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VETOED
9/30/74

THE WHITE HOUSE
WASHINGTON

September 30, 1974

Delivered to
the House
9/30/74 (7:10 pm.)

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Veto Message H.R. 10626
Conveyance of Mineral Rights, Florida

Attached is a veto message for the Conveyance of mineral rights, Florida. Under this legislation, the Secretary of the Interior is authorized and directed to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida. This bill would conflict with established Administration and Congressional policy and would create a bad precedent concerning future mineral conveyances. While the specific impact in this case is relatively small, once the criteria are seen to be inoperative, other private bills may be similarly acted upon by the Congress which could involve much greater resource values and lead to a partial breakdown of the Administration's mineral leasing policy.

Secretary Morton, Bill Timmons, Roy Ash, the Counsel's Office, and Paul Theis concur.

RECOMMENDATION

That you sign the attached veto message (Tab A).

DECISION

Sign bill

Veto bill

MA7



VETOED
9/30/74

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 25 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10626 - Conveyance of
mineral rights, Florida
Sponsor - Rep. Haley (D) Florida

Last Day for Action

September 30, 1974 - Monday

Purpose

Authorizes and directs the Secretary of the Interior to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida.

Agency Recommendations

Office of Management and Budget

Disapproval

Department of the Interior

Disapproval (Veto
Message attached)

Discussion

H.R. 10626 would authorize and direct the Secretary of the Interior to convey to John Carter and Martha B. Carter all phosphate interests of the United States in 40 acres located in Polk County, Florida. Application for such conveyance would be required within six months of this Act, and it would be subject to payment of (1) all administrative costs associated with the conveyance and (2) the fair market value of the interests to be conveyed.

At present, the Department of the Interior has no general statutory authority to convey mineral rights, and the Department's policy is to support legislation that would



convey mineral interests only when such interests (1) are not valuable or (2) would preclude more beneficial development of the land than mineral development. This policy is reflected in the Administration's proposed "National Resource Lands Management Act" which would give the Secretary of the Interior authority to convey mineral interests administratively for fair market value in cases where one of the two criteria cited above is met.

In reporting to the Congress on this legislation, the Department of the Interior opposed enactment on the basis that the land involved is "prospectively valuable for phosphates and the reservation is not interfering with development of the land."

However, in its report on H.R. 10626, the House Interior Committee asserted that:

". . . the surface owners of this tract of land, desire to purchase whatever phosphate interests may exist in the land in order that this reservation of mineral interests in the United States not preclude or interfere with development and use of the land."

* * *

"With respect to this particular tract of land, the Department witness stated during the hearings that drilling in the general area has indicated the existance of some low grade phosphate of little economic value."

Yet, in its report the Senate Interior Committee maintained that it would not approve similar bills in the future and the Committee proceeded to outline a new approach for private mineral conveyances under which mineral surveys would be completed before Congressional consideration of a bill. Somewhat inconsistently, the Committee further stated that general legislation along the lines of the "National Resource Lands Management Act" should be adopted to deal with such mineral conveyances.



Interior, in its enrolled bill letter recommending disapproval of H.R. 10626, points out that:

"At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress and every one of them has met one of the criteria. There are presently several private bills still pending before this Congress. Also pending is the Administration's proposed 'National Resource Lands Management Act,' and a similar Senate passed proposal, S. 424, which would give the Secretary general authority to convey mineral interests to surface owners when one of the criteria is met.

"Enactment into law of H.R. 10626 would conflict with established Administration and Congressional policy and would confuse our action on similar proposals in the future. For this reason we recommend against approval of the enrolled bill."

OMB supports disapproval as we share Interior's concerns that the enrolled bill would create a bad precedent concerning future mineral conveyances. While the specific impact in this case is relatively small, once the criteria are seen to be inoperative other private bills may be similarly acted upon by the Congress which could involve much greater resource values and lead to a partial breakdown of the Administration's mineral leasing policy. This adverse precedential effect would also be equally applicable to administrative conveyances if general legislation is enacted.

There is attached, for your consideration, a draft veto message prepared by Interior.


Director

Enclosures



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SEP 25 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10626 - Conveyance of
mineral rights, Florida
Sponsor - Rep. Haley (D) Florida

Last Day for Action

September 30, 1974 - Monday

Purpose

Authorizes and directs the Secretary of the Interior to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida.

Agency Recommendations

Office of Management and Budget

Disapproval

Department of the Interior

Disapproval (Veto
Message attached)

Discussion

H.R. 10626 would authorize and direct the Secretary of the Interior to convey to John Carter and Martha B. Carter all phosphate interests of the United States in 40 acres located in Polk County, Florida. Application for such conveyance would be required within six months of this Act, and it would be subject to payment of (1) all administrative costs associated with the conveyance and (2) the fair market value of the interests to be conveyed.

At present, the Department of the Interior has no general statutory authority to convey mineral rights, and the Department's policy is to support legislation that would





United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 23 1974

Dear Mr. Ash:

This responds to your request for the views of this Department on H.R. 10626, an enrolled bill "To authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter."

We recommend that the President not approve the enrolled bill.

H.R. 10626, as enrolled, would direct the Secretary to convey all phosphate interests of the United States in approximately 40 acres in Polk County, Florida to John Carter and Martha B. Carter upon payment of administrative costs and the fair market value of the phosphate interests.

The Department's policy is to approve of legislation to convey mineral interests only when the mineral interests are not valuable or when the mineral interests interfere with or preclude more beneficial development of the land than mineral development. The instant case meets neither of these criteria. The land is prospectively valuable for phosphates and we know of no proposed use of the surface with which the mineral interest would interfere. The land is presently being used for grazing cattle.

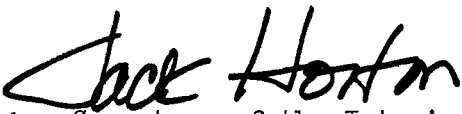
At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress and every one of them has met one of the criteria. There are presently several private bills still pending before this Congress. Also pending is the Administration's proposed "National Resource Lands Management Act", and a similar Senate passed proposal, S. 424, which would give the Secretary general authority to convey mineral interests to surface owners when one of the criteria is met.

Enactment into law of H.R. 10626 would conflict with established Administration and Congressional policy and would confuse our



action on similar proposals in the future. For this reason we recommend against approval of the enrolled bill.

Sincerely yours,


Assistant Secretary of the Interior

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503



TO THE HOUSE OF REPRESENTATIVES

I return herewith, without my approval, H.R. 10626, a bill "To authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter." This legislation is not consistent with the established Administration and Congressional policy for conveying mineral interests.

H.R. 10626, as enrolled, would direct the Secretary to convey all phosphate interests of the United States in approximately 40 acres in Polk County, Florida to John Carter and Martha B. Carter upon payment of administrative costs and the fair market value of the phosphate interests.

Present law provides that phosphate interests of the United States shall be disposed of under a leasing system. Congress and the Administration have developed an alternative policy of selling phosphate and other mineral interests when the surface is not owned by the United States and when one of two criteria is met. The criteria are that the mineral interests have no value or that they interfere with development of the surface that is more beneficial than mineral development. This policy is implemented through private legislation on a case-by-case basis, and it is solely for the benefit and convenience of surface owners.

The instant case meets neither of the two criteria. The land is prospectively valuable for phosphates and we know of no proposed use of the surface with which the mineral interest would interfere. The land is presently being used for grazing cattle.

At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress and every one of them has met one of the criteria. There are presently several private bills still



pending before this Congress. Also pending is the Administration's proposed "National Resource Lands Management Act", and a similar Senate passed proposal, S. 424, which would give the Secretary general authority to convey mineral interests to surface owners when one of the criteria is met. It is therefore clear that enactment into law of H.R. 10626 would conflict with established policy and would confuse our action on similar proposals in the future.

For these reasons I feel that the approval of H.R. 10626 would not be desirable.

THE WHITE HOUSE

September 23, 1974



SEP 30 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Veto Message H.R. 10626
Conveyance of Mineral Rights, Florida

Attached is a veto message for the Conveyance of mineral rights, Florida. Under this legislation, the Secretary of the Interior is authorized and directed to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida. This bill would conflict with established Administration and Congressional policy and would create a bad precedent concerning future mineral conveyances. While the specific impact in this case is relatively small, once the criteria are seen to be inoperative, other private bills may be similarly acted upon by the Congress which could involve much greater resource values and lead to a partial breakdown of the Administration's mineral leasing policy.

Secretary Morton, Bill Timmons, Roy Ash, the Counsel's Office, and Paul Theis concur.

RECOMMENDATION

That you sign the attached veto message (Tab A).



SEP 30 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Veto Message H.R. 10626
Conveyance of Mineral Rights, Florida

Attached is a veto message for the Conveyance of mineral rights, Florida. Under this legislation, the Secretary of the Interior is authorized and directed to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida. This bill would conflict with established Administration and Congressional policy and would create a bad precedent concerning future mineral conveyances. While the specific impact in this case is relatively small, once the criteria are seen to be inoperative, other private bills may be similarly acted upon by the Congress which could involve much greater resource values and lead to a partial breakdown of the Administration's mineral leasing policy.

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RECOMMENDATION

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SEP 30 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Veto Message H.R. 10626
Conveyance of Mineral Rights, Florida

Attached is a veto message for the Conveyance of mineral rights, Florida. Under this legislation, the Secretary of the Interior is authorized and directed to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida. This bill would conflict with established Administration and Congressional policy and would create a bad precedent concerning future mineral conveyances. While the specific impact in this case is relatively small, once the criteria are seen to be inoperative, other private bills may be similarly acted upon by the Congress which could involve much greater resource values and lead to a partial breakdown of the Administration's mineral leasing policy.

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SEP 30 1974

MEMORANDUM FOR: THE PRESIDENT
FROM: KEN COLE
SUBJECT: Veto Message H.R. 10626
Conveyance of Mineral Rights, Florida

Attached is a veto message for the Conveyance of mineral rights, Florida. Under this legislation, the Secretary of the Interior is authorized and directed to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida. This bill would conflict with established Administration and Congressional policy and would create a bad precedent concerning future mineral conveyances. While the specific impact in this case is relatively small, once the criteria are seen to be inoperative, other private bills may be similarly acted upon by the Congress which could involve much greater resource values and lead to a partial breakdown of the Administration's mineral leasing policy.

Secretary Morton, Bill Timmons, Roy Ash, the Counsel's Office, and Paul Theis concur.

RECOMMENDATION

That you sign the attached veto message (Tab A).



9/20

H. R. 10626

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey, sell, and quitclaim to John Carter and Martha B. Carter of Lake Wales, Florida, all phosphate interests now owned by the United States in and to the hereinafter described lands located in Polk County, Florida: The northwest quarter of the southwest quarter of section thirty-three in township thirty south of range twenty-seven east of the Tallahassee meridian Florida, containing thirty-nine acres and ninety-hundredths of an acre.

SEC. 2. The Secretary shall require the deposit of a sum of money which he deems sufficient to cover estimated administrative costs of this Act. If a conveyance is not made pursuant to this Act, and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount of the deposit exceeds the actual administrative costs, the Secretary shall refund the excess.

SEC. 3. No conveyance shall be made unless application for conveyance is filed with the Secretary within six months of the date of approval of this Act and unless within the time specified by him payment is made to the Secretary of (1) administrative costs of the conveyance and (2) the fair market value of the interest to be conveyed. The amount of the payment required shall be the difference between the amount deposited and the full amount required to be paid under this section. If the amount deposited exceeds the full amount required to be paid, the applicant shall be given a credit or refund for the excess.

SEC. 4. The term "administrative costs" as used in this Act includes, but is not limited to, all costs of (1) conducting an exploratory program to determine the character of the phosphate deposits in the land, (2) evaluating the data obtained under the exploratory program to determine the fair market value of the mineral rights to be conveyed, and (3) preparing and issuing the instrument of conveyance.

SEC. 5. Moneys paid to the Secretary for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current. Moneys paid for the minerals or mineral interests conveyed shall be deposited into the general fund of the Treasury as miscellaneous receipts.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

Date: September 25, 1974

Time: 5:00 p. m.

FOR ACTION: Michael Duval
Phil Buchen
Bill Timmons
✓ Paul Theis

cc (for information): Warren K. Hendriks
Jerry Jones

PLEASE RETURN TO:
RESEARCH
ROOM 121 E. O. B.

FROM THE STAFF SECRETARY

DUE: Date: Friday, September 27, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 10626 - Conveyance of mineral rights,
Florida

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

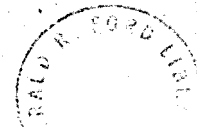
___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

Christina Wagner - RESEARCH
D. Jeyan 9/27 -

1974 SEP 25 PM 6 50



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.

Warren K. Hendriks
For the President

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

SEP 25 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 10626 - Conveyance of
mineral rights, Florida
Sponsor - Rep. Haley (D) Florida

Last Day for Action

September 30, 1974 - Monday

Purpose

Authorizes and directs the Secretary of the Interior to convey to John Carter and Martha B. Carter, at fair market value, all phosphate interests of the United States in 40 acres located in Polk County, Florida.

Agency Recommendations

Office of Management and Budget

Disapproval

Department of the Interior

Disapproval (Veto
Message attached)

Discussion

H.R. 10626 would authorize and direct the Secretary of the Interior to convey to John Carter and Martha B. Carter all phosphate interests of the United States in 40 acres located in Polk County, Florida. Application for such conveyance would be required within six months of this Act, and it would be subject to payment of (1) all administrative costs associated with the conveyance and (2) the fair market value of the interests to be conveyed.

At present, the Department of the Interior has no general statutory authority to convey mineral rights, and the Department's policy is to support legislation that would



convey mineral interests only when such interests (1) are not valuable or (2) would preclude more beneficial development of the land than mineral development. This policy is reflected in the Administration's proposed "National Resource Lands Management Act" which would give the Secretary of the Interior authority to convey mineral interests administratively for fair market value in cases where one of the two criteria cited above is met.

In reporting to the Congress on this legislation, the Department of the Interior opposed enactment on the basis that the land involved is "prospectively valuable for phosphates and the reservation is not interfering with development of the land."

However, in its report on H.R. 10626, the House Interior Committee asserted that:

". . . the surface owners of this tract of land, desire to purchase whatever phosphate interests may exist in the land in order that this reservation of mineral interests in the United States not preclude or interfere with development and use of the land."

* * *

"With respect to this particular tract of land, the Department witness stated during the hearings that drilling in the general area has indicated the existance of some low grade phosphate of little economic value."

Yet, in its report the Senate Interior Committee maintained that it would not approve similar bills in the future and the Committee proceeded to outline a new approach for private mineral conveyances under which mineral surveys would be completed before Congressional consideration of a bill. Somewhat inconsistently, the Committee further stated that general legislation along the lines of the "National Resource Lands Management Act" should be adopted to deal with such mineral conveyances.



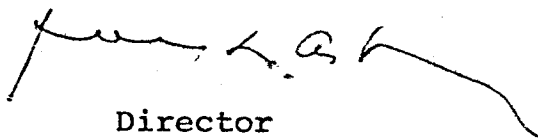
Interior, in its enrolled bill letter recommending disapproval of H.R. 10626, points out that:

"At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress and every one of them has met one of the criteria. There are presently several private bills still pending before this Congress. Also pending is the Administration's proposed 'National Resource Lands Management Act,' and a similar Senate passed proposal, S. 424, which would give the Secretary general authority to convey mineral interests to surface owners when one of the criteria is met.

"Enactment into law of H.R. 10626 would conflict with established Administration and Congressional policy and would confuse our action on similar proposals in the future. For this reason we recommend against approval of the enrolled bill."

OMB supports disapproval as we share Interior's concerns that the enrolled bill would create a bad precedent concerning future mineral conveyances. While the specific impact in this case is relatively small, once the criteria are seen to be inoperative other private bills may be similarly acted upon by the Congress which could involve much greater resource values and lead to a partial breakdown of the Administration's mineral leasing policy. This adverse precedential effect would also be equally applicable to administrative conveyances if general legislation is enacted.

There is attached, for your consideration, a draft veto message prepared by Interior.


Director

Enclosures





United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

SEP 23 1974

Dear Mr. Ash:

This responds to your request for the views of this Department on H.R. 10626, an enrolled bill "To authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter."

We recommend that the President not approve the enrolled bill.

H.R. 10626, as enrolled, would direct the Secretary to convey all phosphate interests of the United States in approximately 40 acres in Polk County, Florida to John Carter and Martha B. Carter upon payment of administrative costs and the fair market value of the phosphate interests.

The Department's policy is to approve of legislation to convey mineral interests only when the mineral interests are not valuable or when the mineral interests interfere with or preclude more beneficial development of the land than mineral development. The instant case meets neither of these criteria. The land is prospectively valuable for phosphates and we know of no proposed use of the surface with which the mineral interest would interfere. The land is presently being used for grazing cattle.

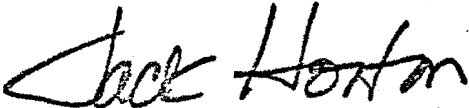
At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress and every one of them has met one of the criteria. There are presently several private bills still pending before this Congress. Also pending is the Administration's proposed "National Resource Lands Management Act", and a similar Senate passed proposal, S. 424, which would give the Secretary general authority to convey mineral interests to surface owners when one of the criteria is met.

Enactment into law of H.R. 10626 would conflict with established Administration and Congressional policy and would confuse our



action on similar proposals in the future. For this reason we recommend against approval of the enrolled bill.

Sincerely yours,


Assistant Secretary of the Interior

Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C. 20503

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 599

Date: September 25, 1974

Time: 5:00 p. m.

FOR ACTION: ✓ Michael Duval
✓ Phil Buchen
✓ Bill Timmons
Paul Theis

cc (for information): Warren K. Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, September 27, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 10626 - Conveyance of mineral rights, Florida

ACTION REQUESTED:

___ For Necessary Action

XX For Your Recommendations

___ Prepare Agenda and Brief

___ Draft Reply

___ For Your Comments

___ Draft Remarks

REMARKS:

Please return to Kathy Tindle - 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 WHITE HOUSE

WASHINGTON

9/25/74

TO: WARREN HENDRIKS



RDL
Robert D. Linder

TO THE HOUSE OF REPRESENTATIVES

Faenimile enrolled bill H.R. 10626

I return herewith, without my approval, H.R. 10626, a bill

that directs

~~bill "To authorize the Secretary of the Interior to sell reserved~~

~~phosphate interests of the United States in certain lands in~~

~~Florida to John Carter and Martha B. Carter." This legislation is~~

~~not consistent with the established Administration and Congressional~~

~~policy for conveying mineral interests.~~

Enrolled bill memo from OMB 9/23/74 Sept. 25, 1974 + Dept. of Interior to OMB 9/23/74

~~H.R. 10626, as enrolled, would direct~~ the Secretary to convey

The Interior

all phosphate interests of the United States in approximately 40 acres in Polk County, Florida to John Carter and Martha B. Carter upon payment of administrative costs and the fair market value of the phosphate interests.

Present law provides that phosphate interests of the United States shall be disposed of under a leasing system. ^{The} Congress and the ^{Executive Branch} Administration have developed an alternative policy of selling phosphate and other mineral interests when the surface is not owned by the United States and when one of two criteria is met. ^{at least} The criteria are that the mineral interests have no value or that they interfere with development of the surface that is more beneficial than mineral development. This policy is ^{carried out} implemented through private legislation on a case-by-case basis, and it is solely for the benefit and convenience of surface owners.

The instant case meets neither of the two criteria. The land is prospectively valuable for phosphates, and we know of no proposed use of the surface with which the mineral interest would interfere. The land is presently being used for grazing cattle.

At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress, and every one of them has met one of the criteria. There are presently several private bills still



pending before this Congress. Also pending is the Administration's proposed "National Resource Lands Management Act", and a similar Senate ~~passed~~ ^{of the Interest} proposal, S. 424, which would give the Secretary general authority to convey mineral interests to surface owners when one of the criteria is met. It is therefore clear that enactment into law of H.R. 10626 would conflict with established policy and would confuse our action on similar proposals in the future.

For these reasons I feel that the approval of H.R. 10626 would not be desirable.

THE WHITE HOUSE

September 23, 1974



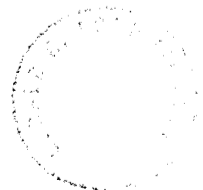
TO THE HOUSE OF REPRESENTATIVES:

I return herewith, without my approval, H.R. 10626, a bill that directs the Secretary of the Interior to convey all phosphate interests of the United States in approximately 40 acres in Polk County, Florida to John Carter and Martha B. Carter upon payment of administrative costs and the fair market value of the phosphate interests.

Present law provides that phosphate interests of the United States shall be disposed of under a leasing system. The Congress and the Executive Branch have developed an alternative policy of selling phosphate and other mineral interests when the surface is not owned by the United States and when at least one of two criteria is met. The criteria are that the mineral interests have no value or that they interfere with development of the surface that is more beneficial than mineral development. This policy is carried out through private legislation on a case-by-case basis, and it is solely for the benefit and convenience of surface owners.

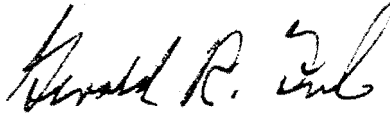
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Interior general authority to convey mineral interests to surface owners when one of the criteria is met. It is therefore clear that enactment into law of H.R. 10626 would conflict with established policy and would confuse our action on similar proposals in the future.

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THE WHITE HOUSE,

September 30, 1974.



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For these reasons I feel that the approval of H.R. 10626 would not be desirable.

THE WHITE HOUSE,

THE WHITE HOUSE

WASHINGTON

September 26, 1974

MEMORANDUM FOR: MR. WARREN HENDRIKS

FROM: WILLIAM E. TIMMONS *WET*

SUBJECT: Action Memorandum - Log No. 599
Enrolled Bill H. R. 10626 - Conveyance
of Mineral Rights

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 599

Date: September 25, 1974

Time: 5:00 p. m.

FOR ACTION: Michael Duval
 Phil Buchen
 ✓ Bill Timmons
 Paul Theis

cc (for information): Warren K. Hendriks
 Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Friday, September 27, 1974

Time: 2:00 p. m.

SUBJECT: Enrolled Bill H. R. 10626 - Conveyance of mineral rights,
Florida

ACTION REQUESTED:

 For Necessary Action For Your Recommendations Prepare Agenda and Brief Draft Reply For Your Comments Draft Remarks

REMARKS:

Please return to Kathy Tindle - 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.

Warren K. Hendriks
 For the President

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_____ Draft Reply

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_____ Draft Remarks

REMARKS:

Please return to Kathy Tindle - West Wing

*No objection to
veto
W.C.*



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Warren K. Hendriks
For the President

Calendar No. 1092

93D CONGRESS }
2d Session }

SENATE

{ REPORT
{ No. 93-1144

AUTHORIZING THE SECRETARY OF THE INTERIOR TO SELL RESERVED PHOSPHATE INTERESTS OF THE UNITED STATES IN CERTAIN LANDS IN FLORIDA

SEPTEMBER 11, 1974.—Ordered to be printed

Mr. METCALF, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany H.R. 10626]

The Committee on Interior and Insular Affairs, to which was referred the bill (H.R. 10626), to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

I. PURPOSE

The purpose of H.R. 10626 is to authorize the Secretary of the Interior to convey reserved phosphate interests of the United States in 39.9 acres of land in Polk County, Fla. to John Carter and Martha B. Carter.

II. NEED

H.R. 10626 would direct the Secretary of the Interior to convey all phosphate interest of the United States in the land described in the bill to John Carter and Martha B. Carter, the owners of the surface of the land. It directs the Secretary to require a deposit of money which he deems sufficient to cover the estimated administrative costs of the conveyance. If a conveyance is not made and the administrative costs exceed the deposit, the Secretary is directed to bill the applicant for the outstanding amount; however, if the costs are less than the deposit, the Secretary is directed to refund the excess.

An application for conveyance must be filed with the Secretary within 6 months of the date of approval of the bill. Payment of



ministrative costs and the fair market value of the interest must be made within the time specified by the Secretary. The money received for administrative costs shall be paid to the agency which rendered the service, and the money received for the mineral interests shall be paid into the general fund of the Treasury.

The land is located 15 miles southeast of Bartow, the county seat of Polk County, and 15 miles due south of Winter Haven, a resort area. It was patented on September 28, 1922, pursuant to Revised Statute 2455 as amended, 43 U.S.C. 1171. The committee understands that the land is native pasture and is being used for grazing cattle.

The Geological Survey indicates that the land lies on the eastern edge of the land-pebble phosphate field. The Interior Department's witness at the House hearing testified that drilling in the general area has indicated the existence of some low-grade phosphate of low economic value. Positive determination as to whether valuable deposits exist would require core drilling and chemical analyses. The House Interior Committee determined that existence of the reservation precluded appropriate development of the surface of the land.

III. COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs, in open markup session on September 10, 1974, by a vote of 12 yeas and 1 nay recommended that H.R. 10626 be approved by the Senate.

H.R. 10626 as reported conforms with a number of similar private bills enacted in recent years. However, during its consideration of the bill, the committee determined that it will not approve similar bills in the future.

In those cases where the Geological Survey believes that there may be minerals in the lands, the standard approach, followed in H.R. 10626, calls for conducting an exploratory program to determine the character of the Federal mineral deposits after enactment of the legislation authorizing their sale to the surface owner. The committee believes that in all future cases where an on-the-ground mineral evaluation is necessary to determine mineral values, it should be made before the sale is authorized. This would give the Congress a better basis for deciding whether the minerals should remain in Federal ownership or be sold to the surface owner.

The committee believes that the surface owner who seeks private legislation should pay the cost of the mineral evaluation. In order to be acceptable as a basis for congressional consideration, the evaluation would have to be done in accordance with standards established by the Geological Survey. If the evaluation was made and Congress failed to enact legislation, the committee believes that the surface owner should be paid for the value of the information which the Federal Government would have gained about its resources. This would require enactment of private relief legislation.

The committee also wishes to reiterate its view that general legislation should be adopted to authorize the Secretary of the Interior to convey reserved minerals to the surface owner under specified circumstances. Section 208 of the National Resource Lands Management Act (S. 424) passed by the Senate on July 8, 1974, provides such authority.

IV. LEGISLATIVE HISTORY

H. R. 10626 was passed by the House of Representatives on June 4, 1974. Public hearings were held by the House Committee on Interior and Insular Affairs.

V. COST ESTIMATE

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 the committee provides the following estimates of cost:

Enactment of H.R. 10626 will not increase Federal costs.

VI. TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes of the committee during consideration of H.R. 10626.

H.R. 10626 was ordered favorably reported to the Senate on a roll-call vote of 12 yeas and 1 nay. The vote was as follows:

Jackson—Yea	Metzenbaum—Yea
Bible—Yea	Fannin—Yea
Church—Yea	Hansen—Yea
Metcalf—Yea	Hatfield—Yea
Johnston—Yea	McClure—Yea
Abourezk—Yea	Bartlett—Nay
Haskell—Yea	

VII. CHANGES IN EXISTING LAW

Enactment of H.R. 10626 would not change existing law.

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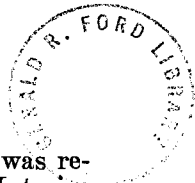
**AUTHORIZING THE SECRETARY OF THE INTERIOR TO SELL RESERVED
PHOSPHATE INTERESTS OF THE UNITED STATES IN CERTAIN
LANDS IN FLORIDA TO JOHN CARTER AND MARTHA B. CARTER**

FEBRUARY 13, 1974.—Committed to the Committee of the Whole House and
ordered to be printed

Mr. HALEY, from the Committee on Interior and Insular Affairs,
submitted the following

REPORT

[To accompany H.R. 10626]



The Committee on Interior and Insular Affairs, to whom was referred the bill (H.R. 10626) to authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Page 2, lines 3 through 19, strike out the present text and insert in lieu thereof the following:

SEC. 2. The Secretary shall require the deposit of a sum of money which he deems sufficient to cover estimated administrative costs of this Act. If a conveyance is not made pursuant to this Act, and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount of the deposit exceeds the actual administrative costs, the Secretary shall refund the excess.

SEC. 3. No conveyance shall be made unless application for conveyance is filed with the Secretary within six months of the date of approval of this Act and unless within the time specified by him payment is made to the Secretary of (1) administrative costs of the conveyance and (2) the fair market value of the interests to be conveyed. The amount of the payment required shall be the difference between the amount deposited and the full amount required to be paid under this section. If the amount deposited exceeds the full amount required to be paid, the applicant shall be given a credit or refund for the excess.

"SEC. 4. The term "administrative costs" as used in this Act includes, but is not limited to, all costs of (1) conducting an exploratory program to determine the character of the phosphate deposits in the land, (2) evaluating the data obtained under the exploratory program to determine the fair market value of the mineral rights to be conveyed, and (3) preparing and issuing the instrument of conveyance.

"SEC. 5. Moneys paid to the Secretary for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current. Moneys paid for the minerals or mineral interests conveyed shall be deposited into the general fund of the Treasury as miscellaneous receipts.

PURPOSE

The purpose of H.R. 10626, introduced by Mr. Haley, is to authorize the Secretary of the Interior to convey reserved phosphate interests of the United States in 39.9 acres of land in Polk County, Florida to John Carter and Martha B. Carter.

EXPLANATION OF NEED

John and Martha Carter of Lake Wales, Florida, the surface owners of this tract of land, desire to purchase whatever phosphate interests may exist in the land in order that this reservation of mineral interest in the United States not preclude or interfere with development and use of the land.

Normally, in cases of this kind, it has been the policy to convey the mineral interests to the surface owners upon a finding that there are no appreciable mineral values in the land, or that the reservation of mineral rights in the United States is interfering with or precluding appropriate or more beneficial development of the land. The conveyance is made only upon payment of the administrative costs and the fair market value of the interests being conveyed.

With respect to this particular tract of land, the Department witness stated during the hearings that drilling in the general area has indicated the existence of some low grade phosphate of little economic value.

He stated that additional testing is needed to determine whether the lands in question contain any phosphate values. It was this lack of information along with the Department's understanding that the reservation is not interfering with appropriate development of the land at the present time which contributed to the Department's unfavorable recommendation. Another factor mentioned in the report was the absence of language in the bill to require payment of administrative costs and payment for any mineral values.

The Committee believes that this reservation does preclude appropriate development of this tract of land and that the determination as to whether there are any phosphate values should be made upon application by the surface owners. The Committee has amended the bill to require the surface owners to pay the administrative costs of the conveyance, including the cost of determining the phosphate

values, plus payment of the fair market value of any phosphate values should the Secretary determine that any such values exist. In other words the conveyance will be without cost to the Federal Government.

COMMITTEE AMENDMENT

The Committee amendment directs the Secretary to require a deposit of money which he deems sufficient to cover the estimated administrative costs of the conveyance. If a conveyance is not made and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount; however, if the costs are less than the deposit, the Secretary is directed to refund the excess.

An application for conveyance must be filed with the Secretary within 6 months of the date of enactment of the authorizing legislation. Payment of administrative costs and the fair market value of the interests to be conveyed must be made within the time specified by the Secretary. The money received for administrative costs shall be paid to the agency which rendered the service, and the money received for the mineral interests shall be paid into the general fund of the Treasury.

COST

As already indicated, the enactment of H.R. 10626 involves no cost to the Federal Government.

COMMITTEE RECOMMENDATION

The Committee on Interior and Insular Affairs recommends enactment of H.R. 10626. The bill was unanimously ordered reported by a voice vote.

DEPARTMENTAL REPORTS

The report of the Department of the Interior follows:

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., December 3, 1973.

HON. JAMES A. HALEY,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This responds to your request for the views of this Department on H.R. 10626, a bill "To authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter."

We do not favor enactment of the bill.

H.R. 10626 would direct the Secretary of the Interior to convey all phosphate interests of the United States in 40 acres in Polk County, Florida to John Carter and Martha B. Carter. The conveyance would be made upon payment of \$200 for administrative costs and upon payment of the fair market value of the phosphate interests. No conveyance would be made unless payment is made within one year after the Secretary notifies the beneficiaries of the total amount to be paid.

The Geological Survey indicates that the land lies on the eastern edge of the land-pebble phosphate field. The land is prospectively valuable for phosphates. Positive determination as to whether valuable deposits exist would require core drilling and chemical analyses.

The land is located 15 miles southeast of Bartow, the County seat of Polk County, and 15 miles due south of Winter Haven, a resort area. It was patented on September 28, 1922 pursuant to Revised Statute 2455 as amended, 43 U.S.C. § 1171. We understand that the land is native pasture and is being used for grazing cattle. No immediate change in use is contemplated.

It is the policy of this Department to interpose no objection to private legislation to convey mineral interests reserved to the United States when the subject land is not valuable for the minerals reserved or the reservation would interfere with or preclude more beneficial development of the land than mineral development. This case appears to meet neither criterion. The land is prospectively valuable for phosphates and the reservation is not interfering with development of the land. We therefore do not favor enactment of the bill. In addition, it should be noted that the bill does not comply with the standard provisions recommended by this Department for the conveyance of mineral reservations.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

STEPHEN A. WAKEFIELD,
Assistant Secretary of the Interior.

○

H. R. 10626

Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To authorize the Secretary of the Interior to sell reserved phosphate interests of the United States in certain lands in Florida to John Carter and Martha B. Carter.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to convey, sell, and quitclaim to John Carter and Martha B. Carter of Lake Wales, Florida, all phosphate interests now owned by the United States in and to the hereinafter described lands located in Polk County, Florida: The northwest quarter of the southwest quarter of section thirty-three in township thirty south of range twenty-seven east of the Tallahassee meridian Florida, containing thirty-nine acres and ninety-hundredths of an acre.

SEC. 2. The Secretary shall require the deposit of a sum of money which he deems sufficient to cover estimated administrative costs of this Act. If a conveyance is not made pursuant to this Act, and the administrative costs exceed the deposit, the Secretary shall bill the applicant for the outstanding amount, but if the amount of the deposit exceeds the actual administrative costs, the Secretary shall refund the excess.

SEC. 3. No conveyance shall be made unless application for conveyance is filed with the Secretary within six months of the date of approval of this Act and unless within the time specified by him payment is made to the Secretary of (1) administrative costs of the conveyance and (2) the fair market value of the interest to be conveyed. The amount of the payment required shall be the difference between the amount deposited and the full amount required to be paid under this section. If the amount deposited exceeds the full amount required to be paid, the applicant shall be given a credit or refund for the excess.

SEC. 4. The term "administrative costs" as used in this Act includes, but is not limited to, all costs of (1) conducting an exploratory program to determine the character of the phosphate deposits in the land, (2) evaluating the data obtained under the exploratory program to determine the fair market value of the mineral rights to be conveyed, and (3) preparing and issuing the instrument of conveyance.

SEC. 5. Moneys paid to the Secretary for administrative costs shall be paid to the agency which rendered the service, and deposited to the appropriation then current. Moneys paid for the minerals or mineral interests conveyed shall be deposited into the general fund of the Treasury as miscellaneous receipts.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*



TO THE HOUSE OF REPRESENTATIVES:

I return herewith, without my approval, H.R. 10626, a bill that directs the Secretary of the Interior to convey all phosphate interests of the United States in approximately 40 acres in Polk County, Florida to John Carter and Martha B. Carter upon payment of administrative costs and the fair market value of the phosphate interests.

Present law provides that phosphate interests of the United States shall be disposed of under a leasing system. The Congress and the Executive Branch have developed an alternative policy of selling phosphate and other mineral interests when the surface is not owned by the United States and when at least one of two criteria is met. The criteria are that the mineral interests have no value or that they interfere with development of the surface that is more beneficial than mineral development. This policy is carried out through private legislation on a case-by-case basis, and it is solely for the benefit and convenience of surface owners.

The instant case meets neither of the two criteria. The land is prospectively valuable for phosphates, and we know of no proposed use of the surface with which the mineral interest would interfere. The land is presently being used for grazing cattle.

At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress, and every one of them has met one of the criteria. There are presently several private bills still pending before this Congress. Also pending is the Administration's proposed "National Resource Lands Management Act", and a similar Senate-passed proposal, S. 424, which would give the Secretary of the



Delivered to R. House: 9/30/74 (7:10pm)

(STOWICLED)

Handwritten initials/signature, possibly "DM".

Inter. or general authority to convey mineral interests to surface owners when one of the criteria is met. It is therefore clear that enactment into law of H.R. 10626 would conflict with established policy and would confuse our action on similar proposals in the future.

For these reasons I feel that the approval of H.R. 10626 would not be desirable.

Ronald R. Ziegler

THE WHITE HOUSE,

September 30, 1974.



Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I return herewith, without my approval, H.R. 10626, a bill that directs the Secretary of the Interior to convey all phosphate interests of the United States in approximately 40 acres in Polk County, Florida to John Carter and Martha B. Carter upon payment of administrative costs and the fair market value of the phosphate interests.

Present law provides that phosphate interests of the United States shall be disposed of under a leasing system. The Congress and the Executive Branch have developed an alternative policy of selling phosphate and other mineral interests when the surface is not owned by the United States and when at least one of two criteria is met. The criteria are that the mineral interests have no value or that they interfere with development of the surface that is more beneficial than mineral development. This policy is carried out through private legislation on a case-by-case basis, and it is solely for the benefit and convenience of surface owners.

The instant case meets neither of the two criteria. The land is prospectively valuable for phosphates, and we know of no proposed use of the surface with which the mineral interest would interfere. The land is presently being used for grazing cattle.

At least six private bills have been enacted to convey reserved mineral interests in the 93rd Congress, and every one of them has met one of the criteria. There are presently several private bills still pending before this Congress. Also pending is the Administration's proposed "National Resource Lands Management Act", and a similar Senate-passed proposal, S. 424, which would give the Secretary of the Interior general authority to convey mineral interests to surface owners when one of the criteria is met. It is therefore clear that enactment into law of H.R. 10626 would conflict with established policy and would confuse our action on similar proposals in the future.

For these reasons I feel that the approval of H.R. 10626 would not be desirable.

GERALD R. FORD

THE WHITE HOUSE,
September 30, 1974

#



September 18, 1974

Dear Mr. Director:

The following bills were received at the White House on September 18th:

S. 3270 ✓
H.R. 10626 ✓

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.