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pperP R O C E E D I N G S

VICE PRESIDENT ROCKEFELLER: I call the meeting to order.

Before we take up the agenda, I would like to state that since the last meeting we have had hearings with presentations by groups from industry, groups from local governments, and groups from the various ecological and environmental organizations. In order that the Commission and the staff to the Commission get the benefit of the thinking about and the reaction to the first draft of not only the groups I have just mentioned, we have set up in the Executive Branch a task force of the Domestic Council representing various departments that have an interest in one way or another. Since time is growing short, this material was put together as a technical reaction to the reports which are available -- and which I am afraid not all of us have read -- and was distributed.

There was some concern as to just what this was, for which I apologize, but as I said in my letter this is not a position of mine as far as the Chairman of the Commission is concerned. It is purely the reactions of one other group of the Executive Branch of the Federal Government, just as we got from local governments and from businesses and from environmentalists their reactions.

I just wanted everybody to understand.

SENATOR BAKER: Mr. Chairman.

1 VICE PRESIDENT ROCKEFELLER: Yes, sir.

2 SENATOR BAKER: I think that is a good and useful  
3 statement to make. I have not read the statements of the  
4 Domestic Council staff, but I have heard the repercussions of  
5 it, and I have had occasion to discuss it with Senator  
6 Muskie and Senator Randolph and with others of my colleagues  
7 who are not members of this Commission, and I must say it  
8 created quite a ripple in that community.

9 I received a call from you saying essentially  
10 what you have just repeated now, and I agreed at that time  
11 that the comments of the Domestic Council and the Administra-  
12 tion, if that represents the Administration --

13 VICE PRESIDENT ROCKEFELLER: It is individual  
14 departments' points of view.

15 SENATOR BAKER: I am happy to know it is not an  
16 Administration position as such. But in any case, I agreed  
17 that the comments of that group were entirely in order to  
18 be received and considered, as I understand your representa-  
19 tion, on the same basis and in the same way as the comments  
20 of any other group. And with that representation and assur-  
21 ance, I personally was not so concerned about its content.

22 I believe other members may still have certain  
23 reservations about it, but I believe they are reassured.  
24 Senator Muskie is not here yet. I understand he had to be  
25 in New York this morning, and with this weather his plane may

1 not make it into National.

2 But I thought I ought to make that representation,  
3 that my understanding is that this is a staff critique and  
4 does not represent the Administration position. As I under-  
5 stand, Mr. Vice President, it doesn't necessarily represent  
6 your position.

7 VICE PRESIDENT ROCKEFELLER: That's right. I  
8 haven't read it.

9 I appreciate Senator Baker's statement and I  
10 apologize for the misunderstanding. It was a technical  
11 reaction to a technical report, and since there are so many  
12 reports -- I keep saying 52 feet -- these were technical  
13 reactions and not policy. It is not a policy paper; it is  
14 a technical reaction to technical reports.

15 And I talked to Russ Train yesterday also, and  
16 while he had four technicians who worked on this, it was  
17 not considered policy level by him nor policy level by any  
18 other department. This was simply to try to get technical  
19 reactions, just as we really have gotten from the other  
20 groups. I have sat in on all these meetings with the  
21 various groups -- the environmentalists, the business  
22 groups, and the municipal groups -- and theirs have been  
23 also not official positions but technical reactions to the  
24 material that has come out.

25 SENATOR BAKER: I might make one additional

1 comment.

2 I think maybe the unstated concern was that some-  
3 body was trying to torpedo the Commission, and I am con-  
4 vinced that is not the case.

5 VICE PRESIDENT ROCKEFELLER: I am glad you said  
6 that, because it is absolutely not so.

7 And I have to say to everyone here that I think  
8 it is much better -- and this is a policy I learned from this  
9 group -- to get people to make their comments before we are  
10 finished.

11 (Whereupon Senator Buckley entered the conference  
12 room.)

13 VICE PRESIDENT ROCKEFELLER: Welcome, Senator.

14 DR. GEE: Mr. Chairman, I would like to state one  
15 other point on that. I would like to address some remarks  
16 to the staff itself.

17 I would like to reiterate what has been said by  
18 a number of the Commissioners on a number of occasions, that  
19 I think on balance General Clarke and Joe Moore have done  
20 an outstanding job in assembling the staff, and I think the  
21 staff did an outstanding job in getting these contracts let,  
22 getting the reports in, and analyzing them.

23 VICE PRESIDENT ROCKEFELLER: Hear, hear.

24 DR. GEE: This doesn't mean the report is perfect,  
25 and obviously we are going to get criticisms from a lot of



[March 1975]

Ruth Greenwell for Joel

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Water Quality  
THE WHITE HOUSE  
WASHINGTON

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[March 1975]

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REPRESENTATIVE ROBERT E. JONES  
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EXECUTIVE DIRECTOR

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# National Commission on Water Quality

1117 18TH STREET, N.W.

P. O. Box 19266

WASHINGTON, D. C. 20036

February 26, 1975

## MEMORANDUM FOR THE VICE PRESIDENT

FROM: DONNA MITCHELL

SUBJECT: Commission meetings and briefings

### 1. March 6

You have this date (3 P.M.) reserved on your calendar for a Commission meeting.

However, there will not be a formal meeting. Instead, General Clarke has scheduled an all-day briefing at the Commission offices for those Commissioners who can attend. We expect that several public members will attend, along with staffs from the House and Senate Public Works Committees. I doubt any Congressional members will attend.

The briefing will cover some of our regional studies, and several technology (industry) studies.

### Your alternatives:

- Call a formal Commission meeting for March 6
- Attend the briefing March 6
- Scrub March 6 altogether



Recommendation:

- That you call a formal Commission meeting only if you, as Chairman, will be in a position to discuss the conceptual framework the Commission's report is to take.
- Otherwise, I suggest you scrub the 6th on your calendar, and don't attend the briefing.

2. April 8 (Tuesday) - next Commission meeting

3 P.M. is reserved on your calendar, and General Clarke is now surveying other Commissioners to see if we can get a quorum on that day.

*Donna*



NOR

Filed

meeting of water  
Comm on 8/6  
at 3 pm.

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all-day survey  
study of  
Hun + Seely  
Public works  
Committee

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Meeting on Wednesday

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JMC  
March 4  
11AM

Donna Mitchell called -- she has heard from  
all departments except OMB

She will be sending final memo over to you when; she  
hears from OMB

Accepted  
Interior  
Commerce  
EPA  
CEQ

She also asked again what we should do about Agriculture  
Department

OK

Jeanne

Background  
Donna  
Diamond coming  
Muecke + Jeanne

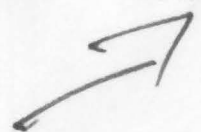
8:30 AM  
1111 18th St 8 Floor  
Lunch Break 12 → 1:30  
afternoon

JMC March 3 3:15 PM Phone 343-6412  
FYI

Ken Austin called from Secretary Morton's office  
called -- On Friday you asked for two trusted  
Representatives from Morton's office  
They are sending Don Waldon - Deputy Secretary Land and Water  
and Doug Wheeler Deputy Secretary Fish and Wildlife and  
Parsk

They have told Donna of this and just wanted to let  
you know the above.

Jeanne



Ms can Donna  
and see who  
else has accepted.

Donna  
254 7806

Thurs. water meeting

Agriculture?  
let Donna

- ✓ Interior
- ✓ Commerce
- ✓ EPA Team
- ✓ CEO Blum
- Budget Lynn
- OMB NOT heard

List Ready telecom



JMC

Have you invited agriculture if so  
I will call Donna and let her know

Jeanne



NATIONAL COMMISSION ON WATER QUALITY

March 6, 1975

Jean -

My list is now complete, except for OMB  
(and Agriculture?) for the briefing tomorrow.

If there are any changes, I'll advise  
you.

A handwritten signature in cursive script, appearing to read "Donna".

Donna



ATTENDANCE FROM DEPARTMENTS AND AGENCIES, NCWQ Briefing, March 6, 1975

1. Department of the Interior

Fish, Wildlife and Parks:

Mr. Nathaniel P. Reed, Assistant Secretary  
Mr. Douglas P. Wheeler, Deputy Assistant Secretary

Land and Water Resources

Mr. Donald G. Waldon, Deputy Assistant Secretary (Program Analysis)

2. Department of Commerce

Dr. Sidney R. Galler, Deputy Assistant Secretary for Environmental Affairs

3. Council on Environmental Quality

Mr. Stephan Plehn, Assistant Staff Director  
Mr. Toby Clark, Senior staff member (afternoon only)

4. Environmental Protection Agency

Mr. James L. Agee, Assistant Administrator for Water and Hazardous Materials  
Mr. Al Erickson, Special Assistant for Water Resources Council and  
Interagency Relations  
Mr. Walter Grozyk, Deputy Director, Water Planning Division

Mr. John Riley, Chief, Technical Analysis and Information Branch,  
Effluent Guidelines Division

Mr. Victor Kimm, Office of Planning and Management  
Director, Planning and Evaluation

Afternoon only:

Mr. Roy Gamse, Assistant head of economics division  
OR Mr. Swep Davis, (liaison with Effluent Guidelines Division)

5. Office of Management and Budget

THE WHITE HOUSE

WASHINGTON

March 6, 1975

MEMORANDUM FOR THE VICE PRESIDENT

FROM : JIM CANNON

SUBJECT : Meeting of the National Commission  
on Water Quality

The representatives of the following agencies are in attendance for today's meeting:

Commerce	Sid Galler Deputy Assistant Secretary
Council on Environmental Quality	Steffen Plehn Deputy Program Director
Environmental Protection Agency	Jim Agee Assistant Administrator
Interior	Doug Wheeler Deputy Assistant Secretary
Domestic Council	Norm Ross Assistant Director

Attached at Tab A is a copy of the agenda.



5  
J. GRANTLI  
J. KROOKS  
J. WRIGHT  
J. LNATORS  
J. NNINGS RANDOLPH  
LOYD M. BENTSEN  
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# National Commission on Water Quality

1111 18TH STREET, N.W.

P. O. Box 19266

WASHINGTON, D. C. 20036

## Briefing

### Phase I Regional Study Reports

and

### Selected Technology and Cost Preliminary Reports

- - -

Thursday, March 6, 1975

8:30 a.m. to 5:30 p.m.

Main Conference Room, 8th Floor, 1111 18th Street, N.W.

Washington, D.C.

8:30 a.m.

- I. Introductory Remarks, General F. J. Clarke,  
Executive Director
- II. Overview of Commission Studies, Joe G. Moore, Jr.,  
Program Director
- III. Regional Studies, Steven R. Reznick, Director,  
Program Coordination

Part I) Introduction, Description and Methods

Part II) Review of 11 Regional Basins --  
Study Topics and Status Review

- 1) San Francisco/Central Valley  
James L. Larocca, Project Manager  
and Staff Assistant and Counsel to  
Congressman Jones
- 2) The Colorado River  
James L. Larocca, Project Manager  
and Staff Assistant and Counsel to  
Congressman Jones
- 3) Puget Sound/Lake Washington  
William J. Chandler, Project Manager



- 4) The Yellowstone River  
William D. McCann, Project Manager  
and Staff Assistant to  
Commissioner Kudukis
- 5) Houston Ship Channel/Galveston Bay  
Robert L. Harris, Project Manager  
and Staff Assistant to  
Senator Randolph
- 6) Chattahoochee/Flint/Apalachicola  
Robert L. Harris, Project Manager  
and Staff Assistant to  
Senator Randolph
- 7) Lake Erie  
Allen L. Jaisle, Project Manager
- 8) The Kanawha River  
Allen L. Jaisle, Project Manager
- 9) The Ohio River  
Allen L. Jaisle, Project Manager
- 10) The Delaware River  
Jack R. Fickessen, Project Manager  
and Staff Assistant to  
Senator Bentsen
- 11) The Merrimack/Nashua Rivers  
William J. Chandler, Project Manager

12:00 - 1:30 p.m. Lunch

- 1:30 p.m. IV. Introduction, Technology Reports, Charles W. Carry,  
Director, Technological Assessment
- A. Pulp and Paper, David B. Large, Project Manager
  - B. Petroleum Refining, David B. Large, Project Manager
  - C. Organic Chemicals, Robert G. Kissell, Project Manager  
and Staff Assistant to Dr. Gee
  - D. Electroplating, Robert L. Wilcox, Project Manager
  - E. General Industry Studies, Method of Selection,  
Robert G. Kissell, Project Manager and Staff Assistant  
to Dr. Gee
  - F. Municipal Waste Treatment, J. Charles Baummer, Jr.,  
Project Manager and Staff Assistant to Senator Buckley



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# National Commission on Water Quality

1111 18TH STREET, N.W.  
P. O. Box 19266  
WASHINGTON, D. C. 20036

March 10, 1975

MEMORANDUM TO: The Vice President

SUBJECT: Economic Studies

1. We still have four study areas concerned with economic impacts on which we are finalizing details. The four study areas are:

- State and local financing
- Inflation
- Capital markets
- Resource constraints.

2. State and Local Financing - We are well along on a scope of work and the choice of a contractor (Data Resources, Inc.). Basically, the study will be an analysis of the requirements for expenditures and sources of revenue for states and local governments, with the requirements for expenditures broken down into:

- Higher education
- Other education
- Health and hospitals
- Highways
- Public Welfare
- Pollution abatement
- Other expenditures.

Sources of revenue considered would be:

- Taxes
- Federal grants
- State grants
- Borrowing
- User charges.

Analyses of the above expenditures and resources will be supplemented by regional studies, which in some cases will explore the specifics of the capabilities and methods, particularly of municipalities, to deal with pollution abatement programs.

3. Inflation - Inflation will be dealt with in several ways to answer the questions of the impact of the program on inflation and the impact of inflation on the program.

Our economic studies of industrial categories will provide information on capital investment needs for pollution as compared to other investment requirements, operation and maintenance, and price increases. Our economic study of municipalities will provide information on capital investment requirements for pollution abatement, operation and maintenance and probable sources of revenue.


The information from industry and municipalities will be used in our macro-economic model to produce information on the aggregate effect of pollution control expenditures in numerous industrial sectors and in the cost of municipal programs. The economic model will also examine price rises for differential increases in costs of materials in heavy usage or in short supply, e.g., energy and chlorine, as part of the resource constraints effort.

The model can deal to a limited degree with the impacts of the heavy expenditures for pollution abatement on the capital markets and will provide a critical input to other efforts in that area.

4. Capital Markets - Since the requirements for financing pollution abatement programs by both public and private interests are substantial, and there are many other factors which influence the capital market, we propose a conference to be conducted by the Conference Board, at which the availability of capital and the impacts of capital requirements for this program on capital availability will be discussed. I attach a suggested outline for the conference which is self-explanatory. Please note that it will require your attendance and would have about 50 or 60 invited participants.

5. Resource Constraints - Resource constraints, because of the current economic situation, should be more properly titled, "resource uses." As presently envisaged, this study will be primarily an analysis of manpower usage and energy requirements with limited study of critical materials. I am not certain what conclusions the Commission may come to with respect to these items, but obviously the data can be useful if the Federal Government is still considering ways and means of putting people to work.

Attachment

  
F. J. CLARKE  
Executive Director

## CONFERENCE OUTLINE

Subject: The Capital Market and Water Quality Needs --  
Where will the public and private sectors of the U.S. economy find the capital to meet requirements of the Water Quality Act of 1972, and what impacts and implications will this have on capital supply for other parts of the economy.

Location: Waldorf-Astoria Hotel, New York, New York

Dates: June 11-12, 1975.

Organized by: The Conference Board

Sponsored by: National Commission on Water Quality.

Program:

### June 11, 1975

- 2:00 p.m. Welcome and Introduction -- The Conference Board.
- 2:15 p.m. Chairman's Opening Remarks -- The Honorable Henry Fowler, Partner, Lehman Brothers.
- 2:30 p.m. Address to the Conference -- The Vice President of the U.S., The Honorable Nelson A. Rockefeller, Chairman of the National Commission on Water Quality.
- 3:00 p.m. Panel -- Financing Water Pollution Control Requirements\*
- o Overview -- Projections of supply and demand factors in the financial markets for the next decade. Identification of key issues. (The Conference Board.)
  - o Public Law 92-500 -- Water pollution control requirements. Projected public and private expenditures and financing patterns. (Joe G. Moore, Jr., Program Director, National Commission on Water Quality.)
- 3:30 p.m. Panel Discussants

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\*A presentation of two major papers: (1) a survey of the prospects for supply and demand of capital markets in the next decade, prepared by the Conference Board; and (2) an assessment of capital requirements for water pollution control as a result of P.L.92-500, to be prepared by the National Commission on Water Quality. Following a summary presentation of these two papers, selected discussants will comment upon the issues raised in the papers from the perspective of their varied expertise and interest.

4:30 p.m. Open Discussion  
5:30 p.m. Adjourn  
6:30 p.m. Reception  
7:00 p.m. Dinner

Speaker: The Honorable Al Ullman, Chairman, Ways and Means Committee, U. S. House of Representatives

June 12, 1975

9:00 a.m. Address: Major Uncertainties Ahead -- The Honorable Andrew Brimmer, Harvard University

9:30 a.m. Concurrent Seminar Sessions\*--

1. Financing State and Local Government.
2. Financing Public Utilities.
3. Financing Manufacturing Industry
4. Federal Policies.

12:00 noon Luncheon

Speaker: The Honorable Edmund Muskie, United States Senate, and Vice Chairman, NCWQ

2:00 p.m. Reports of the Seminar Leaders.

3:00 p.m. Open Discussion.

4:00 p.m. Concluding Remarks -- Conference Chairman

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\*See attached page for details.

## Seminar Topics

### 1. Financing State and Local Governments

Relative importance of water pollution control requirements to total financing needs of state and local governments.

Impacts on state and local budgets and taxation.

Problems of small communities and particular regions.

New competition for funds from the industrial revenue tax-exempt bonds.

### 2. Financing Public Utilities

Relative importance of water pollution control requirements to total financing needs of public utilities.

Estimating expansion needs of the industry.

### 3. Financing Manufacturing Industry

Relative importance of water pollution control requirements by industry to total financing needs of manufacturing industries.

Problems of small firms and particular regional and industrial variations.

Impact on corporate investment strategy and access to funds.

The use of tax-exempt industrial revenue bonds.

### 4. Federal Government Policies

Financing the federal share of funding for water pollution control.

Federal deficits and the financial markets.

Federal policies to alleviate problems of financing water pollution control.

Participants with particular knowledge and background in these areas will be invited to attend each seminar session.

VICE PRESIDENT DELEON A. ROCKFELLER  
CHAIRMAN

SENATOR EDMUND S. MUSKIE  
REPRESENTATIVE ROBERT E. JONES  
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## National Commission on Water Quality

1111 18TH STREET, N.W.  
P. O. Box 19266  
WASHINGTON, D. C. 20036

March 12, 1975


MEMORANDUM TO: The Vice President

SUBJECT: State and Local Finance

1. I enclose a summary and a scope of work for a study for state and local finances which we propose to undertake with Data Resources, Inc. I enclose also a memorandum to you on the remaining economic studies and call attention particularly to paragraph 4, on Capital Markets, and to the outline of a conference to be conducted by The Conference Board. All names in the outline are tentative. People have not been approached.

2. I recommend your approval for us to go ahead with the study of state and local finance and the conference on Capital Markets.

Enclosures

  
F. J. CLARKE  
Program Director

cc: Mr. James Cannon ✓  
Mr. Hugh Morrow  
Mrs. Donna Mitchell



## Summary

Title and Purpose of Proposed Work: The impact of financing State and Local portion of expenditures for Publicly Owned Treatment Works required by the Federal Water Pollution Control Act Amendments of 1972 upon state and local fiscal systems. Particular attention will be paid to the extent to which the Act may require either significant changes in tax effort or declines in competing expenditures and to the difficulties facing small governmental units in entering and using the bond market.

Contractor: Data Resources Incorporated  
Washington, D.C.

Manpower: This contract will involve 194 man days of professional effort.

Cost: \$69,600

Timing: March 20, 1975 to August 15, 1975. The draft final report will be due on July 15, 1975. An interim report outlining methodology and results for selected states will be presented by April 10, 1975.

State and Local Finance Study: Elaboration of Scope of Work

Summary of Expected Results: The fundamental question addressed by this contract is the significance of the expenditures required of states and localities by the Act. In order to try to determine the answer to this question, the study will first provide projections of expenditures and revenues in order to determine whether the states and localities will suffer basic difficulties in finding sufficient revenues to meet expected expenditures, and second, will provide projections of expenditure by major functional categories in order to provide insight into the relative importance of pollution abatement expenditures in the state and local fiscal picture.

In order to determine the basic difficulties states and localities might encounter, the relation between future revenues and expenditures will be formulated in three different ways. Will projected expenditures plus the expenditures required by the Act exceed revenue forthcoming if:

- a. taxes, as a percentage of income, continue at present levels.
- b. taxes, as a percentage of income, rise to the same level as those of the highest states or localities.
- c. taxes, as a percentage of income, continue to follow current trends.

To answer these questions three projections of revenues will be required using the three approaches noted above. Throughout this study, local financial systems will be analyzed by examining the local governmental units aggregated to the state level. At this level consistent data is readily available, and one gets better insight into the ability of the states to help out their local government units. (Case studies of the problems of local government units are already being done in the context of the Urban Systems (incidence) and Meta Systems (municipal options) studies.)

The more difficult side of the equation is the determination of future expenditures by states and local aggregates. The expenditure categories that will be tabulated in this study will be: for states, current expenditures, construction outlays and non-construction capital outlays, and for local aggregates; current educational expenditures, current non-educational expenditures, and capital outlays. The reasons for this choice of categories are: first, they are available annually and on a basis that is comparable among states and local aggregates, and secondly, that categorization of this type has lead to relatively accurate forecasts in past efforts. These basic categories of expenditures will then be transformed into tabulations of the functional expenditure categories of higher education, all other education, highways, health and hospitals, public welfare, water pollution abatement expenditures, and all other expenditures. This will be done by

examining present composition of budgets of state and local aggregates and existing projections of the rate of change in the composition of these budgets. The Contractor shall present three alternative projections of state expenditures in order to determine the sensitivities of his results to different assumptions concerning growth in expenditures.

The quantitative results that come from these projections will be both tabulated and used to write a discussion of those state and local aggregates which can be expected to encounter the greatest financial difficulties, both with and without the Act, and what special effects the Act may have in accentuating these difficulties. This discussion will also take up the problem of how intergovernmental transfers might alter the apparent difficulties revealed by the model.

This basic study will be augmented by a special sub-study of the problems of smaller communities in entering and using bond markets, and of possible institutional mechanisms, such as the Environmental Financing Authority, which may be able to help overcome these difficulties. (The more general problem of the effect of the Act on municipal bond markets will be taken up in the general context of the capital markets studies.

Relationship to other Commission Studies: The Commission's national modelling work will provide the GNP projections to drive the state/local finance models. Through the use of the

GNP projections, with and without the Act, we may gain some insight into the general effects of the Act on state/local financial structures beyond the direct effect of the publicly owned treatment work requirements.

NCWQ staff will combine the results of this contract with the work of the Urban Systems (incidence) study in order to gain insight not only into what problems may be encountered, but also how communities might solve them. Urban Systems is using case studies to attempt to determine whether communities which are forced to make large expenditures on sewage treatment get the funds from tax increases or expenditure cuts and what form these expenditure cuts might take.

## Scope of Work

(hereafter the Contractor)

shall furnish the necessary personal services (including transportation and subsistence), facilities and materials to assist the National Commission on Water Quality (hereafter the Commission) in assessing the impact of financing the state and local portion of expenditures required by effluent limitation requirements for publicly owned treatment works of Federal Water Pollution Control Act Amendments of 1972, P.L. 92-500, 86 Stat. 816 (hereafter the Act) upon state and local fiscal systems, with particular attention to the extent to which the Act may require either significant changes in tax effort or declines in competing expenditures and to the difficulties facing small governmental units in entering the bond market.

A. The Contractor, in consultation with the Project Manager, shall develop a system for projecting expenditures for each of the 50 states, and for each set of the 50 aggregates of all local governments within a state (hereafter local aggregates). For each state, expenditures shall be divided into the categories of current expenditures, non-construction capital outlays and construction capital outlays. For each of the fifty local aggregates, expenditures shall be divided into the categories of current educational expenditures, current expenditures other than education, and capital outlays.

For both state and local aggregates, the three basic categories shall then be further subdivided into seven categories according to the relative expenditure share devoted to each in the most recent year for which historical data is available, adjusted for projected changes in these shares to be derived from available aggregate forecasts of state and local expenditures to be chosen in consultation with the Project Manager. These 7 categories shall be Higher Education, all other Education, Highways, Public Welfare, Health and Hospital, Water Pollution Abatement Expenditures, and all other expenditures. Because of the difficulties in analyzing discretionary expenditures, three alternative projections will be provided based on different approaches to analyzing growth of discretionary expenditures.

B. The Contractor, in consultation with the Project Manager, shall develop a system for projecting revenues net of grants for each state and for each local aggregate. Projections of revenue shall be divided into taxes, Federal grants, State grants, borrowing and user charges. Three methods of projection shall be developed: present revenues as a percentage of personal income remaining constant at present levels; revenues as a percentage of personal income equal to that of the highest proportions of states or local aggregates (proportion to be defined in consultation with the Project Manager); and a time series regression of revenue on personal income.

C. These nine possible revenue and expenditure combinations shall be analyzed under alternative scenarios with respect to 2 or 3 gross national product projections and with respect to various possible state and local expenditure patterns associated with the Act, both to be provided by the Project Manager. These projections should be given annually to 1985 with a qualitative discussion of effects beyond that date. In this analysis, the Contractor shall place particular emphasis on determining the required degree of percentage tax increase or expenditure cut that may result due to the fiscal requirements of the Act, as specified by the Project Manager, and upon the difficulties that might be encountered as measured by expected problems in the absence of the Act.

D. The Contractor shall summarize the limitations and problems of the model, special difficulties that may not be revealed by the model, and the possible effects of future intergovernmental transfers in altering the apparent problems indicated by the model.

E. The Contractor shall analyze and discuss the difficulties faced by small units of governments (under 25,000) in population in borrowing on the open market and offer detailed suggestions as to how such governments can best cope with existing market institutions, and also how these institutions might be modified, with attention to the possible workings of an Environmental Financing Authority, so as to improve their



ability to serve small jurisdictions. A detailed plan of work shall be developed in consultation with the Project Manager and accepted by him before the work is initiated.

Data Resources Incorporated  
National Press Building  
Washington, D.C.

Staff - 150 in 6 offices

Data Resources, Inc. was founded in 1968 to provide an information system, modelling capabilities, and forecasting and analytical models for use by government, industry, and non-profit institutions. Today, the company is the leader in this field with approximately 250 clients throughout the United States and Canada. Users of the DRI system include the principal economic, social, and data analysis agencies in the U.S. government (BEA, BLS, CEA, Census, HEW, Commerce, DOD, FDIC, FHLBB, FRB, HUD, Labor, OMB, State, and Treasury). International organizations (IBRD, IMF) and business firms (such as major banks, utilities, retailers, industrials, and other entities) are primary users also.

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## National Commission on Water Quality

1111 18TH STREET, N. W.  
P. O. Box 19266  
WASHINGTON, D. C. 20036

March 17, 1975

OK

MEMO TO HUGH MORROW AND JIM CANNON

Subject: Conference on Capital Markets

Attached is Fred Clarke's recommendation to the Vice President that a conference be held in New York City June 11-12 on the availability of capital to finance public and private interests in water pollution control.

I have sent this to the Vice President, and to Henry Diamond, and have asked Henry for his reactions to pass on to the V.P. Hugh, this is the proposal General Clarke mentioned to you when you were over here; and he had wanted to clear it through Jim before taking it to the V.P.

The Conference Outline is included as the last 3 pages of the attached memoranda.

Donna Mitchell

THE WHITE HOUSE  
WASHINGTON

April 21, 1975

JMC:

Do you want Norm Ross to  
attend?

☒ Yes

☐ No

☐ Other \_\_\_\_\_



P

*In file  
Ross to  
attend both  
meetings.  
P.*

VICE PRESIDENT NELSON A. ROCKFELLER  
CHAIRMAN

SENATOR EDMUND S. MUSKIE  
REPRESENTATIVE ROBERT E. JONES  
VICE CHAIRMEN

FREDERICK J. CLARKE  
EXECUTIVE DIRECTOR

TELEPHONE  
202 254-7806

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## National Commission on Water Quality

1111 18TH STREET, N. W.  
P. O. Box 19266  
WASHINGTON, D. C. 20036

April 18, 1975

MEMO TO JIM CANNON

Subject: Commission briefings and meetings

Attached is a notice I've sent out to the designees of the Departments and Agencies, inviting them to attend the April 29 briefing and May 8 meeting.

Do you want someone (Norman Ross?) to attend? If so, this notice is for him.



Donna Mitchell

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## National Commission on Water Quality

1111 18TH STREET, N.W.  
P. O. BOX 19266  
WASHINGTON, D. C. 20036

April 18, 1975

### NOTICE OF MEETINGS

Vice President Rockefeller has asked that you be notified of the following meetings:

1. April 29, 1975. 9 A.M.-5 P.M.

Commission staff briefing, at the above address.

Subject: Industrial technologies. Water Quality projections

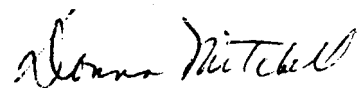
2. May 8, 1975 2 P.M.

Commission meeting. Room 207 Capitol

The Commission staff will brief the Commission on its study of municipal technologies and costs.

Since Commission meetings are subject to last-minute changes, I would suggest you confirm the time and place prior to the May 8 meeting. The telephone contact is Mrs. Rosalie Miller, 254-7806.

You are cordially invited to attend.



Donna R. Mitchell  
Assistant to the Chairman

Departmental/agency designees, invited to attend April 29 and May 8  
meetings

Council on Environmental Quality

Mr. Toby Clark, Senior staff member

Environmental Protection Agency

Mr. James L. Agee  
Assistant Administrator

Department of the Interior

Mr. Nathaniel P. Reed, Assistant Secretary

Mr. Douglas P. Wheeler, Deputy Assistant Secretary

Mr. Donald G. Waldon, Deputy Assistant Secretary

Department of Commerce

Dr. Sidney R. Galler  
Deputy Assistant Secretary for Environmental Affairs

Department of Agriculture

Mr. Glen H. Loomis, Director, Environmental Services Divn.  
Soil Conservation Service  
U. S. Department of Agriculture  
South Agriculture Building, Room 6105  
Washington, D. C. 20250

Mr. Jesse A. Lunin, Agriculture Research Service  
Beltsville, Maryland