

# OMB Pressured EPA, Ex-Aide Says

By Mary Thornton Washington Post Staff Writer

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## Rules Leaked to Industry

# OMB Pressured EPA, Ex-Aide Says

By Mary Thornton  
Washington Post Staff Writer

The former chief of staff at the Environmental Protection Agency said yesterday that President Reagan's Office of Management and Budget leaked proposed changes in environmental regulations to industry and brought "tremendous pressure" on the EPA to make changes desired by industry in regulations.

The former staff chief, John E. Daniel, a senior adviser to then-EPA Administrator Anne M. Burford, also told the House Energy and Commerce oversight subcommittee that OMB stalled, tried to reverse or

altered EPA regulations on water quality, uranium mill tailings and air quality standards.

Daniel described one case in which Burford decided to issue regulations over the objections of OMB:

"That evening I received a call from an OMB official—Jim Tozzi. He said . . . there was a price to pay for doing what we had done and we hadn't begun to pay."

Tozzi, then deputy administrator for information and regulatory management, is no longer at OMB. He could not be reached for comment last night.

In his testimony Daniel said there

was frequent evidence of the OMB taking the industry line in reviewing proposed regulatory changes. He said that some OMB analyses were "so technical they would have come from someone other than OMB staff. They would have had to come from the regulated companies. I have received calls from regulated industries where they had knowledge of the [unpublished] regulations."

Daniel said he knew of one instance in which he believed the

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**JOHN E. DANIEL**  
... OMB stalled or altered EPA rules



By James K.W. Atherton--The Washington Post

EPA deputy counsel Gerald H. Yamada, left, Daniel, and EPA lawyers Richard Mays and Kirk Sniff are sworn in at House hearing.

# Ex-Aide Says OMB Pressured EPA

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OMB had leaked to industry proposed changes in rules involving high-level radioactive wastes. In late 1981, Daniel said, a lobbyist from General Electric Corp. called the EPA to ask for additional time to comment on regulations on high-level radioactive waste. The rules had not been released publicly but had been sent to the OMB for review, Daniel said.

Rep. Albert Gore Jr. (D-Tenn.) said, "I've come to the inescapable conclusion they just sat over there [in OMB] and acted as a back-door channel to let the affected corporations hot-wire the regulatory process and get what they wanted."

Daniel answered, "I think you characterized that correctly."

Under the terms of a February, 1981, executive order Reagan issued, the OMB has the authority to review agency regulations.

Edwin L. Dale, an OMB spokesman, said yesterday, "If he [Daniel] alleged that rules in the proposal stage were leaked by OMB to industry before publication, I think he must be mistaken. I can't guarantee that someone here didn't violate the rules, but there are very strict prohibitions against it."

"As for us being a conduit for industry views, I think that's a distortion. It's entirely proper that we receive industry's views, but there are strict procedures [for that] . . . Only the very top people [at OMB] can have any conversations with industry."

Asked about Daniel's charge that he was threatened by Tozzi, Dale said, "I don't know anything about that."

Daniel and three current EPA attorneys were called before the oversight subcommittee headed by Rep. John D. Dingell (D-Mich.) to testify about internal administration conflicts last winter when several congressional subcommittees were investigating the EPA.

More than a dozen senior officials resigned before Burford stepped down on March 9 and was replaced by William D. Ruckelshaus. Daniel has not been accused of wrongdoing during his EPA tenure.

Daniel and the others testified that Burford was in favor of giving Congress EPA enforcement files on the "Superfund" toxic waste cleanup program that had been subpoenaed by the subcommittees. They said, however, that lawyers from the Jus-

tice Department and the White House overruled Burford repeatedly, arguing that it was a good case in which to assert executive privilege.

The fight over the files resulted in Burford being cited by the House of Representatives for criminal contempt of Congress.

Daniel said that after the Justice Department filed a lawsuit challenging the constitutionality of the House citation of Burford, she became infuriated with the quality of the department's legal work and considered bringing an ethics charge against Justice.

He added that he was present when Theodore B. Olson, head of the Justice Department Office of Legal Counsel, promised Burford that the department would represent her in the case, no matter what happened.

But Burford was informed on March 3, six days before her resignation, that although she was carrying out Reagan's orders when she asserted executive privilege, the department would no longer represent her because it was then conducting a criminal investigation of EPA activities.

Burford is scheduled to testify today before the subcommittee.