

The original documents are located in Box 36, folder “Uranium Enrichment (6)” of the James M. Cannon Files at the Gerald R. Ford Presidential Library.

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OO//UU
O 011900Z JUNE 75
FM ROBERT T. HARTMANN

*① Sma
② copy to Schlock*

TO JIM CANNON

RECEIVED YOUR DRAFT MEMORANDUM ON URANIUM ENRICHMENT,
I FAVOR ALTERATIVE NUMBER ONE.
BT



June 1975 - Uranium Enrichment

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8	9	10	11 . Congressional Briefings Began	12	13	14
15	16 .ERDA draft message to DC .DC fact sheet & Q&A's in draft	17	18 .DC draft message to Hartmann/Theis .DC final draft fact sheet & Q&A's .OMB & Seidman approved draft Economic Impact Statement .DC complete schedule for Env. & Reg. Review . Press Briefings Begin	19	20	21 Draft Mes- sage for Presi- dent's Review Legislation cleared by OMB Negotiations completed with private sector NSC non prolif- eration review complete . Economic Impact Statement complete
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

JUN 1 1975

MEMORANDUM FOR JIM CANNON

FROM: JIM LYNN

SUBJECT: Draft Decision Memorandum on Uranium Enrichment

This is in response to your memo of May 31, subject as above.

I believe that the draft decision memorandum is generally an effective presentation but its balance could be improved by a substantive change as indicated below.

I wish to go on record as favoring Alternative 1, but with the expectation that more be done in the later, definitive negotiations with UEA to make the UEA proposal more typical of private enterprise by increasing the risks to the UEA equity investors.

Consistent with this view, I propose that the following sentence be added:

on page 5, as an additional argument against Alternative 1:

"UEA equity investor risks are minimal because:

- little or no competition in short term;
- return on investment guaranteed by cost-plus contracts with customers, and
- limited incentives to construct and operate the plant more efficiently than planned."

We have a number of additional changes, largely of an editorial nature, which my staff will give directly to Glenn Schlegel.

Sec II. *of ...*

June 2, 1975

Q

Alan Greenspan called with two comments on the uranium enrichment:

MA

1. UEA financing looks as though it is a government ~~controlled~~ security. There should be some restriction in it.

2. We ought to figure out some mechanism indicating that the government process is open to an open bid.

Alan is concerned that it looks as though we are choosing a favored corporation.

Put this THREATING

Time ~~Commenced~~ firm to use Gov. Sect.



THE WHITE HOUSE

WASHINGTON

June 2, 1975

MEMORANDUM FOR: JIM CANNON

FROM: HENRY A. KISSINGER

SUBJECT: Views for the Uranium Enrichment Paper

The following are views that I would like to have incorporated in the decision paper on uranium enrichment.

It is difficult to overstate the decline, during the last year, in the foreign perception of the U. S. as the world's reliable supplier of nuclear fuel. We have moved from a position of nearly absolute leadership to one where our credibility is questioned in virtually every country pursuing the nuclear energy option. Not only are we losing significant nuclear trade, but the leverage that our nuclear position afforded us in achieving other energy objectives, and in guiding non-proliferation efforts, has been weakened.

This decline has resulted largely from our actions of closing the order book for enriched uranium a year ago, failing to take concrete steps to expand our enrichment capacity, and offering "conditional" enrichment contracts to some forty foreign customers, only to have the basis for firming up these contracts postponed for several years by regulatory action.

To rectify this state of affairs, it is imperative that we take immediate actions to allow firm U. S. enrichment contracts to be granted. In my view, this requires a commitment now to an add-on plant to the present government facilities. The other course of trying to establish UEA is far less certain of success, given the possibility of (1) Congressional disapproval after protracted debate, (2) failure of UEA after another year of marketing to obtain the customer commitment (presale of 80% of the output for 25-years) it requires before undertaking plant construction, or (3) intervention by environmentalist to block construction of a large new plant at a new site. These risks are not worth the limited potential gain of setting up a private enrichment company that is basically in a monopoly position. It seems better to deal forthrightly with our immediate problem of credibility by building the last gaseous diffusion plant as a government add-on, and looking to the several centrifuge companies to establish a competitive enrichment industry.

If you decide, however, to support the UEA approach, it is vital that as a first order of business we seek Congressional authority to guarantee the enrichment contracts that UEA negotiates. In the event of UEA failure to undertake plant construction, the government would then stand behind the contracts by building and supplying from a new facility.

RED TAG

THE WHITE HOUSE

WASHINGTON

June 2, 1975

MEMORANDUM FOR: MAX L. FRIEDERSDORF
THRU: VERN LOEN *VL*
FROM: CHARLES LEPPERT, JR. *Clg*
SUBJECT: Charles Winters - Uranium Enrichment

Talked to Charles Winters of Union Carbide as requested. His personal thoughts on the next increment of uranium enrichment are as follows:

(1) The availability of enriched uranium is most important for the nation's future regardless of who the supplier is - the government, or private industry and the planning for new uranium must start now.

(2) Production of enriched uranium belongs in the private sector. Like the production of coal or iron, this is properly a function of private industry. It is not a proper function of government and doesn't belong in government. If the government builds the fourth plant then industry will never enter the business of producing enriched uranium. It will then become a government monopoly, arbitrary and non-responsive, used as a sociological tool, and will be a tax drain and not a tax source.

(3) In the 1980's uranium will be the supply source of 50% of the U. S. electrical energy. If production of enriched uranium is a monopoly either government or private industry such a monopoly could put 50% of the nation's electrical energy in jeopardy. Therefore, there is an absolute imperative to have multiple and independent sources of supply.

(4) Utilities are the customers for enriched uranium and the utilities have a cash flow problem which makes them scared of financial and other commitments for future supplies. In addition, the utilities are reluctant to make commitments not knowing what the government's policies are and whether or not the government will be a competitor.



THE WHITE HOUSE

WASHINGTON

June 2, 1975

Draft

MEMORANDUM

FOR: JIM CANNON

FROM: BILL SEIDMAN

SUBJECT: Draft Decision Memorandum on Uranium Enrichment

I have reviewed your May 31 memorandum and, with certain reservations, favor Alternative 1, to permit private industry to build the next increment of capacity. While certain risks are evident in this approach, it would seem that the risks are justified based upon the following facts:

1. Favorable impact on the Federal budget
2. Development of technical and cost competition between government and private facilities
3. Fulfillment of Executive Branch policy commitment to private sector development in this field.

We do have some concern, however, about the UEA proposal as outlined in the memorandum. Prior to final decision on the alternatives, it would be helpful to clarify the following aspects of the arrangement:

1. UEA has indicated that "back up assurances" will be required from the U. S. government. These are undefined and should be more clearly specified.
2. The transfer of ownership clause seems to be very broad and appears to provide for a total "bail out" if UEA determines, for any reason, that it is impossible to bring the plan into commercial operation. This type of provision is sure to come under attack.

3. The Government's right to assume control of UEA in the event of gross mismanagement should be carefully defined. Provisions for review and recommendations by an independent review board should be considered as an integral part of this proceeding.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 2, 1975

MEMORANDUM FOR: JIM CAVANAUGH
FROM: JIM CONNOR

I talked with Senator Baker for about 1/2 hour on the uranium enrichment question. I described the circumstances and both options to him. Senator Baker indicated the following:

- 1) He would prefer to have commitment to new capacity to be made as quickly as possible, and thus would prefer a government add-on with a decision to go private with centrifuge down the road.
- 2) He was not, however, categorically opposed to option 1, and if the President decided to go forward with that he would review the details with an open mind.
- 3) He thinks that option 1 may have problems in the Joint Committee which might cause some delay.

cc: Sent to Schlake

THE WHITE HOUSE

WASHINGTON

June 2, 1975

MEMORANDUM FOR: Jim Cannon

FROM: Phil Buchen *T.W.B.*

SUBJECT: DRAFT DECISION MEMORANDUM
ON URANIUM ENRICHMENT

1. Technical defects

Tab I - p. 3 - in alternative #1 it is stated that the UEA would construct a 7-10 million unit. Yet, in Tab A mention is made of only a 9 million unit facility.

Tab I - p. 4 - the start of this page does not tie in with the conclusion on page 3 and a clause seems to have been omitted.

Tab I - p. 5 - in the phrase "assuming buy-out alternatives are summarized in Tab C", it appears in the third point of the "for" arguments under alternative #1 the word "as" probably should be inserted after the word "are."

2. Reasons I would support alternative #2:

(a) Although the UEA proposal involves bringing private enterprise into the field, it can scarcely be looked upon as bringing in free enterprise.

(b) The economics clearly favor alternative #2 because obtaining 5 million unit capacity for a government investment of \$1.2 billion represents a 20% capital investment advantage per unit of capacity over the private proposal. Also management and operating expenses of a new free-standing plant would probably be much higher per unit of production than to provide added capacity at an existing plant.

Moreover, it is conceded that the costs to private public utilities of purchasing their requirements from the UEA plant would be much higher than if they could buy from the government, thus imposing an added burden on private utilities when they already have serious cost problems.

(c) If UEA goes ahead to try putting its deal together on the basis of a letter agreement from ERDA, and it will take another seven months for UEA to find out if it can successfully do so, UEA will have risked much additional expenditure and a failure will mean having to go back to Congress belatedly for legislation to implement alternative #2.

(d) When we are concerned about the difficulties of finding sufficient private credits and equity investments to meet the crying needs of the electric utility industry, is it wise to have UEA get into competition for scarce credits and equity funds?

(e) A much more rational basis for bringing private enterprise into this business would seem to be in connection with building centrifuge plants where the ingenuity and innovativeness of private enterprise could have an impact that is not possible in the construction and operation of another gaseous diffusion plant.

(f) The difference in the budgetary impact of the two alternatives as shown on Tab C is not overwhelming. Also, I do not understand what the effect would be of the revenues derived by ERDA from providing enrichment services, particularly if the unit charge were raised as proposed on page 2 of Tab I. While alternative #2 calls for an additional outlay to provide a further electric power supply, I assume this could be provided by private investment just as it would be under alternative #1.

THE WHITE HOUSE

WASHINGTON

June 2, 1975

MEMORANDUM

FOR: JIM CANNON

FROM: BILL SEIDMAN *BWS*

SUBJECT: Draft Decision Memorandum on Uranium Enrichment

I have reviewed your May 31 memorandum and, with certain reservations, favor Alternative 1, to permit private industry to build the next increment of capacity. While certain risks are evident in this approach, it would seem that the risks are justified based upon the following facts:

1. Favorable impact on the Federal budget
2. Development of technical and cost competition between government and private facilities
3. Fulfillment of Executive Branch policy commitment to private sector development in this field.

We do have some concern, however, about the UEA proposal as outlined in the memorandum. Prior to final decision on the alternatives, it would be helpful to clarify the following aspects of the arrangement:

1. UEA has indicated that "back up assurances" will be required from the U. S. government. These are undefined and should be more clearly specified.
2. The transfer of ownership clause seems to be very broad and appears to provide for a total "bail out" if UEA determines, for any reason, that it is impossible to bring the plan into commercial operation. This type of provision is sure to come under attack.

3. The Government's right to assume control of UEA in the event of gross mismanagement should be carefully defined. Provisions for review and recommendations by an independent review board should be considered as an integral part of this proceeding.

It is recognized that it would be difficult to resolve all of these issues on the theoretical basis at the present time. The resolution, however, may pose difficult contract negotiation problems. It is suggested that provisions be made for a mandatory contract completion date to force resolution of the issues. The Government in this case would have a fall back position of a government-owned plant in the event that a contract was not finalized with UEA prior to the mandatory date.



WHITE HOUSE
WASHINGTON

June 2, 1975

TO: JIM CANNON
THRU: JIM CAVANAUGH
FROM: GLENN SCHLEEDE



At my suggestion, ERDA did not send their views in on the decision paper in a formal memo. As described to me by phone (and in the last 2 pages of the attached letter), they were so uncertain that I thought it better not to have them in a formal document at this time.

Bob Seamans recommendation is that the decision memo not include recommendations to the President. Instead, he apparently would like to see the recommendations developed during Thursday's meeting.

He wants to talk to you. ERDA asked that I get this draft letter to you and ask you to call Seamans about it.

ENCLOSURE I

DRAFT

Dear Mr. President:

With respect to the needed expansion of U.S. enrichment capacity, my objectives, from the beginning, have been to:

1. Get the U.S. order book open in a convincing way so as to maintain the U.S. leadership position in world supply, and to permit growth of the utility industry in this country.
2. Establish a competitive private enrichment industry.
3. Utilize our advancing technology, i.e., centrifuge enrichment, at the earliest date in order to achieve greater efficiency of operation.

The options presented earlier to you did not adequately meet these objectives in my opinion and that was the basis of my objection to them. Subsequent events have allayed a number of my concerns. In my view the situation is now as follows:

1. UEA has substantially revised their proposal, modifying a number of undesirable features, and accepting considerably more equity risk in recognition of a substantial degree of Government support and assistance.
2. ERDA has developed a plan, described in the decision memorandum, that offers a reasonable chance of immediately

opening the U.S. order book through UEA, provided that the Joint Commission on Atomic Energy agrees.

3. The credible and prompt opening of the U.S. order book through UEA depends also, in my view, in an essential way on strong Administration support of ERDA with customers and the Congress, including the vigorous assistance of the Department of State with foreign customers.

4. A private enrichment industry depends on a firm commitment to centrifuge commercialization. This plan is now coupled directly to the adoption of either the UEA or Government add-on plant alternatives in the decision memorandum. I believe it is essential that a vigorous follow-through on centrifuge commercialization occur - particularly in the context of adopting the UEA proposal so as to minimize the adverse consequences of seeming to support a single private firm as compared to a competitive industry. The strong support of FEA and OMB will be particularly important in this regard.

Even with such support, the UEA option is, in my view, more complex and hence more risky. I believe that introducing the private sector into the next enrichment plant opens up issues for controversy that would not accompany a decision to

build a Government plant. To the extent that there is opposition (environmental or otherwise) to any plant, commercialization supplies more issues around which those opposed to the decision can rally.

If the UEA option is selected, the specific risks are:

1. The JCAE might resist any accommodation to the decision, thus delaying indefinitely the opening of the order book.
2. The Congress might debate the decision for a long time, thus delaying the project.
3. Foreign interests may expect investment or supply terms that will be difficult to meet.
4. The centrifuge industry may delay their efforts pending a review of market opportunities.
5. If delays are excessive, you might have to reconsider the decision later in the year.

In any event, substantially greater effort will be required by ERDA to pursue the UEA and centrifuge commercialization simultaneously. Nevertheless, the modifications in the UEA proposal and the related matters to which I referred earlier have made that alternative more feasible although risks still remain.

I recognize the desirability of establishing procedures for commercializing the industrial processes developed in ERDA programs. It is important to establish with the Congress acceptable methods for such transfers and it is important for the private sector to understand its role and that of the Government. The UEA alternative in its present form can help establish the precedents and the procedures.

Thus, I am prepared to fully and vigorously support your selection of either alternative approach.

NOTES DICTATED BY DR. CONNOR - TUESDAY, JUNE 3, 1975

Informal discussions regarding the enrichment alternatives were held with Senator Baker, Rep. Rhodes and Rep. McCormack.

Senator Baker indicated that he preferred building a Government enrichment plant now, essentially for reasons of speed. He said, however, that he would keep an open mind on Option I and if the President chooses that option, he would review the details without prejudice. He indicated that Option I may face some difficulties in the Joint Committee.

Congressman Rhodes strongly supports Option I and felt that privatization would not be achieved unless it were achieved now.

Congressman McCormack indicated that he could go along with Option I but that there were several caveats he wished to make. First, he suggested that some time down the road there might be a demand for nationalization of the entire nuclear fuel cycle. Second, he thought that it might be desirable to explore going ahead with both the UEA option and the building of additional Government capacities at Portsmouth.

THE WHITE HOUSE

WASHINGTON

June 4, 1975

MEMORANDUM FOR: JIM CANNON

THROUGH: JIM CAVANAUGH *C*

FROM: Glenn Schleede *Glenn*

SUBJECT: Employment Impact of
Uranium Enrichment
Alternatives

Attached is a table showing estimated employment impact of the 2 alternatives from 1976 through 1985.


The numbers were pulled together for me by OMB and ERDA. Note that they do not include employment of equipment and materials suppliers.

Shall we send a copy to Jim Connor?

Attachment

cc: Mike Duval
Dick Dunham

P -



ESTIMATED EMPLOYMENT IMPACT OF URANIUM ENRICHMENT CAPACITY EXPANSION ALTERNATIVES

	Employment at End of Calendar Year									
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>Alternative 1 (UEA 9 million SWU plant)</u>										
Design and Engineering (probably California)	700	700	400	150	150	150	150	-	-	-
Project Management	80	100	100	100	100	100	100	100	100	100
Onsite Construction (Alabama)	-	2,000	4,000	6,000	7,000	4,000	2,000	-	-	-
Operation (Alabama)	-	60	150	300	500	800	1,000	1,100	1,100	1,100
Power Plants Construction and Operation (Alabama)	-	200	700	1,200	1,700	1,900	1,600	800	200	200
ERDA Support (Tennessee)	<u>80</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>60</u>	<u>-</u>	<u>-</u>
Total ^{1/}	860	3,170	5,460	7,860	9,560	7,060	4,960	2,060	1,400	1,400
<u>Alternative 2 (ERDA 5 million SWU add-on)</u>										
Design and Engineering	100	200	400	400	300	200	200	100	100	40
ERDA Management Support (Tennessee)	50	100	100	100	100	100	100	100	100	50
Onsite Construction (Ohio)	100	450	1,300	2,400	2,800	2,700	1,500	1,000	100	50
Operation (Ohio)	200	350	450	650	900	950	950	550	350	230
Power Plant Construction and Operation (Ohio)	-	200	500	700	1,000	900	700	150	150	150
Total ^{1/}	450	1,300	2,750	4,250	5,100	4,850	3,450	1,900	800	520

^{1/} Excludes employment at equipment suppliers.

ESTIMATED EMPLOYMENT IMPACT OF URANIUM ENRICHMENT CAPACITY EXPANSION ALTERNATIVES

	Employment at End of Calendar Year									
	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
<u>Alternative 1 (UEA 9 million SWU plant)</u>										
Design and Engineering (probably California)	700	700	400	150	150	150	150	-	-	-
Project Management	80	100	100	100	100	100	100	100	100	100
Onsite Construction (Alabama)	-	2,000	4,000	6,000	7,000	4,000	2,000	-	-	-
Operation (Alabama)	-	60	150	300	500	800	1,000	1,100	1,100	1,100
Power Plants Construction and Operation (Alabama)	-	200	700	1,200	1,700	1,900	1,600	800	200	200
ERDA Support (Tennessee)	<u>80</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>110</u>	<u>60</u>	<u>-</u>	<u>-</u>
Total ^{1/}	860	3,170	5,460	7,860	9,560	7,060	4,960	2,060	1,400	1,400
<u>Alternative 2 (ERDA 5 million SWU add-on)</u>										
Design and Engineering	100	200	400	400	300	200	200	100	100	40
ERDA Management Support (Tennessee)	50	100	100	100	100	100	100	100	100	50
Onsite Construction (Ohio)	100	450	1,300	2,400	2,800	2,700	1,500	1,000	100	50
Operation (Ohio)	200	350	450	650	900	950	950	550	350	230
Power Plant Construction and Operation (Ohio)	<u>-</u>	<u>200</u>	<u>500</u>	<u>700</u>	<u>1,000</u>	<u>900</u>	<u>700</u>	<u>150</u>	<u>150</u>	<u>150</u>
Total ^{1/}	450	1,300	2,750	4,250	5,100	4,850	3,450	1,900	800	520

^{1/} Excludes employment at equipment suppliers.

THE WHITE HOUSE

WASHINGTON

June 6, 1975

MEMORANDUM FOR THE RECORD

BY: JIM CANNON *Jane*

SUBJECT: PRESIDENT'S DECISION AND DIRECTION ON URANIUM ENRICHMENT

1. The President chose Option 1, the private enterprise alternative.
2. He wants the message and legislation worked out so that if the private enterprise group finds it cannot perform on schedule, then ERDA must be ready to proceed with its add-on diffusion plant so that no time is lost in reaching the increase in nuclear enrichment capacity.
3. He wants the enriched uranium team--White House, ERDA, FEA, OMB, etc.--to get going right away to advance this project.
4. This is a tremendous opportunity for this country--and so important to him that he may want to deliver a special message to a Joint Session of Congress on what this means to the future of the country.

-- This would not be a dramatic appeal to the country, but a hard factual message designed to get the attention of the Members of the House and Senate, and to get results in Congress.
5. He wants the Domestic Council to prepare, by early next week, a work plan showing a schedule for all documents, all contacts, and all other efforts that need to be undertaken, with the responsibility for each element of the project is to be clearly established.
6. For those responsible, nothing else should have a higher priority.

cc:

Secretary Morton	Mr. Seamans
Mr. Rumsfeld	Mr. Dunham
Mr. Hartmann	Mr. Cavanaugh
Mr. Buchen	
Mr. Marsh	
Mr. Seidman	
Mr. Friedersdorf	
Mr. Lynn	
Mr. Scowcroft	
Mr. Connor	
Mr. Zarb	


DOMESTIC COUNCIL CLEARANCE SHEET


DATE: June 6, 1975

JMC action required by: _____

TO: JIM CANNON

VIA: DICK DUNHAM _____

JIM CAVANAUGH 

FROM: 
Glenn Schleede

SUBJECT: Raising Capital for a Uranium Enrichment Plant

COMMENTS:

DATE: _____

RETURN TO:

Material has been:

- Signed and forwarded
- Changed and signed (copy attached)
- Returned per our conversation
- Noted
-

Jim Cannon

THE WHITE HOUSE

WASHINGTON

June 6, 1975

TO: JIM CANNON

THROUGH: JIM CAVANAUGH

FROM: *JS* Glenn Schleede

SUBJECT: Raising Capital for a
Uranium Enrichment Plant

Here is an answer to one of the
questions that came up on
uranium enrichment.

Attachment



RAISING CAPITAL FOR A URANIUM ENRICHMENT PLANT

QUESTION

How does the \$35 billion (1976 dollars) required by UEA compare with other capital investment requirements?

THE UEA PLAN

- . 60% of the capital would be raised from foreign sources and 40% (\$1.4 billion) from domestic sources.

COMPARATIVE DATA

Sid Jones of Treasury provided the attached illustrative data:

- . AT&T raises about \$4 billion a year for its capital needs, about half of it being raised internally.
- . In 1975, the private sector will raise about \$200 billion for investments.
- . Over the 12 year period from 1962 through 1973, about \$1.4 trillion (current dollars) has been raised in the U.S. for investments.
- . Sid Jones has projected that between \$4 and \$4½ trillion will have to be raised in the next 12 years - through 1985 (current dollars; assuming a 7% inflation rate initially tapering off to 5%).
- . Annual financial flow in 1974 totaled \$195 billion for fixed investments; \$149 billion of this was for business investments and \$46 billion for residential construction.
- . In 1973, \$187 billion was raised in the capital markets.

QUESTION

Is the job of raising \$3½ billion a realistic one?

ANSWER

According to Sid Jones, the answer is yes. He points out that the corporate bond market is very flexible. He

illustrates this by pointing out that:

- In 1970, \$20 billion was raised.
- In 1973, \$10 billion was raised.
- In 1974, \$25 billion was raised.
- In the first quarter of 1975, \$12 billion was raised.

Sp. Del. Tel.
Henry Johnson
 June 8, 1975
 Draft

WORK PLAN--URANIUM ENRICHMENT BILL
 AND MESSAGE TO CONGRESS ~~JUNE 25 (?) TO JUNE 30~~

Wednesday, June 25, 1975

Action
Assignment

~~White House~~
Responsibility

Work to be Done By

~~DATE~~
DATE

Legislation	Hills	ERDA, FEA, OMB, NSC, Attorney Gen., Connor	1st draft: 6/13? Final due: _____
Message	Hartmann	ERDA, FEA, OMB, NSC, Connor, Dom. Council	1st draft: _____ Final due: _____
Opening Order Book	Scowcroft	State, ERDA, FEA, Buchen, DOJ, EPA	1st draft: 6/13? Final due: _____
Congressional contacts	Friedersdorf	WH Liaison staff, ERDA, FEA, Connor, Schleede	Begin informal contacts: 6/11? JAEC/WH: _____ Appropriations: _____ Other: _____
Press	Nessen	Press staff	(Schedule from Nessen).
Economic evaluation	Seidman	DOC, Treas., OMB, ERDA, FEA	1st draft: 6/13? Final: 6/19? _____
Environmental & regulatory evaluation	Dunham	EPA, ERDA, FEA, CEA, NRC, Connor	1st draft: 6/13? Final: 6/19? _____
Private sector contacts (UEA, other interested investors)	Connor (?)	ERDA, Commerce	Begin: 6/11? Complete: 6/18? _____
General business & labor groups	Baroody	Lynn, Connor, others	Begin: 6/17? Continuing
Overall coordination	Cannon		



6/10

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES CANNON

I am concerned that there may be considerable bureaucratic foot-dragging as we flesh out your decision on uranium enrichment. The major problem seems to be that at the staff levels ERDA and State Department have not recognized that a real decision to go with private enrichment has been made. Accordingly, they are focusing primarily on backup mechanisms, cut-off dates, government contracts, and the like, rather than on developing and selling the private enrichment alternative. In order to ensure that there is no confusion, I suggest two steps:

--that you ask Bob Seamans to designate Bob Frye to head up the agency side of the effort and particularly to have Frye do the briefing of Congress.

--that you send a memorandum to both Seamans and Ingersoll outlining the decision and specifying the priorities.

A memorandum to Dr. Seamans and Secretary Ingersoll is attached at Tab A for your signature.

RECOMMENDATION

That you sign the memorandum at Tab A.

Attachment

MEMORANDUM FOR

The Administrator, Energy Research and Development Administration
The Deputy Secretary of State

I have decided that we should pursue vigorously Option 1, immediate privatization for the next increments of uranium enrichment capacity.

I place the highest priority on developing and selling this proposal to the Congress during this session, and I ask that you assign your top people to the task.

Concurrent efforts to provide a government back up should be carried on, but I want to make very sure that these efforts are placed in their proper perspective. They should not be seen as an indication that the issue is still open or used as an excuse for failure to produce a suitable Congressional package.

I am sure that I will have your support and the support of your staffs in this significant endeavor.



THE WHITE HOUSE
WASHINGTON

June 11, 1975

MEMORANDUM FOR THE PRESIDENT

FROM : JIM CANNON

Attached is the work plan you requested for Uranium Enrichment.

Attachment

WORK PLAN - URANIUM ENRICHMENT
 ASSUMING PRESIDENTIAL EVENT ON WEDNESDAY
 JUNE 25, 1975

<u>Action</u>	<u>Date Begin</u>	<u>Responsibility</u>	<u>Work to Be Done By</u>
. <u>Congressional Briefings</u>	Today	Friedersdorf	Congressional Relations Staff, Seamans, Fri, Zark Morton, Connor, Schleede
. <u>Legislation</u>			
- ERDA draft-due to OMB	June 17	Hills	ERDA, OMB, FEA,
- Final clearance	June 21	Lynn	Hills, AG, Connor, NSC
. <u>Presidential Message/ Statement</u>			
- ERDA draft due to Domestic Council	June 16	Fri	ERDA, OMB, NSC, Hills, FEA, Connor Domestic Council
- Domestic Council draft to Hartmann/ Theis	June 18	Cannon	
- Draft for Presidential Review	June 21	Hartmann	
- Final Draft	June 24	Hartmann	
. <u>Fact Sheet and Q & A</u>			
- Domestic Council draft	June 16	Cavanaugh	Schleede, ERDA,
- Final Draft	June 18	Cannon	OMB, NSC, FEA, Connor
. <u>Complete Negotiations with Private Sector Participants</u>	June 21	Fri	Fri, Hills, Jim Mitchell, Schleede
. <u>Economic Impact State- ment</u>			
- Draft	June 18	OMB	CEA, Treasury,
- Final	June 21	Seidman	OMB, ERDA, FEA
. <u>Environmental and Regulatory Evaluation</u>	June 18	Cavanaugh	EPA, ERDA, NSC, FEA, Schleede

<u>Action</u>	<u>Date</u>	<u>Responsibility</u>	<u>Work to Be Done By</u>
. <u>Non-Proliferation Evaluation</u>	June 21	Scowcroft	Fri, Schleede Elliott
. <u>Press Briefings</u>	June 18 to 25	Nessen	Connor, Seamans Fri
. <u>Briefing for Business and Labor Groups</u>	June 23-24	Baroody	Lynn, Seamans, and Fri
. <u>Overall Coordination</u>			Cannon

June 11, 1975

MEMORANDUM FOR THE PRESIDENT

FROM : JIM CANNON

Attached is the work plan you requested for Uranium Enrichment.

Attachment

cc: Max Friedersdorf
Rod Mills
Jim Lynn
Bob Fri
Robert Hartmann
Bill Seidman
Brent Scowcroft
Ron Nessen
Bill Baroody