

INTRODUCTORY REMARKS ON THE FEDERALISM SYMPOSIUM

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If projects such as this Federalism Symposium are to be of genuine consequence we must consider practical ideas, initiatives, and solutions to perceived problems, not merely the Constitutional theories. Areas where business leaders and governors have already identified agreement offer immediate promise of progress.

The transition from the constitutional to the practical should also bring with it a progression from pessimism to optimism. First a note about my optimism. I worked for C. Boyden Gray in the White House for seven years, first on the task force on regulatory relief and then in the Counsel's office, and we worked on many of the issues we are discussing today. He has championed inspirational and effective ways in which agreements about the Clean Air Act have been arranged and enforced in the past. During that time, Nelson Lund, another staff member with a more realistic perspective on the obstacles we faced with a Democratic Congress, labeled me the "pathological optimist" on Boyden's staff. Despite this reputation, I firmly believe that my optimism is not misplaced; I am extremely hopeful that we can develop appropriate solutions for some of the important issues on which we already agree.

In my opinion, many of the current disagreements between the business community and state governors tend to be merely strategic. For example, to what extent can (or should) we expect former-Governor Bush to achieve desired outcomes through executive action? How bad is the situation in the Democratic Senate? Substantively, though, business leaders and governors agree that they can and should work together to address the

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problems created by unfunded mandates. Michael Greve's paper, *Business, the States, and Federalism's Political Economy*, is therefore particularly relevant. I think there is a fundamental agreement between the business community and the governors over the importance of continuing to pay attention to the problem of unfunded mandates.

Unfunded mandates are also a useful means to explore many other issues—such as environmental and healthcare regulations—because they enable discussion to discover underlying problems and develop creative solutions. As Governor Keating has remarked, states are not “racing to the bottom,” trying to attract dirty industries with dirty anti-environmental practices. Despite the widely-circulated assumption that states can never be trusted (a political premise used to support substantial federal environmental legislation during the 1970s, addressed by Michael Greve in his paper as “the Mississippi Effect”), states are concerned about the issues which directly affect their citizens.

I believe that it is important to highlight the role of states and governors as champions of the environment in a competitive setting where they are seen as an essential part of the solution, not the problem. Yet when I consider the way that EPA regional administrators, for instance, have commanded significant state policies, it is clear that they do not even think about empowering state and local officials to help make their own areas more environmentally attractive. Instead, they focus on a favorite technology and methods to promote that technology by excluding competition. My personal hope is for a dynamic, creative force comprised of business, governors, and states capably equipped to address common problems. Today, by identifying and discussing critical areas for change, we may be able to begin achieving that goal.