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THE WHITE HOUSE
WASHINGTON

Kris:

HOLD for Cheney's comments on the
CEQ/ERDA memo.

c
d

9/16/76



Pending

CLEARANCE SHEET

DATE: 9/9/76

JMC ACTION
Required by: ASAP

STAFF RESPONSIBILITY Schleede

SUBJECT: CEQ Report on Energy R&D

RECEIVED FROM: _____ DATE RECEIVED: _____

STAFF COMMENTS: Comments on George Humphreys memo
 of 9/7/76 to Art Quern, same subject

QUERN/MOORE RECOMMENDATION:

- _____ APPROVE
- _____ REVIEW & COMMENT
- _____ DISCUSS

Schleede and Humphreys have strong feelings -- on opposite sides. I think you should meet with them, and let them make their case, and decide on course of action.

CANNON ACTION:

DATE:

Material Has Been:

- _____ Signed and forwarded
- _____ Changed and signed
- _____ Returned per conversation
- _____ Noted

JIM CANNON

Comment:

THE WHITE HOUSE
WASHINGTON

September 8, 1976

MEMORANDUM FOR: JIM CANNON
FROM: GLENN SCHLEEDE
SUBJECT: CEQ Report on Energy R&D

I have not reviewed the latest draft in detail but:

- . A cursory review indicates that it has all the defects on merits that were identified on page 2 of my August 24, 1976 memo to you (copy attached).
- . OMB staff indicate that it does not address the problems they identified and which Jim Mitchell may have brought to Chairman Peterson's attention.

Beyond the substance and merits, I disagree with George Humphrey's conclusion that we shouldn't delay CEQ's release of the report because I believe his argument concerning "heavy handedness" is more than offset by the following:

- . Allowing CEQ to proceed would be a poor precedent in that the report:
 - Is of poor quality.
 - Puts an Executive Office Agency on record against Administration position.
- . Also, it would "reward" CEQ for taking an approach with a proposed public report that is pretty irresponsible. I find it hard to believe that the CEQ staff didn't know they were challenging a previous position since they had opportunity to participate in discussions leading to the President's Budget decisions and the review of ERDA's 76-1. The responsible approach would have been to:
 - Check the report in draft with OMB or us before it was given to ERDA and leaked; or
 - Asked for reconsideration of the Administration position -- to be settled by decision paper.
- . The basic points of disagreement are essentially the



same ones that were at issue in the dispute with ERDA over its "R&D Plan." With your instructions and guidance, we insisted that ERDA get in line with Administration position reflected in the President's budget and in his philosophy on Government vs. private sector role. (Incidentally, the ERDA report had also leaked and there were ERDA staff charges of heavy-handedness.) Why should we treat CEQ differently?

- . Perhaps most important -- There has been a fairly long standing practice (extending over at least three administrations and I expect more than that) of Executive Office clearance for major reports to the Congress. (As far as I know, that practice is based on good sense rather than on explicit provisions of law or the constitution.) Why do we want to change now?
- . Repeating an August 24, 1976 observation: The report is optional - not mandatory. (Reference Section 11(d) of the Act. Copy attached.)

If you do decide to go ahead, I would recommend that you check first with Lynn, O'Neill or Mitchell, because of the potential for undercutting OMB efforts to get the report corrected.

cc: Art Quern

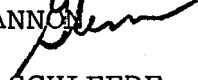


THE WHITE HOUSE

INFORMATION

WASHINGTON

August 24, 1976

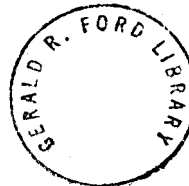
MEMORANDUM FOR: JIM CANNON 
FROM: GLENN SCHLEEDE
SUBJECT: CEQ REPORT EVALUATING ERDA'S ENERGY
R&D PROGRAM

A couple of weeks ago, I sent you a note alerting you to potential problems with a report CEQ has drafted on the Council's evaluation of ERDA's energy R&D program.

CEQ is required by law to evaluate the adequacy of attention to energy conservation, environmental protection, and the environmental consequences of the application of energy technologies. CEQ has the option of submitting a report to the President, the Congress, or others as may be necessary. CEQ has opted to submit a report simultaneously to the Congress and to the President. A draft of the report has already leaked to the press (allegedly by ERDA) and has been the subject of two Jack Anderson columns.

My last note pointed out that OMB has some serious problems with the report. I am not yet clear as to what action Jim Mitchell and Jim Lynn will take.

Steve Jellinek asked me to review the most serious problem chapter -- energy conservation R&D -- and mark it up to indicate changes that I believe are necessary. I started doing this but after completing the first 2-1/2 pages concluded that changes that would be necessary to bring the report in line with Administration position are very extensive. I told Steve Jellinek of this and indicated it would take me some time to do a mark up on the entire section on energy conservation -- which runs about 40 pages.



I was advised earlier today by CEQ staff that (a) Chairman Peterson directed that the draft be sent to GPO to be put in galley proof form, (b) changes have not yet been made to solve problems identified, (c) Dr. Peterson is now considering what action he will take with respect to objections from OMB and me, and (d) further attempts by me to mark up the report are probably not worthwhile.

Briefly, my problems with the energy conservation section are as follows:

1. It calls for a Federal role in energy R&D that is inconsistent with:
 - the President's 1977 budget decisions;
 - Administration philosophy on Federal vs. private role;
 - the ERDA energy R&D report which was modified on this same point and cleared after extensive discussions.
2. It does not distinguish between Federal and National (i.e., Federal and non-Federal) responsibilities.
3. It outlines an unrealistic analytic approach to decisions on energy conservation R&D (which also contributes to a larger Federal role).
4. It will provide the basis for additional criticism of the President for not requesting enough money for energy conservation R&D.

This report may be a conscious attempt to bring about a change in Administration position on energy conservation R&D. If this is the case, I think it is the wrong approach. I think that should be approached through a decision paper. I would also point out that CEQ has had an opportunity to participate in the review of ERDA's 1977 budget request and in the review of ERDA's Energy R&D Plan.

OMB staff just informed me that there is another place in the CEQ draft where the Council's position contradicts current Administration position; i.e., CEQ apparently is taking a position that fossil energy R&D should not proceed as fast as it now is until more work on environmental impact is done by the environmental people at ERDA. ERDA and OMB position has been that such work should be done by the people responsible for the fossil technology development and not necessarily by the environmental people.

Enclosure - excerpt from law

cc: George Humphreys



(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(2) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.) as amended;

(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(4) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; and

(5) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

ENVIRONMENTAL EVALUATION

o. SEC. 11. (a) The Council on Environmental Quality is authorized and directed to carry out a continuing analysis of the effect of application of nonnuclear energy technologies to evaluate—

(1) the adequacy of attention to energy conservation methods; and

(2) the adequacy of attention to environmental protection and the environmental consequences of the application of energy technologies.

(b) The Council on Environmental Quality, in carrying out the provisions of this section, may employ consultants or contractors and may by fund transfer employ the services of other Federal agencies for the conduct of studies and investigations.

(c) The Council on Environmental Quality shall hold annual public hearings on the conduct of energy research and development and the probable environmental consequences of trends in the development and application of energy technologies. The transcript of the hearings shall be published and made available to the public.

(d) The Council on Environmental Quality shall make such reports to the President, the Administrator, and the Congress as it deems appropriate concerning the conduct of energy research and development. The President as a part of the annual Environmental Policy Report required by section 201 of the National Environmental Policy Act of 1969 (42 U.S.C. 4341) shall set forth the findings of the Council on Environmental Quality concerning the probable environmental consequences of trends in the development and application of energy technologies.

ACQUISITION OF ESSENTIAL MATERIALS

11. SEC. 12. (a) The President may, by rule or order, require the allocation of, or the performance under contracts or orders (other than contracts of employment) relating to, supplies of materials and equipment if he finds that—

(1) such supplies are scarce, critical, and essential to carry out the purposes of this Act; and

(2) such supplies cannot reasonably be obtained without exercising the authority granted by this section.

(b) The President shall transmit any rule or order proposed under subsection (a) of this section (bearing an identification number) to each House of Congress on the date on which it is proposed. If such proposed rule or order is transmitted to the Congress such proposed

calendar days of continuous session of Congress after the date on which such proposed rule or order is transmitted to it unless, between the date of transmittal and the end of the thirty day period, either House passes a resolution stating in substance that such House does not favor such a proposed rule or order.

WATER RESOURCE EVALUATION

SEC. 13. (a) At the request of the Administrator, the Water Resources Council shall undertake assessments of water resource requirements and water supply availability for any nonnuclear energy technology and any probable combinations of technologies which are the subject of Federal research and development efforts authorized by this Act, and the commercial development of which could have significant impacts on water resources. In the preparation of its assessment, the Council shall—

(1) utilize to the maximum extent practicable data on water supply and demand available in the files of member agencies of the Council;

(2) collect and compile any additional data it deems necessary for complete and accurate assessments;

(3) give full consideration to the constraints upon availability imposed by treaty, compact, court decree, State water laws, and water rights granted pursuant to State and Federal law;

(4) assess the effects of development of such technology on water quality;

(5) include estimates of cost associated with production and management of the required water supply, and the cost of disposal of waste water generated by the proposed facility or process;

(6) assess the environmental, social, and economic impact of any change in use of currently utilized water resource that may be required by the proposed facility or process; and

(7) consult with the Council on Environmental Quality.

(b) For any proposed demonstration project which may involve a significant impact on water resources, the Administrator shall, as a precondition of Federal assistance to that project, prepare or have prepared an assessment of the availability of adequate water resources. A report on the assessment shall be published in the Federal Register for public review thirty days prior to the expenditure of Federal funds on the demonstration.

(c) For any proposed Federal assistance for commercial application of energy technologies pursuant to this Act, the Water Resource Council shall, as a precondition of such Federal assistance, provide to the Administrator an assessment of the availability of adequate water resources for such commercial application and an evaluation of the environmental, social, and economic impacts of the dedication of water to such uses.

(d) Reports of assessments and evaluations prepared by the Council pursuant to subsections (a) and (c) shall be published in the Federal Register and at least ninety days shall be provided for public review and comment. Comments received shall accompany the reports when they are submitted to the Administrator and shall be available to the public.

(e) The Council shall include a broad survey and analysis of regional and national water resource availability for energy development in the biennial assessment required by section 102(a) of the Water Resources Planning Act (42 U.S.C. 1962a-1(a)).

42 USC 5

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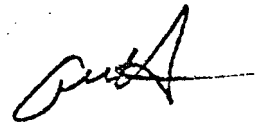
Schleede

THE WHITE HOUSE

WASHINGTON

September 7, 1976

MEMORANDUM TO: ART QUERN
FROM: GEORGE W. HUMPHREYS
SUBJECT: CEQ Report on ERDA



You asked the status of the ongoing discussions.

Schleede is reviewing CEQ's newest draft to see to what degree his original objections are being met. I do not believe that Glenn will find the new draft completely acceptable, based on my understanding of his original problems.

I do not think that the overriding issue is whether the report does or does not follow Administration policy. I believe it to be a mistake for us to hold up the issuance of this report. Its existence, and substance, is already known and the charge of "heavy-handed White House pressure" will create more problems than will the report.

Without arguing the merit of Glenn's objections, I strongly recommend we do nothing further to delay CEQ's release.

THE WHITE HOUSE

WASHINGTON

September 9, 1976

MEMORANDUM FOR: JIM CANNON
ART QUERN *Glenn*

FROM: GLENN SCHLEEDER

SUBJECT: CEQ REPORT ON ENERGY R&D

I've just learned that OMB has given formal comments to CEQ on earlier draft of their report.

A copy of Mitchell's memo is attached.

Attachment.



091003

August 30, 1976

MEMORANDUM FOR RUSS PETERSON, CEQ

FROM: JIM MITCHELL

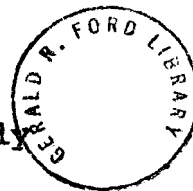
Subject: CEQ report evaluating ERDA's Environmental
and Conservation Programs

As you know, OMB and Domestic Council representatives have been reviewing the subject CEQ report--working with Steve Jellinek and others of your staff.

Although considerable OMB staff time has been devoted to suggested changes in the proposed CEQ report--a number of which have been incorporated in successive drafts--there are still fundamental problems that go beyond editing and which are of a fundamental policy nature, particularly in the conservation section of the report.

These fundamental policy problems arise because the report tends, by its tone and emphasis, to call for an expanded Federal role in conservation R&D that is inconsistent with:

- the Administration's policy on Federal vs. private role;
- the President's 1977 budget decision which reflects the above policy; and
- the ERDA "National Plan" which was modified to reflect more carefully the Administration's position, particularly on the premise of the private role and responsibility in conservation and conservation R&D.



It will, therefore, provide the basis for further criticism of the President for not requesting more funds for energy conservation and, particularly will inhibit his ability to consider the possible deferral of some or all of the additional funds added by Congress.

There is one other section of the report, namely, the chapter dealing with fossil energy R&D that gives us a problem. The report takes the position that fossil energy R&D should be slowed down until more work is done on environmental impact by the Environmental Division of ERDA. This suggests that the President's budget is too high in the fossil energy area and, therefore, undermines the Administration's program. Our view is that analysis of the environmental impact of fossil energy technologies is important, but that such work should be undertaken by both the Environmental Division of ERDA and the technology program people involved and, furthermore, that present deficiencies in dealing with environmental concerns are not serious enough to warrant slowing down the program.

I want to add my strong support of the views that have been expressed by my colleagues in OMB and urge that you undertake an extensive rewrite that will be more in keeping with a realistic assessment of the Federal responsibility, particularly in conservation R&D as expressed by this Administration.

cc:
Official File - SET Division
Mr. Loweth
Mr. Taft
Mr. Struthers
Mr. Appleman

SET:HFLoweth:bf 8/30/76



Energy

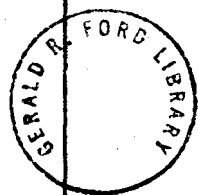
THE WHITE HOUSE

WASHINGTON

September 21, 1976

Dear Mr. Lamb:

Thank you very much for your letter of August 23 in which you showed deep insight and understanding of the energy conservation problem. I have made certain that your views have been communicated to appropriate and responsible members of the White House staff for their review.



Again, thank you for writing and expressing your views.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "James M. Cannon".

James M. Cannon
Assistant to the President
for Domestic Affairs

Mr. John K. Lamb
Lamb and Company, Inc.
1111 Meta Drive
Cincinnati, Ohio 45237

Reading

August 23, 1976

JMC:
Referred him
to Schleeede on 8/25.
Mr. Lamb asked that
you read his letter.

Mr. Cannon:

John Lamb (513) 242-1500, a volunteer representing the Public Advertising Council would like to see you for about 10 minutes on Tuesday, Wednesday or Thursday morning regarding the Energy Conservation Plan and an alternate proposal. This meeting would have to do with both your position and the Energy Conservation Council.

He said he has previously talked to Todd Hullin and Ken Cole. Also said he would prefer to talk to you and not someone else.

I WILL TALK TO MR. LAMB _____
I WILL NOT TALK TO MR. LAMB _____
REFER TO SCHLEEDE _____
OTHER _____



Nate
Apprentice

August 23, 1976

Mr. James Cannon
Executive Director, Domestic Council
The White House
Washington, D. C.



Dear Mr. Cannon:

Of urgent necessity I must communicate with you as Executive Director of the Domestic Council and as a member of the Energy Resources Council. It is my judgment that you will be responsive, as were Ken Cole and Tod Hullin, to a common sense approach to energy conservation. I respectfully request that this letter not be bucked to Mr. Zarb or his staff, as it is the FEA Energy Conservation Contingency Plan to which I take exception.

It is conceded that in drafting the Plan now on its way to the Energy Resources Council for review that the options of the FEA were constrained by their directive under the Energy Policy and Conservation Act of 1975. This may account for the plan which has resulted in massive bureaucratic regulation in a most complicated way, reaching all the way down to telling even the mom and pop roadside grocery or marginal motel that they may not illuminate their sign, which is their only means of communicating with prospective customers, regardless of how dark the day is, until "normal night hours." All this to achieve a microscopic saving of electrical energy which for full use equals only approximately two-tenths of one per cent (using highest figures for full use, .28 of 1%).

It is this kind of regulation that drives our citizens up the wall and causes distrust and resentment of Washington; is contrary to the policy of our Republican platform clearly set forth in the keynote address, and later by other party stalwarts. I am sure the feeling of the President is that he would be opposed to such regulation.

But let me make it clear at this point that I am not seeking exemption.

On the contrary, I proposed to the Office of Contingency Planning a simple alternative plan that would place the responsibility for energy conservation equally across the board upon each establishment, leaving it to management to determine how best to save energy in a way that would do the least harm to the business.

Mr. James Cannon

August 23, 1976

If the present goal of 10% saving is found not sufficient, the goal could be increased to 15% or more as determined by the need, but it could not be so controlled under the Plan now drafted. Policing this alternate plan would involve a minimum staff and could be left to local authorities without the problem of subjective judgments and interpretation of the language in certain sections of the present Plan.

I made this same proposal to John C. Sawhill, former Director of the FEA in 1973 and it was accepted, as is evidenced by his letter to me, copy of which is attached. It was also on the record of congressional intent through the Taft amendment, Jackson colloquy, and Clancy remarks, as documented in the Addenda.

My deep concern, Mr. Cannon, is the effect of the present Plan upon small business, particularly retail merchants and others who depend upon their sign which hangs or stands in front of their business to identify the establishment, communicate to prospective customers the goods of services available at that location for spot or future purchases. These signs are called "on-premise illuminated advertising signs."

My plea to you is with specific regard to the provision in the Plan under Part 5 which rules that "on-premise advertising signs and window displays may only be illuminated during normal night hours of operation of an establishment."

- a. The fundamental error is that the Plan confuses on-premise advertising signage, which is commercial communication, with lighting, which it is not. You will be interested in the ruling of the U. S. Supreme Court on May 24, 1976, that a ban on prescription drug advertising by the Virginia State Board of Pharmacy violated the first amendment guaranteeing freedom of speech. Their judgment was that although the "advertiser's interest in a commercial advertisement is purely economic, this does not disqualify him from protection under the first and fourteenth amendments. Both the individual consumer and society in general may have strong interests in the free flow of commercial information." In good conscience, shouldn't the small businessman be provided the same protection under the first amendment by the FEA?
- b. The proposed plan unfairly discriminates against small business in favor of big business retailers. Big business retailers have easily identifiable buildings; use radio, television, and newspaper spreads to reach their market; big chain hotels use Watts lines, convention bureaus, and booking agents -- none of which are economically available to small business proprietors. Even if they could afford these means of communication, 75% of it would fall outside the area they can serve.



Mr. James Cannon

August 23, 1976

Most people outside of retailing have never thought of it before, but properly understood, the on-premise illuminated advertising sign is the principal means, and in many cases the only means, the small business proprietor has of communicating the goods or services available at that location, together with the identity of the business. To deprive small business of the opportunity to advertise by the principal or only means available to them, while permitting the big business retailers to do so, is clearly a violation of the spirit and possibly the letter of the fourteenth amendment.

It is important to understand that retailing involves one out of six employed Americans (these are Ohio statistics which I believe are typical) and their families. Aside from the issues of fairness and over-regulation, it has grave economic implications for our country because should an emergency occur which would require enforcement of the Plan, other factors in an energy crisis would sharply curtail retail business, especially automobile-oriented business, and for the government to force a cut back of sales at the retail level (where recessions begin) would trigger serious economic consequences -- avoidable and unnecessary difficulties.

- c. You will, I believe, find the ambiguous nature of the language interesting. The Plan reads: "on-premise advertising signs and window displays may only be illuminated during normal night hours of operation of an establishment."
1. What are "normal night hours"? (See Webster.) The ambiguity itself opens the door for a wide range of interpretation at every level: federal, state, municipal. Result: confusion, and legislative problems too massive for small business to cope with.
 2. If "night hours" only, what about New England, upper New York, Michigan, Wisconsin, and the upper western states where there is darkness in the late afternoon during the winter months -- not to mention Alaska. Has no one considered snowstorms, rain, fog or smog which cause daytime darkness everywhere -- in New York City or the side streets of Philadelphia, for example? Even Georgetown. How would you find a drug store, driving in heavy traffic, if its sign was out?
- d. Another aspect of the Plan seems worthy of consideration: Statistics made available at the public hearings on the Energy Conservation Contingency Plan show that only seventeen per cent (17%) of U. S. electrical energy is generated by oil fired turbines, the remainder deriving its generation from coal, hydro, and nuclear power. Only in certain areas of the country,

Mr. James Cannon

August 23, 1976

therefore, would contingencies requiring the conservation of electrical energy be required. In the case of a petroleum shortfall, bearing in mind the economic effect of such a shortfall all over the country in terms of automobile oriented and petroleum based business and employment, wouldn't it be unwise to superimpose electrical restrictions where none was required?

- e. Of concern to those at FEA who have opposed the exclusion of on-premise signage is the opinion that because of their high visibility, such signs when illuminated at night might appear to be a visible waste of energy. The fact is that an average 3' x 5' or 4' x 6' on-premise illuminated sign uses three (3) or four (4) fluorescent lamps similar to those used in many office or incandescent fixtures, i. e., 260 to 330 watts. Typically, they do not credit free enterprise with the initiative to meet this problem on a public relations basis.
- f. In support of our premise that energy conservation should be required equally of each establishment, and that management should be permitted to determine how it can accomplish required energy conservation with the least harm to the business (in areas where required), it should be noted that retailers can turn off lights in the rear of the store or restaurant and save more energy.

One restaurant operator told me he can, with a little planning, turn off one device in the kitchen for one hour and save all the current his on-premise advertising sign uses all week.

- g. No one is impressed by the numbers of energy conserved through curtailing on-premise advertising signage. If an energy emergency occurs, merchants, being aware, will conserve naturally without over-regulation from Washington.
- h. Small business is not asking for exemption -- only for fair treatment, protection under the first and fourteenth amendments, and language not inviting subjective interpretations by fifty state legislatures and their various subcommittees and energy enforcement agencies.

In Conclusion:

We have explained that on-premise illuminated advertising signs are not lighting fixtures, the purpose of which is to light an area. They are in fact a communication device - an absolutely essential means of communication for small business



Mr. James Cannon

August 23, 1976

retailers and automobile oriented businesses (drive-ins, motels, shopping centers, et cetera). We have explained that because the numbers of energy conserved is so minimal that curtailment would be counter-productive, and that the bureaucracy simply could not get into the business of regulating every 2/10 of 1% of electrical usage.

We have explained that the Energy Conservation Contingency Plan is contrary to the intent of Congress in 1973, and a reversal of previous FEA stated policy.

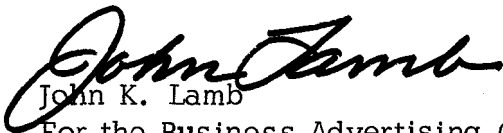
We therefore request that you advise the Domestic Council and the Energy Resources Council to direct the FEA to remove on-premise illuminated signs from the Energy Conservation Contingency Plan.

Further, we suggest that due consideration be given to a plan to achieve energy conservation where and when required, in such types of energy as may be appropriate, equally on the basis of the total energy requirements of each establishment, permitting management to determine how it can accomplish such conservation with the least harm or disruption to the functions therein.

Note: FEA has informed me that they have studies under way on this concept, following my suggestions to them on this subject.

Can we count on your support?

Sincerely yours,



John K. Lamb

For the Business Advertising Council

JKL:lm

FEDERAL ENERGY OFFICE
WASHINGTON, D.C. 20461

June 6, 1974

OFFICE OF THE ADMINISTRATOR

Mr. John K. Lamb
Lamb and Company, Inc.
1111 Meta Drive
Cincinnati, Ohio 45237

Dear Mr. Lamb:

I understand that there continues to be considerable confusion as to the government's position with respect to the use of electrical advertising signs. Apparently the confusion began with a provision included in a bill considered last fall by the Senate which would have required a substantial reduction in the use of all electrical advertising signs. I can readily understand your concern since the confusion apparently is having a serious and unnecessary impact on retail merchants and the electrical sign industry.

The Federal Energy Office recognizes that all electrical signs should not be considered in the same way for energy conservation purposes. First, I should make clear that we feel strongly that energy conservation is still very important. This does not mean that the drastic actions such as those recommended during the embargo are required, but it does mean continuing efforts will be necessary to avoid spot shortages in the coming months and to reduce the rate of growth in the Nation's longer term demand for energy.

Specifically with respect to electrical advertising signs, the Federal Energy Office recognizes that there are two general categories: outdoor electrical signs that are generally located off the premises of business establishments and "on premise" signs used to show the identity of the business and goods or services available at that location. Energy conservation efforts should be approached differently for each category.



Save Energy and You Serve America!



In the "off premise" sign category, the Federal Energy Office has been working with the outdoor advertising industry to develop a voluntary energy curtailment program to achieve a 25 percent energy reduction by all such users across the Nation.

In the "on premise" sign category, our policy is to consider electrical signs as a part of the total energy requirements of the establishment. We encourage owners and managers to develop energy conservation plans which reduce the establishment's overall energy requirements but to do this in a way that has the least impact on the firm's livelihood and productivity. This may mean that electricity for the lighting of window displays, interior lighting, heating or cooling, or other uses should be reduced rather than turning off their "on premise" signs. This decision should be left to the firm's management.

I hope this will clarify our position and I appreciate knowing of your continued interest and support for energy conservation activities.

Sincerely,

John C. Sawhill
Administrator



November 16, 1973

CONGRESSIONAL RECORD — SENATE

S 20693

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL ENERGY EMERGENCY ACT OF 1973

The Senate resumed the consideration of the bill (S. 2589) to authorize and direct the President and State and local governments to develop contingency plans for reducing petroleum consumption, and assuring the continuation of vital public services in the event of emergency fuel shortages or severe dislocations in the Nation's fuel distribution system, and for other purposes.

Mr. TAFT. Mr. President, I offer an amendment to section 303 of the bill, as amended by the Nunn amendment. I call up my amendment No. 663, as modified for consideration.

Mr. ROBERT C. BYRD. Mr. President, what was that request?

The PRESIDING OFFICER. Is this an amendment to the pending measure or to one of the bills we have just passed?

Mr. TAFT. Mr. President, it is an amendment to the pending measure.

The PRESIDING OFFICER. The amendment as modified will be stated.

The second assistant legislative clerk read as follows:

After section 302(d) add the following:

(D) any controls instituted shall be insofar as practicable, equitably applied to all businesses, whether large or small; and due consideration shall be given to the unique problems of retailing establishments and small business so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provisions of this Act.

Mr. TAFT. Mr. President, this amendment I think is a noncontroversial one. It simply expresses a general direction with respect to the small business and retail establishments insofar as the pending bill is concerned.

The PRESIDING OFFICER. The Chair will interrupt the Senator to state that since this is an amendment to an amendment that has already been agreed to, the Senator must have unanimous consent to consider the modification at this time.

Mr. TAFT. Mr. President, I ask unanimous consent that I be permitted to have my amendment considered at this time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Ohio?

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I have no desire to object but I inquire as to whose amendment this would amend.

Mr. TAFT. This amendment would amend the amendment of the Senator from Georgia (Mr. NUNN).

I also ask unanimous consent that the name of the Senator from Georgia (Mr.

NUNN) be listed as a cosponsor of the modification.

Mr. ROBERT C. BYRD. Mr. President, continuing to reserve the right to object, may I ask the distinguished sponsor of the amendment if this request has been cleared with the distinguished junior Senator from Georgia?

Mr. TAFT. The Senator from Georgia requested that he be listed as a cosponsor, and the request has been cleared with the Senator.

Mr. ROBERT C. BYRD. Mr. President, I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, this amendment would add to subsection b. a clause 4. saying: "any controls instituted shall be insofar as practicable, equitably applied to all businesses, whether large or small; and due consideration shall be given to the unique problems of retailing establishments and small business so as not to discriminate or cause unnecessary hardship in the administration or implementation of the provisions of this Act."

The National Energy Emergency Act of 1973 provides that the rationing and conservation program provided for shall include measures capable of reducing energy consumption in the affected areas by no less than 10 percent within 10 days and by no less than 25 percent within 4 weeks after implementation. Several examples are mentioned, including lighted advertising, and limitations on operating hours of commercial establishments.

In passing judgment on this legislation, it is recognized that there may be hardships during this energy emergency, but with the proper cooperation of State and local governments and the public, hopefully no one sector of the economy will bear a disproportional share of the burden.

The suggestion in this legislation that limitations may be placed on the operating hours of commercial establishments, has caused concern among many owners of small shops and businesses, such as neighborhood grocery stores, which depend largely upon after-hour trade for survival.

The purpose of my amendment, therefore, is to insure that these small businesses be given equal consideration in implementation and administration of the conservation measures to reach our goals. This is not to say that anyone should be totally exempted from cooperation in saving our energy, for we all must work together. However, in implementing the act, it would seem to be possible to avoid causing undue hardship to any one sector of the economy.

This same provision of the bill, cutting back energy consumption by 25 percent within 4 weeks after implementation, raises another question.

Would this provision mean that on-premise identification signs which are electrically lighted would be curtailed by 25 percent? As I understand it, there are two kinds of signs involved in this category. These are fluorescent signs, which are illuminated by fluorescent tubes, similar to those in our offices, and neon signs

fed through current reducing transformers. These signs are important to the retail merchants who are highly dependent upon them. In some cases they take the place of store windows. In others, they identify the location to a motorist moving at 25 or 50 miles an hour on the street or highway. In any event, they are valuable to the storeowners who would be severely hurt if their use were to be curtailed.

I urge that efforts be made in implementation so that the small firm will not bear the burden or discriminatory brunt of the necessary controls on energy usage. In addition, measures should be taken so that possible materials shortages resulting from energy shortages are not proportionately greater for small firms.

Mr. JOHNSTON. Mr. President, I think this is an excellent amendment that significantly improves the bill, and the committee supports the bill.

Mr. FANNIN. Mr. President, I support the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment as modified.

The amendment as modified is agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. BENNETT). In accordance with the previous order, the Chair now lays before the Senate the amendment of the Senator from Washington (Mr. JACKSON), No. 685, without objection, the text of the amendment will be printed in the RECORD.

The amendment reads as follows:

AMENDMENT No. 685

Add a new Section 101(h) after line 2, at page 14, as follows:

"(h) the protection and fostering of competition and the prevention of anticompetitive practices and effects are vital during the energy emergency."

Add a new Section 102(h) after line 6, at page 15, as follows:

"(h) insure against anticompetitive practices and effects and preserve, enhance, and facilitate competition in the development, production, transportation, distribution and marketing of energy resources."

Add a new Section 312 after line 8, at page 33, as follows, and redesignate the remaining sections:

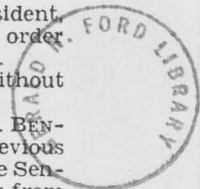
"SEC. 312. ANTITRUST PROVISIONS.

(a) Except as specifically provided in subsections (f) and (k), no provision of this Act shall be deemed to convey to any person subject to this Act any immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

(b) As used in this section, the term "antitrust laws" includes—

(1) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.);

(2) the Act entitled "An Act to supplement



STATEMENT OF HON. DONALD D. CLANCY, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF OHIO Addendum B

Mr. CLANCY. Mr. Chairman and members of the committee, thank you for providing me this opportunity to submit testimony on this very important issue, the energy crisis. I would like to bring your attention to what I foresee to be a critical problem for small businesses and ultimately for the country.

Many suggestions have been made as to how we can best conserve our energy. One example includes limitations on retail merchants use of on-premises identification signs. I am referring especially to small store identification signs located on the premises of the business they identify. These signs use relatively little electricity, and more current could be saved by turning off the lights in the back of the store or in the storeroom, which the small businessman is quite willing to do.

The retail merchant is highly dependent upon these signs. In some cases they take the place of a show window. In others they are needed to identify the location of a business to a motorist moving at 25 to 50 miles an hour on the street or highway. People think businesses are closed when their signs are not lighted. Businesses cannot do without them during the hours in which they are open without severe loss of patronage.

Already merchants have suffered from price controls and a shortage in their inventory of goods they will have to sell. To be forced to do without the illumination of their identification signs during the time they are open, instead of turning off fixtures on the inside, could cause the closing of many retail establishments.

After having met with representatives of small businesses, I have concluded that they are quite willing to cut back on the amount of energy they use as long as they are allowed to decide where these cut-backs will be made. It seems reasonable that businesses should be allowed to decide where to make their sacrifices for the national good.

I urge that efforts be made to keep small businesses from bearing the burden of discriminatory brunt of the necessary controls on energy usage. It might be well, in legislation, to see that curtailment of lighted advertisements not include in-premise business identification signs.

The purpose of my amendment, therefore, is to insure that these small businesses be given equal consideration in implementation and administration of the conservation measures to reach our goals. This is not to say that anyone should be totally exempted from cooperation in saving our energy, for we all must work together. However, in implementing the act, it would seem to be possible to avoid causing undue hardship to any one sector of the economy. . . .

These signs are important to the retail merchants who are highly dependent upon them. In some cases they take the place of store windows. In others they identify the location to a motorist moving at 25 or 50 miles an hour on the street or highway. In any event, they are valuable to the storeowners who would be severely hurt if their use were to be curtailed

2. The Senate Committee on Interior and Insular Affairs, chaired by Senator Jackson of Washington, considered the emergency energy bill (S. 2589). The initial draft of this bill provided for "restrictions against the use of lighted advertising." This language was subsequently deleted by Senator Jackson. The subsequent conference report on S. 2589, the National Energy Emergency Act of 1973, at Senator Jackson's request, read in part as follows:

To the maximum extent practicable, any restrictions on the use of energy shall be designed to be carried out in such manner so as to be fair and to create a reasonable distribution of the burden of such restriction on all sectors of the economy, without imposing an unreasonably disproportionate share of such burden on any specific industry, business or commercial enterprise, or on an individual segment thereof and shall give due consideration to the needs of commercial, retail and service establishments whose normal function is to supply goods and services of an essential convenience nature during times of day other than conventional daytime working hours.

Finally, while HR 11031 (House version of the National Energy Emergency Act of 1973) was under consideration in the House of Representatives, Rep. Donald Clancy (R) submitted testimony to the drafting committee similar to Senator Taft's amendment to the Senate bill, and added these comments:

After having met with representatives of small businesses I have concluded that they are quite willing to cut back on the amount of energy they use as long as they are allowed to decide where these cutbacks will be made. It seems reasonable that businesses should be allowed to decide where to make their sacrifices for the national good.

I urge that efforts be made to keep small businesses from bearing the burden or discriminatory brunt of the necessary controls on energy usage. It might be well, in legislation, to see that curtailment of lighted advertisements not include "on-premise" business identification signs.

These actions on the part of prominent Congressmen were notice to all concerned that the Congress of the United States took full cognizance of the retail merchant's dependence upon his on-premise illuminated sign and made clear their intent to see that no selective regulation was imposed upon the retailers' business signs.

Finally, the administrative agency primarily concerned with energy issued a letter which further spelled out in specific detail the government position for all concerned with drafting or implementing regulations affecting on-premise illuminated signs.

Energy

THE WHITE HOUSE

WASHINGTON

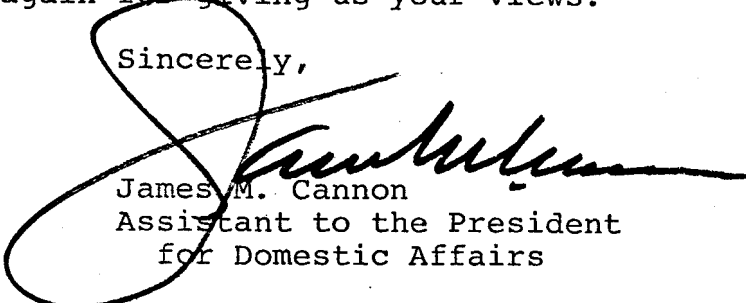
September 30, 1976

Dear Mr. Fowler:

Thank you for your letter of September 24 and the helpful material you enclosed. I very much appreciated the opportunity of meeting with you and Mr. Tavoulareas and am forwarding your materials to the appropriate members of the White House staff.

Thank you again for giving us your views.

Sincerely,



James M. Cannon
Assistant to the President
for Domestic Affairs

J. Edward Fowler
150 East 42nd Street
New York, N.Y. 10017



J. EDWARD FOWLER

150 EAST 42ND STREET, NEW YORK, N.Y. 10017

SEP 27 11 4 53

September 24, 1976

Dear Mr. Cannon,

Last Friday we visited on the subject of the pending Bills to amend the Export Administration Act. Since then we have put together the enclosed outline of some of the many reasons why we think the legislation should not be approved. I hope this further clarifies the points we outlined during our visit.

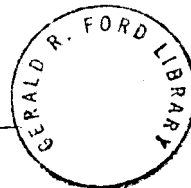
I also enclose a copy of a telegram sent today by Herb Schmertz, our Vice President for Public Affairs, to Representative Rosenthal and Members of the House/Senate Conference Committee. That telex sets forth a detailed explanation of the reasons underlying the points made in our newspaper advertisement last week. It is intended to clarify the enormous potential for harm to the United States which could be caused by this legislation.

Finally, I think you will be interested in the article from Forbes entitled "How to Legislate a Disaster", also enclosed.

I do hope these materials will be of some help in dealing with this important subject.

Sincerely yours,

Ed Fowler



Enc.

THE WHITE HOUSE
WASHINGTON

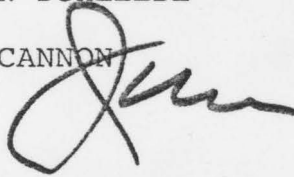
October 2, 1976

file
return to Kris
for pending file

Energy

MEMORANDUM TO: GLENN SCHLEEDE

FROM: JIM CANNON



I would appreciate it very much if you would call Mr. Bickwit of Senator Glenn's office and tell him I would be glad to talk to Senator Glenn about the Piketon plant after he returns from China.

Portsmouth



THE WHITE HOUSE
WASHINGTON

October 2, 1976

MEMO TO: JIM CANNON
FROM: ALLEN MOORE *AM*
SUBJECT: Piketon nuclear plant

Glenn informs me that the ERDA authorization bill did not pass before adjournment. There was, however, a continuing resolution for ERDA. Glenn is attempting to find out whether or not this has an impact on continued construction of the Piketon plant. He thinks you should hold off talking to Senator Glenn's aide (Leonard Bickwit) until this issue is clarified. We will keep you informed on this.



United States Senate

WASHINGTON, D.C. 20510

October 1, 1976
1976 SEP 31 PM 1 1976

Mr. James Cannon
Director, The Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

*Please list for
Monday*

Dear Mr. Cannon:

I understand that you are extremely busy at this time, but it has been more than a week since I began trying to reach you on a matter of considerable importance to this office. On Monday of this week I sent a copy of the enclosed article to Glen Schleede and asked him to get back to me on two questions relating to a one-sentence quote in the article. You were quoted as stating, "Without Congress passing this legislation in this session, this just isn't going to proceed." In the context of the article it is clear that "this legislation" refers to the proposed Nuclear Fuel Assurance Act and that "this" in the second clause of the quote refers to the enrichment plant in Piketon, Ohio.

My two questions are these : 1) Is the quote accurate; and 2) If so, what does it mean in view of the fact that the proposed ERDA Authorization Bill for Fiscal Year 1977 contains \$230 million for the plant and the already-passed Public Works Appropriation Bill for Fiscal Year 1977 contains \$178 million?

Mr. Schleede tells me that you simply have not been able to focus on these questions because of your schedule. In light of our great interest in the matter and the straightforwardness of the questions, however, I sincerely hope you will be able to do so before the end of the day.

Best regards.

Yours sincerely,

Leonard Bickwit, Jr.

Leonard Bickwit, Jr.
Chief Legislative Assistant

LB:mh

cc: Glen Schleede



106109

Atomic Plant For Piketon Threatened By Senators

By George Embrey

Chief, Dispatch Washington Bureau

WASHINGTON — President Ford's top domestic adviser said Saturday the proposed \$2.7 billion addition to the Piketon, Ohio, atomic energy factory just isn't going to proceed "without a called piece of legislation.

Sen. John Glenn, D-Ohio, is the leader in blocking action in the Senate on the proposed legislation, the Nuclear Fuel Assurance Act of 1976.

JAMES CANNON, executive direc-

tor of the White House Domestic Council, told *The Dispatch* he had passed on his warning about the proposed \$2.7 billion project to Gov. James A. Rhodes.

Ford has made good on his pledge in Columbus before the June 8 Ohio primary election to push for the massive project north of Portsmouth.

U. S. Rep. William H. Harsha, R-Portsmouth, has predicted the project at the U. S. atomic plant at Piketon would employ more than 5,000 work-

ers during the construction phase over a number of years.

SENATE MAJORITY leader Mike Mansfield, D-Montana, tried to get Glenn and other objectors to the legislation to agree to a compromise this week to allow eight hours of debate in the heavily loaded Senate schedule before Congress adjourns Oct. 2.

Glenn is the leader of a dozen

senators who refused Mansfield's compromise. Glenn says he is not convinced the legislation has enough safeguards to prevent Arabs from obtaining nuclear weapons material.

After succeeding in blocking senate action on the legislation, Glenn departed with Mansfield for a visit to the People's Republic of China. Glenn has been criticized by U. S. Rep. Delbert T. Latta, R-Bowling Green, for taking part in a "junket" which will keep him out of the country for the rest of this year's Congress.

GLENN'S TOP legislative aide, Len Beckwit, has assured reporters that other legislation already approved by Congress or certain of being enacted would clear the first \$255 million Ford requested for preliminary work on the Piketon plant.

Cannon disputes the Glenn-Beckwit argument. Cannon said Saturday that without congressional action on the now stalled Nuclear Fuel Assurance Act, would be jeopardized.

"Without Congress passing this legislation in this session, this just isn't going to proceed," Cannon said.

"THERE ARE just too many people who want to block any development of new facilities to provide nuclear fuel," Cannon said.

The Piketon plant addition would be the first new facility in the government's attempt to assure the United States of an ample supply of nuclear fuel or nuclear power plants to generate electricity and provide other energy for the foreseeable future.

Cannon explained that unless the legislation is passed before Congress quits Oct. 2, the President would have to start all over again with the new Congress toward getting the necessary legislation.

CANNON SAID that a strong ally of the Ford administration and will not be around to help next year. Sen. John Pastore, D-Rhode Island, chairman of the Joint Senate-House Atomic Energy Committee, has pushed for the proposed Nuclear Fuel Assurance Act, but he is retiring.

Cannon said he is sure President Ford will win the election Nov. 2 and continue to press for the Piketon addition. But Cannon said Democratic candidate Jimmy Carter, whom Glenn is supporting, has questioned whether the U.S. should proceed with developing nuclear fuel in enrichment facilities such as the Piketon addition.

Cannon said that last week a major French magazine carried a story that French government officials viewed the opposition to United States development of new nuclear fuel manufacturing facilities to be such that France should produce nuclear fuel for world markets.



United States Senate

COMMITTEE ON
GOVERNMENT OPERATIONS

WASHINGTON, D.C. 20510

OFFICIAL BUSINESS



U.S.S.

Mr. James Cannon
Director, The Domestic Council
2nd Floor, West Wing
The White House

WHITE HOUSE
POST # A-4

OCT 1 1978

Processed by: W.C.

October 5, 1976

1976 OCT 5 PM 1 48

Rfk
Energy

Dear Bill:

On behalf of Jim Cannon, I would like
to thank you for the copy of Energy
Perspectives 2. It will be very
useful to both of us.

Sincerely,

151
Glenn R. Schleede
Associate Director
Domestic Council



Mr. William L. Fisher
Assistant Secretary of Interior
Washington, D. C. 20240

cc: Jim Cannon

Stevan Schleede



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

033047 1 11 9 9

SEP 27 1976

Honorable James Cannon
Executive Director of the
Domestic Council
Washington, D. C. 20500

Dear Mr. Cannon:

On behalf of the Secretary, I am pleased to send you a copy of our new publication, "Energy Perspectives 2," a presentation of major energy and energy-related data.

I believe this report will be helpful in an understanding and analysis of the current and future energy situation.

Sincerely yours,

William L. Fisher
Assistant Secretary
of the Interior



Enclosure



Evyy

THE WHITE HOUSE
WASHINGTON

INFORMATION

October 12, 1976

1976 OCT 13 PM 2 10

MEMORANDUM FOR: JIM CANNON
FROM: GLENN SCHLEEDE
SUBJECT: OCS LEASING

I thought you might like to see a flow chart presentation of the OCS leasing and development process -- as it now stands and as it would have worked had the OCS bill been enacted. Fortunately, that bill never made it to the President's desk.

I'd like to have the attached flow chart back.

Attachment.



*Glenn,
Jim is probably not going
to have a chance to look at this
during the next 20 days. Why
don't you come back at him
post Nov 2. He should
see it & will appreciate it
& the way to let him do that
is to wait until he has
a chance to enjoy it*
JS
101311

Energy

THE WHITE HOUSE
WASHINGTON

October 14, 1976



MEMORANDUM FOR: JACK MARSH
FROM: JIM CANNON
SUBJECT: September 9, 1976 Letter from former Congressman Charles Jonas

We have followed up on the letter you received from Charles Jonas. I am sorry for the delay in getting back to you on it.

Briefly, the situation with respect to Mr. Besser's communication to the National Bureau of Standards, Office of Energy Related Inventions, is as follows:

- . The letter was received and given a preliminary screening. It is one of many thousand received by the office over the last few months.
- . The office routinely screens the letters and puts them into three categories according to priority for follow-up:
 - Priority I. Inventions that appear to involve something new and perhaps have some merit for further development.
 - Priority II. Inventions that may have technical economic merit but are not new. (This is where Mr. Besser's proposal falls.)
 - Priority III. Proposals which do not appear worthy of further consideration.
- . Bureau of Standards could not give a good estimate of when they could get back to Mr. Besser's proposal because of their decision to spend time on the unique ideas that appear to have some merit.

Even though the outlook for attention from the Bureau of Standards is bleak, there may be some interest from the Energy Research and Development Administration (ERDA). Specifically:

- . There are three potential program areas in ERDA where

Mr. Besser's proposal can be considered. Two of them at least have funds available.

- . ERDA tells us the technology Mr. Besser has in mind has been demonstrated. The question is whether or not the economics make sense. ERDA and/or private industrial organizations are already carrying out some demonstration projects but none of them involves a chicken-egg laying facility, and none involve the relatively small scale that Mr. Besser has in mind.
- . ERDA is willing to consider the proposal further; i.e., evaluate its technical and economic merit.

Even before ERDA responded to our inquiry based on your September 13 memo, ERDA contacted Mr. Jonas and arranged for him to come to ERDA headquarters and discuss his proposal. The ERDA notes on the discussions with Mr. Jonas are attached for your information.

Attachment.

THE WHITE HOUSE

WASHINGTON

October 11, 1976

NOTE TO: JIM CANNON
FROM: *glenn*
GLENN SCHLEEDE
SUBJECT: September 9, 1976 Letter from former
Congressman Charles Jonas

Here is a somewhat belated response to Jack Marsh's request to you. I'm embarrassed about the delay in responding to him but not the speed with which Mr. Jonas' request was handled by ERDA. They responded very quickly.

RECOMMENDATION

That you sign the attached memo to Jack Marsh.

Attachment.



10/204

THE WHITE HOUSE
WASHINGTON

DATE:

9/16

TO:

Schleede

FROM:

ALLEN MOORE

SUBJECT:

ACTION:

FYI:

Pls. advise

Sent to Seamon for
a call w/ @ Facts

9/20/76

THE WHITE HOUSE
WASHINGTON

September 13, 1976

MEMORANDUM TO: JIM CANNON

FROM: JACK MARSH *JM*

Jim, attached is a self-explanatory letter from former Congressman Charles Jonas.

Anything you can do would be appreciated.



Jim,
I'd appreciate your
personal review of this.
Thanks.
JM

September 13, 1976

Dear Charles:

Many thanks for your letter of September 9 concerning the numerous problems that Charles Besser has encountered with regard to his invention.

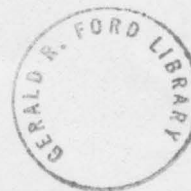
I am taking the liberty of forwarding your letter to appropriate people here at the White House. I certainly hope our efforts prove fruitful. You should be receiving further word on this matter in the very near future.

With warmest personal regards, I remain,

Sincerely,

John O. Marsh, Jr.
Counsellor to the President

The Honorable Charles R. Jonas
Weinstein, Sturges, Odom,
Bigger and Jonas
Attorneys at Law
810 Baxter Street Cul-de-Sac
Charlotte, North Carolina 28202
cb
cc: JCannon



WEINSTEIN, STURGES, ODOM, BIGGER AND JONAS, P.A.

ATTORNEYS AT LAW

810 BAXTER STREET CUL-DE-SAC

CHARLOTTE, NORTH CAROLINA 28202

MAURICE A. WEINSTEIN
WILLIAM W. STURGES
T. LAFONTINE ODOM
RICHARD A. BIGGER, JR.
ERIC A. JONAS
JOHN J. DOYLE, JR.

ALLAN W. SINGER

CHARLES R. JONAS
ROBERT D. HOFFMAN
OF COUNSEL

704-333-0511

CABLE ADDRESS
"CHARLEX"

September 9, 1976

The Honorable John O. Marsh
Office of the President
The White House
Washington, D. C.

Dear Jack:

Here is another example of bureaucratic foot-dragging. You may or may not remember that on the plane from Charlotte to Washington on May 20, 1975, I was having a visit with the President and sounded off about the frustrations the business community feels in not being able to get any decisions out of the bureaucracy. He told me to send him some examples through Don Rumsfeld, and I sent one that would have knocked his eyes out if the President had ever seen it. But unfortunately it got lost being shuffled about in the FEA and nothing, absolutely nothing, ever happened as a result of the example being sent forward.

Now I have another one and am taking the liberty of reciting it to you in the hope that you might be willing to put it in the hands of someone at the White House who may be instrumental in getting us a decision.

There is a man in Charlotte named Charles S. Besser, who invented the famous Besser furnace. He sold more than a million dollars worth of these furnaces until he went broke because he contracted to supply a 200 or 300 hundred house development with furnaces at a price less than it cost him to manufacture them, due to steep and unforeseen increases in the cost of labor and materials after he signed the contract. He has now invented, and

The Honorable John O. Marsh
September 9, 1976
Page Two

has an application for a patent pending, a continuous system for producing methane gas. He has erected a small pilot plant in his backyard, and I personally have witnessed his conversion of human waste into methane gas which he uses to light and heat his home, and the by-product from which is liquid fertilizer from which he has managed to extract the odor. He has also constructed a laboratory in his garage which he has used to demonstrate his ability to produce gas from chicken and cow manure. Various people have witnessed his demonstrations and all with whom I have talked are agreed that he does indeed have a process which in the future might go a long way toward solving our energy problem. The literature on this subject indicates that various research organizations in a number of universities around the country are working on this same idea, although Besser tells me that no one has used the continuous process he has invented and for which he has a patent pending.

Besser's present trouble is that he has exhausted all of his resources in working on this invention, building the pilot plant and the laboratory. I personally know that he put a second mortgage on his house and lot to raise the money to build the laboratory earlier this year. He did that because he had a real good prospect of making a deal with a chicken producer in which he would get rid of the manure and at the same time produce enough gas to meet his requirements at his plant. The prospect of that deal fell through simply because the chicken producer was not willing to put up the perhaps \$100,000 it would cost to build a plant of a size sufficient to take care of his needs; but he told Mr. Besser that if he could obtain a grant to finance the construction of a commercial-type pilot plant in which he could demonstrate the economic feasibility of his process, this man not only would contract to have him install a system at his place, but could assure Besser that he would have calls to install similar plants all over the United States.

Now I lead up to the purpose in writing you. Mr. Besser has been trying since early May to have the Office of Energy-Related Inventions in the National Bureau of Standards, U. S. Department of Commerce, make an evaluation of his process. Congressman Jim Martin has written Mr. George P. Lewett, Chief of that office, any number of times urging him to proceed with the evaluation and all Mr. Martin has received from Mr. Lewett is that the materials submitted by Mr. Besser will be "considered in evaluating . . . invention". I myself

The Honorable John O. Marsh

September 9, 1976

Page Three

wrote Mr. Lewett on June 23 a three-page letter in which I outlined what Mr. Besser has done, and strongly urged Mr. Lewett to send a representative to Charlotte to take a look on the grounds at the process. I informed them that he could come from Washington to Charlotte in an hour and a quarter, and that we would meet the plane and take his representative out for a demonstration and put him back on the plane, and he would be back in Washington before the end of the day. I gave him my telephone number and Mr. Besser's number and requested him to inform either of us if he would send someone here to witness a demonstration. That letter was dated June 23, 1976, and to date I have not had any answer to it.

Desperate for some decision on his application for a research or demonstration grant, Mr. Besser lost heart over the inability of Congressman Martin or me to get any decision out of Mr. Lewett so in early July, he wrote Senator Ted Kennedy, and explained what he had developed and solicited his help. Senator Kennedy replied quite promptly and informed Mr. Besser that he had inquired at the Office of Energy-Related Inventions which is evaluating the feasibility of his invention for ERDA, and had been informed that a reevaluation would be initiated within two weeks and should be completed by the middle of September. He requested Mr. Besser to communicate with him again if by the middle of September he had not received the results of the evaluation apparently going on in the Office of ERI.

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September 9, 1976

Page Four

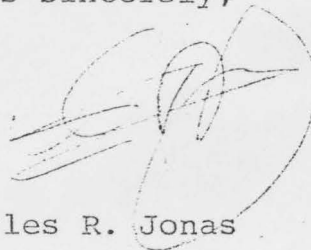
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Yours sincerely,



Charles R. Jonas



CRJ/jg



UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

October 4, 1976

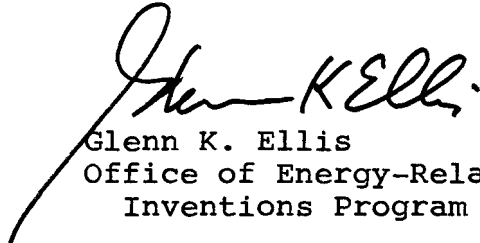
Mr. Glenn Schleede
The White House

Dear Mr. Schleede:

In the latest follow-up to your September 20, 1976, request, attached are rough notes summarizing Mr. Charles R. Jonas' visit with us on September 24, 1976.

Please note that the next action is for Mr. Jonas to send us more technical information on Mr. Besser's process, to which Mr. Petzrick (Office of Commercialization) and Mr. Ward (Office of Solar Energy) have agreed to informally respond.

Sincerely,

A handwritten signature in cursive script that reads "Glenn K. Ellis". The signature is written in dark ink and is positioned above the typed name and title.

Glenn K. Ellis
Office of Energy-Related
Inventions Program

Attachments



7 Oct 1976

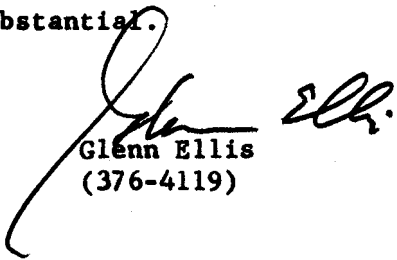
Mr. Glenn Schleede

THE WHITE HOUSE

I regret the delay in responding. As you note from the attached, I prepared an informal response at the time of Mr. Jonas visit, but, for some unknown reason here, it was never sent.

Paul Petzrick, Ofc of Commercialization, advises today that we are presently awaiting the substantive technical information we will need to evaluate Mr. Besser's process. Mr. Loftin, Mr. Besser, and Mr. Jonas have been so informed by Petzrick. The material received earlier from the Congressman's office, according to Petzrick, was not substantial.

Again, I am sorry for the delay.



Glenn Ellis
(376-4119)



UNITED STATES
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION
WASHINGTON, D.C. 20545

Memorandum for the Record

MEETING WITH MR. CHARLES R. JONAS

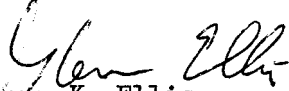
September 24, 1976 - Mr. Jonas called at approximately 11:30 a.m. seeking additional information in response to his interest in helping his client, Mr. Charles S. Besser, in the development of a process for generating methane gas from animal wastes. I identified the three specific potential areas of 1) R&D, Roscoe Ward in SED; 2) Demonstration, George Rial, AFE; and 3) Commercialization, Paul Petzrick in the Office of Commercialization. I had previously arranged for Petzrick to meet with Jonas, so I suggested that Jonas meet with me at ERDA since he was in the vicinity.

During our meeting, I gave Mr. Jonas the additional background information I had gathered and several "guides" for preparing proposals which he requested. I also expressed Richard Sutz' regrets at not having been able to meet with him, since he had been called to a meeting unexpectedly. We then met at Petzrick's office with Dick Hertzberg and Petzrick for the better part of an hour.

In summary, the potential of the process depends entirely upon its economic feasibility, since the technology is well known, and the economic feasibility could not be assessed since Mr. Jonas had few technical details. It appeared also that any potential for it would logically fall into Roscoe Ward's area, since the process is still in the R&D stage. I, therefore, called Ward, whom I had alerted before Mr. Jonas arrived, who came to the meeting.

Action: It was left that Mr. Jonas would obtain from Besser (and send to Petzrick) a duplicate of the submission that Besser had earlier sent Lewett in NBS-OERI. Petzrick would coordinate examination of the proposal with Ward and INR-OERI, and at the least, between us, we could possibly suggest some features to reduce the costs of Besser's proposed demo plant. Jonas mentioned a figure of \$200K that was estimated for a demo plant to take care of the wastes from a large chicken egg-laying facility, which Petzrick thought was probably too high. (Several North Carolina businessmen are interested in Besser's process, but not to the extent of putting up front money for a demo plant.) Ward indicated that, though he could not give a formal evaluation, he could advise Besser within 7 - 10 days whether or not his proposal would be of further interest to SED.




Glenn K. Ellis
Office of Energy-Related
Inventions Program

376-4509

THE WHITE HOUSE
WASHINGTON

September 20, 1976

MEMORANDUM FOR: THE HONORABLE ROBERT SEAMANS
FROM: ~~GLENN SCHLEEDE~~ *Glenn*
SUBJECT: ATTACHED LETTER

Would you please have someone check into this one and give me a call today or tomorrow with the facts on the situation so that we can respond to Jack Marsh and Mr. Jonas.

Attachment

Glenn Ellis + ERDA 376-4119

*S-16445
Duker
- Colver
- McGovern*



WEINSTEIN, STURGES, ODOM, BIGGER AND JONAS, P.A.

ATTORNEYS AT LAW

610 PAXTER STREET CUL-DE-SAC

CHARLOTTE, NORTH CAROLINA 28202

HAURCE A. WEINSTEIN
WILLIAM W. STURGES
TIMOTHY ODOM
RICHARD A. BIGGER, JR.
ERIC A. JONAS
JOHN J. DOYLE, JR.

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CHARLES R. JONAS
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OF COUNSEL

704-333-0500

CABLE ADDRESS
"CHARLEX"

September 9, 1976

The Honorable John O. Marsh
Office of the President
The White House
Washington, D. C.

Dear Jack:

Here is another example of bureaucratic foot-dragging. You may or may not remember that on the plane from Charlotte to Washington on May 20, 1975, I was having a visit with the President and sounded off about the frustrations the business community feels in not being able to get any decisions out of the bureaucracy. He told me to send him some examples through Don Rumsfeld, and I sent one that would have knocked his eyes out if the President had ever seen it. But unfortunately it got lost being shuffled about in the FEA and nothing, absolutely nothing, ever happened as a result of the example being sent forward.

Now I have another one and am taking the liberty of reciting it to you in the hope that you might be willing to put it in the hands of someone at the White House who may be instrumental in getting us a decision.

There is a man in Charlotte named Charles S. Besser, who invented the famous Besser furnace. He sold more than a million dollars worth of these furnaces until he went broke because he contracted to supply a 200 or 300 hundred house development with furnaces at a price less than it cost him to manufacture them, due to steep and unforeseen increases in the cost of labor and materials after he signed the contract. He has now invented, and

The Honorable John O. Marsh
September 9, 1976
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Besser's present trouble is that he has exhausted all of his resources in working on this invention, building the pilot plant and the laboratory. I personally know that he put a second mortgage on his house and lot to raise the money to build the laboratory earlier this year. He did that because he had a real good prospect of making a deal with a chicken producer in which he would get rid of the manure and at the same time produce enough gas to meet his requirements at his plant. The prospect of that deal fell through simply because the chicken producer was not willing to put up the perhaps \$100,000 it would cost to build a plant of a size sufficient to take care of his needs; but he told Mr. Besser that if he could obtain a grant to finance the construction of a commercial-type pilot plant in which he could demonstrate the economic feasibility of his process, this man not only would contract to have him install a system at his place, but could assure Besser that he would have calls to install similar plants all over the United States.

Now I lead up to the purpose in writing you. Mr. Besser has been trying since early May to have the Office of Energy-Related Inventions in the National Bureau of Standards, U. S. Department of Commerce, make an evaluation of his process. Congressman Jim Marti has written Mr. George P. Lewett, Chief of that office, any number of times urging him to proceed with the evaluation and all Mr. Marti has received from Mr. Lewett is that the materials submitted by Mr. Besser will be "considered in evaluating . . . invention". I myself

The Honorable John O. Marsh
September 9, 1976
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The Honorable John O. Marsh

September 9, 1976

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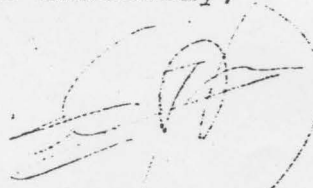
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Yours sincerely,



Charles R. Jonas



CRJ/jg

cc: Leach
Schleede

f

THE WHITE HOUSE
WASHINGTON

September 13, 1976

916 SEP 17 11 7 32

MEMORANDUM TO: JIM CANNON

FROM: JACK MARSH

Jim, attached is a self-explanatory letter from former Congressman Charles Jonas.

Anything you can do would be appreciated.



Jim,

I'd appreciate your
personal review of this.
Thanks.

Jack

September 13, 1976

EA 61 1976 3:30 AM 7 32

Dear Charles:

Many thanks for your letter of September 9 concerning the numerous problems that Charles Besser has encountered with regard to his invention.

I am taking the liberty of forwarding your letter to appropriate people here at the White House. I certainly hope our efforts prove fruitful. You should be receiving further word on this matter in the very near future.

With warmest personal regards, I remain,

Sincerely,

John O. Marsh, Jr.
Counsellor to the President

The Honorable Charles R. Jonas
Weinstein, Sturges, Odom,
Bigger and Jonas
Attorneys at Law
810 Baxter Street Cul-de-Sac
Charlotte, North Carolina 28202
cb
cc: JCannon

WEINSTEIN, STURGES, ODOM, BIGGER AND JONAS, P.A.

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704-333-0511

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"CHARLEX"

September 9, 1976

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The White House
Washington, D. C.



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The Honorable John O. Marsh
September 9, 1976
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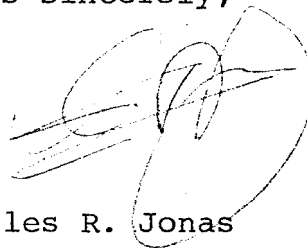
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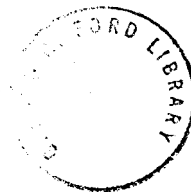
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Yours sincerely,



Charles R. Jonas



CRJ/jg

DOMESTIC COUNCIL

FROM: Schleede

----- 1976 OCT 16 PM 5 45 -----

SUBJECT: Draft Presidential memo to heads of departments and agencies on the Federal Energy Management Program (FEMP)

----- Date: 10/16/76 -----

COMMENTS:

Quern: We should staff this out quickly after you have had a chance to review it. It looks good to me.

DECISION:

O.K. to staff

Other

*to our B
Who else ?*



ACTION:

Date:

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON

SUBJECT: Federal Energy Management Program (FEMP)

Attached for your consideration is a proposed memorandum to Heads of Executive Departments and Agencies which:

- Announces your Federal energy conservation goal for FY 1977 of using no more energy than was actually used during FY 1975;
- Signals your continuing interest in the Federal Energy Management Program (FEMP);
- Notifies agencies that FEA has been assigned lead responsibility for coordinating this effort.

The FEMP was started in July 1973 with the setting of a target for energy conservation within the Executive Branch, quarterly reporting by agencies, and coordination and reporting of results by FEA.

The agencies have been responsive, particularly the Department of Defense which is by far the largest energy user. FEA indicates that energy savings during FY 1976 reached the equivalent of 285,000 barrels of oil per day.

The attached memorandum has been recommended by Secretary Richardson, Frank Zarb and OMB.

RECOMMENDATION

That you sign the memorandum attached at TAB A.



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Federal Energy Management Program (FEMP)

Since 1973, the Executive Branch of the Federal Government has taken the lead in conserving energy. In fiscal year 1976, Federal agencies' energy conservation efforts resulted in savings equivalent to over 285,000 barrels of oil per day.

These impressive results are due to dedicated and serious efforts to conserve energy. I commend you and your employees for fine achievement and the example it sets for all Americans.

For FY 1977, I am establishing a Federal energy conservation goal of using no more energy than was actually used during FY 1975. I am asking each of you to: (1) establish specific plans for energy savings during the coming year, and (2) examine all of your facilities and operations for both short and longer term energy conservation potential and undertake, within your existing budgetary levels, cost-effective projects wherever possible.

I am also directing the Administrators of the Federal Energy Administration and the General Services Administration to work with you to establish individual agency targets and to identify energy conservation projects so as to assure that overall Executive Branch goals will be achieved. In addition, the Office of Management and Budget will provide guidance concerning budgeting procedures for projects and activities in FY 1979 and beyond.



Date: 10/18/76

From the desk of The Administrator

To: Jim Cannon

1976 OCT 18 PM 3 57

For your information.

Frank



Frank -
You should
respond to

Tim
Federal Energy Administration

Room 3400

Ext. 6081

Energy

(MONDALE)

(BY SARA FRITZ)

DENVER (UPI) -- DEMOCRATIC VICE PRESIDENTIAL CANDIDATE WALTER MONDALE SAID TODAY THE FORD ADMINISTRATION HAS NO COHERENT ENERGY POLICY.

IN AN ADDRESS TO THE WESTERN STATES WATER AND POWER CONSUMERS CONFERENCE, MONDALE SAID PRESIDENT FORD HAS NOT MADE A "SINGLE STATEMENT ON THIS RANGE OF ISSUES" DURING THE CAMPAIGN.

"THE TRUTH IS THAT THE FORD ADMINISTRATION'S POLICY HAS BEEN ONE WITHOUT VISION, WITHOUT LEADERSHIP, WITHOUT SENSE OF PURPOSE," HE SAID.

MONDALE OUTLINED SPECIFIC STEPS JIMMY CARTER WOULD TAKE TO DEVELOP ENERGY RESOURCES WHILE PROTECTING THE ENVIRONMENT AND SAID THE ADMINISTRATION HAS FAILED TO CONSIDER THE STATES AS PARTNERS IN ENERGY DEVELOPMENT.

THE STEPS INCLUDE: HORIZONTAL DIVESTITURE OF THE MAJOR OIL COMPANIES; ENACTMENT OF A "MEANINGFUL" LAW REGULATING STRIP MINING; REORGANIZATION OF THE GOVERNMENT'S ENERGY-RELATED FUNCTIONS INTO ONE CABINET LEVEL AGENCY, AND A SHIFT TOWARD INCREASING COAL PRODUCTION AS OIL AND GAS SUPPLIES DWINDLE.

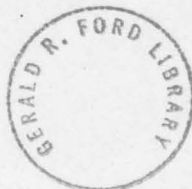
MONDALE SAID THE GOVERNMENT MUST BE REORGANIZED BECAUSE 20 SEPARATE AGENCIES NOW DEAL WITH ENERGY MATTERS RESULTING IN NOTHING BUT "CONFUSION, SQUABBLING, DUPLICATION AND INCONSISTENCY."

HE SAID HORIZONTAL DIVESTITURE -- PROHIBITING AN OIL FIRM FROM OWNING OTHER FORMS OF ENERGY SUCH AS COAL MINES OR NATURAL GAS LINES -- IS NECESSARY BECAUSE "THE GOVERNMENT HAS GIVEN AWAY, SOLD OR LEASED, THE NATION'S RESOURCES FOR THE GAIN OF THE MAJOR OIL COMPANIES. WHEN YOU GIVE ANYONE TOO MUCH POWER IN THE ECONOMY...THEY'LL ABUSE IT."

MONDALE ALSO SAID A DEMOCRATIC ADMINISTRATION WOULD "DRAW THE LINE" WHEN OIL-PRODUCING NATIONS ATTEMPT TO DICTATE PRICES WITHIN THE UNITED STATES. HE SAID HE BELIEVES IN A FREE MARKET, BUT "WE HAVE A RIGHT TO CIVILIZE THOSE PRICES."

HE ALSO PROMISED TO ENCOURAGE DISCOVERY OF NEW ENERGY SOURCES, SUCH AS SOLAR POWER, PUT PRICE CEILINGS ON NEW NATURAL GAS AND DEVELOP AN IMMEDIATE CONSERVATION PROGRAM USING MASS TRANSIT IN BOTH RURAL AND URBAN AREAS.

UPI 10-18 02:06 PED



101818

DOMESTIC COUNCIL

FROM:

Schleede

SUBJECT:

Presidential memo to heads of departments &
agencies on Federal Energy Management Program
(FEMP)

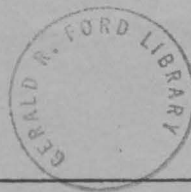
----- Date: 10/27/76 -----

COMMENTS:

Per your instruction, this memo was
staffed for comment.

Quern and I recommend approval.

A.



ACTION:

Date:

FEMP

THE WHITE HOUSE
WASHINGTON

October 28, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *J. Cannon*

SUBJECT: Federal Energy Management Program (FEMP)

Attached for your consideration is a proposed memorandum to Heads of Executive Departments and Agencies which:

- ° Announces your Federal energy conservation goal for FY 1977 of using no more energy than was actually used during FY 1975.
- ° Signals your continuing interest in the Federal Energy Management Program (FEMP).
- ° Notifies agencies that FEA has been assigned lead responsibility for coordinating this effort.

The FEMP was started in July 1973 with the setting of a target for energy conservation within the Executive Branch, quarterly reporting by agencies, and coordination and reporting of results by FEA.

The agencies have been responsive, particularly the Department of Defense which is by far the largest energy user. FEA indicates that energy savings during FY 1976 reached the equivalent of 285,000 barrels of oil per day.

The attached memorandum has been reviewed and concurred in by Secretary Richardson, Frank Zarb, OMB, Phil Buchen, Max Friedersdorf, Alan Greenspan, Robert Hartmann, John Marsh, and William Seidman.

RECOMMENDATION

That you sign the memorandum attached at TAB A.



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Federal Energy Management Program (FEMP)

Since 1973, the Executive Branch of the Federal Government has taken the lead in conserving energy. In fiscal year 1976, Federal agencies' energy conservation efforts resulted in savings equivalent to over 285,000 barrels of oil per day.

These impressive results are due to dedicated and serious efforts to conserve energy. I commend you and your employees for fine achievement and the example it sets for all Americans.

For FY 1977, I am establishing a Federal energy conservation goal of using no more energy than was actually used during FY 1975. I am asking each of you to: (1) establish specific plans for energy savings during the coming year, and (2) examine all of your facilities and operations for both short and longer term energy conservation potential and undertake, within your existing budgetary levels, cost-effective projects wherever possible.

I am also directing the Administrators of the Federal Energy Administration and the General Services Administration to work with you to establish individual agency targets and to identify energy conservation projects so as to assure that overall Executive Branch goals will be achieved. In addition, the Office of Management and Budget will provide guidance concerning budgeting procedures for projects and activities in FY 1979 and beyond.



ABRAHAM RIBICOFF, CONN., CHAIRMAN
JOHN L. MCCLELLAN, ARK.
HENRY M. JACKSON, WASH.
EDMUND S. MUSKIE, MAINE
LEE METCALF, MONT.
JAMES B. ALLEN, ALA.
LAWTON CHILES, FLA.
SAM NUNN, GA.
JOHN GLENN, OHIO

CHARLES H. PERCY, ILL.
JACOB K. JAVITS, N.Y.
WILLIAM V. ROTH, JR., DEL.
BILL BROCK, TENN.
LOWELL P. WEICKER, JR., CONN.

RICHARD A. WEGMAN
CHIEF COUNSEL AND STAFF DIRECTOR

Energy

United States Senate

COMMITTEE ON
GOVERNMENT OPERATIONS
WASHINGTON, D.C. 20510

976 001 28 11 5 02
October 27, 1976

Mr. James Cannon
Director, The Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

File

Dear Mr. Cannon:

I am writing to request that you respond in writing to the questions asked you by my Legislative Assistant, Len Bickwit in his letter to you of October 1. I would appreciate receiving your answer no later than the close of business on October 29.

It is a disappointment to me that I have to address these questions to you personally when they were previously raised by my staff in my absence. If our objective is to promote cooperation between our respective branches of government, surely that purpose was not served by your reluctance to cooperate with my staff.

It is also disappointing to read certain statements attributed to you which will inevitably lead to inferences which are misleading. In the attached article from the Columbus Dispatch you are quoted as saying "Had the junior Senator from Ohio stayed there (in the Senate) and worked on the energy legislation and it had passed, we could have a full year to proceed." While that quote--assuming it was accurately reported--does not specifically so state, it suggests (1) that serious damage has been done the Portsmouth project by recent Senate action and (2) that my presence in the Senate could have avoided that result.

Quite aside from the fact that my scheduling and decisions on where I concentrate my efforts at any particular time are not your responsibility to pass judgment on, both you and I know that propositions (1) and (2) above are not the case. I therefore wish you would avoid making statements--again assuming you have done so--that suggest that they are.

Sincerely,

John Glenn
John Glenn
United States Senator

369

OCT-12-76

Piketon Project Funds To Run Out

By George Embrey

Chief, Dispatch Washington Bureau

WASHINGTON — A top White House official said Tuesday that congressional funding for the proposed \$2.7 billion "add-on" to the Piketon, Ohio, atomic energy factory runs out March 31, 1977, and has a spending ceiling of \$50 million.

James Cannon, executive director of the White House domestic council, spoke out after aides to U.S. Sen. John H. Glenn, D-Ohio, tried to shift possible blame for a delay on the mammoth, job-rich project to President Ford.

CANNON SAID Ford meant exactly what he said in the debate last Wednesday in San Francisco — that his administration is fully committed to the \$2.7 billion expansion of the Piketon factory and its production of fuel for electric-generating atomic energy plants.

Cannon had criticized Glenn for blocking Senate action on atomic energy legislation and then going off on a trip to the Peoples Republic of China while the Senate still had time to act on the legislation.

The legislation, including the annual authorization bill for the budget of the agency that runs the Piketon factory, the U.S. Energy and Research Administration (ERDA), was not enacted before Congress recessed for the year.

U.S. REP. William H. Harsha, R-Portsmouth, and aides to Glenn reported last week that the resolution Congress passed will let ERDA continue spending its \$6 billion appropriations at the 1977 budget year level temporarily, at least.

But Cannon explained Tuesday that

the continuing resolution expires March 31.

Also, the legislation Ford requested for ERDA and the separate nuclear fuel assurance bill would have authorized a full year of work on the first phase of the Piketon factor and \$255 million.

THUS, INSTEAD of having only \$50 million until March 31, the Ford administration would have had all of it, and Harsha and Glenn said they felt necessary to get the giant project under way.

It now will be up to the administration to go back to the new Congress after it gets back to work Jan. 4 to get more money authorized not only for the Piketon factory expansion but for the other new projects in the \$6 billion ERDA bill.

Solar energy, synthetic fuels and other ERDA projects are stalled, and funded only temporarily.

COME MARCH 31, if there is not further congressional action, the Piketon project must stop, Cannon said.

"Had the junior senator from Ohio stayed there (in the Senate) and worked on the energy legislation and it had passed, we could have a full year to proceed," Cannon said.

CANNON BRUSHED aside complaints from Glenn's staff that he would not personally respond to their telephone calls. Cannon's staff members took the calls, he said.

"I will be glad to talk to the senator (Glenn) when he gets back from China," Cannon said.



THE WHITE HOUSE

WASHINGTON

October 11, 1976

File

MEMORANDUM FOR:

✓ JIM CANNON
JAMES CONNOR

FROM:

Glenn
GLENN SCHLEEDE

SUBJECT:

Ohio Newspapers Concerning Portsmouth

(Circled)

Attached are the background materials related to the questions raised by the two Ohio newspapers concerning Portsmouth.

- . TAB I are the questions raised and the documents being cited.
- . TAB II is the proposed response.

The immediate questions I have are:

- . Can we go further than the proposed response in terms of a commitment to proceed with Portsmouth?
- . Would a call to the reporters from one of you be better than one from me?

Attachment.

*NEAT
ERDA
directed
authored ✓*



TAB I

QUESTIONS RAISED BY MR. DOUGLAS LOWENSTEIN, DAYTON OHIO NEWS

- . Senator Glenn apparently has contacted reporters from the Cox Newspaper chain and:
 - Supplied them with a copy of Mr. Beckwit's letter of October 1, 1976 to Jim Cannon with an enclosed article from The Dispatch (TAB A).
 - Indicated that the President's ^(TAB B) statement about Portsmouth during the October 6, 1976/debate was in conflict with (a) the President's July 29, 1976/^(TAB C) letter to Congressman Harsha and (b) JMC quote -- because the statement during the debates was not commissioned on passage of the NFAA whereas the two references cited were so conditioned.

- . Mr. Lowenstein would like answers to the following questions:
 - Is it correct to say that the Administration, prior to the October 6 debate, pegged the expansion of Portsmouth (passage of NFAA)?
 - Is the Administration thinking about asking for rescission of 1977 appropriations (\$178.8 million) since the NFAA did not pass?
 - Is the President committed to spend the \$2.7 billion requested for expansion of the add-on for the Portsmouth plant?

TAB A

United States Senate

WASHINGTON, D.C. 20510

October 1, 1976

Mr. James Cannon
Director, The Domestic Council
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500



Dear Mr. Cannon:

I understand that you are extremely busy at this time, but it has been more than a week since I began trying to reach you on a matter of considerable importance to this office. On Monday of this week I sent a copy of the enclosed article to Glen Schleede and asked him to get back to me on two questions relating to a one-sentence quote in the article. You were quoted as stating, "Without Congress passing this legislation in this session, this just isn't going to proceed." In the context of the article it is clear that "this legislation" refers to the proposed Nuclear Fuel Assurance Act and that "this" in the second clause of the quote refers to the enrichment plant in Piketon, Ohio.

My two questions are these : 1) Is the quote accurate; and 2) If so, what does it mean in view of the fact that the proposed ERDA Authorization Bill for Fiscal Year 1977 contains \$230 million for the plant and the already-passed Public Works Appropriation Bill for Fiscal Year 1977 contains \$178 million?

Mr. Schleede tells me that you simply have not been able to focus on these questions because of your schedule. In light of our great interest in the matter and the straightforwardness of the questions, however, I sincerely hope you will be able to do so before the end of the day.

Best regards.

Yours sincerely,

A handwritten signature in cursive script that reads "Leonard Bickwit, Jr.".

Leonard Bickwit, Jr.
Chief Legislative Assistant

LB:mh

cc: Glen Schleede

Atomic Plant For Piketon Threatened By Senators

By George Embrey
Chief, Dispatch Washington Bureau

WASHINGTON — President Ford's top domestic adviser said Saturday the proposed \$2.7 billion addition to the Piketon, Ohio, atomic energy factory "just isn't going to proceed" without a stalled piece of legislation.

Sen. John Glenn, D-Ohio, is the leader in blocking action in the Senate on the proposed legislation, the Nuclear Fuel Assurance Act of 1976.

JAMES CANNON, executive direc-

tor of the White House Domestic Council, told *The Dispatch* he had passed on his warning about the proposed \$2.7 billion project to Gov. James A. Rhodes.

Ford has made good on his pledge in Columbus before the June 8 Ohio primary election to push for the massive project north of Portsmouth.

U. S. Rep. William H. Harsha, R-Portsmouth, has predicted the project at the U. S. atomic plant at Piketon would employ more than 5,000 work-

ers during the construction phase over a number of years.

SENATE MAJORITY leader Mike Mansfield, D-Montana, tried to get Glenn and other objectors to the legislation to agree to a compromise this week to allow eight hours of debate in the heavily loaded Senate schedule before Congress adjourns Oct. 2.

Glenn is the leader of a dozen

senators who refused Mansfield's compromise. Glenn says he is not convinced the legislation has enough safeguards to prevent Arabs from obtaining nuclear weapons material.

After succeeding in blocking senate action on the legislation, Glenn departed with Mansfield for a visit to the People's Republic of China. Glenn has been criticized by U. S. Rep. Delbert T. Latta, R-Bowling Green, for taking part in a "junket" which will keep him out of the country for the rest of this year's Congress.

GLENN'S TOP legislative aide, Len Beckwit, has assured reporters that other legislation already approved by Congress or certain of being enacted would clear the first \$255 million Ford requested for preliminary work on the Piketon plant.

Cannon disputes the Glenn-Beckwit argument. Cannon said Saturday that without congressional action on the now stalled Nuclear Fuel Assurance Act, would be jeopardized.

"Without Congress passing this legislation in this session, this just isn't going to proceed," Cannon said.

"THERE ARE just too many people who want to block any development of new facilities to provide nuclear fuel," Cannon said.

The Piketon plant addition would be the first new facility in the government's attempt to assure the United States of an ample supply of nuclear fuel or nuclear power plants to generate electricity and provide other energy for the foreseeable future.

Cannon explained that unless the legislation is passed before Congress quits Oct. 2, the President would have to start all over again with the new Congress toward getting the necessary legislation.

CANNON SAID that a strong ally of the Ford administration and will not be around to help next year. Sen. John Pastore, D-Rhode Island, chairman of the Joint Senate-House Atomic Energy Committee, has pushed for the proposed Nuclear Fuel Assurance Act, but he is retiring.

Cannon said he is sure President Ford will win the election Nov. 2 and continue to press for the Piketon addition. But Cannon said Democratic candidate Jimmy Carter, whom Glenn is supporting, has questioned whether the U.S. should proceed with developing nuclear fuel in enrichment facilities such as the Piketon addition.

Cannon said that last week a major French magazine carried a story that French government officials viewed the opposition to United States development of new nuclear fuel manufacturing facilities to be such that France should produce nuclear fuel for world markets.



TAB B

THE MODERATOR: President Ford?

THE PRESIDENT: Governor Carter brags about the unemployment during Democratic Administrations and condemns the unemployment at the present time. I must remind him that we are at peace and during the period that he brags about unemployment being low, the United States was at war.

Let me correct one other comment that Governor Carter has made. I have recommended to the Congress that we develop the uranium enrichment plant at Portsmouth, Ohio, which is a publicly-owned U.S. Government facility, and have indicated that the private program which would follow on in Alabama is one that may or may not be constructed, but I am committed to the one at Portsmouth, Ohio.

The Governor also talks about morality in foreign policy. The foreign policy of the United States meets the highest standards of morality. What is more moral than peace, and the United States is at peace today. What is more moral in foreign policy than for the Administration to take the lead in the World Food Conference in Rome in 1974, when the United States committed six million metric tons of food, over 60 percent of the food committed for the disadvantaged and underdeveloped nations of the world?

The Ford Administration wants to eradicate hunger and disease in our underdeveloped countries throughout the world. What is more moral than for the United States under the Ford Administration to take the lead in Southern Africa, in the Middle East? Those are initiatives in foreign policy which are of the highest moral standards, and that is indicative of the foreign policy of this country.

THE MODERATOR: Mr. Frankel, a question for President Ford.

MR. FRANKEL: Mr. President, can we stick with morality? For a lot of people it seems to cover a bunch of sins.

Mr. Nixon and Mr. Kissinger used to tell us that instead of morality we had to worry in the world about living with and letting live all kinds of Governments that we really didn't like -- North and South Korean dictators, Chilean facists, Chinese Communists, Iranian emperors and so on.



TAB C

July 29, 1976

Dear Bill:

I understand that you have a concern about our intentions to build the enrichment facility add-on at Portsmouth, Ohio. I can assure you that in the context of the Nuclear Fuel Assurance Act, it is our firm intention, subject, of course, to the completion of the required environmental procedures, to complete that plant.

Moreover, the Portsmouth plant does not conflict with other additions to our enrichment capacity and our progress on it will not depend upon completion of any other facilities.

I hope that these comments give you the assurances that you require.

Sincerely,

GERALD R. FORD

The Honorable William H. Harsba
U. S. House of Representatives
Washington, D. C. 20515



GRF:JEC/ec

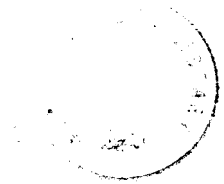
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TAB II

PROPOSED RESPONSE

- . The President's intention of proceeding with an add-on to the Portsmouth enrichment facility and, subject to environmental requirements to complete that plant, is reflected in the following series of actions:
 1. The NFAA submitted to the Congress on June 26, 1975, by the President, included a section which would have authorized continued work on construction, planning and design for the expansion of government-owned enrichment facilities.
 2. On May 5, 1976, the President requested approval of \$12.6 million for continuation of design work for the Portsmouth add-on during the remainder of FY 1976 and the Transition Quarter.
 3. On May 26, 1976, the President announced that he would accept and encourage passage of a revised NFAA which had been reported unanimously by the Joint Committee on Atomic Energy on May 14, 1976. Section 4 of that bill authorized and directed ERDA to initiate construction planning and design, and construction and operation of an add-on to an existing government-owned uranium enrichment facility and the report accompanying the bill made clear to the facility at Portsmouth was the one to be expanded.
 4. On June 4, 1976, the President requested \$178.8 million for FY 1977 to proceed with design, planning and procurement of long lead-time construction for the Portsmouth plant.
 5. On July 12, 1976, the President signed the Public Works Appropriations Bill appropriating the \$178.8 million for Portsmouth work.
- . On September 3, 1976, ERDA Deputy Administrator Fri, in responding to questions posed by Senator Glenn concerning the need for additional enrichment capacity, pointed out that there was no conflict between the desire to proceed with privately-owned uranium enrichment capacity and the Portsmouth add-on plant because "the add-on enrichment plant at Portsmouth, Ohio will be used to fulfill existing ERDA contracts in the most economically, efficient manner and to conserve uranium resources."


*NFAA
action
8/25/76
W. M. G.*



- . The current status of the authorization for proceeding with the Portsmouth plant is that the continuing resolution* passed by the Congress on October 1, 1976, authorized ERDA to continue work on the Portsmouth plant through March 31, 1977 at the rate of spending provided for in 1977 Appropriation Acts (\$178.8 million for all of FY 1977).
- . In response to the specific questions posed by Mr. Lowenstein:
 - The President's statement during the October 6, 1976 debates is consistent with the actions the President has already taken to proceed with the Portsmouth plant.
 - The Administration has no intention of asking for a rescission of the \$178.8 million in FY 1977 appropriations.
 - Funding requirements for FY 1978 for work on the Portsmouth add-on are now being considered as part of the President's FY 1978 budget.
 - Subject to ERDA's completion of the requested environmental reviews, the President is committed to the completion of the add-on facility at Portsmouth, Ohio.

* H.R. Resolution 1105, not yet signed. Last day for action October 18.

NFAA. would have authorized
work B255 yr who sent M.

178 reported
950 by 3/31/77


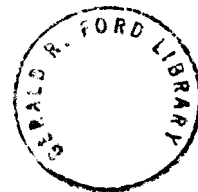
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ACTION
JMC REQUEST

THE WHITE HOUSE
WASHINGTON
October 29, 1976

*K.
put
'Information'*

MEMORANDUM FOR: JIM CANNON
FROM: GEORGE W. HUMPHREYS
SUBJECT: Bonneville Power Administration/
Alumax Aluminum Plant - Oregon

Attached is a suggested memo from you to the President
advising him of the actions you took concerning the
Bonneville Power Administration issue in Oregon.



THE WHITE HOUSE

WASHINGTON

INFORMATION

October 28, 1976

MEMORANDUM TO: THE PRESIDENT
FROM: JIM CANNON *Jim*
SUBJECT: Bonneville Power Administration/
Alumax Aluminum Plant - Oregon

Our people in Oregon advise that it is very important for you to move positively to resolve problems surrounding delays in building an aluminum plant in Umatilla County, Oregon.

In 1966, the Bonneville Power Administration agreed contractually to provide power to Alumax for a new plant to be constructed in Astoria, Oregon. The contract was later replaced in 1975 to accomodate the movement of the proposed site inland to Umatilla County.

The Port of Astoria, et al, brought suit to block the move, alleging that the contract was invalid because no environmental impact statement had been prepared. The U.S. District Court ruled that the contract was valid, but unenforceable until the EIS was prepared. The court ordered both a site-specific EIS and a programmatic EIS covering the BPA's role in supplying power throughout its service area.

The Justice Department appealed the decision, but BPA began the EIS process, estimated to cost \$4 million. Completion of the EIS is expected by the fall of 1977. The appeal is not expected to be heard for six months, with a decision possibly two years away.

Senator Dole is scheduled to be in Oregon today, October 28, and we expect him to be asked about this issue.



The Senator has been informed that you have instructed Secretary Kleppe to review the entire issue and to take whatever appropriate steps are required to speed up the EIS process and to eliminate any other procedural impediments so that the plant construction can begin as soon as possible.

Tom agrees with this approach and has been informed of some actions that he can take that will reduce the delay time.

THE WHITE HOUSE

WASHINGTON

INFORMATION

October 28, 1976

MEMORANDUM TO: THE PRESIDENT

FROM: JIM CANNON *Jim*

SUBJECT: Bonneville Power Administration/
Alumax Aluminum Plant - Oregon

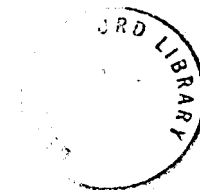
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Energy

FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

October 29, 1976

976 001 OFFICE OF THE ADMINISTRATOR

MEMORANDUM TO THE ENERGY RESOURCES COUNCIL

FROM: FRANK ZARB, EXECUTIVE DIRECTOR *z*

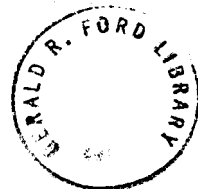
SUBJECT: SUMMARY OF MINUTES, ERC MEETING,
OCTOBER 28, 1976

1. Mid-Term Technologies Update

ERDA briefed the Council on the potential mid-term (1985-2000) impacts of energy technology. Expansion of existing sources, the development of new sources and conservation by increasing the efficiency of fuel use were addressed. ERDA also outlined its level of funding and its approach to current and future research and development. Council discussion focused on the need for increased reliance on coal, oil and gas during the 1985-2000 period if alter-
~~native technologies are unsuccessful, the need for stimulating public awareness of energy issues, the uncertainties in underwriting the massive capital requirements of the new technologies, and the relative emphasis given to new technologies.~~

2. Energy Program Update

FEA outlined the progress made by the Administration and the 94th Congress in implementing the President's energy program. There were many more conservation measures while on the supply side Congress has made little progress. FEA estimated that if fully implemented, the currently authorized portions of the President's program would hold oil imports to about 7 million barrels per day by 1985; imports could be reduced to about 4 million barrels per day if the Congress authorizes the remainder of the program. Deregulation of natural gas prices was singled out as the action most needed to accomplish the reduced oil import objectives.

*110104*