

CHAPTER 1

How Does an Idea's Time Come?

Greater than the tread of mighty armies is an idea whose time has come.

—Victor Hugo

The phrase “an idea whose time has come” captures a fundamental reality about an irresistible movement that sweeps over our politics and our society, pushing aside everything that might stand in its path. We feel that such an event can be recognized by signs like sustained and marked changes in public opinion, repeated mobilization of people with intensely held preferences, and bandwagons onto which politicians of all persuasions climb. Members of Congress are fond of trotting out the phrase whenever they are advocating a piece of landmark legislation. And policy activists of all kinds often attempt to account for the emergence of an issue to the forefront of attention with such comments as, “I don’t know—it was an idea whose time had come, I guess.”

But what makes an idea’s time come? That question is actually part of a larger puzzle: What makes people in and around government attend, at any given time, to some subjects and not to others? Political scientists have learned a fair amount about final enactment of legislation, and more broadly about authoritative decisions made at various locations in government. But predecision processes remain relatively uncharted territory. We know more about how issues are disposed of than we know about how they came to be issues on the governmental agenda in the first place, how the alternatives from which decision makers chose were generated, and why some potential issues and some likely alternatives never came to be the focus of serious attention.

If academics find these subjects rather murky, practitioners of the art of government scarcely have a clearer understanding of them. They are able to

describe the subjects occupying their attention with some precision, and, in specific instances, can set forth a convincing account of the reasons for their focus on those subjects. But with some exceptions, they are neither inclined nor obliged to develop a more general understanding of the forces that move policy formation processes in one direction or another. As I was reminded by respondents in the study reported in this book, "You're the political scientist, not me" and, "It's your job to put this thing together, so that's not my worry." Yet the subject remains an absolutely critical puzzle for them. As one well-informed individual high in the federal executive branch put it:

It's a fascinating question that you're dealing with. Why do decision makers pay attention to one thing rather than another? I've seen situations in which the secretary has been dealing with absolute junk when he should be working on some really significant issue. I've always wondered why.

This book attempts to answer that question. In these pages, we will consider not how issues are authoritatively decided by the president, Congress, or other decision makers, but rather how they came to be issues in the first place. We will try to understand why important people pay attention to one subject rather than another, how their agendas change from one time to another, and how they narrow their choices from a large set of alternatives to a very few. This introductory chapter outlines the research on which this book is based; discusses the definitions, ideas, hypotheses, and theories with which the study began; presents an overview of several findings and case studies; and outlines the intellectual journey upon which we embark through the rest of the book.

Let no reader begin with the illusion that the journey is easy. In contrast to many areas of study in the social sciences, this one is particularly untidy. Subjects drift onto the agenda and drift off, and it is difficult even to define agenda status. When a subject gets hot for a time, it is not always easy even in retrospect to discern why. The researcher thinks one case study illuminates the process beautifully, only to discover another case study that behaves very differently. Conceptual difficulties often rise up to ensnare the traveler.

But the journey is also rewarding because the phenomena involved are so central to our comprehension of public policy outcomes and governmental processes, yet they are so incompletely understood. The patterns of public policy, after all, are determined not only by such final decisions as votes in legislatures, or initiatives and vetoes by presidents, but also by the fact that some subjects and proposals emerge in the first place and others are never seriously considered.¹ This book tries to contribute to a more complete understanding of these predecision public policy processes.

1. Schattschneider's oft-quoted statement, "The definition of the alternatives is the supreme instrument of power," aptly states the case. See E. E. Schattschneider, *The Semi-Sovereign People* (New York: Holt, Rinehart, and Winston, 1960), p. 68.

CONCEPTS AND DEFINITIONS

Though a drastic oversimplification, public policy making can be considered to be a set of processes, including at least (1) the setting of the agenda, (2) the specification of alternatives from which a choice is to be made, (3) an authoritative choice among those specified alternatives, as in a legislative vote or a presidential decision, and (4) the implementation of the decision.² Success in one process does not necessarily imply success in others. An item can be prominently on the agenda, for instance, without subsequent passage of legislation; passage does not necessarily guarantee implementation according to legislative intent. This study concentrates on the first two processes. We seek to understand why some subjects become prominent on the policy agenda and others do not, and why some alternatives for choice are seriously considered while others are neglected.

The word "agenda" has many uses, even in the context of governmental policy. We sometimes use the word to refer to an announced subject for a meeting, as in the sentence, "The agenda before the committee today is H.R. 1728 and proposed amendments thereto." At other times, we might mean the kind of plan an organizer wants participants to adopt, as in the phrase, "a hidden agenda." And sometimes the word "agenda" refers to a coherent set of proposals, each related to the others and forming a series of enactments its proponents would prefer, as in "an agenda for the 1980s." It is thus important to define with some precision how the word will be used in this book.

The *agenda*, as I conceive of it, is the list of subjects or problems to which governmental officials, and people outside of government closely associated with those officials, are paying some serious attention at any given time. Within the general domain of transportation, for instance, the Secretary of Transportation and the members of the congressional committees of jurisdiction could be considering, at any given time, a range of problems like the cost of mass transit construction, the deterioration of highway surfaces, the inefficiencies produced by economic regulation of the airlines, and tanker spills in the ports of the country. Out of the set of all conceivable subjects or problems to which officials could be paying attention, they do in fact seriously attend to some rather than others. So the agenda-setting process narrows this set of

2. When discussing decision-making models, Simon distinguishes between directing attention, discovering or designing possible courses of action, and selecting a particular course of action. These categories roughly correspond to agendas, alternatives and choice. See Herbert Simon, "Political Research: The Decision-Making Framework," in David Easton, ed., *Varieties of Political Theory* (Englewood Cliffs: Prentice-Hall, 1966), p. 19. For another use of similar distinctions, see John W. Kingdon, *Congressmen's Voting Decisions*, 2nd ed. (New York: Harper and Row, 1981), Chapter 12.

conceivable subjects to the set that actually becomes the focus of attention. We want to understand not only why the agenda is composed as it is at any one point in time, but how and why it changes from one time to another.

We have been speaking of a governmental agenda, the list of subjects to which governmental officials and those around them are paying serious attention. Of course, this list varies from one part of the government to another. The president and his closest advisers, for instance, have as their agenda the "biggest" items, things like international crises, major legislative initiatives, the state of the economy, and major budgetary decisions. Then there are more *specialized* agendas, including agendas for health officials or transportation officials. Even within an area like health, there are still more specialized agendas, lists of subjects that dominate the attention of people in areas like biomedical research or direct delivery of medical services. We should also distinguish between the *governmental* agenda, the list of subjects that are getting attention, and the *decision* agenda, or the list of subjects within the governmental agenda that are up for an active decision. As we will see later in this book, governmental and decision agendas are affected by somewhat different processes.

Apart from the set of subjects or problems that are on the agenda, a set of *alternatives* for governmental action is seriously considered by governmental officials and those closely associated with them. If the cost of medical care is a prominent agenda item, for instance, officials could seriously consider a number of alternatives related to that problem, including directly regulating hospital costs, introducing incentives into the system to encourage market regulation, paying consumers' costs through comprehensive national health insurance, enacting such partial insurance plans as catastrophic insurance, nationalizing the system in a scheme of socialized medicine, or doing nothing. Out of the set of all conceivable alternatives, officials actually consider some more seriously than others. So the process of specifying alternatives narrows the set of conceivable alternatives to the set that is seriously considered.

This distinction between agenda and alternatives will turn out to be quite useful analytically. In much of the current literature, "agenda setting" refers to both of them at once, and the distinction between agenda and alternatives is not very sharply drawn. One scholar will argue that professionals, experts, and technicians dominate "the agenda," for example, while another will argue that highly visible crises and the public positions of presidents and key Senators dominate "the agenda." Perhaps agenda setting and alternative specification are governed by quite different processes. Experts might then be more important in generating alternatives, and presidents might be more important in setting the agenda. Presidents can dominate the congressional agenda, for example, but they have much less control over the alternatives members of Congress consider. We will return to this distinction between agenda and alternatives repeatedly.

A BRIEF ACCOUNT OF THE RESEARCH

The research on which this book is based was designed to follow the development of public policy over time, concentrating on the areas of health and transportation in the federal government of the United States. I gathered two kinds of information for the study. The first consisted of four waves of interviews, in 1976, 1977, 1978, and 1979, with people close to decision making in health and transportation. Over the four years, I conducted 247 lengthy and detailed interviews, 133 in health and 114 in transportation. One-fifth of them were with congressional staff, either committee staff or people located in support agencies. About a third were in the executive branch, including upper-level civil servants, political appointees in departments and bureaus, and presidential staff. The remaining interviews were with people outside of government, including lobbyists, journalists, consultants, academics, researchers, and other "important" people in health and transportation. Many respondents carried over from one year to the next; others were replacements. My aim was to tap into entire policy communities, not just parts like Congress, the presidency, the bureaucracy, or lobbies.

I asked these respondents many questions, but among the central ones were the following: "What major problems are you and others in the health (transportation) area most occupied with these days? Why? What proposals are on the front burner? Why?" I also asked about some problems and proposals that were not prominent, and why they were not. I then could compare one year to the next. If a previously prominent item fell by the wayside, or if a new item came to the fore during the year, I asked why. We can thus trace the rise and fall of items on policy agendas, and discover why items get hot or fade.

In addition to these interviews, research assistants and I developed a series of case studies of policy initiation and noninitiation, drawing from my interviews and from such publicly available sources as government documents, popular and specialized accounts, and academic writings. We identified for detailed analysis twenty-three case studies, covering many policy changes in health and transportation over the last three decades. Finally, we also gathered information on subjects that were currently prominent, from such sources as congressional hearings and committee reports, presidential State of the Union addresses and other messages, party platforms, press coverage, and public opinion data.

The appendix to this book discusses the study's methods in more detail.

THE LAY OF THE LAND

What do the agendas in health and transportation look like? To give a view of the events we seek to understand, let us examine four brief case studies. Each will describe the events and pose some questions that represent the sorts of

questions we want to answer. We will then return to these and other case studies throughout the book.

Health Maintenance Organizations

In the early 1970s, people in the Nixon administration were concerned about the dramatically rising cost of medical care, and particularly of Medicare and Medicaid.³ Rapidly rising cost was a problem not only in absolute dollar terms; it also created a tremendous budgetary pressure on other programs in the Department of Health, Education, and Welfare (HEW). In addition, administration officials saw Senator Edward Kennedy as at least one of the prominent potential presidential challengers in 1972. Since Kennedy was quite visible in the health area, administration officials felt that they too should be known for health initiatives. Both the cost problem and the political considerations produced a receptivity to ideas for health initiatives. As the political appointees in the Nixon administration cast about for ideas, they ran into some difficulty finding possible initiatives that would meet their requirements, including low cost and compatibility with their values of less regulation and smaller government.

Enter Paul Ellwood, the head of a Minneapolis-based policy group called InterStudy. Ellwood was a firm believer in the virtues of prepaid group practice, an arrangement that has been operating successfully in a number of locations for many years. Instead of paying a provider a fee for services rendered at every encounter, patients and their employers pay a yearly fee, in return for which the organization furnishes care as needed. Ellwood was well-known in the community of health policy specialists. He was known, among others, to Thomas Joe, then a top assistant to HEW Undersecretary John Veneman. In the words of one of my respondents:

The story goes that Ellwood was in town, and when he left, he happened to sit on the plane next to Tom Joe. They got into a conversation, and Joe started bitching about how they have this problem and nobody has any ideas. So Ellwood says, "I've got an idea," and laid it out for him.

Ellwood proposed federal assistance for what he called Health Maintenance Organizations (HMOs). But instead of presenting it as a liberal do-gooder idea, Ellwood rather cleverly packaged it as a way of introducing marketplace competition into the medical care system. Different kinds of HMOs could compete both with each other and with traditional fee-for-service and insurance systems, and the resultant competition in the marketplace would regulate expenditures. Thus the administration could propose

3. For fuller treatments of the HMO case, see Lawrence D. Brown, *Politics and Health Care Organization: HMOs As Federal Policy* (Washington, D.C.: The Brookings Institution, 1983); Joseph L. Falkson, *HMOs and the Politics of Health System Reform* (Bowie, MD: Robert J. Brady, 1980); and Patricia Bauman, "The Formulation and Evolution of the Health Maintenance Organization Policy," *Social Science and Medicine* 10 (March-April 1976): 129-142.

the desired initiative while avoiding a major new dose of government regulation. This twist on the idea made the proposal congruent with the ideology of the Nixon administration. Joe arranged for Ellwood to meet with Veneman and several other top-level HEW officials. They were sold on the idea. The proposal grew from a conversation to a memo, then from a very thick document to the status of a major presidential health initiative, all in a matter of a few weeks.

This story poses a number of intriguing questions. Given that prepaid practice had been established and well-known for years, why did the HMO idea suddenly take off as a federal government initiative at this particular time? Did events really turn on a chance airplane meeting? How important was the proposal's packaging? What underlying forces drove the events? This book tries to provide answers to questions like these.

National Health Insurance During the Carter Administration

National health insurance proposals are hardy perennials.⁴ Public discussion of the idea in the United States stretches back at least to Teddy Roosevelt. It received some consideration during the New Deal period. Harry Truman proposed national health insurance in the late 1940s and early 1950s. Medicare and Medicaid, health insurance targeted toward the elderly and the poor, were passed in the mid 1960s. The idea of a more general national health insurance received considerable attention once again in the 1970s. There was a serious flurry of activity in 1973 and 1974, when Senator Edward Kennedy sponsored a scaled-down proposal together with Wilbur Mills, the chairman of the House Ways and Means Committee.

Interest rose once again during the Carter administration. Jimmy Carter was publicly committed to some version of national health insurance during the 1976 campaign. The United Automobile Workers (UAW) had been ardent proponents of comprehensive national health insurance for years. When Carter was elected with UAW support and with a hefty Democratic majority in both houses of Congress, many advocates thought that the time had come for another push.

National health insurance proposals are famous for their diversity. Even when it was clear that the subject would be on the agenda in 1977 through 1979, dramatically different proposals were put forward by their advocates. Some called for a plan that would be financed and administered entirely by the government; others provided for substantial doses of mandated private insurance. Some plans provided for comprehensive benefits, so that virtually all medical expenses would be covered; others were more selective in the benefits they would provide. Some provided for universal coverage of the entire population; others targeted subsets of the population. Some had the

4. Most of the information about this case study is drawn from my interviews and from contemporary press accounts.

insurance foot the entire bill; others provided for patients to pay for a portion, either a portion of each year's expenses or a portion of each encounter with a medical care provider. Aside from the disputes, the complexities of the various proposals were staggering. Even among the advocates of national health insurance, there was considerable dispute over very fundamental features of their desired plans.

Early in the tenure of the Carter administration, Kennedy and labor entered into a series of conversations with the top policy makers and political advisers in the White House over the salient features of the administration's proposal. The labor-Kennedy coalition very much wanted the proposal to be formulated and announced before the 1978 congressional elections, reasoning that if there actually were an administration plan on the table, their people in each congressional district could firm up commitments from legislators and future legislators as a part of the campaign process. Several months into the new administration, the major supporters of comprehensive national health insurance, including Kennedy and organized labor, revised their insistence on the comprehensive plan they had held out for all these years. Here they had a president committed to national health insurance and a Democratic Congress. They reasoned that a similar opportunity might not come around again for another decade or even another generation. So while maintaining their proposal for comprehensive benefits and universal coverage, they dropped their insistence on a totally government program, and worked up a proposal for both underwriting and administration by private insurance companies. They claimed this gave Carter two features he wanted: a place for private insurers, and a way to get much of the cost off the federal budget. The critics of the new plan claimed it was still too costly and administratively unworkable, but compromise seemed to be in the air.

Meanwhile, a conflict developed within the administration between those (especially in HEW and in the president's Domestic Policy staff) who favored a proposal with comprehensive benefits and universal coverage, phased in over several years, and those (especially in Treasury and in the Office of Management and Budget) who favored much more limited initiatives providing for catastrophic insurance and some improved coverage for poor people, if there was to be any plan at all. The latter advisers were worried about the impact of a more ambitious plan on inflation and on the federal budget, particularly in light of what they perceived to be the more conservative national mood exemplified by such occurrences as the passage of Proposition 13 in California. Other administration figures, both in HEW and in the president's Executive Office, took the role of negotiating between the factions.

The resultant delay in announcing the administration's proposal made labor restive. Indeed, Douglas Fraser, the head of the United Auto Workers, referred in a late 1977 speech to his displeasure with the administration over this and several other issues. In a not-so-veiled reference to a potential Kennedy challenge, he raised the possibility of labor seeking "new allies" in their

struggle. By some time in 1978, there was a fairly pronounced break with the labor and Kennedy people, and to the extent that the administration was consulting on the Hill, they did so with such other important actors in the process as Russell Long, the chairman of the Senate Finance Committee; Dan Rostenkowski, chairman of the House Ways and Means health subcommittee; and his successor, Charles Rangel.

Shortly after the 1978 elections, Senator Long made quite a dramatic move; he decided to mark up national health insurance in early 1979, before the administration's plan was announced, and proceed to actual drafting sessions. Long's move prodded administration officials into an accelerated timetable for their proposal. They had been actively working on the proposal, at President Carter's personal insistence, through 1978. After Long's action, they announced a first-phase proposal that included catastrophic coverage, help for the poor and near-poor, maternal and child benefits, and several other features; all in the rubric of a government plan that appealed to some liberals more than the revised Kennedy-labor approach.

So in 1979, there were several serious proposals under consideration: Long's, the administration's, the revised Kennedy-labor plan, and some others. Figure 1-1 shows the degree to which my health respondents paid attention to various types of proposals. There can be little doubt that they were indeed receiving a great deal of notice.

The rest of the story goes beyond the agenda-setting phase. But in brief, the whole thing fell through. National health insurance ran afoul of (1) substantial worries in the administration that the enactment of any plan would create imposing pressures on the federal budget, (2) a national mood that seemed to prefer smaller government, and (3) the inability to gather a unified coalition around one proposal.

What accounts for these ebbs and flows of attention to national health insurance? What conditions would increase the chances for enactment? How important are such prominent figures as Carter, Kennedy, and Long? In retrospect, given the budget constraints and perceived national mood, how could advocates have thought this was the right time? Indeed, how can one tell when an idea's time is coming?

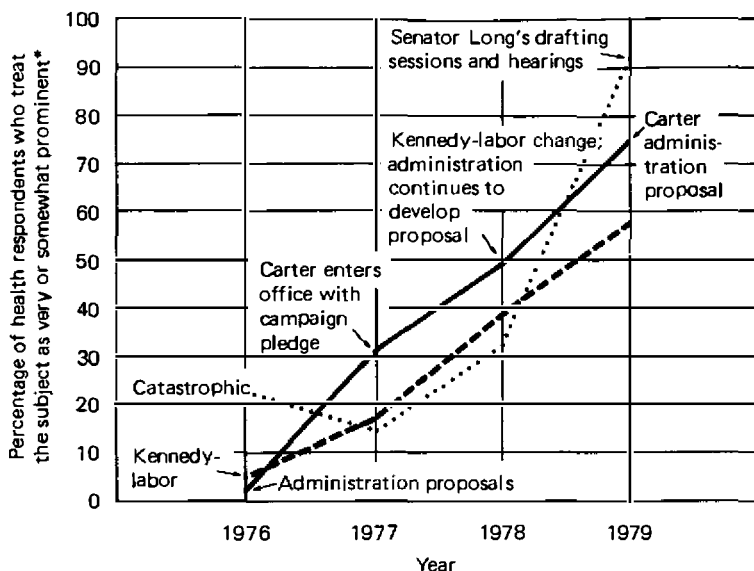
Deregulation: Aviation, Trucking, Railroads

Our third case study describes the progress of proposals for economic deregulation in various transportation modes—aviation, trucking, and railroads.⁵ We concentrate on economic, not safety, regulation: government regulation

5. There is quite a bit of writing on deregulation. For an excellent overview, see Martha Derthick and Paul J. Quirk, "The Politics of Deregulation" (Washington, D.C.: The Brookings Institution, forthcoming). An earlier statement of some of their results is in Paul J. Quirk and Martha Derthick, "Congressional Support for Pro-Competitive Regulatory Reform," paper at the annual meeting of the American Political Science Association, 1981.

Figure 1-1

Discussion of Catastrophic, Kennedy-Labor, and Administration National Health Insurance Proposals



*For coding details, see Appendix.

of routes, service, entry into markets, and rates. In transportation, these activities centered on the Civil Aeronautics Board (CAB) for aviation and on the Interstate Commerce Commission (ICC) for trucking and rail.

Government regulation of these industries started with the founding of the ICC to regulate the railroads, back in the nineteenth century. Regulation was supposedly started to protect consumers and shippers from gouging by the rail monopolies, and to protect fledgling industries from cutthroat competition until they became established. Regulations developed and were extended to trucking and to aviation, a formidable body of administrative law and bureaucratic superstructure evolved, and carriers of regulated commodities found themselves laboring under (and protected by) a considerable corpus of regulations and regulators. In the 1960s and 1970s, complaints mounted about the effects of this regulatory apparatus. Some carriers who wanted to enter new markets were prevented from doing so by government regulation. In some instances, regulated carriers protested that they were being forced to serve marginally profitable or even unprofitable markets. Public policy analysts wrote of the inefficiencies produced by regulation. And everybody complained about the red tape.

During the 1960s, there was a burgeoning of academic work on subjects

relating to regulation, springing from economists' work on natural monopoly and economies of scale. This substantial body of academic theory essentially argued that economic regulation by government in an industry that could be regulated by marketplace forces only produces inefficiencies. If entry into markets is naturally easy, then marketplace competition could regulate rates and services provided. In the case of trucking, for instance, the economists argued that it is relatively easy to enter markets and compete with established carriers because the cost of obtaining a truck is much lower than the cost of, say, starting a railroad. Hence, if government were to stop regulating entry, rates, and service, the natural forces of competition would do the regulating for the consumer, and society would save the costs of the regulatory apparatus.

The 1960s and 1970s also saw an increasingly anti-government mood in the public at large, or so seasoned politicians perceived. With the shocks that such occurrences as the Vietnam War, busing, urban unrest, and economic difficulties brought to the political system, politicians detected a feeling among their constituents that government can't solve every problem or, at the extreme, that government can't do anything right. The mood seemed to swing, after the enactment of Lyndon Johnson's great society programs, away from support for ambitious new government programs toward a feeling that government is too big, too cumbersome, and too expensive. Taxpayer revolts in California and elsewhere reinforced this interpretation.

The Nixon administration drew up a package of transportation deregulation proposals designed to ease restrictions on entry and to reduce government control over rates and service. But the Ford administration started the major legislative push. President Gerald Ford himself gave the advocates of deregulation in his administration a great deal of support in their effort to formulate, publicize, and push for congressional enactment of their proposals. He sent up bills dealing with each of the transportation modes, and while not successful in obtaining enactment, he did set the stage for an effort that ultimately would bear fruit.

Sensing the potential popularity of deregulation as a consumer issue, Senator Edward Kennedy also made aviation deregulation one of his major projects. He used his chairmanship of the Judiciary Subcommittee on Administrative Practices and Procedures to hold hearings into the stewardship of the Civil Aeronautics Board and to give national exposure to advocates of regulatory reform. Then Senator Howard Cannon, the chairman of the Commerce Subcommittee on Aviation, felt obliged to hold hearings as well, partly in response to the administration and partly to seize back his jurisdiction over aviation within the Senate which he felt Kennedy had usurped.

Cannon's hearings, mostly dominated by airline after airline opposing deregulation, were noteworthy for two unusual elements. First, a few airlines broke the united front of opposition and favored some version of deregulation. Second and more dramatic, the CAB itself testified in favor of drastically

curtailing its own jurisdiction. CAB's senior staff had studied the issue and concluded that the economic arguments for deregulation did appropriately apply to the aviation industry, and John Robson, President Ford's appointee as chairman, agreed. Apparently, the simple weight of the ideas persuaded them.

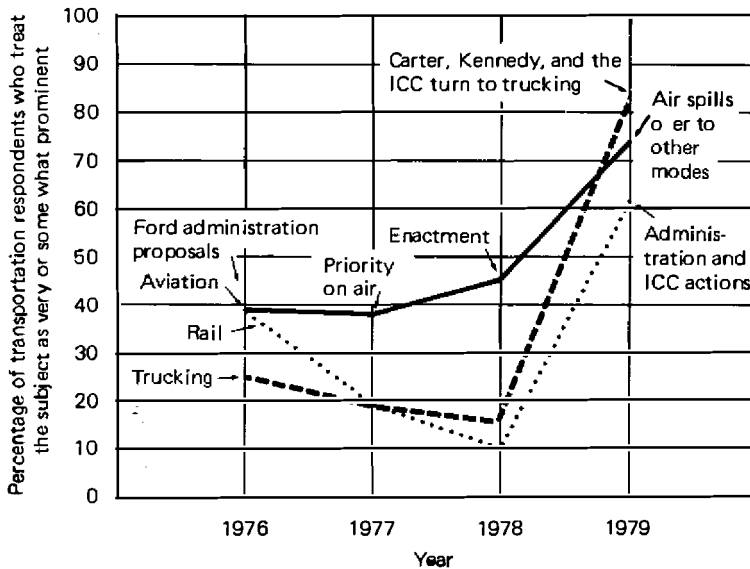
In 1976, Jimmy Carter made the general theme of "getting government off your back" one of the major selling points of his campaign. Once he got into office, his administration was primed for suggestions about how government intrusion in the private sector might be reduced. Because of the groundwork laid by both the Ford administration and Congress, aviation deregulation was ready to go. Railroad deregulation had been addressed to some degree in the acts dealing with the Penn Central collapse. Trucking was widely perceived as more difficult than aviation, due to the united and formidable opposition of the regulated truckers and the Teamsters. So the administration chose to concentrate on aviation deregulation and, furthermore, chose to use the Kennedy-Cannon bill as their vehicle, rather than working up their own proposal from scratch. For a time, the Department of Transportation dragged their heels, but Carter's personal commitment to aviation deregulation simply steamrollered them into acquiescence.

Carter also named Alfred Kahn to head the CAB and appointed several proreform members to the board. Kahn and his associates moved very vigorously in the direction of deregulation on their own, granting airlines permission to experiment with competitive pricing and market entry. It is possible that they went farther than the law technically allowed, or at least interpreted the law rather creatively. The results of the deregulation started by the CAB looked at first blush to be extremely promising: lower fares for consumers, higher profits for airlines, and little diminution of service. Given the groundwork laid by the Ford administration, the consensus developing on Capitol Hill, the new push from the Carter administration, the division within the industry, and the seemingly successful foray into the field by the CAB, an aviation deregulation bill did pass the Congress and was signed by President Carter in 1978.

At that point, policy makers' attention turned with a vengeance to the other transportation modes, as Figure 1-2 shows. After its success in aviation, the administration could take on the truckers and Teamsters more easily than they could have as the first battleground. The appropriateness of the lessons from aviation as applied to other areas could be debated at length, but politically the momentum seemed irresistible. Thus aviation broke the floodgates, resulting in movement in the other transportation modes and the extension of deregulation talk into communications, health, occupational safety, and many other areas. Toward the end of the Carter administration, both trucking and rail deregulation bills were approved by Congress and signed by the president.

Figure 1-2

Discussion of Deregulation: Aviation, Rail, Trucking



Was this momentum actually irresistible? What made it so powerful? Did arcane academic theories really affect these events? Why did the national mood seem more receptive to these proposals in the 1970s than in the 1960s?

Waterway User Charges

Our last case study is the imposition of a waterway user charge, enacted in 1978.⁶ Waterways were the last transportation mode to be provided to users without a charge. Highways were built with fuel taxes paid by commercial and pleasure users. Airports were constructed with the aid of a trust fund financed by a ticket tax. Railroad rights-of-way were furnished by land grants, but then built and maintained through expenditures by the railroads. When it came to waterway improvements, however, all of the work of the Army Corps of Engineers—dams, locks, channels, dredging, and canals—was paid for by general taxpayers. Proposals for some form of user charge—fuel taxes, lockage fees, or license fees—had been advanced for decades. But they had always run into the opposition of the owners of barges, pleasure boaters, the partisans of the Corps on the Hill, and the shippers of such bulk commodities as grain

6. For an account of the development of the issue during the late 1970s, see T. R. Reid, *Congressional Odyssey: The Saga of a Senate Bill* (San Francisco: W. H. Freeman, 1980).

and coal who would eventually pay higher shipping costs if a user charge were enacted. Railroads supported a waterway user charge, reasoning that free use of government-financed facilities gave their waterway competitors an unfair advantage. The policy arguments surrounding the issue were very familiar through this long process of debate.

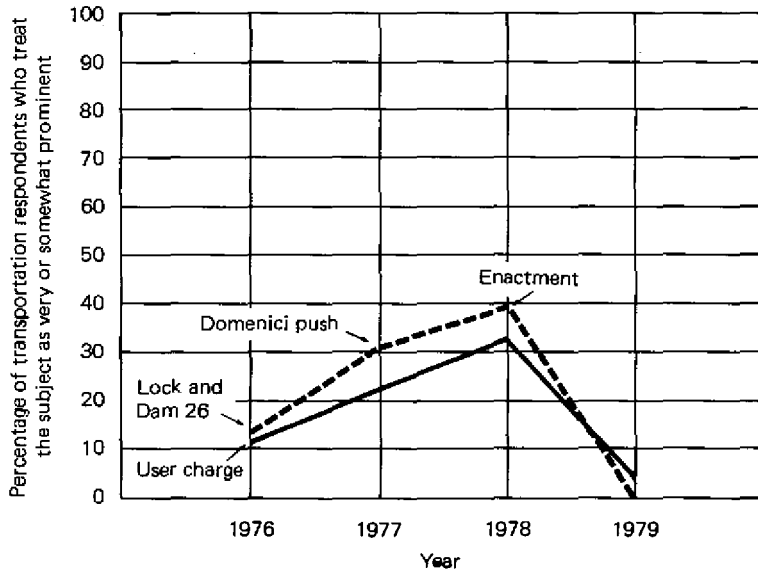
Some of the waterway facilities were falling into serious disrepair. In particular, attention during the late 1960s and early 1970s centered on Lock and Dam 26, on the Mississippi River at Alton, Illinois. This facility, a bottleneck that affected shipping for the entire length of the river, was in such serious disrepair that something needed to be done. Water leaked through it, parts of it were crumbling, it was repeatedly closed for repairs, and after a few more years of use, it could give way altogether. The required rebuilding would cost more than \$400 million. So barge owners and operators pushed hard for the federal funding to rebuild Lock and Dam 26.

As the hearings droned on through the summer of 1976 before the Senate subcommittee of Public Works, Senator Pete Domenici, a first-term Republican from New Mexico, started to toy with the idea of imposing a user charge as a way to pay for a new Lock and Dam 26. He knew that taking on this cause would put him at odds with some powerful senators, including Russell Long of Louisiana, the chairman of the Finance Committee, so for some time Senator Domenici resisted the urgings of his staffers that he push for the user charge. But the story goes that he became so infuriated at the testimony of the barge interests, who were asking for federal money for Lock and Dam 26 while staunchly resisting any talk of a user charge, that he decided to introduce and push hard for a bill. His strategy was to tie the user charge to the rebuilding that the barge interests and shippers wanted so badly: no user charge, no Lock and Dam 26. He and his staffers plunged into the fight with great energy, reams of information and argumentation, and great political acumen.

In the incoming Carter administration, policy makers in the Department of Transportation saw this as an opportunity to impose a waterway user charge for the first time in history. President Carter was persuaded to announce that he would veto any authorization for Lock and Dam 26 that was not accompanied by a user charge bill. With the combination of senators, the Department of Transportation, and the president linking Lock and Dam 26 to the revenue issue, even the barge and shipping interests ended up supporting a less ambitious version of a user charge. See Figure 1-3 for my transportation respondents' attention to the issue.

The intricacies of enactment are a story by themselves. At many points, Domenici's project was threatened with defeat. Major compromises were needed to obtain sufficient votes to pass any user charge bill, so the version finally passed in 1978 was less ambitious than Domenici's original proposal. But since this is a book on agenda setting rather than enactment, we needn't tarry long on this portion of the story, fascinating as it is. Opponents figured

Figure 1-3

Discussion of Waterway User Charges and Lock and Dam 26

the bill was the best they could get under the circumstances. Proponents felt they had at least established the principle of imposing a charge, and looked forward to years and decades of ratcheting it up.

Did this case really turn on the anger of one junior, minority senator? How critical was the happenstance of a crumbling Lock and Dam 26? Why, after years of familiarity with the issue, did this particular time prove to be right?

Some Subjects Never Get onto the Agenda

Consider Table 1-1, which shows some subjects in health and transportation that were discussed very infrequently. These figures present several interesting puzzles. Why do items that deserve attention never receive it? Everybody realizes that the population is aging, and that long-term medical care will increasingly be a pressing problem for the society. In view of these demographic projections, why was the subject of long-term care discussed so infrequently by health specialists in the late 1970s? In view of the tremendous amount of attention the media gave to fraud and abuse during this very period, why did health policy makers and those around them refer so little to that subject when discussing issues that were occupying their attention? Why are intercity buses so far out of sight? Why does a subject like transportation safety, so prominent only a few years earlier, fade so quickly from high agenda status?

Table 1-1
Subjects Discussed Infrequently*

<i>Health</i>	
Maternal and child care	14%
Long-term care	13
Government delivery (Community Centers, Veterans Administration, Public Health Service)	11
Fraud and abuse	11
FDA and drugs	9
Mental health	5
<i>Transportation</i>	
Environmental impact	16
Pipeline (including coal slurry)	15
Safety	14
Buses	13
Rail nationalization	7

*For each subject, the number is the percentage of health or transportation respondents who treated the subject as very or somewhat prominent, adding across all four years, for the highest-valued variable associated with the subject. See discussion of groupings in the footnote to Table 6-1. Health N = 133; Transportation N = 114.

By contrast, the cost of medical care was prominently discussed in over 80 percent of my health interviews in most of these years. Why does a subject like cost come to dominate an agenda like health so completely?

Some subjects receive a lot of attention, while others are neglected. This book tries to understand why.

SOME EXPLANATIONS

Our discussion so far has presented a series of interesting descriptions of policy changes and subjects that never rise on the agenda. It has also left us with many questions about *why* changes occur and why some subjects are more prominent than others. In general, two categories of factors might affect agenda setting and the specification of alternatives: the participants who are active, and the processes by which agenda items and alternatives come into prominence.

Participants

The president, the Congress, bureaucrats in the executive branch, and various forces outside of government (including the media, interest groups, political parties, and the general public) could all be sources of agenda items and alternatives. Thus agenda setting may involve the transfer of items from a nongovernmental, "systemic" agenda to a governmental, "formal" agenda,

partly through the mobilization of the relevant publics by leaders.⁷ Or issues may reach the agenda through diffusion of ideas in professional circles and among policy elites, particularly bureaucrats.⁸ Or changes in the agenda may result from a change in party control or in intraparty ideological balances brought about by elections.⁹ Thus a critical locus of initiative may be parties and elected officials. One of the purposes of this study is to ascertain how frequently and under what conditions each of these participants is important, and to determine what sorts of interactions there might be among them.

This book sheds some light on the long-smoldering topic of the sources of initiative, partly by tracking the progression of ideas from one place to another over the years under observation, and partly by learning how seriously the people close to policy making treat these possible influences. What is the relative importance of president and Congress? Within the executive branch, how important are political appointees as opposed to career civil servants? In Congress, what are the respective contributions of staff and members? Do agenda items well up from the public, or is the process better understood as a "top-down" sequence? Within the public, what is the place of general public opinion, as contrasted with organized interest groups? How often do ideas come from people like policy analysts, researchers, academics, and consultants, or are such people regarded as quaint irrelevancies? How important are the mass media in focusing officials' attention on some problems and contributing to their neglect of other problems, or do media report attention rather than create it?

Processes of Agenda Setting and Alternative Specification

It would surely be unsatisfying to end the story with the importance of various players in the game. We want to know something about the game itself. So aside from the participants, we are interested in the processes by which agendas are set and alternatives are specified. We will deal in this book with three kinds of processes: problems, policies, and politics.

One influence on agendas might be the inexorable march of problems pressing in on the system. A crisis or prominent event might signal the emergence of such problems. The collapse of the Penn Central Railroad or

7. For a statement of this perspective, see Roger W. Cobb and Charles D. Elder, *Participation in American Politics: The Dynamics of Agenda-Building* (Boston: Allyn and Bacon, 1972), pp. 14–16, 34–35, 85–89.

8. For a treatment of such a process, see Jack L. Walker, "The Diffusion of Innovations Among the American States," *American Political Science Review* 68 (September 1969): 880–899.

9. For treatments of the effects of realignments on policy agendas, see Benjamin Ginsberg, "Elections and Public Policy," *American Political Science Review* 70 (March 1976): 41–49; Barbara Deckard Sinclair, "Party Realignment and the Transformation of the Political Agenda," *American Political Science Review* 71 (September 1977): 940–953; and David Brady, "Congressional Party Realignment and Transformations of Public Policy in Three Realignment Eras," *American Journal of Political Science* 26 (May 1982): 333–360.

the crash of a DC-10, for example, result in some focus on the financial problems of the railroads or on issues in air safety. Another way of becoming aware of a problem might be change in a widely respected indicator: costs of medical care or the size of the Medicare budget increase; energy consumed per ton mile decreases with the application of a given technology; the incidence of rubella or polio inches up; the number of highway deaths per passenger mile rises or falls. How often is governmental attention to problems driven by such indicators, by dramatic events, or by other suggestions that there might be a problem which needs addressing? Indeed, how does a given condition get defined as a problem for which government action is an appropriate remedy?

A second contributor to governmental agendas and alternatives might be a process of gradual accumulation of knowledge and perspectives among the specialists in a given policy area, and the generation of policy proposals by such specialists. Academics' arguments that economic regulation of trucking or airlines only produces inefficiencies, or studies that suggest a greater supply of doctors increases rather than decreases medical costs might gradually diffuse among policy makers, producing perspectives that might make them more receptive to some proposals than to others. The development of a new technology, such as a shunt making renal dialysis possible or a markedly more efficient storage battery for electric automobiles, might create considerable pressure for policy change. But independent of science or knowledge, ideas may sweep policy communities like fads, or may be built gradually through a process of constant discussion, speeches, hearings, and bill introductions. What part does each of these communication or diffusion processes play in agenda setting and alternative specification?¹⁰

The foregoing suggests that at some points in this book we will forsake the usual political science preoccupation with pressure and influence, and instead take excursions into the world of ideas. One inquiry of the study, indeed, is the extent to which arm-twisting, muscle, and other such metaphors of pressure realistically describe the forces that drive the agenda, and the extent to which persuasion and the diffusion of ideas, good or bad, affect the subjects of attention. How much do ideas like equity or efficiency affect the participants? More broadly, what values affect the processes, and how much are people motivated by their desire to change the existing order to bring it into line with their conception of the ideal order? How much do they acquire new ideas by studying situations similar to their own in states or other countries? How much do they learn through experimentation, either formally designed experiments or cruder personal experiences? How much does feedback from the operation of existing programs affect the agenda?

Third, political processes affect the agenda. Swings of national mood, vagaries of public opinion, election results, changes of administration, and

10. On diffusion in policy communities, see Walker, "Diffusion of Innovations," *op. cit.*; and Hugh Heclo, "Issue Networks and the Executive Establishment," in Anthony King, ed., *The New American Political System* (Washington, D.C.: American Enterprise Institute, 1978), pp. 87-124.

turnover in Congress all may have powerful effects. How much change in the agenda and in the seriously considered alternatives is produced by a change of administration, a change of congressional committee chairs, or a marked turnover of personnel in Congress through retirement or defeat at the polls? How much does politicians' receptivity to certain ideas depend on such considerations as maintaining or building electoral coalitions, being reelected, or running for higher office? How much do important people compete for policy turf, and what effect does such competition have? How do important people judge such a vague phenomenon as a shift in national mood?

Each of the three processes—problem recognition, generation of policy proposals, and political events—can serve as an impetus or as a constraint. As an impetus, items are promoted to higher agenda prominence, as when a new administration makes possible the emergence of a new battery of proposals. As a constraint,¹¹ items are prevented from rising on the agenda, as when a budget constraint operates to rule out the emergence of items that are perceived as being too costly. Some items may not rise on the agenda because of the financial cost, the lack of acceptance by the public, the opposition of powerful interests, or simply because they are less pressing than other items in the competition for attention.

Finally, the study began with several general musings on the nature of the processes to be examined. Does change take place incrementally, in gradual, short steps, or does one observe sudden, discontinuous change? If both are present, does one pattern describe one part of the process better than another part? Do the participants seem to proceed in an orderly process of planning, in which they identify problems, specify goals, and attend to the most efficient means of achieving these goals? Even if some single participants proceed in this orderly, rational manner, does the process involving many participants take on a less orderly character, with the outcome a product of bargaining among the participants? Or is the process even more free form than that, with problems, proposals, and politics floating in and out, joined by fortuitous events or by the appearance on the scene of a skillful entrepreneur who assembles the previously disjointed pieces? Instead of problem solving, do advocates first generate their pet solutions and then look for problems coming along to which to attach their proposals? How often is plain dumb luck responsible?

A BRIEF PREVIEW OF THE BOOK

The last few pages have presented a rather formidable array of puzzles. Not all of them will be completely assembled in the pages of this book. But answers to many of these questions and partial answers to others, combined with

11. An excellent summary of constraints on agenda change is in Roger W. Cobb and Charles D. Elder, "Communications and Public Policy," in Dan Nimmo and Keith Sanders, eds., *Handbook of Political Communications* (Beverly Hills: Sage, 1981), Chapter 14, particularly pp. 402–408.

attempts to build theory about these processes from careful empirical observation, will advance our understanding.

We are now ready to begin our journey through the labyrinth of policy formation. We first distinguish between participants and processes. In principle, each of the active participants can be involved in each of the important processes—problem recognition, policy generation, and politics. Policy is not the sole province of analysts, for instance, nor is politics the sole province of politicians. In practice, as we will see, participants specialize to a degree in one or another process, but participants can be seen as conceptually different from processes.

We will begin with participants in Chapters 2 and 3. We will discover, perverse as it might sound to some readers, that textbooks are not always wrong: If any one set of participants in the policy process is important in the shaping of the agenda, it is elected officials and their appointees, rather than career bureaucrats or nongovernmental actors. We will also discuss the clusters of the actors which emerge, arguing that a visible cluster made up of such actors as the president and prominent members of Congress has more effect on the agenda, while a hidden cluster that includes specialists in the bureaucracy and in professional communities affects the specification of the alternatives from which authoritative choices are made.

We will then turn our attention in the remaining chapters of the book to the processes which govern the system. In Chapter 4, an overview of these processes, we first discuss the limitations of three common approaches. A search for origins of public policies turns out to be futile. Comprehensive, rational policy making is portrayed as impractical for the most part, although there are occasions where it is found. Incrementalism describes parts of the process, particularly the gradual evolution of proposals or policy changes, but does not describe the more discontinuous or sudden agenda change. Instead of these approaches, we use a revised version of the Cohen-March-Olsen garbage can model of organizational choice to understand agenda setting and alternative generation.¹² We conceive of three process streams flowing through the system—streams of problems, policies, and politics. They are largely independent of one another, and each develops according to its own dynamics and rules. But at some critical junctures the three streams are joined, and the greatest policy changes grow out of that coupling of problems, policy proposals, and politics.

Each of the three next chapters discusses one of the three streams. In Chapter 5, we consider how problems come to be recognized and how conditions come to be defined as problems. Problems are brought to the attention of people in and around government by systematic indicators, by focusing events like crises and disasters, or by feedback from the operation of current

12. Michael Cohen, James March, and Johan Olsen, "A Garbage Can Model of Organizational Choice," *Administrative Science Quarterly* 17 (March 1972): 1-25.

programs. People define conditions as problems by comparing current conditions with their values concerning more ideal states of affairs, by comparing their own performance with that of other countries, or by putting the subject into one category rather than another.

The generation of policy proposals, the subject of Chapter 6, resembles a process of biological natural selection. Many ideas are possible in principle, and float around in a "policy primeval soup" in which specialists try out their ideas in a variety of ways—bill introductions, speeches, testimony, papers, and conversation. In that consideration, proposals are floated, come into contact with one another, are revised and combined with one another, and floated again. But the proposals that survive to the status of serious consideration meet several criteria, including their technical feasibility, their fit with dominant values and the current national mood, their budgetary workability, and the political support or opposition they might experience. Thus the selection system narrows the set of conceivable proposals and selects from that large set a short list of proposals that is actually available for serious consideration.

The political stream described in Chapter 7 is composed of such factors as swings of national mood, administration or legislative turnover, and interest group pressure campaigns. Potential agenda items that are congruent with the current national mood, that enjoy interest group support or lack organized opposition, and that fit the orientations of the prevailing legislative coalitions or current administration are more likely to rise to agenda prominence than items that do not meet such conditions. In particular, turnover of key participants, such as a change of administration, has powerful effects on policy agendas. The combination of perceived national mood and turnover of elected officials particularly affects agendas, while the balance of organized forces is more likely to affect the alternatives considered.

The separate streams of problems, policies, and politics come together at certain critical times. Solutions become joined to problems, and both of them are joined to favorable political forces. This coupling is most likely when policy windows—opportunities for pushing pet proposals or conceptions of problems—are open. As we argue in Chapter 8, windows are opened either by the appearance of compelling problems or by happenings in the political stream. Thus agendas are set by problems or politics, and alternatives are generated in the policy stream. Policy entrepreneurs, people who are willing to invest their resources in pushing their pet proposals or problems, are responsible not only for prompting important people to pay attention, but also for coupling solutions to problems and for coupling both problems and solutions to politics. While governmental agendas are set in the problems or political streams, the chances of items rising on a *decision* agenda—a list of items up for actual action—are enhanced if all three streams are coupled together. Significant movement, in other words, is much more likely if problems, policy proposals, and politics are all coupled into a package.

Chapter 9 then summarizes what we have learned and states our major conclusions. Some readers, if they prefer to preview the larger picture before seeing the details, may wish to skip to Chapters 4 and 9 before reading the rest of the book. Readers who wish to be more fully informed of the study's methods are advised to examine the Appendix before proceeding. Those who are more interested in processes than in participants may wish to skim Chapters 2 and 3, proceeding to Chapters 4 through 9. Many readers will follow the order of chapters as they are presented.

The processes we will discuss are extraordinarily complex, and the telling of the story is thus complicated. Unlike the juggler who keeps several bowling pins in the air at once, we will concentrate on one pin at a time, allowing the rest to clatter to the floor. If readers are patient, they will notice that the seemingly neglected pins will each receive attention in their turn, and that we will finally assemble them into a pattern as coherent as is allowed by the actual character of the observed processes. We will follow Einstein's sage advice: "Everything should be made as simple as possible, but not simpler."