

The original documents are located in Box 57, folder “9/28/76 S3283 The Reclamation Authorization Act of 1976 (2)” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library

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THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: September 22

Time: 600pm

FOR ACTION: George Humphreys
Max Friedersdorf *Signed* (for information):
Bobbie Kilberg *Veto*
Robert Hartmann (*Veto message and signing statement*
attached)

FROM THE STAFF SECRETARY

DUE: Date: September 23

Time: 100pm

SUBJECT:

S. 3283-The Reclamation Authorization Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President



THE GENERAL COUNSEL OF THE TREASURY
WASHINGTON, D.C. 20220

SEP 16 1976

Director, Office of Management and Budget
Executive Office of the President
Washington, D. C. 20502

Attention: Assistant Director for Legislative
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of S. 3283, "To authorize various Federal reclamation projects and programs, and for other purposes."

Titles I, II, and VII of the enrolled enactment would authorize construction and reclamation projects at Kanopolis Unit, Kansas; Oroville-Tonasket Unit, Washington; and McGee Creek Project, Oklahoma. The Department of the Interior has opposed these projects in reports to the Committees on Interior and Insular Affairs.

The interest rate formula provided in sections 105, 206, and 704 of the enrolled enactment is the so-called water resources rate; i.e., the computed average rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for 15 years from date of issue. The water resources interest rate formula produces an arbitrary subsidy interest rate which bears no relationship to current Treasury borrowing costs, and is significantly below the current rate on Government borrowing. The effect of this rate formula is to provide substantial but hidden subsidies to project beneficiaries at the expense of the Nation's taxpayers. Any subsidies determined necessary should be provided in a straight-forward manner, and not be hidden in the interest rate formula.

In view of the foregoing, the Department would concur in a recommendation that the enrolled enactment not be approved by the President.

Sincerely yours,


General Counsel
Richard R. Albrecht



DEPARTMENT OF THE ARMY
WASHINGTON, D.C. 20310

16 SEP 1976

Honorable James T. Lynn

Director, Office of Management and Budget

Dear Mr. Lynn:

This is in reply to your request for the views of the Department of the Army on enrolled enactment S. 3283, 94th Congress, "To authorize various Federal reclamation projects and programs, and for other purposes."

The Department of the Army defers to the views of the Department of Interior on whether this enrolled enactment should be approved.

The Act, entitled "The Reclamation Authorizations Act of 1976", consists of seven titles relating to water resources development programs or projects that would be administered by the Department of the Interior. Title I of this Act is the only provision of the Act directly affecting this Department. It authorizes modifications and further developments of the Kanopolis Dam and Lake project on the Smoky Hill River near Salina, Kansas. This project was constructed by the Army Corps of Engineers and is presently administered by the Corps.

The modifications and further developments of the Kanopolis project authorized by the Act originate from a plan that has been developed for the project under the sponsorship of the Bureau of Reclamation. The Department of the Interior, as well as the Department of the Army, has previously opposed authorizing this work as being premature until this plan has been made available for Executive department review and comment in accordance with established procedures.

Sincerely,

A handwritten signature in black ink, appearing to read "Victor V. Veysey".

Victor V. Veysey
Assistant Secretary of the Army
(Civil Works)





DEPARTMENT OF STATE

Washington, D.C. 20520

SEP 16 1976

Dear Mr. Lynn:

I have received James Frey's enrolled bill request dated September 14 for the views and recommendations of this Department on S. 3283, entitled "An Act To authorize various Federal reclamation projects and programs, and for other purposes."

From the standpoint of our foreign relations with Mexico, the Department recommends that the President approve this legislation. We defer to the Department of the Interior regarding the feasibility of the one project of interest to this Department, as well as, of course, regarding the feasibility of the other projects that the legislation would authorize.

Title IV would authorize the Secretary of the Interior to construct, operate, and maintain, wholly within the United States, extensions of the American Canal in the vicinity of El Paso, Texas, for the purpose of salvaging water losses, eliminating hazards to public safety, and facilitating compliance with a convention with Mexico of May 21, 1906 (34 Stat. 2953). By way of background, the United States is obligated under that treaty to deliver to Mexico at a point near El Paso 60,000 acre-feet per annum of Rio Grande waters, except that at times of drought this amount may be reduced in the same proportion as deliveries to United States users are reduced. The waters used to comply with this obligation all originate in the United States, and they are delivered to Mexico out of waters that would otherwise be available and are badly needed for use in the United States. In most of the last 25 years the supply of water for this purpose has been short, U.S. water users and production in the United States have suffered as a consequence, and the shortages have been aggravated by the delivery of

The Honorable
James T. Lynn, Director,
Office of Management and Budget.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

September 16, 1976

Honorable James T. Lynn
Director, Office of Management
and Budget
Washington, D. C.

Dear Mr. Lynn:

This is in reply to your request of September 14, 1976, for a report on enrolled bill S. 3283, "to authorize various Federal reclamation projects and programs, and for other purposes."

The Act authorizes and provides funding for the following projects:

Kanopolis Unit, Kansas
Oroville-Tonasket Unit, Washington
Uintah Unit, Utah
American Canal Extension, Texas
Allen Camp Unit, California
Leadville Mine Drainage Tunnel, Colorado
McGee Creek Project, Oklahoma

This Department has no objection to the President's approving this Act.

The report on the McGee Creek Project, Oklahoma, was not made available to this Department for review; therefore, we are unable to determine the scope of impacts. We are not aware of any objections.

Sincerely,

John A. Knebel
John A. Knebel
Under Secretary

a part of the supply to Mexico. It is believed that so far as practical U.S. water users should be protected against the sacrifice of water in service of an international obligation. The construction of the proposed project would serve to protect them to the extent that it provides for a salvage of water.

Since, however, the construction of the project, and hence the approval of the bill, would not directly affect compliance with the treaty obligation, the proposal is essentially a matter of domestic concern. Mexico would receive the same quantity of water under the treaty regardless of the legislation.

I appreciate this opportunity to present the Department's views and recommendations.

Sincerely yours,

A handwritten signature in cursive script that reads "Kempton B. Jenkins".

Kempton B. Jenkins
Acting Assistant Secretary
for Congressional Relations

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405



September 17, 1976

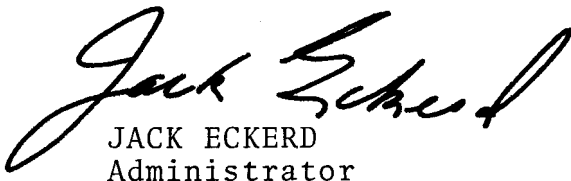
Honorable James T. Lynn
Director, Office of
Management and Budget
Washington, DC 20503

Dear Mr. Lynn:

By letter of September 14, 1976, your office requested the views of the General Services Administration (GSA) on enrolled bill S. 3283, a bill "To authorize various Federal reclamation projects and programs, and for other purposes."

GSA offers no comment on the enrolled bill.

Sincerely,


JACK ECKERD
Administrator

Date: September 22

Time: 600pm

FOR ACTION: George Humphreys
 Max Friedersdorf
 Bobbie Kilberg
 Robert Hartmann (Veto message and signing statement attached)

cc (for information): Jack Marsh
 Jim Connor
 Ed Schmults

FROM THE STAFF SECRETARY

DUE: Date: September 23

Time: 200pm

SUBJECT:

S. 3283-The Reclamation Authorization Act of 1976

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

agree with note Kelly 9/23/76

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James M. Cannon
For the President

THE WHITE HOUSE

WASHINGTON

September 23, 1976

MEMORANDUM FOR: STAFF SECRETARY
FROM: MAX FRIEDERSDORF *M. 6*
SUBJECT: S.3283, The Reclamation Authorization Act of 1976

The bill passed the House by 346-35 in the House and by voice vote in the Senate, indicating a veto will be extremely difficult, if not impossible, to sustain.

I believe the Speaker has spoken personally to the President about the bill because the McGee Creek Reservoir project would provide a new water supply for Oklahoma City.

Senator Dewey Bartlett (R-Okla.) has requested the bill be signed and that himself, Senator Bellmon, the Speaker, and Representatives John Jarman and Tom Steed be present when the bill is signed.

I recommend approval of the legislation.

Date: September 22

Time: 600pm

FOR ACTION: George Humphreys
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann

cc (for information): Jack Marsh to D:
Jim Connor
Ed Schmults 9-24 H:1
Robert Hartmann (Veto message and signing statement attached)

FROM THE STAFF SECRETARY

to Res
9-24 2:23
GAm

[Handwritten signature]

DUE: Date: September 23

Time: 200pm

SUBJECT:

S. 3283-The Reclamation Authorization Act of 1976

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- For Necessary Action
- For Your Recommendations
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- Draft Remarks

REMARKS:

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James M. Cannon
For the President

TO THE SENATE:

I am returning, without my approval, S. 3283, "The Reclamation Authorization Act of 1976."

S. 3283 would authorize the construction, repair, or rehabilitation of seven Bureau of Reclamation projects: (1) Kanopolis Reservoir, Kansas; (2) Oroville-Tonasket Unit, ~~South Dakota~~ Washington; (3) Allen Camp Dam and Reservoir, California; (4) McGee Creek Dam and Reservoir, Oklahoma; (5) American Canal Extension, Texas; (6) Leadville Mine Drainage Tunnel, Colorado; and (7) Uintah and Whiterocks Dams and Reservoirs, Utah. The total Federal cost of these projects is estimated at approximately \$332 million.

The Leadville Mine Drainage Tunnel project is for the purpose of rehabilitating a federally owned tunnel in Lake County, Colorado, to improve its capacity to drain mining properties in the area, and thereby eliminate certain problems associated with excessive groundwater. All of the other projects are for one or more of the following purposes: irrigation; supply of water for municipal and industrial use; outdoor recreation; flood control; and, fish and wildlife enhancement.

I have disapproved this bill for the following reasons:

First, the American Canal Extension project has failed the test of cost-effectiveness which is

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generally applied to water resource projects. To authorize it would be a departure from the long-standing policy that only economically justified water resource projects should be undertaken.

Second, the Executive Branch has not completed its feasibility and environmental studies and submitted reports to the Congress concerning four other projects: (1) Kanopolis Reservoir; (2) Oroville-Tonasket Unit; (3) Allen Camp Dam and Reservoir; and (4) McGee Creek Dam and Reservoir. Until such reports are prepared, there is no adequate basis for appraising the merits of these projects.

Third, although I believe that the Leadville Mine Drainage Tunnel is in need of certain rehabilitation, I am concerned that this bill does not provide for the transfer of all or part of the tunnel to a non-federal entity for administration, operation, and maintenance.

The Executive Branch set forth these objections to the projects cited above while they were being considered by the Congress. In my judgment, they continue to remain valid.

In returning S. 3283 without my approval, I regret that the appropriation authorization for the Uintah Unit, Central Utah Project, the only project in this bill to have passed the cost-effectiveness test, must also be disapproved. I fully support this

if the Congress re-enacts it as a separate bill. In the meantime, advance planning work that necessarily precedes construction will continue.

Similarly, it is my hope that Congress will act expeditiously to consider the Administration's desired modifications to the Leadville Mine Drainage Tunnel project. I believe a mutually suitable solution is close at hand, and it is my hope that this issue can be resolved in separate legislation early in the next session of Congress.

In the future, I urge that no legislative action be taken on proposed ^{de} reclamation projects until the required ^{ch} feasibility and ^{ch} environmental studies have been ^{ch} completed. When the Congress enacted the laws that require these studies, it established the sound principle that reclamation projects should be undertaken only after their feasibility has been demonstrated from an economic, engineering, safety, and environmental standpoint. I fully support these safeguards, and I hope that the Congress will share my conviction in this matter.

THE WHITE HOUSE
September , 1976

STATEMENT BY THE PRESIDENT

I have today approved S. 3283, "The Reclamation Authorization Act of 1976."

S. 3283 authorizes the construction, repair, or rehabilitation of seven Bureau of Reclamation projects: (1) Kanopolis Reservoir, Kansas; (2) Oroville-Tonasket Unit, ~~South Dakota~~ Washington; (3) Allen Camp Dam and Reservoir, California; (4) McGee Creek Dam and Reservoir, Oklahoma; (5) American Canal Extension, Texas; (6) Leadville Mine Drainage Tunnel, Colorado; and (7) Uintah and Whiterocks Dams and Reservoirs, Utah. The total Federal cost of these projects is estimated at approximately \$332 million.

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Although I have signed S. 3283, it should be noted that I have several reservations about the bill and my implementation of its provisions will be subject to the following constraints:

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Second, although I believe that the Leadville Mine Drainage Tunnel is in need of certain rehabilitation, I am concerned that this bill does not provide for the transfer of all or part of the tunnel to a non-federal entity for administration, operation, and maintenance. Therefore, I do not intend to seek funds for this project until my Administration is able to work out an appropriate legislative solution with the Congress.

I fully support the Uintah project in Utah, which has passed the cost-effectiveness test, and my Administration will continue the advance planning work that necessarily precedes construction.

In the future, I urge that no legislative action be taken on proposed reclamation projects until the required feasibility and environmental studies have been completed. When the Congress enacted the laws

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Rec. 9/23/76
10:45
Ret. 9/25/76 1:45pm

Date: September 22

Time: 600pm

FOR ACTION: George Humphreys
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann

cc (for information): Jack Marsh
Jim Connor
Ed Schmults
(Veto message and signing statement attached)

FROM THE STAFF SECRETARY

DUE: Date: September 23

Time: 200pm

SUBJECT:

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For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

9/23 - copy sent for researching. nm
9/24 - researched copy returned. nm

Sign!
Both sets and signing statements reviewed
af

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James M. Cannon
For the President

TO THE SENATE:

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I have disapproved this bill for the following reasons:

First, the American Canal Extension project has

generally applied to water resource projects. To authorize it would be a departure from the long-standing policy that only economically justified water resource projects should be undertaken.

Second, the Executive Branch has not completed its feasibility and environmental studies and submitted reports to the Congress concerning four other projects: (1) Kanopolis Reservoir; (2) Oroville-Tonasket Unit; (3) Allen Camp Dam and Reservoir; and (4) McGee Creek Dam and Reservoir. Until such reports are prepared, there is no adequate basis for appraising the merits of these projects.

Third, although I believe that the Leadville Mine Drainage Tunnel is in need of certain rehabilitation, I am concerned that this bill does not provide for the transfer of all or part of the tunnel to a non-federal entity for administration, operation, and maintenance.

The Executive Branch set forth these objections to the projects cited above while they were being considered by the Congress. In my judgment, they continue to remain valid.

In returning S. 3283 without my approval, I regret that the appropriation authorization for the Uintah Unit, Central Utah Project, the only project in this bill to have passed the cost-effectiveness test, must also be disapproved. I fully support this

if the Congress re-enacts it as a separate bill. In the meantime, advance planning work that necessarily precedes construction will continue.

Similarly, it is my hope that Congress will act expeditiously to consider the Administration's desired modifications to the Leadville Mine Drainage Tunnel project. I believe a mutually suitable solution is close at hand, and it is my hope that this issue can be resolved in separate legislation early in the next session of Congress.

In the future, I urge that no legislative action be taken on proposed reclamation projects until the required feasibility and environmental studies have been completed. When the Congress enacted the laws that require these studies, it established the sound principle that reclamation projects should be undertaken only after their feasibility has been demonstrated from an economic, engineering, safety, and environmental standpoint. I fully support these safeguards, and I hope that the Congress will share my conviction in this matter.

OK had made
[Signature]

THE WHITE HOUSE
September , 1976

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Although I have signed S. 3283, it should be noted that I have several reservations about the bill and my implementation of its provisions will be subject to the following constraints:

First, the American Canal Extension project has failed the test of cost-effectiveness which is

generally applied to water resource projects. Similarly, the Executive Branch has not completed either environmental or feasibility studies and submitted reports to the Congress concerning four other projects: (1) Kanopolis Reservoir; (2) Oroville-Tonasket Unit; (3) Allen Camp Dam and Reservoir; and (4) McGee Creek Dam and Reservoir. Accordingly, I will not seek funds for any of these projects until the necessary cost-effectiveness studies have been completed and each project is demonstrated to be economically and environmentally justified.

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will follow that principle in carrying out the purposes of this legislation.
~~and I hope that the Congress will share in this matter.~~

Date: September 22

Time: 600pm

FOR ACTION: George Humphreys
Max Friedersdorf
Bobbie Kilberg
Robert Hartmann

cc (for information): Jack Marsh
Jim Connor
Ed Schmults
to DJ
9-24
11:11

(Veto message and signing statement attached)

FROM THE STAFF SECRETARY

to Res
9-24 2:23

sh/gm - GAm

DUE: Date: September 23

Time: 200pm

SUBJECT:

S. 3283-The Reclamation Authorization Act of 1976

ACTION REQUESTED:

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REMARKS:

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James M. Cannon
For the President

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

SEP 22 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 3283 - The Reclamation
Authorization Act of 1976
Sponsors - Sen. Jackson (D) Washington
and Sen. Magnuson (D) Washington

Last Day for Action

September 28, 1976 - Tuesday

Purpose

Authorizes the Secretary of the Interior to construct, repair, study or take other actions with regard to six water resources projects; and authorizes the appropriation of funds to construct the previously authorized Uintah Unit, Central Project, Utah.

Agency Recommendations

Office of Management and Budget	Disapproval (Veto message attached)
Department of the Interior	Disapproval
Environmental Protection Agency	Disapproval
Council on Environmental Quality	Disapproval
Department of the Treasury	Concurs in disapproval recommendation
Department of the Army	Defers to Interior
Department of State	Defers to Interior
Department of Agriculture	No objection
General Services Administration	No objection

Discussion

The enrolled bill would authorize the construction, repair or rehabilitation of seven Bureau of

Rec. 9/23/76 10:45a

Date: September 22

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Ret 9/25/76 1:45pm

FOR ACTION: George Humphreys
Max Friedersdorf
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please return to judy johnston, ground floor west wing

9/23 - copy sent for researching. nm
9/24 - researched copy returned. nm

Sign!
Both sets and statements reviewed
Recommended signing
[Signature]

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James M. Cannon
For the President

STATEMENT BY THE PRESIDENT

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- (1) Kanopolis Reservoir, Kansas;
- (2) Oroville-Tonasket Unit, ^{Wash. State} ~~South Dakota~~;
- (3) Allen Camp Dam and Reservoir, California;
- (4) McGee Creek Dam and Reservoir, Oklahoma;
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Although I have signed S. 3283, it should be noted that I have several reservations about the bill and my implementation of its provisions will be subject to the following constraints:

First, the American Canal Extension project has failed the test of cost-effectiveness which is

generally applied to water resource projects. Similarly, the Executive Branch has not completed either environmental or feasibility studies and submitted reports to the Congress concerning four other projects: (1) Kanopolis Reservoir; (2) Oroville-Tonasket Unit; (3) Allen Camp Dam and Reservoir; and (4) McGee Creek Dam and Reservoir. Accordingly, I will not seek funds for any of these projects until the necessary cost-effectiveness studies have been completed and each project is demonstrated to be economically and environmentally justified.

Second, although I believe that the Leadville Mine Drainage Tunnel is in need of ~~total~~ rehabilitation, ~~I am concerned that~~ this bill does not provide for the transfer of all or part of the tunnel to a non-^{governmental unit} federal ~~entity~~ for administration, operation, and maintenance. Therefore, I do not intend to seek funds for this project until my Administration is able to work out an appropriate legislative solution with the Congress.

I fully support the Uintah project in Utah, which has passed the cost-effectiveness test, and my Administration will continue the ^{necessary} advance planning work ~~that necessarily precedes~~ ^{prior to} construction.

In the future, I urge that no legislative action be taken on proposed reclamation projects until the required feasibility and environmental studies have been completed. When the Congress enacted the laws that require these studies, it established the sound

principle that reclamation projects should be undertaken only after their feasibility has been demonstrated from an economic, engineering, safety, and environmental standpoint. I fully support these

safeguards, and I ~~hope that the Congress will share~~ *will follow that principle in*

carrying out the purposes of ~~the~~ of this legislation.
~~by providing in this matter.~~