

FYI
NFAA

THE WHITE HOUSE
WASHINGTON

August 24, 1976

MEMORANDUM FOR: JIM CONNOR
FROM: GLENN SCHLEEDE
SUBJECT: UNION SUPPORT FOR NFAA

Here is another copy of the background material for conversation with Bill Usery to try to get additional and renewed labor support for the NFAA. Support from the steel workers is particularly important.

By way of recap of the support in the House:

-- The following unions supported:

- Electrical workers;
- Rubber workers;
- Plumbers and pipefitters;
- Building and construction trades;
- Boilermakers

-- Two other unions indicated they favored the bill but we had no letters or telegrams to confirm it:

- Operating engineers;
- Sheet metal workers

-- Those working against the NFAA were:

- UAW;
- Mine workers;
- Oil, chemical and atomic workers

-- The steel workers Washington representative worked against the bill. There is some hope that the National leadership could be persuaded to help in the Senate, but this is far from assured. Help here would be especially useful. The steel workers are holding their convention in Las Vegas next week or the week thereafter.

cc: ✓ Jim Cannon



Energy
NFAA

THE WHITE HOUSE
WASHINGTON

August 25, 1976

REQUEST

ACTION

MEMORANDUM FOR: JIM GANNON
FROM: *Glenn Schleede*
GLENN SCHLEEDE
SUBJECT: PROPOSED LETTER TO SENATOR
MANSFIELD ON THE NFAA

Attached, as requested, is a proposed letter to Senator Mansfield.

I have reviewed it with Bob Fri, ERDA staff and OMB staff and incorporated their comments.

It has not been reviewed by Jim Connor, Jim Lynn or Bill Kendall but I'm sending copies to them with this memorandum to you.

Also, it hasn't been reviewed by Max Friedersdorf, Jack Marsh or Mr. Hartmann's staff.

cc: Jim Connor
Jim Lynn
Bill Kendall
Art Quern



THE WHITE HOUSE
WASHINGTON

SIGNATURE

August 26, 1976

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON

SUBJECT: LETTER TO SENATOR MANSFIELD URGING
PROMPT PASSAGE OF THE NUCLEAR
FUEL ASSURANCE ACT

Enclosed for your consideration is a proposed letter to Senator Mansfield, urging prompt passage of the Nuclear Fuel Assurance Act (NFAA).

The House completed action on the NFAA (H.R. 8401), but the Senate has yet to schedule action. Informal discussions with Senators Pastore, Mansfield and others indicate that a major push will be necessary to get the bill brought up for Senate action.

Your advisers believe that a letter from you to the Majority Leader will help substantially. The attached letter has been reviewed and approved by Jack Marsh, Max Friedersdorf, Jim Lynn, Jim Connor and Mr. Hartmann's staff.

Recommendation

That you sign the letter to Senator Mansfield at Tab A.



THE WHITE HOUSE

WASHINGTON

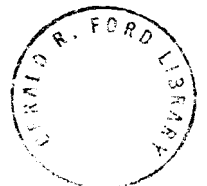
Dear Senator Mansfield:

This letter is to request the earliest possible passage of a very important bill now awaiting Senate action: the Nuclear Fuel Assurance Act (NFAA), H. R. 8401.

I submitted the Nuclear Fuel Assurance Act to the Congress on June 26, 1975. After extensive hearings and public debate, the Joint Committee on Atomic Energy reported a modified but acceptable bill on May 14, 1976, by a vote of 16-0. The House passed the Nuclear Fuel Assurance Act, H.R. 8401, and sent it to the Senate on August 4, 1976.

This bill is of unusual importance to the Nation. It will enable major steps toward several important national objectives:

- . Energy Independence - It will provide the framework for increasing capacity in the United States to produce enriched uranium needed to fuel new nuclear power plants. This will permit future growth of nuclear power, thus helping to increase our energy independence and reducing our growing reliance on imported oil.
- . Non-proliferation - It will provide an essential means to help maintain our role as a major world supplier of nuclear fuel and equipment for peaceful purposes. If we are a competitive and reliable supplier, we can exert strong influence in obtaining controls that constrain nuclear proliferation. If we are not such a supplier, other nations -- perhaps with a lesser commitment to non-proliferation -- can and will fill the void.
- . Economic Growth and Jobs - Increased use of our domestic nuclear and coal resources (both are essential, even with strong energy conservation efforts) will provide the increased energy needed for a growing economy and expanding job opportunities. Also, building uranium enrichment plants and nuclear power plants will provide many new job opportunities in the years ahead.



- . Avoid Unnecessary Growth in the Federal Government - The bill will provide the framework for moving toward a private competitive uranium enrichment industry -- ending the current Government monopoly in an area of commercial-industrial activity that can be performed equally well or better in the private sector than in the Federal Government. Private firms are willing and able to provide the needed capacity with only limited and temporary Government assurances and cooperation.
- . Hold Down the Federal Budget - The bill would provide the framework under which the private sector can provide the \$30-50 billion that must be committed over the next 15-20 years to build new uranium enrichment capacity in the U.S. This would avoid the need for the taxpayers to put up this money and avoid the unnecessary competition for Government funds, particularly the competition with demands that can be satisfied only by the Government.

All of this can be accomplished with little or no cost to the taxpayer and with the maintenance of all necessary safety and environmental controls and nuclear safeguards.

Briefly, the bill now awaiting Senate action:

- . Authorizes ERDA to negotiate cooperative agreements with private firms wishing to finance, build, own and operate uranium enrichment facilities. It provides explicitly that such agreements cannot be executed by ERDA until individual contracts are reviewed and approved by the Congress. While the bill provides the framework for moving ahead, it also provides full opportunity for the Congress to reject any contract that it does not find acceptable.
- . Authorizes and directs ERDA to initiate activities necessary for adding new capacity to an existing Government owned uranium enrichment facility (at Portsmouth, Ohio) and authorizes funds to begin work on this project.

We must move ahead promptly to expand uranium enrichment capacity in the U.S. The total capacity of the three Government-owned plants (already in the midst of an expansion program) has been fully committed for the life of those plants since mid-1974. The add-on facility authorized in the bill for Portsmouth, Ohio, would be used to fulfil existing Government commitments -- permitting more efficient operation of the



Government facilities and conserving our domestic uranium resources.

ERDA estimates that new capacity equivalent in size of six to twelve full-size enrichment facilities will have to be committed in the next 15-20 years. These are needed so that utilities can decide to build new nuclear power plants -- with assurance that fuel will be available for these plants -- and to supply a share of the foreign market.

We should not delay any longer in making clear the commitment of the United States to provide the needed capacity.

It is not often that we have an opportunity in one piece of legislation to provide the basis for major steps forward on several important national objectives -- objectives that are shared by both major political parties. I urge the Senate to pass this bill without further delay.

Sincerely,

The Honorable Michael J. Mansfield
Majority Leader
United States Senate
Washington, D. C. 20510

cc: Senator Hugh Scott



Energy
NFAA

THE WHITE HOUSE

WASHINGTON

August 26, 1976

MEMORANDUM FOR: JIM CANNON
FROM: *Glenn*
GLENN SCHLEEDE
SUBJECT: SUGGESTED CHANGE IN MANSFIELD LETTER

As we discussed this morning, I suggest adding a paragraph such as the following in the letter to Senator Mansfield. It could go after the first full paragraph on page 3 of the draft I sent you last night.

"By the next decade of this century, uranium enrichment will be a major industry in this country. Such industries should not be within the Government."



THE WHITE HOUSE

WASHINGTON

August 25, 1976



MEMORANDUM FOR: JIM GANNON
FROM: *Glenn*
GLENN SCHLEEDE
SUBJECT: PROPOSED LETTER TO SENATOR
MANSFIELD ON THE NFAA

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cc: Jim Connor
Jim Lynn
Bill Kendall
✓ Art Quern



THE WHITE HOUSE
WASHINGTON

August 26, 1976

Draft

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON
SUBJECT: LETTER TO SENATOR MANSFIELD URGING
PROMPT PASSAGE OF THE NUCLEAR
FUEL ASSURANCE ACT

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The House completed action on the NFAA (H.R. 8401), but the Senate has yet to schedule action. Informal discussions with Senators Pastore, Mansfield and others indicate that a major push will be necessary to get the bill brought up for Senate action.

Your advisers believe that a letter from you to the Majority Leader will help substantially. The attached letter has been reviewed and approved by Jack Marsh, Max Friedersdorf, Jim Lynn, Jim Connor and Mr. Hartmann's staff.

Recommendation

That you sign the letter to Senator Mansfield at Tab A.



THE WHITE HOUSE

WASHINGTON

Draft

Dear Senator Mansfield:

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I submitted the Nuclear Fuel Assurance Act to the Congress on June 26, 1975. After extensive hearings and public debate, the Joint Committee on Atomic Energy reported a modified but acceptable bill on May 14, 1976, by a vote of 16-0. The House passed the Nuclear Fuel Assurance Act, H.R. 8401, and sent it to the Senate on August 4, 1976.

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- Energy Independence - It will provide the framework for increasing capacity in the United States to produce enriched uranium needed to fuel new nuclear power plants. This will permit future growth of nuclear power, thus helping to increase our energy independence and reducing our growing reliance on imported oil.
- Non-proliferation - It will provide an essential means to help maintain our role as a major world supplier of nuclear fuel and equipment for peaceful purposes. If we are a competitive and reliable supplier, we can exert strong influence in obtaining controls that constrain nuclear proliferation. If we are not such a supplier, other nations -- perhaps with a lesser commitment to non-proliferation -- can and will fill the void.
- Economic Growth and Jobs - Increased use of our domestic nuclear and coal resources (both are essential, even with strong energy conservation efforts) will provide the increased energy needed for a growing economy and expanding job opportunities. Also, building uranium enrichment plants and nuclear power plants will provide many new job opportunities in the years ahead.



- . Avoid Unnecessary Growth in the Federal Government - The bill will provide the framework for moving toward a private competitive uranium enrichment industry -- ending the current Government monopoly in an area of commercial-industrial activity that can be performed equally well or better in the private sector than in the Federal Government. Private firms are willing and able to provide the needed capacity with only limited and temporary Government assurances and cooperation.
- . Hold Down the Federal Budget - The bill would provide the framework under which the private sector can provide the \$30-50 billion that must be committed over the next 15-20 years to build new uranium enrichment capacity in the U.S. This would avoid the need for the taxpayers to put up this money and avoid the unnecessary competition for Government funds, particularly the competition with demands that can be satisfied only by the Government.

All of this can be accomplished with little or no cost to the taxpayer and with the maintenance of all necessary safety and environmental controls and nuclear safeguards.

Briefly, the bill now awaiting Senate action:

- . Authorizes ERDA to negotiate cooperative agreements with private firms wishing to finance, build, own and operate uranium enrichment facilities. It provides explicitly that such agreements cannot be executed by ERDA until individual contracts are reviewed and approved by the Congress. While the bill provides the framework for moving ahead, it also provides full opportunity for the Congress to reject any contract that it does not find acceptable.
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We should not delay any longer in making clear the commitment of the United States to provide the needed capacity.

It is not often that we have an opportunity in one piece of legislation to provide the basis for major steps forward on several important national objectives -- objectives that are shared by both major political parties. I urge the Senate to pass this bill without further delay.

Sincerely,

The Honorable Michael J. Mansfield
Majority Leader
United States Senate
Washington, D. C. 20510

cc: Senator Hugh Scott



THE WHITE HOUSE
WASHINGTON

Rie
Energy

Nuclear Fuel Assurance

August 31, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CANNON *JC*

SUBJECT: Letter to Senator Mansfield Urging Him
to Bring the Nuclear Fuel Assurance
Act to the Seante Floor

Attached for your consideration is a proposed letter to Senator Mansfield, urging him to bring the Nuclear Fuel Assurance Act (NFAA) to the Senate floor for action.

The House passed the bill on August 4, 1976, by a vote of 222-168 after narrowly defeating (193-192) the Bingham amendment which would have deleted everything from the bill except the Portsmouth add-on plant.

Bill Kendall has met with Senator Mansfield and found that he is very reluctant to bring the bill to the floor, indicating that he would not do so unless he can get a time agreement and he believes that is not likely.

Max Friedersdorf, Jim Connor, Bill Kendall and I believe this letter will be helpful in getting Senator Mansfield to move on the bill.

Recommendation

That you sign the attached letter to Senator Mansfield which has been approved by Doug Smith.



THE WHITE HOUSE
WASHINGTON

Dear Senator Mansfield:

The Nuclear Fuel Assurance Act, H.R. 8401, passed the House of Representatives on August 4, 1976, and is now awaiting action by the Senate. This bill is of great importance to the Nation.

We must act to increase the capacity in the United States to enrich uranium needed for nuclear power plants. This action is necessary to our energy independence and to a strong economy.

This nation and many others around the world will, without question, become more reliant on nuclear energy as the supplies of oil and natural gas diminish. We must have additional uranium enrichment capacity for our domestic needs and to maintain our role as a major supplier of enrichment services to others.

Moreover, it is my conviction that the best way to control nuclear proliferation throughout the world is for the United States to maintain its leadership in supplying nuclear fuel.

The Nuclear Fuel Assurance Act which has passed the House would provide for U.S. leadership in an industry that is closely related to U.S. progress and to future international security.

I urge you to bring H.R. 8401 to the Senate floor immediately after the Labor Day recess.

Sincerely,

Honorable Michael J. Mansfield
United States Senate
Washington, D.C. 20510



NFAA

THE WHITE HOUSE

WASHINGTON

September 1, 1976

File

Dear Mike:

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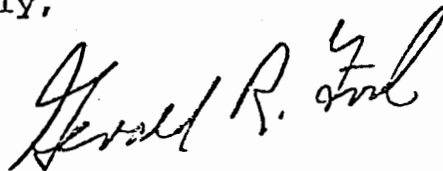
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I urge you to bring H.R. 8401 to the Senate floor immediately after the Labor Day recess.

Sincerely,



The Honorable Mike Mansfield
United States Senate
Washington, D.C. 20510



9/16/76

FACT SHEET

NUCLEAR FUEL ASSURANCE ACT (H.R. 8401)

What the Bill Provides

- ° Authorizes ERDA to enter into cooperative arrangements with private firms wishing to finance, build, own and operate uranium enrichment facilities -- subject to:
 - passage of the necessary appropriations act; and
 - congressional review and approval of each cooperative arrangement.
- ° Arrangements can provide for temporary assurances and cooperation such as:
 - making Government-owned technology available and warranting that it will work -- for which industry pays royalties to the Federal Treasury.
 - selling and providing warranties on certain materials and equipment available only from the Government -- on a full cost recovery basis.
 - technology assistance -- on a full cost recovery basis.
 - purchase of enrichment services from private producers or selling such services to producers from the Government stockpile to accommodate plant start up and loading problems.
 - assumption of domestic assets and project liabilities in the unlikely event a project falters -- up to a limit of \$8 billion for all covered projects. (Expenditure of any of the \$8 billion to assume assets and liabilities is unlikely.)
- ° Authorizes and directs ERDA to initiate construction planning and design, construction and operation for expansion of an existing Government-owned uranium enrichment facility; and authorizes the appropriation of \$255 million to begin work on such a project.

Why Legislation is Needed

- ° To increase the United States' capacity to produce enriched uranium to fuel domestic and foreign nuclear power plants. Existing capacity (including current expansion) has been fully committed since July 1974.
- ° To retain U.S. leadership as a world supplier of uranium enrichment services and technology for the peaceful uses of nuclear power -- and thus strengthen the U.S. ability to require rigid safeguards to control proliferation.
- ° To begin the transition to a private competitive uranium enrichment industry -- ending the Government monopoly and avoiding the need for Federal expenditures for capacity that can be provided by the private sector. (It would cost the



Federal Government between \$10 and \$12 billion (in 1976 dollars) to build the four plants which could be provided by the private sector under the NFAA.)

- To overcome -- through limited and temporary Government assurances and cooperation -- present obstacles to obtaining financing from normal commercial sources (e.g., banks, insurance companies, retirement funds). Principal obstacles are:
 - lack of commercial experience with the classified technology,
 - large size of the capital investment required for each plant,
 - long time before investment is paid back.
- To provide a complementary expansion of existing Government-owned uranium enrichment capacity -- which will help conserve limited natural uranium resources and supplement the national stockpile of enriched uranium.

How the Bill Would Be Implemented

- ERDA would -- subject to congressional approval of each contract -- enter into cooperative arrangements with private firms wishing to finance, build, own and operate enrichment plants. (Four private firms have submitted proposals and negotiations are underway.)
- ERDA would simultaneously proceed with planning and other activity necessary to the construction of an add-on Government plant.
- Foreign investment in private U.S. projects would be permitted only under conditions which insure U.S. control of projects.
- No foreign access to enrichment technology would be permitted.
- Owners of private projects will take substantial equity risks in order to participate in the program.
- No Government guarantee of profit.
- Private plants will be subject to licensing by the independent Nuclear Regulatory Commission (NRC) which must consider safety, environmental, safeguards and anti-trust matters and must also assure that projects are and will remain under the control of U.S. citizens.



nuclear fuel file [9/9/76]

THE WHITE HOUSE
WASHINGTON

RECOMMENDED TELEPHONE CALL

TO: Senator Mansfield
DATE: As soon as possible today
RECOMMENDED BY: Max Friedersdorf, Jim Cannon
PURPOSE: To head off decision by Senator Mansfield to defer further action on the Nuclear Fuel Assurance Act.

BACKGROUND: Senator Mansfield has indicated to Bill Kendall that he sees little or no chance of scheduling the NFAA this year and may include this in a statement this afternoon.

TOPICS OF DISCUSSION:

1. Action this year on the Nuclear Fuel Assurance Act (NFAA) is critical. We must proceed with firm actions to expand capacity in the United States to enrich uranium because:
 - Our ability to supply uranium enrichment services is the best tool we have for influencing other countries to act in ways that limit the threat of proliferation.
 - U.S. utilities need to know that fuel will be available in the mid and late 1980's if they decide to build additional nuclear plants.
2. We have already lost more than a year because Congress has not taken final action.
 - I sent the bill up on June 26, 1975.
 - The JCAE reported the bill 16-0 on May 14, 1976.
 - The House passed the bill on August 4, 1976.
3. You have scheduled a nuclear export control bill (S. 1439) for September 16. That bill is based on concerns about proliferation. If the Senate is truly interested in non-proliferation, the members should recognize that the NFAA is far more critical. Without



enrichment capacity, other steps you might wish to take will be largely ineffective.

4. In summary, this bill is important for non-proliferation, energy, economic and Federal budget objectives.

September 9, 1976

Action _____



THE WHITE HOUSE

WASHINGTON

September 1, 1976

Dear Mike:

The Nuclear Fuel Assurance Act, H.R. 8401, passed the House of Representatives on August 4, 1976, and is now awaiting action by the Senate. This bill is of great importance to the Nation.

We must act to increase the capacity in the United States to enrich uranium needed for nuclear power plants. This action is necessary to our energy independence and to a strong economy.

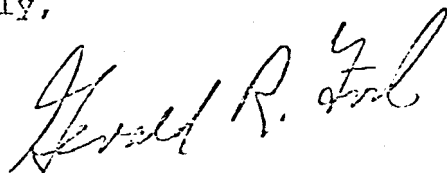
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Moreover, it is my conviction that the best way to control nuclear proliferation throughout the world is for the United States to maintain its leadership in supplying nuclear fuel.

The Nuclear Fuel Assurance Act which has passed the House would provide for U.S. leadership in an industry that is closely related to U.S. progress and to future international security.

I urge you to bring H.R. 8401 to the Senate floor immediately after the Labor Day recess.

Sincerely,



The Honorable Mike Mansfield
United States Senate
Washington, D.C. 20510



cc: Schleede

THE WHITE HOUSE
WASHINGTON

*J. Cannon -
Nuclear Fuel*

September 11, 1976

MEMO TO: MR. CANNON
FROM: CAMERON
SUBJECT: President's Phone Call to Senator Mansfield
re: Nuclear Fuel Assurance

Sarah Emery in Connor's office called to give me the President's comments after phoning Senator Mansfield on the Nuclear Fuel Assurance Act:

"I will try to program."

"If we could get a time agreement, I am sure he (Mansfield) would."

Noted



120 Columbus Dispatch 9/19/76

Atomic Plant For Piketon Threatened By Senators

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 See PIKETON on Page A-3

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-

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-

Piketon Plant Threatened

Continued from Page 1

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

September 23, 1976

MEMORANDUM TO: Brent Scowcroft
Jim Cannon
Jim Lynn
Jim Connor
Frank Zarb
Chuck Robinson

FROM: Bob Fri *Bob Fri*

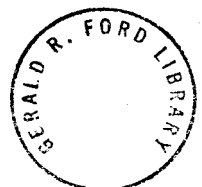
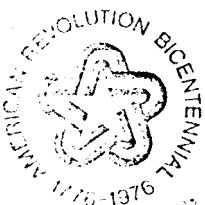
SUBJECT: Nonproliferation and NFAA

Our discussions with Senator Percy have identified four key points of difference. These points of difference, and suggested compromise resolutions, are set forth below, and a marked-up copy of the Anderson Bill (HR 15419) is attached showing specific language changes involved on both the four key points (and on several more minor points as well).

1. "Trigger" for stricter licensing criteria

Congress will recede from the S.3770 trigger for the stricter licensing criteria (effective after 18 months but subject to Presidential delay). Instead, the compromise would provide:

- a. A Congressional policy declaration that the stricter "criteria" will be sought from other nations, and should (ultimately) become statutory licensing criteria.
- b. A requirement that the President periodically propose legislation to implement the commitments obtained from other nations as statutory export licensing criteria. If the President has not, at the end of the time period, obtained the agreement of other nations, he must report to the Congress in detail the reasons why the commitments were not obtained.



2. Reprocessing

Inasmuch as the "stepped up" reprocessing criterion set forth in Section 15(a)(5) of S.3770 will no longer automatically become a statutory licensing criterion--but will instead be only a "negotiating goal"--the Administration would accept the Section 15(a)(5) reprocessing criterion essentially as written in S.3770. This means that we would negotiate with other nations toward an ultimate objective of reprocessing only under "international auspices, management and control." The bill would contain no reference to the "controlled spread" provision of HR 15419 which would have permitted national reprocessing under limited conditions.

3. Presidential Override

Congress would agree to a Presidential override of NRC license denials. However, the bill would contain an explicit provision for Congressional override of the President's override. This Congressional override would be accomplished by a joint resolution (subject to Presidential veto), enacted within thirty calendar days after the President's override. The joint resolution/thirty calendar day approach is based on the "Symington amendment" to the Foreign Military Sales and Assistance Act signed by the President on June 30.

4. Nuclear Fuels Assurance Act

Senator Percy has indicated that he is unable to secure the assent of other Senators required to permit a vote on NFAA this year. Consequently, he will propose that a "NFAA" section be added to the nonproliferation bill that would:

- a. require construction of the Portsmouth add-on,
- b. provide for a Presidential report by April 15, 1977 on private vs. government enrichment,
- c. permit the President to submit (at the same time) the elements of proposed cooperative arrangements with private enrichment companies. These arrangements would be referred to the JCAE, which would be required to report to both Houses of Congress on an expedited basis. There would be a nonbinding recital to the effect



Congress will vote approval or disapproval of the proposed cooperative arrangements "on a timely basis." If Congress approves the arrangements, however, no further action could be taken without a specific Congressional authorization and appropriations.

You should be aware of the following:

- . Senator Percy and I agreed, on the basis of the above compromises, to write a clean bill that only represents our best efforts, but with no guarantees that it is acceptable to anyone else.
- . The specific language in the attached markup is mine, not Senator Percy's. Staff counsel are meeting at 9:00 a.m. Friday (tomorrow) to work out a clean bill, and there may be problems.
- . Your agreement to the proposed language would, in my judgment, strengthen our position.

cc: G. Schleede
D. Elliott



Perry - Acceptable to others ?

Slate -

- wants more flexibility on Phase II
Antenna



THE WHITE HOUSE
WASHINGTON

September 24, 1976

*Nuclear
Request Energy
urgent*

MEMORANDUM FOR: JIM CANNON
FROM: *Glenn Schleede*
GLENN SCHLEEDE
SUBJECT: DRAFT MEMORANDUM TO THE PRESIDENT ON
NUCLEAR LEGISLATION

Attached is the first cut*of the memo to the President describing the three alternatives.

I have tried to get the "Percy compromise" language on uranium enrichment from Bob Fri and received the following interesting response from his assistant.

- . Jim Wilderotter and Connie Evans (Percy's assistant) have not yet had time to draft new language on uranium enrichment for inclusion in the bill.
- . Connie did not bring any language on uranium enrichment with her, just some rough notes.
- . The only language available is the two-day old draft originally presented as the "Percy compromise".

Draft letter implementing Alt. #3 also attached.

cc: Jim Mitchell
Dave Elliott

*It doesn't yet reflect the review by Jim Mitchell and Dave Elliott



D.H. - *met*

THE WHITE HOUSE
WASHINGTON

September 28, 1976

That we assist in handling

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON

SUBJECT: LETTER TO SENATOR BAKER TO ~~AVOID~~
~~AN AMENDMENT TO THE NUCLEAR~~
FUEL ASSURANCE ACT

ASSIST

PASSAGE OF

Attached for your consideration is a proposed letter *in response* to Senator Baker's request ~~which seeks to head off~~ a Senate floor amendment to the Nuclear Fuel Assurance Act.

The amendment has the effect of providing that (a) cooperative arrangements authorized by the Nuclear Fuel Assurance Act could not be entered into before March 1, 1977, and (b) the President must make and submit to Congress a finding that such cooperative arrangements are in the national interest as a part of a report analyzing the relative merits of public and private uranium enrichment services.

Your advisers believe that there is no problem with the substance of the amendment but its addition at this point could delay final Congressional action on the bill.

kill

Senators Allen and Sparkman apparently intend to bring the bill up on Wednesday morning, September 29. Senator Baker would like to have the letter before the bill is taken up so that it could be used on the floor if necessary.

The attached letter has been reviewed and concurred in by OMB, Max Friedersdorf, Phil Buchen (Barry Roth), and Doug Smith.

RECOMMENDATION

That you sign the letter attached at TAB A.

Attachment

file

File

THE WHITE HOUSE

SIGNATURE

WASHINGTON

September 28, 1976

MEMORANDUM FOR THE PRESIDENT

FROM:

JIM CANNON *J.C.*

SUBJECT:

Letter to Senator Baker to Assist Passage
of the Nuclear Fuel Assurance Act

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attachment



THE WHITE HOUSE
WASHINGTON

Dear Senator Baker:

As you requested, I have reviewed Senator Stevenson's amendment No. 2264 to S. 2035, the Nuclear Fuel Assurance Act.

I believe the requirements set forth in that amendment are reasonable, but I am concerned that adding the amendment to the bill might delay final Congressional action on the Nuclear Fuel Assurance Act.

I am prepared to make the finding and submit the information in the time frame specified without the amendment being added to the bill.

I urge the Senate to pass the Nuclear Fuel Assurance Act in the form passed by the House of Representatives on August 4, 1976.

Sincerely,

The Honorable Howard H. Baker
United States Senate
Washington, D. C. 20510



THE WHITE HOUSE
WASHINGTON

Schleede was to
have called Beckwith



JOHN GLENN
OHIO

Glenn
COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
GOVERNMENT OPERATIONS
DISTRICT OF COLUMBIA

United States Senate

WASHINGTON, D.C. 20510

1976 OCT 13 PM 2 09

f.

October 11, 1976

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

Dear Mr. Cannon:

It is disappointing that our office still has received no answer to my letter to you of October 1 concerning the uranium enrichment plant in Portsmouth, Ohio. May we please have a written response from you at the earliest possible time?

Yours sincerely,

Leonard Bickwit Jr.

Leonard Bickwit, Jr.
Chief Legislative Assistant
to Senator John Glenn

LB:mh



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ACTION

THE WHITE HOUSE
WASHINGTON

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October 25, 1976

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TO: JIM CANNON
FROM: *Glenn*
GLENN SCHLEEDE
SUBJECT: Q&A on Portsmouth, Ohio
Uranium Enrichment Plant

Here is the Q&A I put into the system.
Do you want to change or supplement it
in any way?

cc: Jim Connor

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*Glenn -
As Dismissed.
[Signature]*

102603

Current estimate is that costs will rise to \$4.4 billion.

GRS 10/25/76



Energy

THE WHITE HOUSE
WASHINGTON

*Plus
Issue*



REQUEST

Olus

THE WHITE HOUSE
WASHINGTON

October 26, 1976

Fountain Sq -

6573

TO: JIM CONNOR

FROM: *Allen* GLEN SCHLEEDE

SUBJECT: PORTSMOUTH INSERT FOR THE PRESIDENT'S CINCINNATI SPEECH

ad Wilson

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In case you want more details, I'm also attaching (1) an ERDA draft and (2) a Fact Sheet on the Portsmouth plant.

Be careful to note that probably none of the employees hired on the new \$25 million A-E contract will be employed at Portsmouth. The principal hope for local employment relief is when construction begins.

cc: Jim Cannon

P.S. - ERDA is working towards a Thursday release of the request. Is that Okay??



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We are proceeding steadily with work necessary to the construction of an add-on uranium enrichment plant at Piketon, Ohio -- near Portsmouth.

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The first two contracts for detailed design work were signed this summer. This is the third design contract.

The Congress adjourned without providing authority to spend all the \$179 million that I requested for this plant for fiscal year 1977, but I will go back to the Congress early next year for more spending authority. Right now, we have enough to carry through March 31, 1977.

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We are proceeding steadily along the path that will provide add-on uranium enriching capacity to the Portsmouth plant in order that the operating modes of the Government enrichment plants may be improved and our national resources of uranium utilized more effectively. The new capacity, which will cost more than \$4 billion when completed, is scheduled for initial, limited production in 1984. A number of design activities have been under way for some time and are proceeding in orderly fashion. Next week there will be a formal announcement requesting engineering services for the bulk of the process systems. The work to be accomplished under this contract could amount to about \$25 million over the next 5 or 6 years for the chosen design contractor.

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We will have a number of complex tasks to accomplish in bringing this mammoth project into operation in the mid-1980's but the result will be good for this area and good for America.



OHIO

(update for Portsmouth add-on)

-- Uranium enrichment

The Portsmouth Gaseous Diffusion Plant, operated for ERDA by Goodyear Atomic Corporation, produces enriched uranium used in fuel elements for nuclear power plants and for programs of national defense. Representing an investment of some \$785 million in plant and equipment, the facility employs about 2,500.

The Portsmouth add-on would mean an additional 450 persons to operate, but it would take about 6,000 persons to build, at the peak of construction.

Estimated escalated cost of the add-on is \$4.4 billion (\$2.8 billion in FY77 dollars).

With full congressional authorization, construction could begin in April 1977, with first production in February 1984 and full production by October 1985.

ERDA has contracted for A&E for grading and preliminary site work (\$20-\$25 million; 250 people; Catalytic Inc., Philadelphia) and for a switchyard (about \$5 million; 75 people; Stone & Webster, Boston).

Third A&E package ~~xxxx~~ requesting A&E services for process building --the main unit--to be issued about October 29 would cost about \$24-\$28 million and involve about 250 people at the contractor's office (not necessarily Portsmouth).



ECONOMIC DEVELOPMENT IN CINCINNATI AND CLEVELAND

- Q. What is the Federal government doing about economic development problems in Cincinnati and Cleveland?
- A. Both Cincinnati and Cleveland have shared in the nation-wide research and technical assistance studies conducted by the Economic Development Administration.

Job-development programs conducted by the City of Cincinnati and the Determined Young Men, an organization established to encourage Black entrepreneurship, have received grants from EDA to help provide assistance for minority workers.

Cleveland, also, has pursued programs to assist minority group workers with EDA assistance. The Black Economic Union has received financial support from the agency, as have a small business center and business education programs operated by the City.

EDA also has participated in studies for a multi-level industrial building and an international trade center to stimulate jobs for minority group workers in Cleveland.

On the construction side, the agency has approved grants totaling more than \$1.7 million for new construction at the Port of Cleveland and approved another \$1 million grant for water and street improvements in the city.

PCL 10/21/76



POSITION ON CONSTRUCTION OF GOVERNMENT-OWNED ADD-ON URANIUM
ENRICHMENT PLANT AT PIKETON (NEAR PORTSMOUTH), OHIO

- Q. Are you firmly committed to build the add-on Government-owned uranium enrichment plant at Piketon (near Portsmouth), Ohio? Or, are you going to insist on turning uranium enrichment over to private industry?
- A. I am committed to the completion of the Portsmouth -- or Piketon add-on plant -- subject, of course, to completion of the necessary environmental requirements.

The Congress has approved some of the money I requested for planning and engineering work for the plant, and that work is underway. I will ask the next Congress for additional funds to continue work on the plant.

Background

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The plant was estimated to cost \$2.8 billion (1976 dollars). Current estimate is that costs will rise to \$4.4 billion.

AGRICULTURAL EXPORTS

- Q. The prosperity of American farms is tied closely to agricultural exports. Is there a danger that foreign countries will not want our agricultural production?
- A. I see little danger of this. In the first seven months of 1976, \$13 billion in agricultural products were exported, slightly ahead of the same period last year. With severe droughts having curtailed farm production in several European countries, their demand for US farm products has increased.

As for the long term, there is very, very little likelihood that we will have a surplus of US agricultural production as long as we keep open our exports to foreign countries. Our farmers, the most productive and efficient farmers in the world, can compete effectively in world markets.

Moreover, foreign markets should continue to grow. Our Long-Term Grain Supply Agreement with Russia alone ensures the sale of 6 million metric tons of US corn and wheat tons of US corn and wheat each year. And, many countries, unable to raise enough to feed their growing populations, need not only products from US farms but also need our advice and technological expertise. The world population will almost double by the turn of the century. The farmers of America and the world are going to be hard-pressed to keep up.

Background

US agricultural exports are up 4% for the January-July period of 1976. Gains have occurred for all major commodities, except wheat, rice, cotton, vegetable oils, and dairy products.

During fiscal year 1976, US farmers:

- Sold the production of nearly one crop acre in three on global markets.
- Earned almost 25% of their cash receipts in the world market.
- Exported:
 - 55% of their wheat
 - 51% of their soybeans
 - 50% of their cowhides
 - 47% of their rice
 - 40% of their cotton
 - 25% of their feedgrains
 - 20% of their tobacco



GRAIN RESERVES

- Q. Why don't you tell Kissinger to forget about building up international grain reserves? They'd just depress market.
- A. Republicans at Kansas City simply said: "We oppose government-controlled grain reserves..." I agree.

Some reserve guidelines are helpful for meeting unusual situations. The important thing is who controls those reserves. My position is that each nation should be free to control its own reserves. For us, that means the reserves will be carried by farmers and the private trade.

Reserves in the hands of government cost millions of dollars to store, require massive bureaucracy, lead to strict acreage controls and political manipulation, and depress prices to farmers. The United States ends up in the position of a residual supplier of global markets. We've had enough of that.

Background

Mr. Carter and the Democratic Platform call for the creation of a predictable, stable, reasonably small grain reserve, with up to a two-month supply. Prominent groups like the Committee for Economic Development (CED) and the National Planning Committee have also suggested the need for government-held grain reserves.

In the past, large surplus grain stocks held in the US, Canada, and Australia served as the world's reserve system. Now those surpluses are gone and other countries -- the grain importing nations among them -- must help carry a larger share of the load.

Two principles now guide the United States on the issue of reserve stocks:

First, given the fact that the United States supplies more than half the grain moving in world trade, our market-oriented full-production policy makes an important contribution to world food security.

Second, It is up to each government to determine how to hold reserves. Given US reliance on market orientations, our grain reserves will be under private ownership.

PCL
10/20/76/AB



HOG SITUATION

- Q. The number of hogs being produced is increasing. Does this mean that retail prices on pork will be falling? And what does it mean to farmers?
- A. It is clear that the hog cycle, in terms of numbers is on the upswing, but retail pork prices may not fall too much. That's because, while the amount of pork is increasing, so is the demand. In the third quarter of this year, almost 3 billion pounds of pork were produced, 15% more than in the third quarter a year ago. The average retail price per pound was \$1.38 compared to \$1.49 a year ago.

Background

Farmers received an average of \$43.33 per hundred weight last quarter compared to \$56.20 a year earlier. There was a 21% increase in the number of hogs farrowed this summer, which means that the supply of pork probably will increase in 1977. Hog slaughter could be 18% above 1976 during the first half of 1977.

PCL
10/22/76/AB



MEDICAID FRAUD AND ABUSE -- OHIO

- Q. What is being done to combat fraud and abuse in the Medicaid program?
- A. A Federal-State team is currently in Ohio investigating fraud and abuse. HEW is also adding additional investigators, and the State is stepping up its monitoring and surveillance efforts.

Let me add that about two weeks ago (October 15) I signed into law a bill creating an independent office of the Inspector General in the Department of HEW. The task of the Inspector General is to ferret out the abuses. My choice for the position will be made solely on the basis of demonstrated ability and poiltics won't enter into it.

Background

A Federal-State team of investigators is currently in Columbus reviewing the Medicaid program for fraud and abuse. An investigation of nursing homes in Ohio is expected to be undertaken in the near future.



MINORITY BUSINESS

- Q. In any adverse economic situation, it seems minority business is hardest hit. What are you doing about the problems that minority businesses face?
- A. We are seeing some very favorable trends for minority business in the United States. The minority financial community is strengthening -- more banks, more S-and-Ls, more venture capital -- and the tight money problems historically experienced by minority business firms are easing. We expect minority business receipts to double between 1972 and 1977, from \$16 billion to \$32 billion. Then, by 1982, we expect them to have doubled again, from \$32 to \$67 billion. The Office of Minority Business Enterprise in the Commerce Department and the Small Business Administration have strong programs to assist minority business, and I fully support these efforts.

As for Ohio, Commerce Department figures show that our programs to encourage minority business are catching hold. In Cleveland and Cincinnati, our funded organizations last year helped minority business secure 156 procurement contracts totaling about \$13.2 million. They also helped minority business prepare some 56 loan packages having a total value of about \$4 million.



CETA -- CLEVELAND, OHIO

- Q. Why was the city of Cleveland ordered by the Department of Labor to reimburse the CETA program to the tune of over \$1 million?
- A. Several unauthorized expenditures by the Cleveland prime sponsor were identified and reimbursement was necessary. Over 80% of the unauthorized expenditures (\$863,690) occurred because salaries in excess of the \$10,000 limit were paid.

Background

The CETA program in Cleveland has had some significant problems in the past, including high drop-out rates, high administrative costs, and inadequate program monitoring. DOL has noted satisfactory progress in Cleveland's efforts to correct all deficiencies.

Other unauthorized expenditures were a \$170,000 monitoring contract and \$20,000 for T-shirts.

WMD
10/20/76/AB



(Ohio)

PUBLIC WORKS PROGRAM

- Q. How much can Ohio expect to get from the new Local Public Works Capital Development and Investment Program?
- A. Ohio and its communities will receive a total of \$59,578,000. All cities may apply for 100% grants to construct public facilities, with priority going to those with unemployment above the national average. The Economic Development Administration began accepting applications for grants on October 26, and expects to process them within 45 days so that construction can get under way quickly.

Background

Under this \$2 billion program the basis for allocating funds to the states will be the actual number of unemployed workers and the state unemployment rate compared to the national rate. State allocations will range from a minimum of \$10 million to a maximum of \$250 million.

In approving individual project applications, first priority will be given to the projects that provide the largest number of jobs and that can be started immediately.

PCL
10/21/76/AB



SOYBEAN SITUATION

- Q. In recent years the growth of uses for soybeans has spurred increased plantings. Markets for soybeans, soybean oil, soybean oil meal, and other by-products are increasing both at home and abroad. What is the outlook this year for soybean growers?
- A. Soybean production this year is forecast at 1,250 million bushels. This is about 2% (or 25 million bushels) below earlier forecasts and about 18% below last year. This is a short crop, and current prices show it. The crop, however, is not what you would describe as "alarmingly low".

The harvest of soybeans was finished mostly ahead of other years (only a small acreage remains unharvested).

Note: There is some concern among soybean growers that the sharp increase in palm oil production and imports in the last five years will erode the market for US soybean oil. It is estimated that projects financed by international development banks accounted for about a fourth of the increase in world palm oil production and about a fifth of the increase in exports. Last summer (July 26) the US indicated it would no longer support loans by international development banks to expand palm oil production for export trade purposes. This, plus the fact that palm oil no longer enjoys a price advantage over our soybean oil, should cause the threat to our market to decline.

PCL
10/27/76/AB

AGRICULTURE AND THE TRADE NEGOTIATIONS

- Q. In the current "Tokyo Round" of negotiations in Geneva, will agriculture be sold down the river again?
- A. I have directed our negotiators to insist that agriculture be an integral part of those discussions. The only way to obtain the best possible agreements for US farmers is for agricultural and industrial issues to be treated in one package. So far, we've been successful in this approach.

Under the Kennedy Round of negotiations a few years ago, agriculture did not fare well because agricultural tariff concessions were negotiated separately from industrial concessions. You have my assurances that farmers will not be sold down the river by my Administration during the current negotiations -- or at any other time.

I have also ordered our negotiators to vigorously represent our Nation's economic interests, guard against protectionism, and insist that the principles of fair trade be scrupulously observed.

PCL
10/20/76/AB



INTERIM REPORT OF THE COMMITTEE ON
URBAN DEVELOPMENT AND NEIGHBORHOOD REVITALIZATION

- Q. The Committee's report does not advocate additional Federal funds for cities. Isn't that what is really necessary to end urban blight, stagnant economies, and the deterioration of city neighborhoods?
- A. We all know that money alone will not solve these problems. The Federal government in past years has spent billions in misguided programs like urban renewal which have worsened urban difficulties rather than improve them.

What is required is community effort, real cooperation between local officials and Federal officials, and well-designed programs. I'm thinking here of Administration programs like Revenue Sharing and Community Development Block Grants, which furnished cities with the resources to deal with problems according to their own priorities rather than those directed by Washington. This approach is the democratic way to deal with urban problems.

The report of the Committee on Urban Development and Neighborhood Revitalization opposes massive additional Federal funding at this time. It concludes that if spending programs are properly coordinated and targeted, the billions of Federal dollars now being spent may be enough.

FLM
10/20/76/AB



POSITION ON CONSTRUCTION OF GOVERNMENT-OWNED ADD-ON URANIUM
ENRICHMENT PLANT AT PIKETON (NEAR PORTSMOUTH), OHIO

- Q. Are you firmly committed to build the add-on Government-owned uranium enrichment plant at Piketon (near Portsmouth), Ohio? Or, are you going to insist on turning uranium enrichment over to private industry?
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GRS 10/26/76

THE WHITE HOUSE

WASHINGTON

76 OCT 26 10 21
October 26, 1976

MEMORANDUM FOR: JIM CANNON
FROM: GLENN SCHLEEDER

Please substitute the attached page for the one previously given to you this a.m.

Thanks.

cc: Jim Connor

Glenn

Glenn Schleeder



Called GS. & told him of SNCL's approval also to expedite getting it out to the field force.

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GRS 10/26/76

REQUEST

THE WHITE HOUSE
WASHINGTON

October 26, 1976

JL

TO: JIM CONNOR
FROM: ~~GLENN SCHLEEDE~~
SUBJECT: PORTSMOUTH INSERT FOR THE
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The Portsmouth add-on would mean an additional 450 persons to operate, but it would take about 6,000 persons to build, at the peak of construction.

Estimated escalated cost of the add-on is \$4.4 billion (\$2.8 billion in FY77 dollars).

With full congressional authorization, construction could begin in April 1977, with first production in February 1984 and full production by October 1985.

ERDA has contracted for A&E for grading and preliminary site work (\$20-\$25 million; 250 people; Catalytic Inc., Philadelphia) and for a switchyard (about \$5 million; 75 people; Stone & Webster, Boston).

Third A&E package ~~xxxx~~ requesting A&E services for process building --the main unit--to be issued about October 29 would cost about \$24-\$28 million and involve about 250 people at the contractor's office (not necessarily Portsmouth).

