

## Memorandum

To : Tony Munso  
Environmental Fees Section

Date: July 22, 1993

From : Susan Scott  
Staff Counsel

Subject: Application of Environmental Fee to American Red Cross

As we discussed today on the telephone, I have reviewed the Red Cross claim of exemption from Environmental Fees and agree that the Red Cross' status as an "instrumentality of the United States Government" for purposes of immunity from state taxation has been clearly established by the U.S. Supreme Court in Department of Employment v. United States (1966) 385 U.S. 355, 87 S. Ct. 464. I spoke with Kenneth Rumenapp who did not recall his reasoning in stating that the exemption did not apply to corporations of the United States government, and the letter from Mr. Rumenapp referenced in Mr. Miller's letter is not in my file.

Because the California Environmental Fee is in fact a **tax**, rather than a "fee," we are prohibited from imposing it on an instrumentality of the federal government.

If you have any further questions, you can reach me after August 15, on Monday afternoons and all day Tuesdays and Thursdays at 327-2455.

cc: Larry Augusta  
Janet Vining