## <u> CONCLINATION MEDICAL LAW MID I CLICI I CNC</u>

## ANNUAL SYMPOSIUM: "THE EPA AT 40"

## **REMARKS:**

## REFLECTIONS ON THE FIRST FORTY YEARS

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Thank you, Bill Chameides. I will tell you how I'm going to spend my birthday: I'm going to testify in the morning before Senator Bingaman and the Senate Committee on Energy Natural Resources, and in the afternoon before Chairman Hastings and the Natural Resources Committee in the House. And I have this very nice note from my wife when I told her that I wasn't going to be home for my birthday. She said, "I think it's really marvelous that you are going to spend the day that way." And most people would ask, is there an edge there? She had parentheses, "I actually really mean this." So much for my birthday.

Bill, you've been a marvelous dean here at the Nicholas School, and the relationship between you and Tim Profeta, between the School and Nicholas Institute—I will comment on. I think it's a very productive one for both institutions. It has attracted an enormous amount of attention and credibility for the portfolios that each of you carry, and has certainly made this school (it is a lacuna in my own formation that I have not taught or studied here) really exemplary, notable, and front-rank—the leading institution with respect to environmental policy.

<sup>\*</sup> These comments were made at the *DELPF* annual symposium on January 24, 2011, at Duke University's Sarah P. Duke Gardens. The text of this transcript has been only lightly edited and all changes have been approved by the speaker.

William K. Reilly was Administrator of the Environmental Protection Agency under President George H.W. Bush, from 1989 to 1992. He recently chaired, along with Senator Bob Graham, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling. He is currently an advisor to TPG Capital, a private equity investment firm in Fort Worth, Texas.

I think there are, therefore, in the audience probably future administrators of EPA and leaders of environmental policy in the country, and I would encourage you to think that way. The question that is on the minds of so many students when I talk to classes is, "Well, how did you do that? How did you get there?" And the truth is, I've never been entirely clear, but I think that a preparation for thinking about the whole range of issues that—as Gordon Binder mentioned earlier—are involved with EPA, and the intersection of science, and health, and economics, and energy policy is a very good way to prepare for working in fields of public policy generally and for doing so in a way that leaves you with respect for other disciplines and other interests, which is vitally necessary to return this society, particularly in its political discourse, to a more modulated, a more reasonable, a more humane tone.

One senator, now representing West Virginia—formerly the governor and a good governor—referred to EPA as "terrorists" and had in his election materials and videos a bull's eye that he was photographed shooting at—it was the Waxman-Markey climate bill. I think it's a very bad sign of rhetoric having gone too far. It's not the first time that sort of thing has happened. There was a congressman who referred to EPA as the Gestapo. In Bill Ruckelshaus's time, I remember Ruckelshaus famously said, "I don't think he meant that as a compliment."

It's going to get heated, and it's necessary to repair to the kinds of approaches that you have heard some of the giants in the field represent this morning. These are heroes of mine, and I cannot count the number of times that I have looked to one or the other of them and taken their advice, their views. I remember, with respect to John Graham, I think I was one of the only people in the environmental community who supported his confirmation. And I was so delighted to hear Linda Fisher, who was later Deputy to Christie Whitman at EPA, say that the only person who pays any attention to data in the White House is John Graham; a nice tribute to John and not a surprise.

I'm going to talk a little bit about my own time at EPA and whatever lessons it may have for the future. And I'm going to conclude by reciting Gordon Binder's Top 10 Achievements of the Agency.

I received a call, I remember, from Phil *Shabecoff*, then the New York Times environment correspondent, back just after the 1988 election, maybe two weeks after, in which he said, "Are you aware

that you are on a very short list for EPA administrator?"

And I said, "Well, I read it in your newspaper."

And he said, "But you haven't been contacted?"

And I said, "No, I haven't."

And he said, "That's strange because this comes from a usually reliable source, but there is something wrong with it."

And I said, "Well what's wrong with it?"

"Well, Elizabeth Dole is on that list."

And I said, "Why does that make you think something is wrong?"

"Well, she has political ambition. She would never want to run EPA."

And that points to a reality that EPA does not do much either for a politician or for the political interests of a President. Invariably, the Agency serves regularly to antagonize one interest group or another and the kind of press and letters that reach the President are typically critical of EPA. And as for a constituency, the environmental community, historically, has been "small beer," never satisfied, always pushing for more and, as Don Elliott has said, particularly hard on a Republican administration. When I received a career award from the League of Conservation Voters a few years ago, I reminded them that they had awarded our administration a "D" after our first year in office. They awarded me personally an "A," but the President a "D." And this was after the Clean Air Act and a number of other successful initiatives.

Another reporter made a remark to me after my announcement—Guy Darst who was an AP reporter. He said, "You know you're going to the best agency."

And I said, "Well that's not really the perception, either in industry or among environmentalists."

And he said, "Well, I've covered them all. And there is no other agency in the government that in the course of a week or two would make two or three decisions that that are right at the center of controversial economics, health impacts, and scientific principles and theories." And he said, "And the other agencies that do it would maybe do it once at most, maybe twice at most, in a year, and then they would screw it up."

And I found that true—and feel an enormous respect for the civil servants at the Agency for their quality and for their commitment. I remember the Interior Secretary Manuel Lujan once said to me, "You know, I give an order in my department and the Bureau of

Mines, they stand up and they salute and say, 'Yes, Sir,' and they carry it out. The Fish and Wildlife Service, the Parks Service, want to check with God first." And then he looked at me, he said, "I forgot whom I was talking to—that's all you've got over there, people who check with God first."

I said, "Well, Manny, they don't need to."

I was reminded by something that was mentioned with respect to cycles—that in the life of agencies there are opportunities for innovation, for creativity, and for breaking new ground and moving in new directions. And there are years of reaction or consolidation and gradual accommodation to the expectations that were built up in a more innovative time. I had the good fortune to lead the Agency during a period of high expectations and opportunity. And that had a lot to do with the fact that we were successful with respect to many of our initiatives.

The power in the Agency was suggested to me about two days before it was announced by the President that I was going to be the administrator. And I didn't, at that time, know I was going to be. I was in Los Angeles, and I was meeting with ARCO on behalf of World Wildlife Fund regarding a project they were funding. Typically those meetings involve one, at the most two, people. I remember I was led to a conference room and there were probably fifty or sixty people sitting around the room. I said to the executive who was hosting me, "What's this about?"

He said, "The Oil Daily, today, says it's you." And he said, "People think that we are on pins and needles about the Energy Secretary." He said, "I won't say that we aren't interested in who the Energy Secretary is going to be. The power, however, fuels, and the rest is all at the EPA." And that is true. It leads to tremendous responsibility, and as pointed out by John, opportunity.

The first thing I did before going to EPA, was to prepare the plan for the Science Advisory Board to consider the priorities of the country. What are the major threats to the health and the environment of the United States, both from a health point of view and from an ecological point of view? And their report said essentially to the Agency: you are spending about four-fifths of your money on second order priorities—that is, on hazardous waste, on RCRA, Superfund, and clean up.

One person who was very sensitive to that was Senator Moynihan, and we are all looking for quotes—I was thinking about the quotes that are memorable in my mind. A couple of them come

from him. One was: "Above all"—I asked him for his advice and he had seated me in an eighteenth century Windsor chair, which he said was quite appropriate to a Republican Cabinet officer—and he said to me, "Above all, don't allow your agency to become transported by middle class enthusiasms." He later tried to get me to say that Superfund—and RCRA and hazardous waste generally—was a lower order priority. President Bush had run on a platform of administering and enforcing those laws aggressively, and I took that seriously and we did. We had the strongest enforcement record, more fines set in our period than in the previous eighteen-year history of the Agency. I didn't bite when he asked me to characterize those issues quite the way our Science Advisory Board had. But I reminded him, with respect to risk, made risk assessment and risk metrics a basis for quite a number of our decisions. And that is so badly needed by a regulator—to have a common template, at least the language of which can be understood. Then you're debating application rather than principle.

I said to Senator Moynihan, "A great man once said to me, 'I agree with you about the need to reduce risk, but don't think that you can reduce it to zero, because, remember, life is about risk. And it ends badly."

And Moynihan, sitting up on the committee dais, said, "No, the great man actually said to you, 'You live once and then you die."

Those interchanges, I marvel at their imagination, always seemed to come from the top of his head. He was remarkably astute and insightful with respect to policy.

I received some advice about my time at the EPA that I would mention as one of the signal responsibilities and, I think, determinants of effectiveness. The second administrator, Russell Train, my mentor, said to me, "You're going into a government without any friends. You were not active in the campaign. People are going to look at you and wonder, 'How did you get this job? You didn't even know the President." And he said, "You are going to have two things that I would suggest you do, two advantages. One," he said, "communicate, work with the press. Pay a lot of attention to it." He said, "If that works, and for you it will work," he said, "people in the White House will end by fearing you. And that is where you want them."

"Secondly," he said, "the President and you are going to get along. You are his kind of guy."

I remember Lee Atwater, the head of the Republican Party,

saying to me once over lunch, "You know, the President's in politics for people like you. You are the kind of person—nonpolitical, involved with policy, concerned about getting the right answers—that he really likes and respects. People like me, I'm an instrument. And I don't regret that, I don't resent it, but it just happens to be true of George Bush."

I remember later thinking about that relationship, Russell Train said, "You know, Reilly sees more of the President in a week than I saw Nixon in a year." And that was probably true. President Bush took me to the 1989 G7 meetings in Paris, where I was able at one point to translate between him and President Mitterand. He took me on many of his state visits and invited my wife Libbie and me to five state dinners. He seated Libbie next to Prince Phillip at the dinner for the Queen, and next to Vaclav Havel at a dinner honoring him. I used to be positioned so that I would cut in on the President on the dance floor after 45 seconds and position my wife so he would then dance with her. It was in every way a very satisfying relationship.

This is all by way of saying that I think the first task of leadership in the Agency—and it has an administrator now marvelously equipped to do this—is to take charge of priority setting. Tell the Congress what the priorities are.

I remember my successor commented once when she was asked how did she envision the role of the administrator, she said, "To carry out the will of Congress."

I remember thinking, "Well, the will of Congress is represented in those 80 or more committees we reported to." You have to shape the priorities according to your President's priorities, according to the country's mood and its temperament and what it can afford. If you do that, and you are noisy enough about it, and repeat it often enough, pretty soon you start hearing your message coming back. And those messages were, from my point of view, very important both to providing direction for the Agency itself and providing a unifying message so that people understood they were working to a common plan. But also important for the country, because the country doesn't know how to think about environmental issues. You have only to look at attitudes towards climate change to understand that, and even when they seem to—for example, in the state of California where we have quite a good, strong climate law presently. I just completed cochairing a task force on adaptation for Governor Schwarzenegger. And although it is commonly accepted that California is headed for significant climate change, those who make infrastructure decisionsstate and local officials, planning and zoning officials—pay very little attention to what the implications of those changes are expected to be and how they will affect those infrastructure decisions.

So that is the sort of thing, I think, on which we do need communication. We do need leadership. We do need science. And I would say that if there is anything for which I wanted my Agency to be remembered, starting with that priorities review by the Science Advisory Board, it is trying to base the decisions that we made on good science. It is the secular religion of our country. There is no other, better unifying principle around which to organize policy and to deploy resources. I think one should constantly refer to it. And I am of the opinion that ultimately data is heard and does get accepted. With respect to climate change, those eleven national academies of science that have opined that humans are having an impact on the climate—when the crisis comes, all of the sudden, the analyses they have prepared I think will be taken much more seriously.

I am reminded that the Clean Air staff at EPA throughout the 1980s did the research, conducted the examinations, and carried out the reviews that were the basis for the Clean Air Act Amendments of 1990. There was very little chance that in the 1980s any of that would have come to fruition. But it did not deter the staff at EPA from preparing for the day when they could and they would. And they did.

Secondly, after the scientific principle that should govern so much, I would say: recognize the international dimensions of the issues that we address. We cannot manage and protect the Gulf of Mexico without assistance from Mexico and Cuba, both of which intend to go into deep water drilling for oil within the next two years. We can't manage the Arctic without the agreements of the Russians and the Canadians and the Danes who have already begun to drill in Greenland.

That is something that I gave a very high priority to, and I look back at the kind of things that I did and that the President appreciated that I did. Working for an internationalist President, it really was very useful to have established a good relationship with Helmut Kohl and Margaret Thatcher. And I don't know if anyone ever knew that I went to see the Pope, but I did.

Those relationships—I'll never forget some of them, Helmut Kohl in particular, after the 1989 summit, while we were walking down the corridors to the Louvre, he asked the President, "How do I follow up on this summit on the environment?"

And the President said, "See Reilly."

Kohl turned to me and he said in German, "Ich brauche Ihre Karte," which means, "I need your card." And I remember thinking for a moment that I had a card, but the German Chancellor couldn't be asking me for my card. And at any rate, we set up a meeting and I went to see him, and our ambassador, Vernon Walters, said that was Rhennish for "I need your help."

I'll never forget the close of that meeting with Helmut Kohl, which I reminded him of last fall in Germany when I was invited to go to the dinner for Gorbachev, Bush, and Kohl on the anniversary of the Berlin Wall coming down. He said, "On your country, and on mine, rests whatever hope there is in this world to address the most serious planetary threat. And on your shoulders weighs the need to bring your President to understand and to lead on that issue."

It still gives me a chill to remember that.

We have in the United States the capacity to lead internationally. I recall how the forestry convention—or what was to be a forestry convention—came to be. Helmut Kohl and the Germans were making a great thing about the need for targets and timetables in the Convention on Climate Change, and the summit was going to address those—the then-G7 summit in Houston of all places, the President's home ground. That was really not going to go over with the White House and it wasn't going to do the environment much good to have a predictable Donnybrook occur.

So I called the German environment minister, Klaus Töpfer, and proposed a deal. The deal I proposed was a forestry convention and backing off of targets and timetables, which the United States was not prepared to agree to yet. I'll never forget, he said, "Well, the Chancellor cares about climate. But he's nuts about trees. I think he'll take the deal."

Well, he did take the deal. And that suggests something else about EPA. In the eighth week I was in office, I made a decision to cancel a dam, to start the veto process against the Two Forks Dam, a \$500 million dam in Colorado, in which there was no federal money involved. I thought I could then take some time off; it was Good Friday. I had previously talked to Senator Chaffee, ranking Republican on the Environment and Public Works Committee, and said, "Just hypothetically, if I were to use the Clean Water Act in a very aggressive way, how would the Congress react? Would they remove any authority in that law?"

And he said, "No, you're riding high now and it's early in the administration. My only advice to you is—I don't need to know what

you're planning to do, but whatever it is, if it's controversial, do it when we're out of town."

So I did it on Good Friday, and then my Chief of Staff Gordon Binder walked in my office, probably 15 minutes later and said, "There's been an oil spill in Alaska. It looks like a big one." So I called up the President's Chief of Staff, John Sununu, at the White House that afternoon and told him I was going to Alaska. The EPA had no jurisdiction in Alaska. And yet I became the spokesperson on that issue and was a much more credible and plausible one than the Transportation Secretary, say, would have been, because I was the "green conscience," as it used to be said, for "the environmental President."

We took those opportunities to make the point that we were the single and undivided environment Agency in the United States. I think that is a very important way to define the Agency, to keep the big picture in mind, and to communicate in a big-picture way. It is rare that you will have a President who is a small-picture guy with respect to the environment, and neither is most of the country and most of the members of Congress. So one constantly needs to remind what it is we're doing, what really the cause is, and how important it is to succeed at it. Talking about parts per million in a new rule will not keep a President's attention.

The third thing I will say is how important it is to craft regulations that, in Michael Porter of Harvard Business School's term, are "smart regulations" that are performance oriented which foster technological innovation and do not inhibit it. It is possible with regulations, and this is something that has been on my mind a lot looking at the prescriptive regulations that are the obvious and logical tendency at the Interior Department after the oil spill in the Gulf of Mexico. One has to be careful not to have regulations that are only applicable and effective today, but in three to five years become anachronistic for regulating a very dynamic industry. There are ways to do that, and I think the Clean Air Act—the pollution rights trading-market based approaches—are effective at that.

Part of the leadership, though, goes beyond regulation. I was reminded of this a couple of years ago when I was invited to come and help design a new environmental agency in China. I gave the nuts and bolts of our system, of how it works and of ambient standards and all the rest. The group to whom I was speaking looked perplexed, and they began to ask questions. The first question I got was, "How did you, when you were at EPA and in Washington, get the states to pay

any attention to you? They don't pay any attention to us at all in Beijing."

I said, "Well, we could under certain circumstances cut off their highway money, some of their infrastructure money. Do you have that resource?"

"Well, not really."

"We had a very aggressive nongovernmental organization community."

"Mm, well, what else have you got?"

"We had the courts."

"Um, no."

"And then we had the press." I was kind of out of gas. And a young Chinese woman who was working for World Wildlife Fund stood up and said, "Mr. Reilly, you did not mention your EPA voluntary programs. Would you describe those?" She knew them in detail, 33-50 and Energy Star, and some of the others. All of the people in the group, who were the people who were going to actually write the law for China, began writing furiously. The question then I got was, "What did you give those companies, for example, that did what you asked them to do about reducing toxic emissions 33% and then 50%?"

I said, "Well, I gave them a flag to fly over their plant and a nice letter from me." I was amused, or bemused, in saying that.

To my astonishment, the people began to say, "That could work." The Chinese do now have a thousand-company approach to pollution—I think they're going to increase it to 10,000—where they're proceeding company-by-company to ask that reductions be made in  $CO_2$ ,  $SO_2$ , and so forth.

So it's very important to recognize that some of these things can be done which have consequences for policy and for activities not just in your own country but in the rest of the world as well. I look now at so many of the companies with which I've had experience and see they are so far ahead of the Congress in their expectation of the need to reduce their carbon footprint. They want to act, and they want to be seen to act, and there are so many reasons for that including resources and waste and cost and image and all of those things. That gives them an opportunity to display what they can do, it also serves to make clear to the legislature that these things can be done.

On the international front, I think about some of our initiatives. After Tiananmen Square, none of us at my level of government were allowed to go to China, and so I did not get there in my time at EPA,

but met with the Chinese minister at ozone conferences and such other places. And I remember Secretary of State James Baker saying to me, "I don't know what you're doing with the Chinese, and I don't need to know. But, he said, they love you. Keep it up."

And I said, "Well, what we're doing is helping them with methane reduction and cement kiln dust suppression and CFC alternatives and replacements. We got DuPont to send some engineers to explain to them why they did not need to have CFCs in the three hundred million refrigerators that were planned for the next ten-year production cycle in China, a decision that would have blown away virtually everything we were doing with appliances in the West had they proceeded with it. They didn't. The fact that the Agency had that credibility—and by the way, I don't think I ever had any money for international programs. It has always been resisted on the part of the Congress and OMB that EPA get funds for any significant international outlays.

I recall my predecessor Russell Train once giving testimony—and he was an internationalist— before Jamie Whitten from Mississippi, who was the renowned and feared Chairman of the House Appropriations Committee. And Mr. Whitten said, "Now, Administrator, this international stuff, and all this travel, I just don't see it. And this Tbilsi trip, what's that all about?"

Train said, "That's in Georgia, sir."

And Whitten said, "Oh, then that's all right."

That emphasis on the international dimension is so crucial. It's crucial, I think, not just to an internationalist President, but after a couple of years in my experience, all Presidents become internationalists. In that sphere a President has unilateral influence and power, and it doesn't hurt that it's such a relief to go abroad to meet with foreign ministers and heads of state and be taken seriously and be respected as opposed to going up to Congress and fighting for things. I imagine that it is true of President Obama now; it has been true of others.

I will turn now to Gordon's Top 10 in the forty year history of EPA, with which I essentially agree. I think I am responsible for four or five of them, so how could I not?

He starts with number 10, the NAFTA environmental side agreements. These were truly path-breaking. I don't think from the environmental point of view they may have received the kind of attention they deserve. But to insert environmental priorities into a trade agreement had never been done - to say in the preamble that

one of the objectives was to foster sustainable development and the upward ratcheting of environmental standards among the three countries. I was one of three Republicans—Carla Hills and Colin Powell were the others—invited to the signing of NAFTA by Bill Clinton, and he recited those in introducing me. It very much impressed me that he did understand their significance.

Someone who did not was the European Union Commissioner for Competition, whose name was Karel Van Miert, who said to me when I went to see him after our election and we were lame ducks. I said we should put in the WTO these very same principles. And he said, "You have introduced concepts utterly foreign to trade. And it is very destructive, what you have done. It is going to be distracting from the principal purpose of trade agreements." Those views are held, or were then, by distinguished trade officials, and these concepts were, in fact, foreign. But I think path-breaking. I later did a poll to find out if any other environment minister had ever testified on a trade treaty, and not one had. I testified seven times and had been given the lead role over the U.S. negotiations involving two of the seven chapters of NAFTA, for which Linda Fisher and Dan Esty were key to designing the environmental and pharmacological parts.

That certainly qualifies in my mind as one of the Top 10, given the importance of trade, and the importance of doing what we have not yet successfully done in the United States - integrating our environmental aspirations with our economic priorities. To the extent that that has been done in the NAFTA agreement I think should serve as a precedent.

As number nine on the list, he cites our significant accomplishments with respect to things international. I will just comment on the creation of the Budapest Center for the Environment of Central and Eastern Europe, which was our idea. I presented it to our Cabinet. It was very much something that the Hungarians and Czechs wanted to do. I remember being very moved at the opening to see all of these prime ministers and ministers who had only recently gotten out of jail. I found myself saying that we had in common that our public officials also often do time in jail, but it's usually after their time in service rather than before.

That Center is still going. You may remember that Central and Eastern Europe were a mess after the Wall came down. That clean up task proved very significant. EPA played a critical role in guiding the World Bank and AID how to address those problems.

Eight on the list, is "engage the environmental justice issue." We

did create an environmental justice office and engaged that in a very serious way, particularly with respect to native tribes in New Mexico. I remember visiting some of the twelve Pueblos and deciding that they did, in fact, have sufficient intellectual and professional capacity to assume the responsibility of a state as was provided for in the Clean Water Act. This was an enormously controversial decision at the time. One who defended it—about the only one, as I recall—was Senator John McCain who was ranking on the Indian Affairs Committee, who met with me and said the same positive comments outside in his press conference as he'd said to me inside, which is not always the way it works.

The environmental justice movement is subtle and complex. We were quite aggressive at regulating those largely unregulated sources in cities of air pollution, such as large bakeries, auto body shops, places where painting was done. I received a delegation of mayors and some minority leaders who said, "You are stomping on sources of employment for our unskilled population in areas of our cities that are plagued by high unemployment. This is really not welcome." Those are the kinds of things you hear in private if you're an EPA administrator, but they're not said publicly.

Essentially the message was: Lighten up. I received a similar message from Senator Judd Gregg with respect to hazardous waste. He said, "I know you do, in fact, have the authority to make the city of Durham, New Hampshire, spend more on its waste cleanup than on its school system. But believe me, if I were a federal judge, I would find a way not to enforce your decision."

To which my answer was, "The municipal waste is composed of something like 4% hazardous waste. I promised to administer this law, and enforce it, until you all screamed. The concern was that a Republican President would not enforce this law. I'm certainly pledged to carry it out." I think the reaction particularly among the Northeast senators led to a more reasonable accommodation of the kinds of cleanup standards that were necessary and that Carol Browner followed through and put in effect. Some of those issues are very worthy of attention. They often are real challenges to research and epidemiological studies. They deserve attention.

On to the next item on the list: ocean dumping. This is something that has often struck me as an unmet priority in the country. We have not had a national priority for the oceans. We have done so well with respect to the environmental priorities that the country has set; we never set one for the oceans. President Obama did something that delighted me from several perspectives when he declared a new national policy on the oceans some months ago. He committed to marine spatial planning, which has been a forte of the Nicholas Institute and the School and I understand a report is coming out.

It delighted me as co-chairman of the Oil Spill Commission, and I recounted the story to my fellow commissioners, saying, "Look, this was the proposal of two quite substantial and effective—at least from the point of view of their recommendations—ocean commissions that are four years old. They didn't go anywhere. And then all of the sudden the President and the administration picked up marine spatial planning." I think we need more attention paid to the oceans perhaps with the result of what we saw last April of one exploitation, one use of the oceans to the detriment of so many others – and we will get it in the future.

Number five is passive sidestream smoke. I remember this was a very controversial decision within the administration. I received two warnings from a senior White House official not to go there. I was able to say each time without much effect, "I don't think you want me to have to say when I'm deposed, as inevitably I will be, that you made this call." I was told that I was possibly going to put five states at risk in the upcoming election. I recounted the way in which this decision was moving forward and how it had been very carefully designed with respect to its timetable to come to me for decision sometime between the first of December and the first of January.

We had a controversy over the confidence interval—the 90% confidence interval—which the tobacco industry made a great deal of, rather than the usual 95%. The fact was, we couldn't find people who didn't have evidence of tobacco in their lungs and in their blood to use for comparison. I think we finally found some nuns in New Mexico, some hermetic nuns.

I discovered from a friend who went to work for Philip Morris in Brussels that they spent the first two weeks understanding, or being made to understand, why this was a really dumb decision. But it did precipitate action around the country on smoking and a lot of very grateful people who worked in bars and restaurants that they no longer were victimized by the smoke, irrespective of whether they wished to be. I remember I invited Lou Sullivan, the Health Secretary, over to my press conference announcing that decision and we were asked whether tobacco should be contraband, basically whether it should be forbidden. I remember quickly answering that question lest Lou give his real views, which is that he thought it

should. But I said, I think people take risks in America: we jump out of airplanes and ride motorcycles and do other things that are a part of being an American and being free. And smoking is one of those things. And I don't for a minute think that it ought to be forbidden, but I don't think people ought to have to submit to its effects, who do so as a matter of job necessity, if they don't wish to. And that's increasingly the law in our states and cities.

Water treatment has been mentioned, it's number four on the list. Obviously water treatment is so fundamental to the history of the country. I remember reading so many years ago that of all of the health-improving decisions that had been made in the twentieth century—penicillin, antibiotics and the rest—nothing compares to sanitation. Water treatment is basic, vital, and has been effectively done.

I do believe we need to revisit the Clean Water Act and adapt it to the areas in which it is not working, particularly with respect to non-point source pollution and sensitive areas - the area of the Gulf that is dead for much of the year ought to be uppermost in our minds for that. Incidentally, there are people in Iowa—Iowa farmers, I discovered—who are very sensitive to that and are trying to reduce the nitrates they are using in order to protect the Gulf.

On that issue, I did propose to have a new Clean Water Act and to propose one after the Clean Air Act Amendments had passed and Senator Chaffee discouraged me. He said, "If you even bring that up, given your aggressive use of 404, the veto authority," he said, "I think you may lose powers that you have, it's just not the time." So we didn't do that. But it still needs to be done.

The ban on DDT was a path-breaking decision, because it recognized the natural environment as opposed to a pure health concern. I don't think to my knowledge that DDT has much impact on the health of humans but it certainly does on the strength of egg shells of birds. So that was an important decision and I very much consider that my Two Forks veto was in that tradition: an ecological decision, an ecology-protecting decision. That would be my number two on this list.

That was a decision that caused Neil Bush, the President's son, to attack me in Colorado and also Lee Atwater, the Chairman of the Republican Party. I went over to see Atwater and he was standing up against his bookshelf with his hands up and he said, "I'm innocent! I'm innocent!" He said, "I'm not really innocent, but I'm going to be innocent. Look, you made our people in Colorado so mad by that

decision, but the press, the letters to the White House are running nine to one in your favor. There are a lot of fishermen in this country." A lot my friends in the Wildlife Federation had a lot to do with those letters. Then he said, "Unless I see you putting a Senate seat at risk, I'm going to stay out of your way."

He even said at one point that he was going to help me, and Lee Atwater was oriented purely on politics and political advancement, that was his responsibility. And he said, "Would you like to know why I'm going to help you? Because this President, to a very uncommon degree, owes his election to one constituency, and it's a constituency to which your issue appeals greatly. It's at least the number two issue. That constituency is suburban women. To the extent that you have opportunities to spend time in certain states and with certain groups that foster the reputation that you have and you're getting for us," he said, "I will help you a lot." And he did as long as he was healthy, irrespective of the Two Forks veto which he didn't like much.

And finally the Clean Air Act Amendments. I think probably a great deal has been said about the Clean Air Act Amendments and the pollution rights trading that they involved. Think about the degree to which these have contributed to genuine, measurable improvements in the environment and the health of the people of the United States: particulates are down by nearly a third, lead by more than three-fourths, nitrogen oxide by more than a third, sulfur dioxide measured annually by sixty percent, the ozone eight hour standard by fourteen percent. Also the removal of lead in gasoline - that probably should have made the list – an action that took place in the late '70s. The removal of lead in gasoline was one of those signal decisions that contributed so much to protecting particularly the most vulnerable children who are susceptible to lead pollution because it affects IQ and brain development.

When you think about some of those things, you have to acknowledge that the Agency has been responsible for implementing many rules which have touched the lives, the health, the well-being, and the expectations of so many people in such a positive way, which has made me very, very proud to be a part of it. And very proud to participate with you in the celebration of its fortieth anniversary.

Thank you.