

HENRY L. DIAMOND
RICHARD M. FAIRBANKS, III
ALBERT J. BEVERIDGE, III
GARY H. BAISE
A. JAMES BARNES
HAROLD HIMMELMAN
CHRISTOPHER H. BUCKLEY, JR.
KEVIN M. FOLEY
JONATHAN Z. CANNON
ANDREW E. MISHKIN
CHARLES A. PATRIZIA
SUEDEEN M. GIBBONS
SCOTT W. BOWEN

LAW OFFICES
BEVERIDGE, FAIRBANKS & DIAMOND
ONE FARRAGUT SQUARE SOUTH
WASHINGTON, D. C. 20006

TELEPHONE
(202) 638-7800

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CARL EARDLEY
OF COUNSEL

CABLE ADDRESS
"INDLAW"

April 6, 1977

Mr. R. N. Wheeler
Union Carbide Corporation
8004 MacCorkle Avenue
South Charleston, West Virginia 25303

Dear Nick:

As you know, the Senate has confirmed the nominations of Douglas Costle to be the Administrator of EPA and Barbara Blum to be the new Deputy Administrator.

We had a lawyer attend the hearing on their nominations before the Senate Committee on Environmental and Public Works. Several policy issues were raised which I thought might be of interest to you.

. Enforcement - Costle has set an "urgent priority" of bringing emission sources into compliance "as rapidly as possible." He favors an increased emphasis on monitoring to insure the efficient operation of control equipment once it has been installed, and noted the potential effectiveness of noncompliance fees.

. Toxic Substances - Costle believes that current information on toxic substances has out-distanced EPA's capacity to deal with them, and that action is imperative even though cause and effect cannot be clearly demonstrated. He specifically cited as examples PPBs, PCBs and Kepone.

. Energy - Costle views environmental protection as a necessary precondition for energy development, rather than as an obstacle. He emphasized the necessity to minimize environmental damage by pushing control technology "to its limits."

. Centralization of Authority - Senator Hart suggested that the Administrator's delegation of substantial authority to EPA's regional administrators had resulted in a lack of consistency and uniformity. Costle recognized the need for consistency, but stressed the necessity for enough flexibility to respond to different regional priorities. He will review the issue and try to re-draw the line between regional and centralized authority.

. Offset Policy - Costle believes the offset policy is sensible and provides a margin to accommodate growth, but suggested that growth must be better planned and better managed in the future and that state and local governments must become more involved.

. Regulations - Costle will review and attempt to simplify all regulations. He also suggested the possibility of regional ombudsmen to gain sensitivity to the impact of agency regulations.

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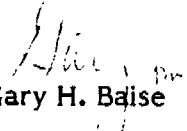
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. Cost Impact - In response to Senator Moynihan's suggestion that cost impact assessments accompany all regulations, Costle noted that EPA already is required by statute to consider costs in most cases, but emphasized that "costs" must be defined very broadly.

. Implied Powers - Senator Domenici asked whether EPA would like additional legislative guidance or would prefer to continue to draw substantial authority from the preambles of various statutes. Costle will consider the issue more thoroughly, but generally would prefer additional legislative guidance.

The nominees agreed to answer written questions from the Committee. We will review these when available and advise you of any major developments.

Sincerely yours,


Gary H. Baise

GHB/ap

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CARBIDE****INTERNAL CORRESPONDENCE****CHEMICALS AND PLASTICS**

SOUTH CHARLESTON PLANT P. O. BOX 8004, SOUTH CHARLESTON, W. VA. 25303

To (Name)

Division

Location

Date **May 4, 1977**

Originating Dept.

Answering letter date

Copy to

Subject

Attached are some comments and opinions in
regard to our present Environmental Protection
Agency leaders.

R. N. Wheeler, Jr.
R. N. Wheeler, Jr. *bt*

RNW/bt

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