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# Profile—OMB's Jim Joseph Tozzi



Jim Tozzi

✂ There's a story, a true one, about several people who during President Ford's Administration were informally discussing the one individual who, in their opinion, was the single most influential person in the U.S. in shaping environmental policy nationally.

A passerby at the cocktail party, hearing just scant parts of their conversation, was intrigued. Giving it some thought, he stopped and, interrupting the group politely, speculated that it must be one of four people they were discussing: Russell E. Train, then-Environmental Protection Agency Administrator; Senator Edmund S. Muskie (D-Maine), who then was chairman of the Public Works Subcommittee on Environmental Pollution; Leon Billings, Muskie's aide whose influence and personality had earned him the nickname "Senator Billings"; or Jim Tozzi, chief of the Environment Branch at the Office of Management and Budget. He guessed it was Tozzi.

He was right.

✂ Jim Tozzi—not a household name. As chief of the Environment Branch at OMB throughout much of the 70s, the cigar-smoking Tozzi had responsibility in the Executive Branch for environmental budget, legislation and regulation. He *was* influential and still *is*. In his 10 years with OMB, Tozzi has climbed to the position of Deputy Administrator, OMB Office of Information and Regulatory Affairs. In that job, he has responsibility for regulations not just from EPA but Government-wide. He said in a recent interview that environmental regulations—those from EPA, Department of the Interior, Food and Drug Administration, Department of Transportation and Occupational Safety and Health Administration—still account for “a very considerable part of my personal time.”

## Environment + Disagreement = Tozzi

“The reason is that my personal time is a function of the nature of disagreements. There's a lot of debate, so I get more involved than in some other programs.”

Tozzi is aware of the cocktail reception anecdote about his purported influence. “I don't have any more influence, I think, than the President gives to OMB as an institution,” he responds. “I don't think they were speaking of Jim Tozzi. Whatever they were saying, they were saying about OMB. OMB's role changes very much with the way a President wants us to operate. We have no more or no less influence than a President wants us to exercise on his behalf.”

## EPA's Tozzi Strategy

Others, however, think Tozzi understates the case. According to one top former EPA official, the agency historically has had a host of different strategies for getting its policies adopted: “We would ask ourselves, ‘What's our Presidential strategy?’

What's our congressional strategy? What's our Tozzi strategy? And what's our OMB strategy?"

Tozzi plays hardball. Critics say he has raised to a fine art the technique of asking questions, and they think he could be "sensitized" by sitting in the witness stand himself some time. They say he's a "power gamer," with an incurable case of Potomac Fever. In the past, he has often been accused of "free-lancing and hawking his own wares" on Capitol Hill, as in the Clean Water Act and Clean Air Act reauthorizations in 1977. Partly because of his success in climbing the ladder within OMB and partly because of his service to Administrations under Presidents Nixon, Ford, Carter and Reagan, Tozzi is accused of telling people what they want to hear.



*Tozzi conducts much business by telephone*

"But no one's ever said Jim Tozzi isn't exceptionally bright," the EPA official said. As an OMB budget examiner, Tozzi won the admiration of agencies under his jurisdiction for sticking up for them and defending their budgets in the inter-agency melee which characterizes each budget year. *Once* the deals were cut and the final budget decisions reached for an agency, Tozzi was a fierce and effective defender of the agency both within the Executive Branch generally and on the Hill.

### **'Balancing' EPA**

Despite his Government-wide responsibilities now in the regulatory, paperwork reduction, and information handling fields, Tozzi still acknowledges "a continuing special attraction" for environmental programs. During the transition from the Carter to the Reagan Administration, he frequently was identified as among the foremost experts in the Executive Branch on EPA—and among its foremost defenders.

At the same time, however, he expresses con-

cerns that environmental programs indeed need the presumed benefits of substantial regulatory reform. Tozzi says new EPA regulations appear to him to be "reasonably balanced," and he says an indication of that "balance" is that the office he heads clears 90 percent of EPA regulations in less than two weeks. He predicted that the March-April-May period would see "a very substantial improvement" in existing EPA regulations which would be undergoing revisions. While public interest organizations have been overwhelmingly critical of Reagan Administration environmental policies, Tozzi believes that, "despite some concerns," they do *not* see environmental regulations generally as being "extreme in either way."

Tozzi dismisses concerns that EPA is being "destroyed" by the current Administration. He says the proposed fiscal 1983 EPA operating budget of \$961 million, down from about \$1.3 billion is "not an unreasonable cut" given overall federal budget reductions and criticisms over the deficit. "I don't think it's starving," Tozzi says of the current EPA. He points to a period of several years in the early to mid-70s when EPA's personnel ceiling remained around 9,200 even though several major environmental statutes then were being adopted.

"There's nothing like a lean and mean agency. If you get too many resources, you get very, very sloppy and cumbersome. And you don't do anything," he says. When an agency gets too many people and resources, which he thinks had become true of EPA, "there's less analytical requirement to set priorities."

"I would hardly say they're in a destructive mode."

Tozzi does credit EPA with having been among the federal leaders—perhaps the leader—in the Carter Administration on regulatory reform. "I think they were a strong positive force in terms of moving to market-based approaches—early thinking in market-based approaches such as marketable permits," he says.

"In terms of doing detailed economic analyses, looking at costs and benefits of rules, some portions of EPA programs were very good. Most certainly the stationary source air people have done a very good job, and maybe a couple other areas."

Once having done the economic analyses, however, the agency in the past sometimes still "took too-costly solutions, too onerous solutions at times." That was true partly because of the "culture" surrounding the laws EPA administers, he says. While the statute itself often gave the agency adequate discretion to seek a less-costly control strategy, "the spirit and the culture in which that statute was passed" often are more inflexible. He contrasts EPA—which is administering in the 80s

*Tozzi*

*continued on page 30*

Sulfates are generally among the smallest of particles, which means they will almost certainly be deposited out slower than Mn and V. In addition, sulfates are produced as secondary pollutants from SO<sub>2</sub> as an air mass travels. The combination of these two effects means that the ratio of sulfate to Mn and V increases with travel time. Rahn states in a January 1981 paper, "The SO<sub>4</sub>/V ratio has been shown to be a very sensitive indicator of the degree of aging of a pollution-derived aerosol, because it increases by several-fold during the first few days of transport."<sup>1</sup> In a 1980 paper Rahn concluded that the levels of sulfate and V which he measured in the Arctic were transported from Europe and that the ratio of sulfate to V increased by a factor of four during the first five days of transport.<sup>2</sup>

Mn is probably deposited out even faster than V relative to sulfate. In a November 1981 paper Rahn states, "V is always found at somewhat smaller particle sizes in the aerosol than is Mn, so that preferential removal of the large particles during transport (expected from both wet and dry processes) should decrease the Mn/V ratio."<sup>3</sup> He cites measurements showing a decrease in the Mn to V ratio by a factor of 3-4 when North American aerosol is transported to the North Atlantic. On the other hand, some of Rahn's recent work in the U.S. sug-

gests that the Mn to V ratio over the U.S. may not change as radically.

Thus, Rahn's observations are entirely consistent with a system where sulfur-laden air is transported from the Midwest to the Northeast to increase sulfate concentrations there. The low observed ratio of Mn to V is explained by the fact that there are significant local sources of V and that the Mn has been deposited out during transport from the Midwest.

There is no evidence that all or most of the sulfate from the Midwest is deposited out before the air mass reaches the Northeast. In fact all previous work—trajectory studies, model studies, and the Electric Power Research Institute's "SURE" Study—indicates that northeast sulfate episodes are heavily influenced by midwestern sources.

## FOOTNOTES

1 Borgs, R.D. and Rahn, K.A. (1981) Long-range atmospheric transport of cloud-active aerosol to Iceland. *Atmos. Environ.* 15, 1491-1501, at 1498.

2 Rahn, K.A. and McCaffrey, R.J. (1980) On the origin and transport of the winter Arctic aerosol. *Ann. N.Y. Acad. Sci.* 338, 486-503, Figure 13.

3 Rahn, K.A. (1981) Elemental tracers for source regions of Arctic pollution aerosol. Submitted to *Idojaras*, Journal of the Hungarian Meteorological Service, at p. 16.

Tozzi

*continued from page 12*

laws passed within the last decade—with the Department of Agriculture, which in many cases is administering in 1982 laws first passed in the 30s and 40s. An entirely different legislative history and "culture" surrounds those older laws, he notes.

### 'Regflation' and Voluntary Compliance

As an overriding justification for regulatory reform, Tozzi points to the potential for "regflation." He is concerned that "unnecessary burdens lead to voluntary compliance problems," and he points to voluntary compliance as *the* essential element of effective environmental protection. He is not concerned that industry overall will seek to use regulatory reform as an excuse to "go too far" and relax substantive regulations. "That's the exception, not the rule," he insists.

What industry and the public most want from regulatory reform, he thinks, is predictability and continuity in regulatory programs and less paperwork. "Having a reasonable amount of paperwork in support of regulations would itself be a major regulatory reform," he says, adding that reducing paperwork requirements is every bit as difficult as reducing budgets.

In the environmental field, Jim Tozzi is an institution. He is a character. He is disarmingly personable and charismatic, and his "ciao" at the end of any telephone conversation has become a trademark: it's his way of saying something more than "goodbye."

In addition, Tozzi is, has been, and will be controversial in the environmental field, partly because of the scope of his influence and partly because of the nature of its often being wielded behind closed doors.

Jim Tozzi is a chemical engineer with a Ph.D. in economics from the University of Florida. His government service includes his eight years with the Joint Chiefs of Staff and the Secretary of the Army, where he was responsible for the Corps of Engineers budget and for congressional liaison. He is 43 years old.

Clean Air

*continued from page 19*

man's 'Pollution Politics' column in this issue). There may be Clean Air Act Amendments passed in 1982, although that remains far from certain. But in any event, it won't happen until the remains of the 1981 Air Act setting are sufficiently swept away.

That may happen. But maybe not.