reagan era reforms - the deregulatory priority which he, himself, in the Reagan era had championed as head of a regulatory review task force.

He had espoused the Clean Air Act and also the Americans with Disabilities Act, so it shouldn't have been a surprise that there was a spate of new regulations to implement those laws. EPA's contribution to regulations was, in fact, relatively small. Something like nine or ten percent of all regulations were EPA regulations, but they tended to be some of the more contentious regulations and to get more attention than those of other agencies.

The President gave to his Vice President, just as Reagan had given to him, the responsibility to get a grip on this. So, Vice President Quayle, wishing to carry out his assigned task, engaged some of these questions. I thought, myself, the way they were engaged, while it was guaranteed to attract attention for the Administration's deregulatory concerns, was not the most constructive way to vet an issue. The Council's selection of issues to make a stand on, also, I thought, wasn't the best.

The Minor Permit Amendments issue was essentially a legal issue - when a pollution source wished to increase its emissions by up to 10 tons beyond the maximum allowed in its permit, did that trigger a requirement for a full public review with a hearing or not? Had there been an interest in the Competitiveness Council in avoiding a train wreck on that issue, we would have been able to do it by an early referral to the Attorney General. I don't think there was that interest.

I had a memorandum from my General Counsel basically boxing me in, saying that the approach that the Competitiveness Council wanted was not a lawful approach. Well, once I had that, I didn't have a lot of flexibility. Finally, after months and months of wrangling, and public wrangling at that, Congressional hearings and the rest, the President made a policy call and resolved that as a policy matter, he considered that the Competitiveness Council was correct, i.e., that no hearing was necessary. The Chief of Staff and others in the White House thought that should be the end of it, and didn't fully grasp that lawfully, legally, I had the statutory authority and the President didn't.

I recall explaining to Chief of Staff Sam Skinner that I would respect the President's view on the policy, provided that I could be authoritatively assured that such an approach was lawful. Absent an opinion from the Attorney General, I said I would decline to sign a regulation waiving a hearing requirement. The White House got an opinion from the Attorney General fairly quickly which said that the Competitiveness Council was right on the law and my General Counsel was wrong.

That provided the basis for accommodating their view, and then, of course, we'll only know what the truth is after it's been tested in court. The announcement of our final position on the issue was front-page news in the *New York Times*, and occasioned a lot of negative publicity, so much so that President Bush asked his counsel, Boyden Gray, "Who put me in the middle of this?" (Gray told him it was the Vice President's staffer, McIntosh.)

A lot of that I thought unnecessary. There was a certain amount of posturing, I think, to make the case to that segment of the country that was concerned about reregulation, the Reagan Republicans, that we were taking their concerns seriously, we were not reregulating society. The wetlands issue also engaged developmental interests, farmers' groups, and ideological

conservatives. It was perhaps a natural for a Competitiveness Council headed by a conservative to latch onto.

We, at EPA, successfully held the line on our wetlands delineation, despite very tense battles over it. We repeatedly made the case that there are only about 100 million acres of wetlands left in the country and it's inconceivable that wetlands restrictions could be having a deleterious effect on the economy of 1.6 billion privately owned acres, as some of the critics alleged. Had that process been on the record, had it been more open, had it been less political, had the bases for disagreement been reduced to writing in a communicable, publishable, form, I think we all might have come out better.

But in the end, the specific impact of the Competitiveness Council on regulations, I think, came down to two or three, not more. One was the decision to forego recycling as a requirement for granting permits for new municipal waste combusters, incinerators. EPA's proposal was intended to ensure that certain kinds of waste not go into incinerators, waste containing heavy metals, such as batteries. A condition necessary to qualify for a permit to build an incinerator was to be a commitment to recycle a quarter of municipal waste, and to exclude batteries altogether from the waste stream. The proposal was opposed by cities, and by Senate Democrats such as Senator Baucus.

The cities resented what they saw as intrusion and overreaching by EPA. Baucus considered recycling inappropriate to pursue as a Clean Air Act matter. I thought you could make a reasonable argument for or against the proposal. The President was in favor of recycling; I espoused a national goal of 25 percent recycling of municipal waste; and the objective was achievable. But in deference to the critics, and frankly to give the Vice President a win on something, I withdrew the proposal. So, that became a Competitiveness Council victory. The Minor Permit Amendments was the second one.

The other great battle that we had, wetlands, which was a sort of soap opera throughout the Administration, was a stand-off. We did significantly strengthen the enforcement of our wetlands laws, put people in jail for the first time in history for violations of wetlands laws, and increased the number of civil actions and fines substantially. That, no doubt, contributed to the backlash. But we took our wetlands responsibilities seriously. They were, in my view, part of the ecological priority we had espoused.

In sum, the heavy press attention to the Competitiveness Council agenda was reassuring to an important element of the Administration's constituency, while EPA's aggressiveness in carrying out the law honored the President's commitment to be the environmental President.

EPA and the Press

Q: How important is the press and the public to an EPA Administrator? You mentioned before that a few negative articles coming out on the Bush Administration in the *Wall Street Journal* had encouraged the President to take a different approach on matters. Are a few negative press articles an important gauge to an EPA Administrator on how he or she should develop policy? What role does that play in decision making and policy making?

MR. REILLY: Ordinarily, I don't think a negative article or two makes that much difference to a specific decision, but we all swim in the same sea. The level of public and Congressional confidence, the degree to which the White House begins to develop an impression that maybe somebody is off the track or is not serving the President well or is pursuing a different agenda does matter. It's more a cumulative thing than anything else.

There is no question that the ability to communicate what you're doing, in that it has to be mediated by the press, will have a lot of impact on how much you can do. I felt that from the beginning and gave a very high priority to communicating about our activity. I was also sensitive to the fact that I came to the Bush Administration as an outsider. I had no relationships of a political nature with any of the key personnel. I had scarcely known the President before he appointed me and, in that sense, lacked a constituency. My constituency had to be the country.

Environmental groups made clear in the Clean Air Act debate that they were not going to be a constituency, though they were generally constructive and positive towards me and helpful. They mattered less to the Administration as time went on and the Administration gave up on ever winning them over or cultivating them. But, the general good will of the public, the belief on the part of people, including the Congress, that we at EPA were doing the right thing and sometimes even beleaguered, standing up for principle, was very important to my continued capacity to do it.

I had the feeling that we had really succeeded to a substantial degree in improving understanding of some of what we were doing when I, having canceled most food uses of the pesticides known as EBDC, chose to put EBDC back into commerce a couple of years later after we got better data about its residue level on fruits and vegetables in the supermarket. EBDC was indisputably carcinogenic in very high doses, and there could have been a very nasty reaction to repermitting it.

A lot of EPA staff were hunkered down preparing for the hurricane. A decision like that had not been made before. In announcing the cancellation of 50 or so food uses of EBDC, I had said that our data was worrisome but also incomplete, and I mentioned that there were some in the Agency who suspected that residues detected at harvest in the field would quickly evanesce, as fruits and vegetables were handled, time passed, and they were moved from the field to the dinner plate. If that proved true, I had said, I would go where the data went.

Well, I did do that. Better data was developed through an elaborate survey and I accepted it and reversed my position, thereby allowing the food uses. The press reaction was largely accepting and trusting, though reporters asked hard questions at the press conference and there were some environmentalists' criticisms. On the whole, given the precedent I was setting and the nature of sensitivity for something that was, after all, in very high quantities, a carcinogen, the reaction suggested a growth in maturity of understanding about scientific information and about the concept of negligible risk.

I thought that reaction was a measure of the degree to which the press had become more knowledgeable since their experience with the Alar controversy. I think some people in the press

thought they had been had and maybe had over-reacted to Alar and had panicked the country and harmed the apple growers unnecessarily. But that new sophistication didn't just happen.

I spent a lot of time with the press. I had been totally forthcoming about our risk assessments whenever I announced a regulation. I freely discussed our data on cancer deaths associated with a toxic, or costs and benefits of a regulation, etc. When I suspected that data would have to be subject to reconsideration, that it was necessarily flawed because we didn't have all the information, I acknowledged that, too.

Whatever we had, I shared. The press developed a habit of asking for that information - how many cancer deaths are associated with X, Y, or Z pollutant; how many will you avert by this decision; how many are you accepting? Sometimes they would ask about the maximum exposed individual; cohorts that we were protecting to one in 10,000, one in 100,000, one in a million. I saw sophistication grow on the part of the press of an area that has to be conceded to be terribly complex.

My sense of the press is very positive. I think reporters have a very difficult job to do. I am amazed that sometimes I'll turn on the television and see a perfectly clear, straightforward chemical explanation of an extremely complicated process, such as stratospheric ozone depletion or climate change. I think the press is communicating about the environment better and better, although there are shortcomings and the people in the press will be the first to admit that they often don't have the training, whether scientific or economic, and often don't have the time, either. But, one thing they ought to have is enough time on the part of people in positions like the one I had or others around him to help them understand the issues, because ultimately if they don't understand them, the country won't either.

EPA Oversight

Q: It seems that the press and Congress both have done a lot of oversight of EPA in the past. I think of Congress in terms of Superfund issues and the contracting issue was a major blow-up during your - that's probably the wrong word, but it appeared to be a major blow-up-during your Administration. Do you think those types of concerns - Superfund, contract management, pollution prevention, those types of issues - were adequately addressed by EPA's various Congressional and press constituencies?

MR. REILLY: Well, the contracting issue is one that I think is a consequence of a number of things, one of which is that the priorities within the Agency itself have always favored programmatic environmental protection decisions. The management questions in an aggressive agency, just like in an environmental organization, have a habit of attracting less prestige. EPA has the defects of its qualities. It is zealous, high-energy, highly committed, idealistic, engaged - it's not one of those agencies where, as you walk through the halls, you feel the adrenalin flowing out your shoes. There are several, I've discovered, but EPA is not, happily, one of those.

But it also is fair to say that there is the tendency, and has been historically, of some in the Agency to behave like environmental cowboys, ready to ride off to round up the latest errant steer identified by the press or the Congress, not, incidentally, enjoying the budgetary reward

that may come with that momentarily. The responsibility to manage day-to-day mundane activities like contracts, even in an agency where a substantial amount of work is done by outsiders because Congress doesn't give enough money to the Agency to do it otherwise, gets neglected. I think that has been a problem with EPA.

We gave the correction of those problems a very high priority. To keep things in perspective, the kinds of contracts we're talking about are small beer alongside the Defense Department and the Energy Department equipment contracts for waste cleanup, for example. Nevertheless, they're important and public trust has to be maintained and the dollars securely husbanded and accounted for.

Having said that, I think it's important also to acknowledge that those who have a habit of pointing to EPA management problems, failure to meet milestones, failure to get regulations out on time or complete reports according to the statutory deadlines, or contracts management issues, often have a larger agenda than merely pointing to that kind of problem.

To the extent that the Agency's own conduct is discredited, it becomes more difficult for the Agency to advocate new initiatives, stronger laws, or to advance its own agenda in reforming policy. It becomes easier for some regulated sectors to stonewall or to overcome the Agency by raising doubts in the mind of the public and elements of the Congress as to whether the Agency can handle added responsibilities, whether it can even do what it's been given the job to do.

That's all part of the game and I think the EPA leadership needs to remember that fun's fun and when there is an honest criticism, it ought to be taken seriously and responded to. But protracted attention to some of these issues in a $7-billion-per-year agency to the neglect of much larger problems in other agencies tells you something. It's part of a lightning that is falling on an agency that is doing its job and doing it vigorously. EPA is an Agency that is doing its job *very* vigorously. No other Federal agency in recent history, excepting NASA in the latter '60s, has succeeded so spectacularly in achieving the goals set for it.

Global Political Changes and EPA

Q: During your tenure, you saw radical, global political changes. What impacts do you think those global political changes had on EPA?

MR. REILLY: With the waning of the Cold War, the global political situation changed fundamentally while I was at EPA. In my view, it accelerated a process that was already underway of opening up a whole new world to the Agency - a world that desperately needed the experience of EPA, which is preeminent in its field internationally, a world that needed help in setting priorities, in gaining a sense of direction, that needed also, frankly, to learn from American mistakes, particularly since many of the societies most in need of help don't have the resources that the United States has.

We tried to respond to that by making the Agency available to Eastern European countries, and former Soviet countries. We set up the Budapest Center, which was an EPA proposal that I made to the Cabinet and the President before he went to Hungary - later known as the Bush Center. We

worked with the World Bank, I made the rounds, to a degree, in fact, that I doubt any of my predecessors ever have, to the Inter-American Development Bank to try to foster debt-for-nature deals with Latin America, to a meeting with the President of Mexico on Debt for Nature, and to Brazil to meet with their Cabinet on a number of issues, particularly leading up to the Rio Conference.

We had a very active international agenda and the President made clear that he thought environment, as a matter of foreign policy, was important, that we should attend to those issues. Secretary Baker was always friendly toward our being involved as well. There was a sense, I think - certainly I had it - of much heightened environmental possibility as a result of the waning of the Cold War, the freeing up of resources, the relief of tensions and anxieties, the ability finally to communicate honestly with our Russian counterparts, with whom we had had a bilateral agreement for 20 years but who had nevertheless withheld a lot of information. We made a real start toward exploiting that opportunity. In the process, we secured for the Agency a role that it had not had before. We had the President's support in this, and we experienced occasional tensions with the State Department - not unmanageable ones, but tensions nevertheless.

I hoped very much that in my time I would be able to institutionalize a high level of international activity and priority within the Agency by creating for the first time a Senate-confirmed Assistant Administrator for International Activities. I strengthened that staff, and moved its complement towards 100 staff members. I created environmental attaches in Paris at OECD and in Mexico with our embassy there, and we had plans to have attaches in Moscow and Tokyo, and I would have liked to have one each in China and perhaps Taiwan and South Korea and maybe Thailand.

These latter are doing a great deal of environmental investing, and locating our people there could have served more than an environmental purpose, it could also have furthered the export of U.S. technologies in the area of pollution control in a time when billions are being spent by those countries.

We played a role in the development of the Enterprise for the Americas Program. The Debt for Nature concept was our idea. For each of the G-7 summits, of leaders of the seven major industrial nations, I briefed the President and Secretary of State on the environment. The President took me to his first G7 Summit in Paris - an unprecedented decision by him to have an environmental Minister with him, which no other head of government had ever done or has done since.

All of this elevated our role, our profile. As I watch now the degree to which international environmental responsibilities have shifted to the State Department, I'm concerned that things that only EPA can do effectively, will not be done. The role of an EPA Administrator in dealing with environmental problems along the border, for example, cannot be assumed by a Commerce Secretary or even an Undersecretary of State.

Should the question arise: "Are we adequately protected against cholera outbreaks?" or "What's causing these brain stem disorders at birth of some of these border children?", you're not going to

have a Commerce Secretary or an Undersecretary of State taken seriously on those issues, no matter how good they are. That is something that EPA has the authority and competence to address and the country will want to hear from the EPA Administrator. It makes sense that EPA be in the driver's seat on the border plan, therefore. That's true of many other issues as well.

I think frankly that it would be healthy, and it's very healthy for the Agency itself, to encounter environmental problems in other countries because it lends a sense of perspective to our own problems and allows EPA professionals to recharge their batteries and to become reinvigorated and to recognize what they're doing, they're doing for the whole world. It's a noble enterprise and there's nothing that brings that home to people more memorably than to help another country figure out what to do about its waste problem, which is an order of magnitude greater than ours, or its air pollution problem which is actually killing people and causing lung disorders in front of you.

Another advantage it has, frankly, for an EPA Administrator, or at least had to the two Presidents whose Administrations I served, Nixon and Bush, is that it gives you something to talk to the President about. Now, there are those who say that Bill Clinton is different and maybe he is, but my experience is that you don't talk for too long about sewers or the Clean Air Act or Superfund and hold a President's interest. But, if you've just come back from a meeting with Mrs. Thatcher or you've had a long conversation with Helmut Kohl and you communicate that in a memorandum, you're likely to get invited over for a meeting or maybe even for lunch with the President and show up on the President's calendar.

This being the city that it is, that is noticed and that will fortify you in other difficult battles with other agencies as your relationship with the President is respected. That may sound a somewhat narrow and self-serving kind of interest, but, in fact, it's part of the way the game is played and I think it will ever be so.

Finally, we now understand that many of the most important decisions affecting the future of America's environment will be made in Beijing, Delhi and Brasilia. Those countries' decisions regarding energy policy, or manufacture of ozone-depleting chemicals, or forest practices, we will want to influence. An internationally active and helpful and sophisticated EPA can do that.

[November 8, 1993]

EPA's Relationship with Industry

Q: We're down to talking about industry. What goals did you want to achieve in dealing with industry? How did you balance the need to get industry's support and cooperation with the need to enforce the laws? And generally, how would you characterize EPA's relationship with industry during your tenure?

MR. REILLY: I had the sense going into EPA that the relationship with industry had been episodic and at times less productive than it could have been. It seemed to me that the better, more sophisticated industry leaders understood that the nation's environmental commitments were here to stay, that the support for the environment had stayed high in the polls, that even

through the recessions of the '70s and early '80s there had been no roll-back in air and water law. Moreover, I thought that business leaders' calls for less bureaucracy, more efficiency in permitting, more predictability in administration of environmental laws on the part of EPA, were reasonable.

I immediately found myself, in dealing with the Alar controversy, faced with the asymmetry between the chemical industry - the manufacturer of Alar - and the agricultural industry - the farmers and growers of apples who were people really hurt by that scare. I tried to get voluntary cooperation, finally succeeded, from the manufacturer, though EPA didn't have sufficient statutory authority to compel it.

I think my next encounter with industry was over the Exxon Valdez issue where we dealt with Exxon, which substantively did very well, in my view, in responding to the cleanup, once you got beyond recognizing that, inexcusably, no one was prepared for it. In public relations terms, however, I think Exxon lost the war. Their Chief Executive Officer (CEO) was so aggressive and conveyed such an odd sense of victimization on television and publicly that it set the company back more than it might have.

I did learn from those experiences and tried to be careful, particularly in crafting the Clean Air Act, to consult with industry and did so with the oil, auto, and chemical industries particularly. Those relationships had their ups and downs. I think the chemical industry relationships were largely quite good in my tenure at EPA. I viewed them as having become quite progressive. Even some of the companies that had been laggards in the '70s, like Dow, became leaders in the late '80s and early '90s. I dealt extensively with Dupont on the elimination of chlorofluorocarbons, of which they were the largest manufacturer.

I had good relations with some of the oil company leaders. In fact, I supported development of a project to review the Amoco refinery at Yorktown to test the long-standing arguments of engineers that more environmental quality could be achieved by paying less attention to specific emissions and effluents and more attention to total plant impact on the environment.

The project proved that hypothesis correct. That project had some rocky moments. EPA's Philadelphia enforcement people, with exquisitely poor timing, went after Amoco and slapped a big fine on their Yorktown refinery. I had to recuse myself from anything affecting the decisions on enforcement and call up Amoco CEO Larry Fuller and ask him to keep Amoco engaged. That was not easy to do, the $500,000 fine enraged Amoco people as bad faith, but Fuller responded to me and we kept the project on track.

I can recall dealing with various of the industry groups, which I made a point of talking to regularly right from the beginning. I had them in along with everybody else. I talked to trade associations, talked to the electric power people about the acid rain provisions of the Clean Air Act, which were very upsetting to them. I dealt, of course, throughout my term, with the coalition that industry had put together on climate issues. I think, given the nature of the history and the inherent adversarial character of a regulator dealing with regulated entities, we had a reasonably good relationship.

I suppose the auto industry probably would not consider that I was as responsive to some of their concerns as I might have been. The industry, I thought, in various ways failed to perceive and act on its own interests. It left too much to its Congressional spokespeople in Washington. But, by and large, I think the Clean Air Act worked well for the auto industry.

It was the first such Act that had ever focused on fuels and that asked as much of the fuel suppliers and manufacturers as it did of the automobile engine makers. The auto manufacturers should appreciate that our new emphasis on fuels was an acknowledgement that they had already cleaned up their cars to the point where new 1990 cars were about 96 percent cleaner than they had been 20 years ago. With our Clean Air Act, we moved that another 2 percentage points up but looked to changes in the composition of fuels to achieve additional pollution reductions.

Pulp and paper, which had a bad enforcement history, was very constructive, in my view, in dealing with the dioxin issue in terms of researching the question jointly with EPA, and in terms of getting dioxin releases way, way down, about 90 percent in our time.

I believed very strongly that because of the leadership that was in industry and the sense that environment was a concern and real commitment, an enduring concern of the American people, that we could craft a different kind of program in response to that. It would draw out the energies and creativity of industry to help solve problems, rather than just simply have them fight us. And so, I proposed the Volunteer Programs, 33/50 to reduce toxic emissions - 17 toxics by 33 percent by 1992 and 50 percent by '95.

The response to that was enthusiastic. Companies chose the means and achieved the first goal a year early, eliminating 33 percent of these critical toxics by 1991. I'm sure they will do better than 50 percent by 1995. Companies routinely took credit for that in their Annual Reports, they wrote me letters proudly touting their achievements, they emphasized them with their workers and stockholders and others. In every way, the participating companies demonstrated a capacity to go beyond the law. That is admirable.

In the process, they learned some things technologically, which helped them save money, make money, reduce pollution, and allowed EPA, then, to understand more about possibilities of solving problems cooperatively. In fact, a not very widely understood purpose of the 33/50 program was to educate the EPA workforce that at the same time and without compromising either your regulatory responsibilities or your enforcement responsibilities, you can work cooperatively with people who, most of them, have the same objectives you do. And you can learn from them. Incidentally, no conceivable regulation would have allowed me to obtain elimination of a third of the worst toxic emissions - 400 million pounds - in little more than a year.

The other programs, the Energy Star Computers Program, which awards recognition to computer companies which reduce by about 50 percent their energy needs; Environmental Leadership Program; Design for Leadership Program, which builds on 33/50 to craft a new relationship with companies that have demonstrated they deserve it, also saving on oversight on the part of EPA; the Green Lights Program that gets commitments to reduce energy use very substantially without any loss in quality using new lighting technologies; the Safer Pesticides Initiative that puts

applications for non-toxic pesticides at the front of the line for registration - all of those were part really of a new generation of environmental policies and, I think, a new direction that the country badly needed.

The United States has a distinctly adversarial concept of environmental protection. It is, in my view, excessively adversarial. It has been wasteful of time and money. We have it in everything from rule makings to cleanup. I wanted to change that and I hope that I laid the foundation to do that. The regulatory negotiations proved very popular, the ones that we did with industry, and that represents a new mode of determining what a regulation should be. We did one on fuels and we did one on ethanol - unfortunately had to repudiate that in the heat of the 1992 electoral season.

Those negotiations were constructive and were welcomed by all the parties with one possible exception, the Office of Management and Budget, which has never liked them. It's unfortunate that that is true, but OMB believed, and probably still believes, that a regulatory negotiation, to the extent that it unites all of the participants around a single regulation, dilutes the single OMB representative and prevents OMB from having another bite of the apple, which it likes to have when it reviews regulations. I think that is very short-sighted and turf-conscious, but it happens to be the OMB attitude toward consensual regulatory development.

I think regulatory negotiations are extremely productive at getting a result that works for everybody-where people don't hold back their best ideas so they can litigate them later; where you have a regulation promulgated that will, in fact, be the regulation, is not contested or litigated, permitting the regulated sector to invest on the basis of it. We don't typically get that. Four out of five regulations signed by an EPA Administrator are contested in court; regulatory negotiations are not. That points to a different kind of relationship. It points to the kind that we need and the kind that I think we demonstrated is possible. So, I feel quite good about the relationship finally that we built with industry. I simply hope that it endures.

State and Local Governments

Q: William Ruckelshaus, in a recent oral history interview, mentioned that sometimes state and local governments saw EPA as a gorilla in the closet that helped them regulate industry within their constituencies or within their areas. But sometimes they found that EPA was a gorilla that leapt out of the closet and beat them on the head, as well, for their pollution problems - a case in point being a couple of enforcement actions that Ruckelshaus took early in 1970 against various big cities for municipal waste pollution into various rivers. What would you say your Administration did to address the legitimate concerns of state and local governments and how would you characterize that relationship, generally?

MR. REILLY: We gave a high priority to decentralizing a lot of our activity. EPA was, frankly, more decentralized than I realized it would be when I arrived at the Agency, but that is a response to the complexity of the country and the nature of environmental problems, which differ one place from another. We consulted very closely with the Governors, with the Western Governors' Association, with whom I met at least twice, with the National Governors' Association with whom I met regularly, and saw them as partners in the enterprise.

I particularly valued their contribution at the beginning of the statutory consideration in the Congress, for example, of the amendments to the Safe Drinking Water Act on which the Governors had very strong views. I remember saying to the Governors, "Don't wait until we come down with onerous regulations, which are the consequences of the statute we must administer, to complain about it. Work with EPA when we're trying to head it off, in hearings. That was less successful than I would have liked. Governors, like the rest of us, look at what's on the front burner and the problems they have at hand.

I think one of the most important contributions, though, that we made to state and local relationships was to do a review of all the many requirements that affect localities and put them in a single large book, which is a very thick book. Then we recognized that the local officials, especially of small cities and towns, who must administer these requirements and who often suffer great liabilities as a consequence, who have to sign off on hazardous wastes as being properly handled and monitored, for example, are quite frequently unpaid.

Sometimes they're teachers, plumbers, electricians, working part time. One has to ask, "Why should they do this?" Why should they take responsibility for leaking underground storage tanks, which are complex and technical and can open them to liability? Have we got the right way of interfacing with them? Have we made services and technical advice available to them of the sort that they need?

Municipal liability for Superfund sites threatened to bankrupt governments in New England, California and other areas. I tried to promulgate a cap, a maximum percentage of cleanup costs beyond which municipalities would not be liable. The White House blocked that initiative. I recall Senator Rudman saying to me once, and it made quite an impression, "I don't care what the law says, I used to be a Federal judge and no Federal judge is going to order Durham, New Hampshire, for example, to spend more on a Superfund site than it spends on a school system." I guess I would add to that, nor should it. I think some of these things have to be kept in perspective.

So, we did attend to the states' concerns and needs. We tried to reduce the number of standards that we were promulgating under the Safe Drinking Water Act every three years. I'm very pleased to see my successor has continued that direction. We tried to reduce the number of tests that they must conduct, particularly for things that aren't used in their states. I recall Carol Browner, then Florida Environment Secretary, saying that under the Safe Drinking Water Act 80,000 drinking water tests were required in Florida in one year.

We tried to recognize that there is more on the plate of states and localities than they can possibly manage. To the extent that we put it there as duplication of an effort, we'll take it off. Our total quality management efforts were intended to relieve states of a lot of second guessing and oversight and unnecessary duplication. That effort, in my view, did not go far enough on my watch. I think it should continue and, given the very sorry plight of some of the states' fiscal situations, such as California, New York, and others, and all the other burdens they bear, there's really no excuse for doing things twice.

I remember, in thinking about state relationships, having a very difficult time with our Chicago office when they attempted to deny a permit for a golf course in Michigan that would have altered the environment of an undeveloped area that probably we all might prefer to see remain pristine. Essentially, denial of a permit to develop a small amount of wetlands, to a developer who was prepared to restore significantly more wetlands in return, was asking the wetlands program to bear a large burden.

Michigan was the only state that had received delegated authority under the 404 Wetlands Program to make such decisions, and in my view that entailed authority to make such decisions free of second-guessing by EPA. EPA should not second-guess each permit decision in such a situation, but rather should annually review the state's administration of the program as a whole.

The Agency wasn't doing that. It was essentially behaving towards Michigan the way it behaved towards every other state, that is, to monitor and review every single permit and overturn, overfile on those that it disagreed with. I finally withdrew wetlands regulatory authority from the region for the oversight of states that had delegated programs. I was hearing from Florida and other states that had considered applying for delegation that the Michigan case proved that you get nothing for it, so why take it, what's it gotten Michigan?

The opposite argument to that is that the threat, at least, of intervening with respect to a specific permit, will keep the game honest, will keep the state with a believable sanction in the event it gets under strong political pressure to grant a permit, will allow the state to say, "EPA will never permit it. They'll come in and disallow it." Whereas, the sanction of, "EPA will remove program administration authority from us" is less plausible, certainly more remote from an individual decision. I recognize that reality, but tend to think, given the resources we have, more deference to state decision making is appropriate. I believe that is a consequence both of the way we crafted our Federal system and also of the increasing sophistication and technical ability of states.

I think my view of that is probably not the majority one at EPA, which has a habit of second-guessing to a considerable degree. There are some statutes like the Clean Air Act that really contemplate that approach. But, where that is not the model that's in the law, I would opt for a greater degree of deference to state decision making. I think the governors understood that, some of them respected that, and our relationship was, therefore, pretty good.

My relationship with the mayors and the county officials was quite good when I made the promise to reduce their liabilities or cap them under Superfund. But, when I couldn't deliver on it, I'm not sure how I ended up with them. I did, myself, in conjunction with the Attorney General, bring lawsuits against 60-odd municipalities for failure to enforce pre-treatment requirements for water toxics under the Clean Water Act. That strained our relationship, certainly, with those cities, some of them like Detroit, which were big.

It was, however, a critical area of water quality enforcement. The absence of pretreatment means the whole system breaks down because waste water treatment plants can't handle toxics. It is in the tradition of EPA's vigorous enforcement. Consistent with the enforcement record we had, which set records for criminal and civil actions - in fact, involved more of both than had

characterized the previous 18-year history of the Agency, I think our relationships both with industry and with states and localities ended up pretty sound.

Tribal Governments

Q: What about tribal governments?

MR. REILLY: I am very proud of what we did with tribal governments. I took very seriously the law's treatment of tribes as states and proceeded to delegate real authority to them when we judged they had the technical capacity to exercise it. Not all tribes do. Some do, more are getting it. I particularly was proud of delegating water quality authority to the Pueblos of New Mexico, a group of 12 or 13, which I visited, which clearly had the requisite expertise and capability and were threatening to impose some fairly large costs on Albuquerque by requiring much better water pollution control on waters that then flowed through tribal lands.

I can recall a visit to a newspaper in Albuquerque where I was questioned quite strenuously on this point and simply said that the tribes, under the law, were entitled to this authority. They had been getting water delivered by Albuquerque that was unacceptable and they ought to exercise their power to get Albuquerque to shape up. But I said that they were not stupid and they were not, obviously, going to shut down a city of 250,000 or make it spend a billion dollars on water quality cleanup. I thought the Indians would behave responsibly, but that Albuquerque had better take them seriously. That was my objective and I think that's pretty much the way it turned out.

The tribes have a huge amount of land in the United States. I was startled to discover how much land they have. There has been a tendency for waste to go their way and for some of them to accept waste in return for contributions to their needs. I think, to be consistent, we have to respect Indians' rights to make those decisions and if they wish to have a solid waste landfill on their property, provided they have the capacity to make a judgement about it and monitor it and control it and oversee it, that's their prerogative.

Not everybody agrees with that, but you can't have it both ways. You can't both defer to their authority and their expertise and legal power that they exercise provided they meet a certain standard and say, not so fast, when they want to use it to accommodate a waste facility. I remember getting an award from the tribal groups and I thought we advanced the ball in recognizing the growing maturity and responsibility of tribes in the United States.

National Debate on the Environment

Q: You spoke on occasion about starting a national debate on the environment. What exactly did you mean by that and how successful do you believe EPA was at doing that?

MR. REILLY: I saw my role at EPA as involving a large amount of education. I believed that the environment was not a widely understood area of public policy. There was a tendency to present it in primitive ways that seemed to me no longer conformed to the realities. The characterizations so often in the press are of white hats and black hats, that's the only way to make the issues come alive and be interesting.

This approach neglects the critical contribution of science in helping us understand the nature of threats, risks, of the proportion of problems, some of which are more serious and enduring than others. It also neglects the economics, which is important not because some things you won't do because they cost a lot of money, but because when you do them, you will have to realize that there are other things that you cannot do. Money is limited. Those kinds of disciplines have never been acknowledged in the national debate about the environment.

So, we had two major reports that we conducted. One was the Science Advisory Board Report that resulted in the document *Reducing Risk* that characterized the threats to the environment, ranked them, and then evaluated EPA's programs in response to them. It concluded that while EPA's money was largely going for oil spills and hazardous waste, major threats to the environment were in the nature of climate change, species losses, forest fragmentation, ozone depletion, indoor air pollution, pesticide risk to the applicators of the chemicals.

I thought that was an extremely important debate. I did everything I could to publicize that debate. I asked Senator Moynihan to hold a hearing on it; he did. We got states to conduct their own priority reviews of comparative risks - those are going forward in half the states right now. And I think that is very important.

The other major report we did was the "Cost of Clean," which is required by statute, and that requires EPA to look at public and private outlays on the environment and try to put a number next to them, try to figure out what they are. We did that and concluded that about two percent of the gross national product was being allocated to air, water, and waste control - leaving aside parks, forest, and wildlife. We also did something else that had never been done before with such a report.

We projected out to the end of the decade where that number would go, and concluded that it would reach about three percent of GNP, largely as a consequence of the costs entailed in hazardous waste clean up and particularly Federal facility clean up. I thought that an important thing to do because it did put in perspective U.S. efforts relative to those of our major competitor nations, very few of whom are spending anything close to what the United States is spending.

I tried to use both science and economics to frame issues, for example, about the future of Superfund or the new directions in the Resource Conservation Recovery Act, making the point that so many of the proposals made, and under consideration in the Congress, would, in fact, cause these outlays to be even higher, even though experts do not consider that hazardous waste represents that significant a threat to the health or environment of the American people. It had, in fact, been overestimated as a problem.

I think that growing environmental literacy among the press and in the Congress is very important to the future of environmental policy. The degree to which EPA is sensitive to science and economics will make the important things that we do more enduring, will give them greater credibility over the long term with the public at large. The environmental cowboy ethic, which is a part of EPA and is part of our history and our lore and is fun, is just not enough to give the country the kind of environmental policy it's going to have to have if these outlays are to be maintained and if the significant problems are really going to be addressed.

I think that there was more understanding of the priority question, of the comparative risk way of thinking, in the Congress and in the press, certainly, when I left than when I had arrived. So frequently one hears in the Congress now, "How big a problem is this relative to other problems? How much money are we spending on it versus some of the other big problems that we may be spending less on? Is it worth it in proportion?" Those are absolutely the right questions to ask and I think we encouraged people to ask them that way.

EPA and Environmental Groups

Q: Why didn't environmental groups give you, one of their own, the support that you might have expected?

MR. REILLY: Environmental groups behaved towards me personally in a fairly generous way, a positive way. I was always conscious of the distinction many of them made between me and the White House or me and the Administration.

There were times when I regretted that I couldn't bring more support to the President when he was doing things they really should have liked. I particularly was disappointed at the reception to our Clean Air Act proposal by the Clean Air Coalition. Most members of that coalition acknowledged that Bush's was a very progressive bill, they had not expected a bill aimed at eliminating ten million tons of sulfur dioxides in the acid rain title, for example, even though that's what they had advocated, and that's what they got.

They, nevertheless, for tactical reasons, in order to move the bill further in their direction on ozone reduction, chose to characterize the Administration bill as weak. For the better part of 18 months, the environmentalists' caricature set the terms of the debate. When the bill came out of the Senate Environment Committee, it was going to impose an annual burden on the economy, according to EPA and OMB calculations, of about $42 billion to $44 billion when it matured after 1999. That was unreasonable, so we spent some months negotiating with Senator Mitchell, Senator Baucus, and others to pare that back and did finally, with the great help, particularly, of Senator Mitchell.

We got the annual, end-state annual costs down to about $22 billion to $24 billion, no small amount. I remember the League of Conservation Voters scored all the key votes trimming the expense of the bill and they penalized Senator Chafee, Senator Baucus, Senator Mitchell and other people who worked things out with us. The Senators, who negotiated cost reductions not only important to the Administration but also vitally necessary to ensure enactment by the full Senate, saw their environmental ratings plummet as vote after vote on the Environment Committee's bill was scored against them. The Senators who saw their previously outstanding environmental ratings drop to 50 or even below included several of the Senate's environmental champions.

That experience showed that environmentalists were out of touch. It showed that they had allowed their ideology to run away with them. Also, the habit of negativism, of reflexive antipathy that had characterized their relationship with the Reagan-Bush Administration unfortunately carried over to the Bush Administration, even though our initiatives, particularly

during the first couple of years, were strong - on legislative initiatives like clean air and food safety most notably; in the farm bill; on budget outlays; and on important regulatory calls such as my veto of the Two Forks Dam.

But, environmental groups did not credit or acknowledge most of those strong environmental initiatives. (They were, however, very supportive of my Two Forks Dam decision.) The reasons for that are complex. I think habit really explains some of it. Vice President Bush had been a part of the Reagan Administration and there was a lot of distrust of the continuing figures and faces who survived and who were important in our Administration. Environmentalists clearly understood that the President had made appointments designed to "tilt" one way at the Interior Department and another way at EPA, and they saw very little change at Interior from the Reagan era, although the budget for land acquisition at Interior was much higher under Bush.

There was the body language of Chief of Staff Sununu and Budget Director Darman, which was unfailingly skeptical about environmental initiatives and unnecessarily provocative to environmentalists. It pointed up an ideological division even when there wasn't a substantive conflict, between me and EPA and the White House. The White House, particularly, was highly ineffective in its public relations in dealing with the environment. It was as though they were ambivalent about wanting credit.

On the one hand they resented when the Administration was criticized by environmentalists, but on the other hand they didn't want to claim too much for our environmental initiatives lest they upset the business community and the more conservative elements of the constituency. The White House simply never resolved how it wished to present itself on the environment.

Finally, I think the President and his advisors decided that politically the environmental issue was too costly and was not working for the Administration. There was too little positive coming back for all the initiatives we were making. The Summit of the leaders of the industrial countries in Paris in June of 1989 was the greenest Summit ever held and we, the United States, were responsible for it being green.

I was the only environment Minister who was there accompanying a head of state, and yet the environmental community used that occasion to complain that we hadn't set targets for CO_2 reduction. I can still recall the sour expression on President Bush's face when a reporter at the final press conference in the garden behind the U.S. Ambassador's Residence questioned his saying that the meeting had made important strides on the environment. "That's not what environmentalists are saying," she pointed out.

The President decided, probably against his better judgment and instinct, to close off most of the California coast to new oil and gas development and part of the environmental community hit him for it. The Sierra Club criticized Bush because his moratorium was not permanent but only for the remaining years of the decade.

That's the kind of stuff that we dealt with constantly. There is no doubt in my mind that political partisanship played a role in the positions of many of the activist organizations. In fact, a majority of the staff at most of the activist environmental groups are Democrats and the culture

of these groups is Democratic. That is true even for the more moderate ones, like World Wildlife Fund. Many staffers from the organized environmental community, in fact, have gone into the Clinton Administration.

Activist environmentalists display great skepticism about Republicans as the party of business and they perceive Republicans as less prone to regulate than Democrats. They are less willing to be as generous or as tolerant toward a Republican Administration as they are toward a Democratic Administration. However, I can recall that President Carter and his Press Secretary, Jody Powell, had their conflicts with environmentalists: there is a newspaper headline I once showed our EPA staff - "White House to EPA, Shut Up or Quit."

It was, in fact, from a press conference that Jody Powell had conducted. So one doesn't want to make too much of the partisanship of environmentalists. Elements of the Carter White House fell to calling environmentalists "1000 percenters," people whom you could never please. But I thought we deserved better of the environmental community, particularly in the first couple of years, than we got. In fact, it hurt the environment and it hurt our capacity to make further initiatives in the latter part of the Administration that the rewards had been so few in the first part.

Reorganization

Q: Since the 1970s, well, since the 1960s really, ecologists, and environmentalists listening to ecologists, have looked for ways to make pollution control cross-media so that by cleaning one pollutant you're not dumping it into another medium. When you came into office, at an event celebrating EPA's 20th anniversary, a couple of former Administrators said that you didn't need to reorganize the Agency along cross-media lines. They counseled you against that and you seemed to have taken their advice. What compelled you to follow their advice? Why didn't you reorganize the Agency along cross- media lines?

MR. REILLY: There are a couple of explanations for my decision not to reorganize the Agency, and the most important and fundamental is reorganization involves tremendous costs in terms of time, organization, and momentum. I didn't know how much time I had and certainly when I began to have some of the conflicts with the White House Chief of Staff, Budget Director, later with the Vice President, I thought my tenure might be short and I didn't want to sacrifice any of that time to reorganization.

The goals of cross-media policy that I cared about, I tried to achieve by making them part of my ten priorities at the Agency by asking questions of our Assistant Administrators in a cross-media way, by having joint teams on a number of task forces and problem-solving exercises. I think the Agency got in the habit of thinking of itself more as a unit, as a coherent entity concerned with the environment as opposed to air, water, waste, or toxics. Raising the ecological profile also had that effect because the ecology is not something that allows you to segregate.

It's the place where you see it whole. My ecological initiatives, for the Great Lakes, national estuaries, and the geographic initiatives I championed, these all involved a cross media perspective to administer. And we targeted enforcement priorities on cross media problems by

requiring that a significant percentage of enforcement actions involve suits for violations of more than one statute. When the problem posed is not this steel plant or that leaking dump, but the restoration and protection of one of the Great Lakes, it forces you to look at the problem whole, to ask, what is the most effective thing I can do to clean up and protect the lake?

One has to look at air, water, enforcement, toxics, voluntary programs, and the contribution that all of them make. That's just the way I like it. One reason I like geographic initiatives and talked about them so much is because that's the way the world is, and certainly the way the public sees it. They don't see it in media compartments.

A second reason for not addressing the cross-media problem by reorganization is that the reorganization would have to be very fundamental. I think it finally should come, but it should come as a consequence of a statute that integrates the various media. I had such a statute Terry Davies had drafted one when he worked for me at The Conservation Foundation and I often discussed with him the possibility of just putting that out for comment, trying to raise attention to it, focus on it, get the community at-large discussing it. He thought, and most others thought, that this was both thankless - it would have had costs in terms of threatening some Congressional committees - and hopeless. There was no way, in the time we had, that the Congress was going to do anything about the cross-media problem.

We set out to move the Agency to a cross-media perspective by the priorities we set, the training and education we provided our staff, and also through some very important and influential demonstrations we conducted. The best known of these was the work we did with the Amoco Company at their refinery in Yorktown, Virginia. The analysis we jointly carried out there proved that by asking the question, "What is the best way to intervene in the process to improve the overall environment?," a better, more cost-effective reduction of critical pollutants can be obtained than by merely marching through the various media making emission and effluent reductions.

So I was never persuaded that reorganization is the best way to achieve a cross media orientation, and I'm not sure I would counsel my successor to engage in much reorganization either. Obviously, one can achieve these things differently. Perhaps more personnel movement within the Agency is appropriate at this time, given that there's been a lot of continuity for some time in some of the programs and it might be healthy to open them up a little bit, get people into the habit of dealing with a couple of the media.

We did think a good deal about reorganization. Of the more modest but still important reorganizing moves I made, I should mention that I established a new Science Advisor in the Administrator's office and created the post of Scientific Advisor to each of the Assistant Administrators and the Regional Administrators. Those, obviously, are integrating kinds of functions.

But, I can recall talking to Russell Train before I even took over at EPA who said, reorganizations just mean huge interruptions of the forward momentum, the progress of an agency, and one has to have a very large reason to do that to an agency. I'm conscious now what a terrific drain a change of Administrations is. The hiatus that occurs as you try to get new

people in place, get their names cleared by the White House, get them investigated by the FBI, get their names up to the Congress and get them confirmed by the Senate. To add reorganization on that at the beginning of a term will leave you with very little to show for your efforts two years out.

You look at the current Administration at EPA and I'm often reminded, by this time on our watch, six months into our term, we had dealt with the Exxon Valdez oil spill, made a decision to begin the veto process of the Two Forks Dam, dealt with the Alar crisis, proposed new food safety legislation, reorganized Superfund, and proposed a comprehensive new Clean Air Act.

We also moved a considerable distance towards having a new farm bill. It was a much faster start, and undoubtedly, some of the current slowness is a consequence of a change of Administrations that involves more than just administration, it involves a change of party with all new faces in the top positions, and delays in identifying them and getting them confirmed. The country does pay a price for doing things this way. To add a reorganization onto that as an early order of business is essentially saying to the world, "We're going to take two years off and rethink ourselves, we hope you're still there when we come back." I didn't want to do it.

Frustrations

Q: What were the most frustrating aspects of being the EPA Administrator?

MR. REILLY: There are certain endemic problems that EPA Administrators cope with. One is personnel. I know, going back to the beginning, the White House tends to scrutinize EPA personnel more than it looks at some other agencies. I was told directly by the Personnel Director in the Bush Administration that no personnel appointments attracted more lightning than mine at the White House. As a consequence, after I got my first round of people cleared, when a couple left, I was not able to get anyone cleared or proposed to the Senate again.

I had the people I wanted in the jobs, so it didn't really matter much to me practically, but I thought it was unfortunate for the people I had in "Acting" status that they never were able to get formally confirmed as Presidential appointees by the Senate. I think that's really a consequence of the nature of the business at EPA. It's a hot spot. It doesn't reward the White House much, it seems to present many more problems, more abrasive encounters than good news. From a President's perspective, EPA is just not a " feel good" place.

The regulatory review process is a constant frustration for an EPA Administrator. On the one hand the Administrator has the authority to administer laws and to prescribe regulations. However, that is circumscribed by an Executive Order that requires OMB sign-off. That creates a situation in which the Agency is always explaining to the Congress why it is not taking an action that may be called for, on time, by a statute, while at the same time it is fighting on the other side with OMB or the Competitiveness Council or its equivalent - there always have been equivalents - to justify the economic impact of a regulation and get the thing out as the law requires.

That involves constant negotiation and I suppose has proceeded more smoothly in other Administrations than it did in ours. We simply had an ideological chasm that divided me from

the Budget Director, for example, and from the Vice President on these issues. President Bush had advertised that he wanted to be the environmental President; I thought that had certain consequences for the priority and aggressiveness with which we should carry out our functions. I got the impression from the White House that a number of people had regretted the commitment and thought it no longer binding any more than the "no new tax" pledge was taken seriously by some of them.

Those were the major frustrations. There were also some frustrations with Congress at times. I remember testifying once on the reauthorization of the Resource Conservation Recovery Act, on which we had elected not to play because the Chief of Staff just didn't see anything in it for us, just didn't think we would succeed if we did.

I gave my honest opinions about some of the proposals then pending before the Congress which would have significantly expanded the responsibilities of EPA for regulating hazardous waste, taking the amount of defined and regulated hazardous waste from under 300 million tons to over 11 billion tons as mining waste, for example, was added to the regulated mix. I opposed that and gave testimony that was taken as very conservative. I was conscious of the fact that, first of all, we were barely making any sense of the program we were administering. Secondly, I knew that the Appropriations Committees had no intention of giving us any more money. And, third, I considered that the risk posed by a lot of this waste did not warrant nationalizing the problem.

But, the reaction on the part of some friends in the Committee was to say, poor Bill, look what they're making him say up here. I realized then the degree to which my position, my capacity to speak and be believed had been compromised by the in-fighting that everyone knew was going on within the Administration. I could have been more effective on that and some other issues if there wasn't the sense that there was a war occurring behind my back.

That was not a new phenomenon with me. Other Administrators had had many more problems of the sort that I had, and yet, what was distinct about my situation was that my President was the environmental President. So, there was the added note of disappointment, if not perceived hypocrisy, in the reaction of some of the pro-environment people in the Congress.

They just didn't see the policy conforming to the promise. That was a source of frustration and disappointment to me. It didn't need to be that way. We could have had a range of environmental legislative initiatives that addressed the water quality problem in imaginative new ways and that made sense economically. In fact, we could have achieved more reforms if our body language and our public presentation had been more forthcoming and aggressive, if we'd not created the impression of intense ambivalence about this area of public policy.

Environmental Philosophy

Q: How do you define your environmental philosophy?

MR. REILLY: My environmental philosophy fundamentally starts with a moral, if not a religious conviction that we have a responsibility to maintain the integrity of the natural systems that sustain life. The created order is itself holy, in a sense. And we, as a part of it, have an

obligation. One of the obvious and first obligations in any moral system is to sustain life, protect life, protect the underpinnings of life. So, I believe in sustainability, or sustainable development, to use the current phrase.

I have never considered myself a preservationist in the sense that I resist human interaction or intervention or even redirection sometimes of nature. I am a humanist. I believe, in fact, that humans have improved upon nature. Much of Europe has been reshaped by a very sensitive system of agriculture that has been concerned with productivity over the long term. The concepts of stewardship pioneered by the Benedictines who developed new strains of grape and grains is one that I have studied and deeply admire.

Before I became EPA Administrator I resisted calling myself an environmentalist because to me that had a connotation, particularly with others, of obstructionism, of excessive preservationism, of negativism, of anti-growth, of anti-government, anti-industry, anti-bigness. It needn't have that connotation, but to a lot of people it certainly did.

I call myself a conservationist. By that I mean someone more in the tradition of Theodore Roosevelt and Gifford Pinchot, who believed that nature should support human activities and can be depended upon to do so provided that more is not taken out than is put back; provided that there will be as much to support life in the next generation as there is in this one, provided that if you view it as a banking account, you're not always just making withdrawals.

I am just as concerned with poverty and the lack of development as I am with protection. I believe that the wisest form of protection is, in fact, creation. It's not enough to put fences around places and try to keep people out of them. One has to figure out a productive interaction that will make sense to people and cause them to think that their needs come first, as they must.

I find the notion of people as a pollution abhorrent. Humans have evolved right along with the rest of nature, of flora and fauna, and intelligent life is the crowning achievement of the created order. I believe both that humans are responsible for the earth, and that we're the best thing on it. That's a somewhat conservative philosophy for a contemporary environmentalist. (After so many years seeing the press characterize me as an environmentalist, and seeing that nearly 90% of the American public regard themselves as environmentalists, I accept the term for myself).

But, mine is, I think, a philosophy that can command popular support and that's realistic. I've worked a lot in the developing world and one does not bring to problems there a priority that requires people to do without so we can keep natural systems healthy. One has to craft a system that builds new economic structures that will be reasonably protective of natural systems. But meeting human needs is the first priority. If these are not fulfilled, the system of protection will not endure.

Rene Dubos' writings have influenced me. I believe it was he who distinguished between the two traditions that have shaped Western conservation, traditions that began with two Saints from Umbria. One is the tradition established by Saint Benedict, who believed in shaping the land, organizing it for agriculture. Benedictines introduced crops and vines and fruits as far north as Scotland. They were growers, cultivators, and builders. They were also fine conservationists.

The other great Umbrian Saint was Francis, who was a preservationist, really, who preached the profoundest reverence for what in his time were seen to be perfectly useless birds and wolves. Nothing like him had ever been seen before in Western thought.

The Franciscan perspective has survived and come down to contemporary history through Henry David Thoreau and John Muir in America. And the Benedictine world view traces to our time through Thomas Jefferson and Gifford Pinchot and Theodore Roosevelt. I suppose I feel more comfortable with the latter, Benedictine outlook than with the Franciscan philosophy, simply because the wild world in which to apply Francis' precepts is so much smaller and more limited. But both views are powerful and compelling. And elements of both are necessary to a fully rounded conservation philosophy. Fundamentally, I believe that creation is the most intelligent and enduring form of protection.

In terms of my application of that philosophy to my responsibilities at EPA, I tried first of all, to cast the environmental issue in a new way. I wanted to affect how Americans thought about environmental issues, to change somewhat *their* environmental philosophy, to bring them to accept that regulatory priorities should be risk-based, and science-driven. I wanted those concerned about the environment to engage the broader world, to recognize the vital relationship between environmental protection and trade.

I worked to promote understanding of the need to give the environment a much higher priority in U.S. foreign policy, for several reasons: the necessity to have international cooperation in solving so many environmental issues important to the United States, and also because, if you truly accept the concept of comparative risk as a basis for setting priorities, then you have to attend to the environment of the developing world where problems of health and ecological deterioration are egregious. I stressed the need to integrate environmental policies with economic decision making, both in the United States and internationally. And I made the case that natural systems deserve as much attention as health.

Advice to Successors and Public

Q: What overall advice would you give your successors and the public?

MR. REILLY: I can recall being at a senior EPA staff review we had on the Eastern Shore of Maryland when someone was delegated to complain to me that I was just imposing too many burdens on the Agency, too many priorities. I remember responding to that. In fact, Linda Fisher, Assistant Administrator for Toxics and Pesticides, told me recently that she was shown by Gordon Binder, my Chief of Staff, a note that I had written and handed to him as I left the meeting where I had listened to that complaint. The note read, "Kick ass and take names, there will be more priorities."

In my oral answer to that concern, I used a little more diplomatic language. I told the Agency's senior executives that in the lives of organizations, there are periods of retrenchment, consolidation, reaction, and sometimes quiescence. And there are also great moments of opportunity, energy, excitement, and innovation. I very much believed that during my time at EPA we were riding a flood tide and that we had the obligation to make the most of our moment,

not knowing how long it would last or whether or when it would come again. EPA has always been at its best when it viewed its role as not just custodial but as cutting edge, as formulating leadership, as prescribing the answers to problems, as directing to the Congress what needs attention, as communicating to the country what the big issues are and how they should be addressed.

One sometimes hears, and some of the current Administration seem to reflect this, that it is the job of the Agency to take Congressional priorities and implement them. Lord, that is just wholly impractical because Congress has given EPA totally diffuse and disconnected priorities. There's no way that you can possibly respond to all or take them all equally seriously. The Agency is in a unique position to function as the conceptual cockpit for environmental leadership not just in the United States but in the whole world. That is the role that I aspired to and I would encourage my successor to keep that standard high.

Q: What about the public?

MR. REILLY: The public needs to see and hear EPA. It tends to respect the mission but has a fairly uninformed view of what's involved. It's remarkable how little the public understands about the Environmental Protection Agency. It's not like the Park Service where the mission is obvious. Anybody who visits a park will run into a Service that interacts regularly and directly with people.

Education is a large and important part of the job. It required a great deal of outreach, a lot of attention to the message, a lot of effort to cultivate the press and television, and simply to explain. I used to do a lot of that - not just why it's more important to take my approach than someone else's, but exactly what the nature of the problem is, the issue itself - whether it's the Great Lakes or the Chesapeake Bay or the reauthorization of the Clean Air Act, or the acid rain problem that impacts on the Northeast, or the consequences of our energy choices or the border problems with Mexico.

The public needs constantly to be reminded of the fact that we all do make choices, and many individual choices have consequences for the environment that people don't fully appreciate. Maybe we don't really want to change some aspects of our behavior - conserve water, or have the car regularly inspected, or car-pool, or refrain from developing our wetlands, or leave our used oil at an approved collection center - because all these are inconvenient. I used to talk about things like inspection and maintenance of automobiles, something the public resists and that is very badly run in most states. Every buyer of a new car spends $800 or so on the pollution equipment alone, on the computers, catalytic converters and the rest and can lose the air pollution benefits of this investment totally by failing to maintain those systems.

The nature of wetlands is a subject I used to talk a lot about. (I seem to have hit the really popular programs hard, eh?). It constantly amazes me that for 25 years at least American conservation groups have tried to publicize the very important contribution of this diminishing, rich resource we have, its importance to commercial fisheries and ducks and for filtering pollutants. Yet, every wetlands fight we got into, we at EPA were on the defensive, with much less public support than it seems to me the resource would warrant if it were better understood.

To me, that is evidence of the need for more interaction, more communication. The public is smart. I think that when they are exposed to this kind of information, given the general positive feelings toward the environment, they will get it, they will understand. To some extent they do, and that's why you see support for clean air and clean water holding high. But, there's more to be done there. The EPA Administrator is far more than a regulator and should see himself or herself as a major source of information, of encouragement, at times of inspiration, for the public at large. Someone who is known, is trusted, can communicate - sometimes to reassure people about the safety of the food supply, other times to raise a little hell because there's too much wasted oil being dumped down the toilets and down the drains and getting in the groundwater and finally into the bays and estuaries - it's all part of the job.

Significant Accomplishments

Q: You mentioned before an ideological chasm between yourself and the Budget Director, etc. I suppose historians will look at OMB and EPA's relationship at some point in time and make judgments along those lines. As you know, you've studied history yourself, those will go in cyclical arrangements. But, on what grounds do you think historians should judge your tenure at EPA? What do you think were your most significant accomplishments as Administrator and what do you think were your biggest failures?

MR. REILLY: I think the most significant accomplishments were - somewhat in chronological order, I suppose - first, the elevation of ecology and the signaling of the end to expensive and wasteful water development in the West, which I think is the message of the veto of Two Forks Dam.

Second, the elevation of science in the Agency that came with the decision to commission the Science Advisory Board to do its report and then to give so much attention and play and priority to see to it that its message was heard. It began to affect policy.

Third, the enforcement vigor on my watch, which was unprecedented in the number of referrals to the Justice Department for civil action and criminal cases we filed. We assessed more fines during my four years than in the entire previous 18-year history of the Agency. And we put more people in jail for egregious, willful environmental crimes than in the previous history of EPA.

Fourth, I would cite the effort to integrate environmental policy with our foreign policy, which we began very early, as early as the March 1989 delegation that I headed to Mrs. Thatcher's conference on the ozone layer, in which then Senator Gore was a Delegation member. The constant publicity we gave to the stratospheric ozone issue as a representative, emblematic problem, and the Treaty amendments we negotiated phasing out ozone-depleting substances by 1995. Here the world economy was acting over many years in a way that was disturbing the fundamental life support system of the whole planet without any knowledge of the consequences of our actions.

And then we began to address and correct that problem internationally - in the only way we could, in cooperation and concert with other nations. We, at EPA, tried to influence the lending policies of AID, the training of the Peace Corps, which we began to undertake, the economic

policies of the Treasury Department relative to the World Bank, and I introduced President Bush to the concept of Debt for Nature, and we succeeded in making it a major component of the "Enterprise for the Americas Initiative" that the President proposed for reform of trade, debt, and environmental policies in Latin America.

One of the great environmental challenges and dramas of our time is the highly contaminated state of the former communist countries. EPA played the key role in thinking through those problems, and in setting priorities in conjunction with the World Bank to help address them. We proposed the establishment of the Budapest Center to take a regional approach toward Eastern Europe's environmental problems and then provided a Program Director from our staff.

I think we laid the groundwork for a solid climate treaty. In my view, the United States could have committed to stabilize greenhouse gases and that would not have impinged on our economic success. If anything, it would have spurred us to identify more energy conservation opportunities, which is good for our balance of trade and our overall environmental health in the United States. But, the climate treaty itself is a good basis for moving forward and if we have to, as the science comes in, to tighten the goals as time goes on, making them more concrete and specific.

Finally, I take some pride in the proposal by President Bush for a World Forest Convention, which was an idea I first broached to Chancellor Kohl of Germany prior to the Summit of Industrial Countries in Houston in 1990. I asked his Environment Minister, Klaus Toepfer, if Germany would refrain from pressing Bush on greenhouse gas stabilization commitments in return for the President's proposing a Convention on Forests. A German Government official close to Kohl had said to me, when I tried out the idea, that the Chancellor felt strongly about climate but that he was crazy about trees. The G7 leaders committed to the Forest Convention and we worked hard to achieve it in Rio. The Principles of Forestry that the world community did agree to at Rio is a long way from a Convention on Forestry, but it does lay the foundation for the Convention and one day it will come into being.

I believe we made considerable progress in cleaning up hazardous waste dumps, and perhaps more important, in laying out the considerations that should underlie the reauthorization of hazardous waste laws when the time would come to revisit those flawed statutes. Within six months of taking office we redirected Superfund, emphasizing enforcement first, and new technologies. As a result of the enforcement priority, lawyers for responsible parties began to advise their clients to settle.

We had four years of record settlements, during which four-fifths of all private party contributions ever made to clean up Superfund sites were committed. And during our final year we were averaging one cleanup of a Superfund site every six days, or 65 in our last year. With the *Reducing Risk* report by the Science Advisory Board, and the Risk Characterization memo by Deputy Administrator Hank Habicht, we laid the foundation for a thorough overhaul of the Superfund program when the moment came for reauthorization. Guidance we issued directed Superfund managers to adjust remediation requirements to future land use, an important change necessary to reduce cleanup costs and return derelict properties to productive use.

I believe that we legitimized both the concept and use of risk assessment on our watch. More than half the states undertook their own comparative risk studies after we completed ours.

We also designed and demonstrated the value of market-based trading of pollutants in the acid rain title of our clean air bill, which is now law.

I believed very much that an excessively adversarial relationship had characterized government-industry relationships in the United States, and that it was impeding progress. The many voluntary, collaborative programs we launched, several like Green Lights and 33/50 which were very successful, responded to that concern. They began to inculcate in our professionals a more sophisticated understanding of the possibilities open to them, the sense that they could, without compromising their aggressive enforcement responsibilities, pursue cooperative ventures with serious companies and sometimes solve problems faster and more efficiently.

I think, looking back, the thing that I am proudest of is the fact that the country, the Congress, and certainly the President, thought we were on the level. We were honest people who had a sense of the direction that we should go in and that the country should go in, and we were competent and could be trusted.

It's very important when you exercise the kind of power that we had at EPA that you have credibility and that people - even smart and involved people cannot take the time to learn your *metier* - believe that you're taking the right things into account, and you have their interests at heart. I think, by and large, our public reputation was consistent with that idea. If there were those who thought from time to time that we were too vigorous or perhaps not aggressive enough, they nevertheless believed that we were serious. That is probably the thing that I am the proudest of because I think it's what EPA most needed in my time.

In terms of my major failures and disappointments, I think that the Rio Conference has to stand out as the principal one. I can recall getting up as Head of Delegation to deliver the speech for the United States in Rio and my heart just sinking as I moved toward the platform. It was clear to me that this should have been the high point of America's environmental performance and leadership in the world.

We, after all, were the country that had done more to put the issue on the map, to think it through, to develop environmental impact assessment, push clean air, establish freedom of information and community right to know about toxic releases, and advance pollution rights trading, and so many of the cutting edge concepts of our time. No other country had reduced its pollution levels so much, or restored water bodies as we had. Virtually all the environment Ministers in Rio knew that. Nevertheless, America was on the defensive, isolated, criticized.

For me, personally, it ought to have been the high point of my career, and here I was heading the delegation which was widely seen as the malefactor. The Financial Times of London reported my first press conference in Rio with my photograph under the headline, "Arrival of the Archfiend in Rio." They then gave a quite positive, sympathetic characterization of my performance, but were unsparing in their presentation of the world community's negative, even hostile, attitude toward the United States.

The Administration's failure to commit the United States to stabilization of greenhouse gases in the climate treaty, and then its abysmal oversight of the negotiation of the biodiversity convention left us alone and beleaguered at Rio. The Administration was not sufficiently unified to make sure that the Convention on Biological Diversity was well-crafted and was one that we could embrace. Had we been with the rest of the world on those issues we could have led on many others at and prior to Rio.

I regret that I didn't get more consistent and vigorous support from the White House in an area where I really had the President's interests at heart. The President was personally very attentive and kind to me and my wife - and so was Mrs. Bush. All of his public comments and many private observations that got back to me were enthusiastically supportive of what I was doing. Yet, during the fourth year, particularly, he came down on the side of the Chief of Staff or the Budget Director or the Vice President on some of the major divisive issues between EPA and the White House and undercut his very good environmental record and made decisions, such as those affecting the climate treaty, that I thought made very little sense politically or economically.

I think his image as a master of foreign policy actually suffered at Rio in ways that perhaps some of his advisors had never conceived - largely because they just didn't take the environment very seriously and they didn't think the world would, either. I remember the Budget Director said that our stonewalling and isolation at Rio would generate one, at the most two, days of negative press. Well, it was at least 14 days of worldwide press exposure and criticism. From an environmental point of review, we simply didn't recover from it and it became impossible to get the environmental record, which is a very strong record in the Bush Administration, before the public and the country.

That wasn't necessary. I don't think that the conservatives in this country required it. I don't think it really helped with that wing of the Republican Party, and it hurt very seriously with others who wanted to see the United States constructively engaged with these problems - not necessarily doing extreme things about them, but certainly working in concert with other nations to solve these problems, and ideally, leading other nations.

My other disappointments are related to that. The constant bickering, fighting, with the White House distracted us from some initiatives that we could otherwise have undertaken. We could have engaged in much more productive debates about the reauthorization of RCRA, formulated our own concept, lobbied it aggressively as we did the Clean Air Act, and finally gotten rid of some of the dumber things in that law, had we retained our credibility.

One has to respect the fact that we had not just a divided Administration but we had a divided government. I don't think anything we could have done would have won Cabinet status for the Agency. The Democratic leadership in the House simply was not going to permit that on Bush's watch. Some, in fact, have admitted it since. Some, like Senator Mitchell in the Senate were large, generous, and thought that the Agency belonged in the Cabinet and were prepared to bury any partisanship to put it there.

We never got the same kind of generous outlook in the House. There were some long-term critics of the Agency like Dingell who even in a Democratic Administration won't support putting EPA in the Cabinet, but might conceivably be willing to defer to a President of their own party on something he felt strongly about. So, I regret not getting Cabinet status but I don't think there was much I could have done to achieve that.

I regret not getting a new headquarters building. This is one of the frustrations that my predecessors and I all suffered through. EPA Headquarters was a sick building! The very idea has a Woody Allen ring to it. I never imagined that five years after I took office I would look back and see that Congress has yet to approve our building and relocation plan. I succeeded in getting the Administration to agree to assign to EPA the best building to come on the market on Pennsylvania Avenue since the Depression, as Senator Moynihan reminded me, congratulating me that the President supported my position. But, I could never get Eleanor Holmes Norton to sign off and she blocked approval of EPA as the tenant by the House Public Works Subcommittee on Buildings because, as she said at the time, she thought that building too worthwhile to have people in it making decisions about sewers.

I would have liked to have a more productive relationship with a couple of key members of Congress, but actually the reasons for the animosities felt by some members had to do with our aggressive advocacy of clean air and our vigorous lobbying of the Clean Air bill that they found loathsome. So that's not a failure, really, it's simply a consequence of making choices and being active, which I'm proud of. Overall, my relations with the Congress were quite good.

Food safety legislation would have been good to get. It was needed, but we couldn't get the liberals to give up the Delaney clause, or the conservatives to agree to strengthen EPA's cancellation authorities, so we reached an impasse. Now with the decision of the 9th Circuit Court of Appeals overturning the Agency's interpretation of the Delaney clause, there will have to be food safety legislation. Our setback will have proved to be temporary.

I cared a lot about the Convention on World Forestry and got the President to propose that at the Houston summit in 1991 with some of the G-7 industrialized countries. We did not succeed in getting the developing nations to agree to a convention, though we did get a Statement of Principles on Forestry, which I negotiated for the United States in Rio.

Ultimately that will prove much more valuable than the Convention on Biological Diversity, which was almost too easy to get the developing countries to agree to because it asked so little of them. The Convention on Forestry could make a very substantial difference to the conservation of a very large amount of flora and fauna that live in the forests of the world, particularly in the tropical forests. That's something for the longer term and I hope the Clinton Administration gives it a priority.

I suppose it's come as a surprise to some that EPA was so heavily engaged in that issue. Well, I really did see the Agency as the *Environmental* Protection Agency, rather than as the air, water, and waste regulator of the United States. I saw my role as the chief figure in the field of environment in the Administration. Certainly the Agriculture Department had little interest in the

Convention on World Forestry or the Statement of Principles on Forestry. So, the vacuum needed to be filled and I happily filled it.

But I don't think there is much we could have done that could have gotten that in our time, the developing world just wasn't ready for it and saw our concerns as potentially encroaching on their sovereignty. I saw their anxieties first hand and they were genuine. India, Brazil, China, Malaysia - they weren't ready for it.

I certainly regret that the environmental issue didn't work to the President's political advantage, as I think it should have. But, on the other hand, the White House, itself, is largely implicated in that. I often had the feeling that probably all the heads of agencies must have, that if only I had had more latitude to operate independently and to control issues and their presentation myself, we would have done much better. I started by thinking I was the only non-politician in the mix of Bush appointees dealing with the environment.

I ended up thinking I was the only one with really much of a feel for the politics of the environment as I watched them bungle one environmental issue after another from a political point of view. There was just this dependable and consistent capacity to make a silk purse into a sow's ear when we engaged issues like wetlands or the clean air regulations with the Competitiveness Council. The Rio choices were a string of bad political decisions motivated by discomfort with the issue and ideological antipathy to environmentalism that ran very deep, I think, on the part of some of the principals. And it led to failures that disappointed me.

But ultimately those decisions will not have any enduring significance because the underpinnings of the apparatus and the record that we set were very firm, were very strong. Bush's environmental record is, in fact, very good, as people will acknowledge, particularly when they compare it with the Clinton environmental record from the point of view of budget or enforcement or new initiatives. It will take time to see that. Only the Administration's own internal conflicts obscured that while we were in office.

It would have been possible to overcome the antipathy of some of the activist environmental organizations that communicate directly to the country by drawing on the credibility that we had, that I had particularly, with the press, the people that covered EPA, for example, or the White House press, had we not been undermined so consistently by the Competitiveness Council and by the body language that was used to communicate about these issues. So in a sense, my perception of missed opportunities is more one of politics than it is of administration or of environmental performance, where I think we actually did very respectably.

Concluding Remarks

Q: In timing that question, I didn't mean to end on a negative note, but that's my final question. Do you have any concluding remarks? Is there something that in the past, probably what's going to turn out to be seven and a half hours of tape beginning in July and ending finally here in November, that you haven't mentioned that you think is worth mentioning or that one of my questions hasn't addressed that you think is worth mentioning?

MR. REILLY: You know there are so many areas of policy that we could go into in more detail, but no, I can't think of any questions you haven't asked. You really have covered it. You know, I think some people look back at our period and consider that we started so well and ended badly. I find myself introduced, sometimes, as the voice that cried in the wilderness, as someone who tried to be the conscience of the Bush Administration on the environment. I went into that job with no illusions.

I knew all of my predecessors; I knew how much conflict there had been and how many disappointments some of them had had in their times. In fact, I had many more than my share of good days. I remember Bill Ruckelshaus said as he announced his retirement, his resignation from EPA, that an EPA Administrator gets two days in the sun, the day he's announced and the day he leaves, and everything in between is rain.

That was not true for me. I had a lot of sunny days and I owe them to George Bush and to the relationship that I had with the President. My relationship with him was more congenial, much more personally satisfying, I think, than any of my predecessors had had with the Presidents they served. It resulted in much more achievement.

That it was less successful politically than it might have been is largely the consequence, I believe, of decisions made at the White House that I accepted at the time with a sense that they never involved any moral compromise but were prudential judgments on which reasonable people could differ. Pressures that I was subjected to I could resist, and did resist, when I thought they were improper and there were no recriminations for that. It was a clean Administration. It was an honest and ethical Administration.

Although it is the new initiatives and controversial decisions that government officials make that receive most attention, the life blood of the Agency, 99 percent of the things it does for the environment attract relatively little attention. The permits that are written, the approvals and denials of permission to fill a wetland or open a waste facility or set a standard or pesticide tolerance, and the quality of the staff work that goes into such decisions - these are the principal determinants of environmental quality, what really add up to the integrity of the operation.

With that perspective in mind, it is thanks largely to the quality of the people who work at EPA, their zeal, their commitment, the fact that for them it's not just a job, they really believe in what they're doing and that they are doing something fundamentally important. That is what made our four years a very productive and exciting time. It's a time that EPA professionals, and the country beyond Washington, will look back on as a time of enormous creativity and energy and achievement in the environment. So, I was happy to have been along for that ride.

Q: Thank you for your time.

EPA 202-K-95-002
September 1995

Interview conducted by Dr. Dennis Williams