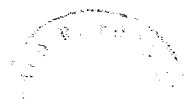


**The original documents are located in Box 19, folder “President - Issues Book (3)” of the Ron Nessen Papers at the Gerald R. Ford Presidential Library.**

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ENERGY



ISSUE:            Coal

Administration Position

The President stated in his State of the Union Message, January 15, 1975:

"Use of our most abundant domestic resource -- coal -- is severely limited. We must strike a reasonable compromise on environmental concerns with coal. I am submitting Clean Air Act Amendments which will allow greater coal use without sacrificing our clean air goals."

Presidential Documents  
Vol. 11, No. 3, p. 50

Subsequently, the President said in his 1976 State of the Union Message:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposal(s) to make America invulnerable to the foreign oil cartel . . . (including my proposal to) develop more and cleaner energy from our vast coal resources."

Presidential Documents  
Vol. 12, No. 4, p. 47

In his February 26, 1976 Energy Message to Congress, the President indicated:

"Coal is the most abundant energy resources available in the United States, yet production is at the same level as in the 1920's\* and accounts for only about 17 percent of the Nation's energy consumption. Coal must be used increasingly as an alternative to scarce, expensive or insecure oil and natural gas supplies. We must act to remove unnecessary constraints on coal so that production can grow from the 1975 level of 640 million tons to over 1 billion tons by 1985 in order to help achieve energy independence."

Presidential Documents  
Vol. 12, No. 9, p. 292

Administration Actions

Conversion of oil and gas consuming facilities to coal was covered in the President's proposed Energy Independence Act submitted to Congress on January 30, 1975. The bill proposed extension of the Energy Supply and Environmental Coordination Act which enables FEA to prohibit certain large utility and industry boilers from burning oil or natural gas. That extension was signed into law on December 22, 1975.

\* Should be "late 1940's"

Amendments to the Clean Air Act which would relax limitations on coal use were also proposed in the Energy Independence Act. Those amendments are still awaiting Congressional action.

The Department of the Interior has announced a program which includes:

- revised regulations for Federal coal leases to improve management of public lands including surface mining and reclamation.
- a new Federal coal leasing program utilizing the Energy Minerals Activity Recommendation System (EMARS), which changes the role of Interior from that of issuance of leases as they are requested, to that of planning development of Federal coal lands in an orderly and environmentally prudent manner. Nominations of areas of interest were published on June 1, 1976.
- new measures to require early commercial development, including a totally competitive leasing system, a firm definition of commercial quantities of coal reserves for lease, increased advanced royalties, and promulgation of effective diligent development standards.
- ten regional coal environmental impact statements.
- lifting a moratorium that had been in effect since 1971 on Federal coal leasing.

In addition, the Department of the Interior asked the Supreme Court to review a lower court decision (Sierra Club vs. Morton) which had enjoined Interior from approving coal mining plans for four Federal leases in the Eastern Powder River area of Wyoming until a Northern Great Plains Environmental Impact Statement is completed. In January 1976, the Supreme Court took jurisdiction, stayed the lower court injunction, and in June ruled in favor of the Government.

A suit is also pending by the NRDC relative to the adequacy of the departmental programmatic EIS on Federal coal leasing.

The President's 1977 Budget provides significant increases in funding for coal R&D, including:

- \$395 million (outlays) for ERDA, up 37 percent over 1976, for work in cleaner and more efficient coal utilization.
- \$86 million (outlays) for the Department of the Interior, up 13 percent over 1976, for mining technology, and health and safety research.

-- \$97 million for EPA, and other agencies for related environmental control technology, health and safety research.

In June the President transmitted a 1977 Budget amendment for \$18 million for the new coal leasing program of the Department of the Interior.

Proposals for tax legislation, the Electric Utilities Construction Incentives Act, were put before the House on August 8, 1975, in order to give favorable tax treatment to utilities choosing to add new coal (or nuclear) powered generating facilities.

GRS  
7/20/76

ISSUE: Energy Conservation

Administration Position

Statement by the President, October 18, 1974:

"During the last month, I have made clear that the United States must and will act to increase its energy independence. One effective way -- which can have immediate payoff -- is to reduce unnecessary energy demands."

In addition. . . assure that energy efficiency is considered in all decisions involving Federal facilities and operations."

"We are now working with industry to find ways to reduce energy requirements for its activities and products. We will continue working with all sectors to find other steps that can be taken to conserve energy."

Presidential Documents  
Vol. 10, No. 42, pps. 1321 & 1322

The President stated in his message to the Congress transmitting the Fifth Annual Report of the Council on Environmental Quality, December 12, 1974:

"The conservation of energy provides an essential common ground between our need for energy and our desire to protect the environment. By eliminating waste in the use of energy, and by increasing the efficiency of the energy we use, we can move toward both goals simultaneously."

Presidential Documents  
Vol. 10, No. 50, p. 1556

The President stated when he announced his decision to sign the Energy Policy and Conservation Act into law, December 22, 1975:

"As I requested earlier this year, it (the Act) will enable us to . . . promote energy conservation."

Presidential Documents  
Vol 10, No. 50, p. 1392

The President said in his February 26, 1976 Energy Message to Congress:

"The Nation has made major progress in reducing energy consumption in the last two years but greatly increased savings can yet be realized in all sectors." . . . "I have asked for a 63 percent increase in funding for energy conservation research and development in my 1977 budget."

Presidential Documents  
Vol. 12, No. 9, p. 293

### Administration Actions

In his January 15, 1975 State of the Union Message, the President presented several energy conservation proposals:

. Energy Independence Act of 1975

-- Title X - to develop and implement minimum energy conservation standards to be applied to new buildings through State and local building codes.

-- Title XI - to assist State programs designed to winterize the homes of low-income families.

-- Title XII - to require labels on major appliances and motor vehicles displaying their energy uses and efficiency.

. Administrative Initiatives

-- Appliance Efficiency - obtain agreements with manufacturers of major appliances to increase energy efficiency by 20 percent by 1980.

-- Auto Fuel Economy - obtain agreements with automobile manufacturers to increase fuel economy 40 percent by 1980.

. Energy Tax Bill

-- Residential conservation - a 15 percent tax credit for the cost of home improvements, such as storm windows and insulation.

On December 22, 1975, the President signed into law the Energy Policy and Conservation Act, which included the appliance and automobile labeling proposals.

In his February 26, 1976, Energy Message to Congress, the President:

. Directed that all Federal agencies continue the Federal Energy Management Program (FEMP), which has already reduced energy consumption by 24 percent in the past two years.

. Urged enactment of his legislation:

-- to provide for thermal efficiency standards for new buildings.

-- for a proposed \$55 million weatherization assistance program for low-income and elderly persons.

-- to provide a 15 percent tax credit for energy conservation improvements in existing residential buildings.

- . Reported Administration actions initiated under EPCA, which was enacted into law by the President on December 22, 1975.
  - implementation of the appliance labeling program by the FEA, Department of Commerce and the Federal Trade Commission.
  - implementation of the voluntary industrial energy conservation program.
  - implementation of the mandatory automobile fuel efficiency standards.
  - implementation of State energy conservation programs with assistance to be provided by FEA.
- . Implemented the gasoline mileage efficiency labeling program by the EPA, FEA and DOT.
- . Urged passage of energy conservation programs in his fiscal year 1977 Budget.
  - \$91 million (an increase of 63% over the FY 1976 funding level of \$56 million) for ERDA for an expanded program to improve technology and encourage conservation of energy in buildings, industry, and transportation.
  - \$25 million (vs. \$7 million in FY 1976 outlays) for NASA program to work with the aerospace industry on an R&D program to produce significant savings in transport aircraft fuel use.

GRS  
8/10/76



ISSUE: Energy Development Impact Assistance

Administration Position

In his February 26, 1976 Energy Message, the President indicated:

"Some areas of the country will experience rapid growth and change because of the development of Federally-owned energy resources. We must provide special help to heavily impacted areas where this development will occur.

"I urge the Congress to act quickly on my proposed new, comprehensive, Federal Energy Impact Assistance Act which was submitted to the Congress on February 4, 1976.

"This legislation would establish a \$1 billion program of financial assistance to areas affected by new Federal energy resource development over the next 15 years. It would provide loans, loan guarantees and planning grants for energy-related public facilities. Funds would be repaid from future energy development. Repayment of loans could be forgiven if development did not occur as expected.

"This legislation is the only approach which assures that communities that need assistance will get it where it is needed when it is needed."

Presidential Documents  
Vol. 12., No. 9, p. 292

Administration Actions

On November 4, 1975, the Department of the Interior promulgated regulations providing that development plans for OCS leases must be provided by lessees to affected States along with additional information on the estimated impacts of proposed on-shore facilities related to the offshore oil and gas development. Governors would have an opportunity to comment on the plans and estimated impacts before the plans are approved.

On February 4, 1976, the Administration submitted to Congress a bill providing for a \$1 billion program to provide financial assistance for public facilities to those areas affected by Federal energy resource development. Assistance would be in the form of loans, loan guarantees and planning grants. Loans and guaranteed loans would be repaid from revenues that States would receive from such development and would be forgiven if development did not occur as projected. Eligible resources include coal, shale, uranium, OCS, and geothermal. Assistance would be allotted by the Secretary of the Interior, using

a formula based on the additional population growth associated with Federally-owned energy resources and taking into account per capita costs of public facilities, rate of population growth, and regional differences in public facilities costs. The allotment would be distributed by the Governor of the State affected.

In his veto message for the coal leasing bill on July 3, 1976, the President indicated that he would support legislation increasing the State share of Federal coal leasing revenues from 37-1/2 percent to 50 percent.

The Coastal Zone Management Act Amendments of 1976, which were recently signed into law, provide \$800 million in loans and loan guarantees, essentially identical to the Administration's program, plus \$400 million in formula grant "entitlements" which can be drawn down for certain limited purposes (planning, public facilities if credit is not available, and unavoidable environmental losses which cannot be attributed to identifiable persons). The Act also provides for State review of OCS exploration and development plans for consistency with Federally approved coastal zone management programs.

GRS  
7/21/76

ISSUE: Energy Independence Authority

Administration Position

President Ford said on September 22, 1975 before the AFL-CIO Construction Trades Meeting in San Francisco:

"I will propose an entirely new \$100 billion Government corporation to work with private enterprise and labor, to gain energy independence for the United States in ten years or less.

"This new Energy Independence Authority will have the power to take any appropriate financial action to borrow and to lend -- in order to get energy action. It will serve as a catalyst and stimulant, working through -- not in place of -- American industry."

Presidential Documents  
Vol. 11, No. 39, p. 1053

The President subsequently stated in his 1976 State of the Union message:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposals to . . . create a new National Energy Independence Authority to stimulate vital energy investment and accelerate development of technology to capture energy from the sun and the earth, for this and future generations."

Presidential Documents  
Vol. 12, No. 4., p. 47

In his February 26, 1976 Energy Message to the Congress, the President stated:

"I urge Congress to approve my October, 1975 proposal to create an Energy Independence Authority, a new government corporation to assist private sector financing of new energy facilities.

"This legislation will help assure that capital is available for the massive investment that must be made over the next few years in energy facilities, but will not be forthcoming otherwise. The legislation also provides for expediting the regulatory process at the Federal level for critical energy projects.

Presidential Documents  
Vol. 12, No. 9, p. 292

Administration Actions

The President submitted legislation to the Congress on October 10, 1975, to create the Energy Independence Authority (EIA). This covered the following:

- EIA will be a government corporation to help achieve energy independence by providing loans, loan guarantees, price guarantees, or other financial assistance to private sector energy projects.
- EIA will have financial resources of \$100 billion, consisting of \$25 billion of equity and \$75 billion of debt. It is anticipated that up to \$10 billion of financial resources will be used in 1977. Because EIA is self-liquidating, its outlays will not be included in the budget except operating gains and losses.
- Funds to be used only for projects that will contribute directly to energy independence, and that would not be financed without government assistance. Examples are: synthetic fuel technology commercialization, other emerging technologies (solar energy, geothermal, etc.) and conventional technologies (coal, nuclear power plants, etc.)
- EIA would have a five person Board of Directors appointed by the President.

On April 12, 1976, the Vice President and other Administration officials appeared before the Senate Banking Committee in support of passage of the EIA legislation.

GRS  
6/22/76

ISSUE:            Energy Research and Development

Administration Position

The President stated on January 15, 1975 in the State of the Union Message:

" . . . we must develop our energy technology and resources so that the United States has the ability to supply a significant share of the energy needs of the Free World by the end of this century."

Presidential Documents  
Vol. 11, No. 3, p. 49

The President stated in his 1976 State of the Union Message:

" . . . I again urge the Congress to move ahead immediately on the remainder of my energy proposal(s) to accelerate development of technology to capture energy from the sun and the earth, for this and future generations."

Presidential Documents  
Vol. 12, No. 4, p. 47

In his February 26, 1976 Energy Message to the Congress, the President stated:

"As our easily recoverable domestic fuel reserves are depleted, the need for advancing the technologies of nuclear energy, synthetic fuels, solar energy, and geothermal energy will become paramount to sustaining our energy achievements beyond 1985.

"It is only through greater research and development efforts today that we will be in a position beyond 1985 to supply a significant share of the free world's energy needs and technology."

Presidential Documents  
Vol. 12, No. 9, p. 293

Administration Actions

The President signed an Executive Order, effective January 19, 1975, activating the Energy Research and Development Administration (ERDA was authorized by legislation signed by the President in October 1974).

On June 28, 1975, the Administrator of ERDA submitted to the President and the Congress a "National Plan for Energy Research, Development and Demonstration" describing work now being funded in whole or part by the Federal government and work that was being considered for future Federal funding. A revised and more detailed plan was released by ERDA on April 15, 1976. The revised plan:

- discusses and revises ERDA's recommendations for National Energy R&D goals and priorities.
- summarizes ERDA's completed and ongoing analyses of the energy situation and the Nation's energy R&D needs.
- summarizes current and planned Federal energy R&D activities.
- gives new emphasis to energy conservation RD&D, while pointing out that the primary responsibility for bringing into use new technologies for energy conservation and exoanding domestic energy production rests with the private sector. The Federal government's responsibility is to assist the private sector in the development and market penetration of new energy technologies by: establishing an appropriate policy environment for private sector action, sharing risks with the private sector and conducting a complementary R&D program.

The President's Fiscal Year 1977 Budget calls for spending \$2.9 billion for direct and indirect energy research and development, compared to \$2.2 billion in 1976, an increase of 30 percent.

The President's FY 1977 Budget calls for an accelerated energy research and development program directed at achieving greater long-term energy independence. The thrust of this program is to:

- Expand efforts to assure the safety, reliability, and availability of commercial nuclear power plants by increasing R&D on the long-term storage of radioactive wastes, fuel reprocessing, and safeguards against theft of nuclear materials.
- Place greater funding on technologies with high mid-term potential payoff in terms of recoverable resources (i.e., nuclear and fossil).
- Greatly increase the Federal investment in conservation (energy efficiency) technologies.

- Continue to expand the investigation of other technologies when they can make significant contributions to meeting the long-term energy requirements of the U.S. (i.e., solar and fusion).
- Encourage cost-sharing with private industry (e.g., coal liquefaction demonstration).
- Support the commercial demonstration of synthetic fuel production from coal, oil shale, and other domestic resources by providing loan guarantees during FY 1976 (upon enactment of the Energy Independence Authority legislation in FY 1977, transfer these projects to EIA).

GBS  
8/10/76

ISSUE: Expansion of Commercial Nuclear Power

Administration Position

On June 26, 1975, the President said in his message to the Congress on uranium enrichment.

"The energy consumer also stands to benefit (from expanded use of nuclear power). The production of nuclear power now costs between 25 and 50 percent less than electricity produced from fossil fuels.\* It is not vulnerable to the supply whims or unwarranted price decrees of foreign energy suppliers. And based on the past fifteen years of experience, commercial nuclear power has an unparalleled record of safe operation."

Presidential Documents  
Vol. 11, No. 26, p. 684

In his 1976 State of the Union Message, the President said:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposal(s) to . . . expedite clean and safe nuclear power production."

Presidential Documents  
Vol 12, No. 4, p. 47

In his February 26, 1976, Energy Message the President said:

"Greater utilization must be made of nuclear energy in order to achieve energy independence and maintain a strong economy. It is likewise vital that we continue our world leadership as a reliable supplier of nuclear technology in order to assure that worldwide growth in nuclear power is achieved with responsible and effective controls.

At present 57 commercial nuclear power plants are on line, providing more than 9 percent of our electrical requirements, and a total of 179 additional plants are planned or committed. If the electrical power supplied by the 57 existing nuclear power plants were supplied by oil-fired plants, an additional one million barrels of oil would be consumed each day." \*\*

Presidential Documents  
Vol. 12, No. 9, p. 291

FEA Administrator, Frank Zarb, said on July 11, 1975: "But we can't base our energy policy (with respect to nuclear power) on emotion -- we must base it on hard facts. And these are the facts:

\* Current estimates are that nuclear power is 5 to 35% less expensive than electricity from fossil fuel.

\*\* NOTE: As of 6/1/76 there were 58 licensed and 2 ERDA-owned commercial nuclear plants on line and 178 additional plants planned or committed.



"One -- the risk-to-benefit ratio of nuclear power in regard to public health is favorable, and like other forms of advanced technology will be publicly viewed as such, as we go forward with its development.

"Two -- there is no way we can continue to provide the electricity needed by our Nation in the coming years without the responsible expansion of our nuclear resources; and,

"Three -- electricity from nuclear power is a bargain compared to other sources of electricity, even with all costs included, such as insurance and safe disposal of radioactive waste."

In addition, the 1976 National Energy Outlook, published by FEA, affirms the need for expanded nuclear power plus expanded use of other domestic fuels and effective conservation to avoid increasing reliance on foreign oil.

In testimony on the California nuclear initiative before the California State Assembly Committee on Resources, Land Use, and Energy, May 14, 1976, Frank Zarb said:

"We remain convinced that any action effectively eliminating nuclear power, and making California dependent solely upon new oil and coal-fired generating capacity to meet increased electricity demand, could result in shortages of electricity and, despite reasonable conservation measures, severe adverse economic and social consequences."

#### Administration Actions

The President signed an Executive Order activating, effective January 19, 1975, the Nuclear Regulatory Commission (NRC was authorized by legislation signed by the President in October 1974). The NRC is an independent regulatory agency which took over the functions of licensing and regulating commercial nuclear power formerly vested in the AEC.

The Administration's energy legislation package included:

-- legislation, now enacted, to extend for another ten years sections of the Atomic Energy Act which provided for financial protection to the public, up to \$560 million in the unlikely event of a serious nuclear accident (Price-Anderson).

- legislation, now enacted, to increase the investment tax credit for electric generating plants.
- legislation to expedite the licensing process for nuclear power plants, still awaiting Congressional action.
- legislation to assure timely expansion of capacity in the U.S. to produce enriched uranium to meet domestic and foreign needs, through establishing a competitive private uranium enrichment industry at little or no cost to the taxpayer. Legislation acceptable to the President has been reported out by the JCAE.

The Federal government is pursuing opportunities to improve even further the safety and acceptance of nuclear power plants. The President's FY 1977 Budget would provide:

- \$89 million in outlays for ERDA and the NRC for nuclear reactor safety programs (a 49 percent increase over FY 1976 and a 75 percent increase over FY 1975).
- \$81 million for ERDA for development of improved environmentally sound technology for management of radioactive wastes from commercial nuclear plants (a 49 percent increase over FY 1976).
- \$27 million in outlays for ERDA to develop and demonstrate improved methods for safeguarding nuclear materials from theft (an 85 percent increase over FY 1976).
- \$10 million for ERDA to encourage industry to improve the reliability and reduce the construction time of commercial nuclear power plants.
- \$36 million for funds to identify new uranium resources.

In addition, the President has directed ERDA to work with private industry to determine what additional actions are needed to initiate a commercial nuclear fuel reprocessing and recycling industry. ERDA is preparing a program based on ERDA responses from industry as to their plans and needs for government assistance.

On May 10, 1976, the Energy Resources Council issued a joint 6 agency paper on radioactive waste, which stated that 'it is scientifically and technologically feasible to manage these radioactive wastes in a safe manner.' The paper also concluded that 'even substantial costs that could be required for careful disposal of such wastes will not have a substantial impact on the cost of electricity.'

On June 15, 1976 the ERC issued a joint 6 agency paper on uranium reserves, resources and production which concluded that "there are sufficient economically recoverable uranium resources on which to base an expanding nuclear program. The adequacy of uranium to provide fuel (over the 30-year life-time for all existing, planned and additional reactors which may be placed into service by 1990) is a reasonable national planning assumption."

On July 27, 1976, the President announced that he had called for a review of nuclear policies with particular attention to nuclear exports and proliferations, reprocessing, and waste management. He created a special review team under the full-time direction of Robert Fri (who normally serves as Deputy Administrator of ERDA) to lead the review. All Federal agencies having responsibilities affecting nuclear power will participate in the review.

GRS  
8/10/76

ISSUE: Exports of Commercial Nuclear Materials and  
Technology

Administration Position

In his message on the Nuclear Fuels Assurance Act, June 26, 1975, the President said:

"For more than twenty years, the United States Government has supplied the enrichment services for every nuclear reactor in America and for many others throughout the world. Our leadership in this important field has enabled other nations to enjoy the benefits of nuclear power under secure and prudent conditions. At the same time, this effort has been helpful in persuading other nations to accept international safeguards and forego development of nuclear weapons. In addition, the sale of our enrichment services in foreign countries has returned hundreds of millions of dollars to the U.S." ". . . clearly, decisions must be made and actions taken today if we are to insure an adequate supply of enriched uranium for the nuclear power needs of the future, and if we are to retain our position as a major supplier of enriched uranium to the world."

Presidential Documents  
Vol. 11, No. 26, p. 683

"The U.S. must be in a position, through its active involvement in the world market (for nuclear exports) to establish cooperative mechanisms with other suppliers to avoid a competition based on minimizing safeguards and other controls. We must continue to persuade these countries to impose proper safeguards and physical security measures on their nuclear exports. We would have little chance of achieving this objective if we choose to retire from the world market."

ERDA Administrator  
Robert Seamans, in  
Testimony before the  
Senate Government  
Operations Committee  
April 30, 1976

Administration Actions

On June 26, 1975, the President submitted to the Congress legislation necessary to expand capacity in the U.S. to enrich uranium so that we can supply the domestic market as well as a major share of foreign needs.

Expansion of the U.S. capacity will enable the U.S. to maintain its world leadership in international nuclear commerce, and provide further basis for continuing to press for strong international safeguards and agreement to non-proliferation principles. The bill was ordered reported by the Joint Committee on Atomic Energy on May 14, 1976.

The U.S. has taken the initiative in working with other concerned countries to insure that civil nuclear exports are used only for peaceful purposes. Over the past two years, the U.S. has had a number of bilateral and multi-lateral discussions with other exporters of nuclear equipment and technology with a view to devising common rules of the road concerning application of safeguards and related controls. As a result of such discussion, the U.S. has decided to adopt, as a matter of national policy certain principles which will govern our nuclear exports. We have been informed that a number of other countries intend to do the same.

On March 9, 1976, Secretary of State Kissinger enumerated these principles before the Senate Committee on Government Operations:

- "-- Provisions for the application of IAEA safeguards on exports of material, equipment and technology;
- Prohibitions against using assistance for any nuclear explosions including those for "peaceful purposes";
- Requirements for physical security measures on nuclear equipment and materials;
- Encouragement of multi-national regional facilities for reprocessing and enrichment; and
- Special conditions governing the use of retransfer of sensitive material, equipment and technology."

On October 26, 1974, President Ford signed into law an amendment of the Atomic Energy Act under which an international Executive-level agreement covering transfers of reactors and materials for civil nuclear programs may not become effective if the Congress, within a 60-day period following submission by the Executive Branch, passes a concurrent resolution stating that it does not favor the proposed agreement.

On September 1, 1975, Secretary of State Kissinger in a speech before the Special Session of the UN pointed to the need to prevent proliferation of reprocessing centers and proposed evaluation of the concept of multi-national reprocessing centers as a means for achieving non-proliferation objectives.

On February 1, 1976, the President signed an Executive Order establishing explicit procedures and deadlines for (a) Executive Branch evaluation of nuclear export license applications within the jurisdiction of the NRC and (b) notification to the NRC of the views of the Executive Branch as to their issuance. The principal purpose of this Order is to assure full Executive Branch coordination and evaluation of all factors involved in the proposed export, particularly as related to the national defense and security.

In his February 26, 1976 Energy Message, the President announced his decision that the U.S. should make a special contribution of up to \$5 million in the next five years to strengthen the safeguards program of the International Atomic Energy Agency. A supplemental budget request for the first \$1 million has been sent to the Congress.

On July 27, 1976, the President announced that he had called for a review of nuclear policies with particular attention to nuclear exports and proliferations, reprocessing, and waste management. He created a special review team under the full-time direction of Robert Fri (who normally serves as Deputy Administrator of ERDA) to lead the review. All Federal agencies having responsibilities affecting nuclear power will participate in the review.

GRS  
8/10/76

ISSUE:        Liquefied Natural Gas (LNG)

Administration Position

In his February 26, 1976 Energy Message, the President stated:

"We expect imports of liquefied natural gas (LNG) to grow in the next several years to supplement our declining domestic supply of natural gas. We must balance these supply needs against the risk of becoming overly dependent on any particular source of supply.

Presidential Documents  
Vol. 12, No. 9, p. 290

Administration Actions

Also, in his February 26, 1976 message the President noted that, ". . . We expect imports of liquefied natural gas (LNG) to grow in the next several years to supplement our declining domestic supply of natural gas. We must balance these supply needs against the risk of becoming overly dependent on any particular source of energy." Recognizing these concerns, he directed the Energy Resources Council to establish procedures for reviewing proposed contracts within the Executive Branch, balancing the need for supplies with the need to avoid excessive dependence, and encouraging new imports where this is appropriate. On August 5, 1976, Frank Zarb announced the policy approved by the President following the ERC review:

- LNG imports are limited to 2 trillion cubic feet (Tcf).
- LNG imports from a single country are limited to .8 - 1.0 Tcf.

GRS

8/10/76

ISSUE: Natural Gas

Administration Position

The President stated in his February 26, 1976 Energy Message to the Congress:

"The need for Congressional action is most critical in the area of natural gas. We must reverse the decline in natural gas production and deal effectively with the growing shortages that face us each winter.

Deregulating the price of new natural gas remains the most important action that can be taken by the Congress to improve our future gas supply situation. If the price of natural gas remains under current regulation, total domestic production will decline to less than 18 trillion cubic feet in 1985. However, if deregulation is enacted, production would be about 25 percent higher by 1985. Natural gas shortages mean higher costs for consumers who are forced to switch to more expensive alternative fuels and mean, inevitably, an increasing dependence on imported oil. Curtailment of natural gas to industrial users in the winters ahead means more unemployment and further hardships."

Presidential Documents  
Vol. 12, No. 9, p. 290

Administration Actions

In January 1975, legislation to deregulate the wellhead price of gas in interstate commerce was proposed as part of the President's Energy Independence Act. Legislation to deregulate natural gas is still being considered by the Congress.

Emergency legislation to deal with gas shortages anticipated for 1975-77 was introduced in October 1975. This would permit interstate pipelines with insufficient natural gas to meet high priority requirements to purchase gas at open market prices instead of regulated prices for not more than 180 days. This bill is still before Congress.

In his February 26, 1976 Energy Message the President again urged ". . . the Congress to approve legislation that will remove Federal price regulation from new natural gas supplies and will provide the added short-term authorities needed to deal with any severe shortages forecast for next winter."



Also, in his February 26, 1976 message the President urged, ". . . prompt action by the Congress on a bill I will be submitting shortly which is designed to expedite the selection of a route and the construction of a transportation system to bring the vast supplies of natural gas from the north slope of Alaska to the "lower 48" markets. This legislation would make possible production of about 1 trillion cubic feet of additional natural gas each year by the early 1980s."

On March 10, 1976, Frank Zarb submitted to the Congress the Administration's proposed "Alaskan Natural Gas Transportation Act of 1976." On July 1, 1976, the Senate passed alternative legislation (S. 3521) which provides for an undesirable and possibly unconstitutional provision for a one-House veto of a Presidential decision on route selection.

Two of eight OCS lease sales have been held during calendar year 1976. At this time, it looks as though only two of the six remaining planned sales will actually take place. The OCS offers the potential for discovery of significant new sources of gas supplies.

The Energy Policy and Conservation Act included extension of the Energy Supply and Environmental Control Act (ESECA) authorities enabling the Federal Energy Administration to require conversions of electric utility and major industrial boilers from gas and oil to coal under certain conditions.

Also, in his February 26, 1976 message the President noted that, ". . . We expect imports of liquefied natural gas (LNG) to grow in the next several years to supplement our declining domestic supply of natural gas. We must balance these supply needs against the risk of becoming overly dependent on any particular source of energy." Recognizing these concerns, he directed the Energy Resources Council to establish procedures for reviewing proposed contracts within the Executive Branch, balancing the need for supplies with the need to avoid excessive dependence, and encouraging new imports where this is appropriate. On August 5, 1976, Frank Zarb announced the policy approved by the President following the ERC review:

- LNG imports are limited to 2 trillion cubic feet (Tcf).
- LNG imports from a single country are limited to .8 - 1.0 Tcf.

GRS  
8/10/76

ISSUE: Oil Corporation Divestiture

Administration Position

The President stated at a Briefing Session on the Budget for State Officials in Concord, New Hampshire, February 7, 1976:

"I don't think divestiture is the way to solve the problem. It seems to me that a well-managed oil company, big or small, is the best way to solve our energy problem."

Presidential Documents  
Vol. 12., No. 7., p. 143

The Administration responded to a questionnaire which was sent by Offshore Magazine to several likely Presidential candidates:

"The Federal government cannot do a more effective job in developing our domestic oil resources and providing the consumer with refined petroleum products at a lesser cost. However, the government can carefully monitor the actions of the oil industry and there are laws on the books that now permit the government to pursue this task. The potential magnitude and the threat of disruptions caused by divestiture must be analyzed very carefully before any serious consideration is given to divestiture legislation. The bills that have been proposed to impose either vertical or horizontal divestiture need very close scrutiny because they appear to be inflexible, overly broad and probably will not accomplish the objectives their sponsors intend. The consequences of a poorly conceived solution are so great, both here and abroad, that it would be premature to proceed without carefully considering the effect on the nation's national energy goals and other national objectives."

Offshore, March 1976  
Vol. 36, No. 3, p. 47

The Administration position on the bill (S.2387) reported by Senator Bayh's Subcommittee on Senate Judiciary is as follows:

"I am very concerned about the thrust of the divestiture bill recently approved by Senator Bayh's Subcommittee.

"It assumes that, by breaking up a major segment of the oil industry, we can lower prices and increase secure supplies.

"I have not seen any evidence to indicate that these results would occur.

"If it could be positively shown that divestiture would improve the delivery of secure volumes of oil at lower prices to the American people, I would favor it.

"The advocates of the bill reported by the Subcommittee have not made that case. There is a good chance that the bill would retard rather than expand domestic production and actually increase our dependence on high-priced foreign oil and our vulnerability to disruption from an embargo.

"Until it can be demonstrated that divestiture legislation would improve rather than worsen our energy situation, I must oppose such proposals."

Developed by Messrs. Zarb and Greenspan. Approved by the President on May 8, 1976

#### Administration Actions

In March, 1976, the Energy Resources Council initiated an interagency study of the implications of vertical and horizontal divestiture. The study, which expanded on-going efforts to monitor industry competitiveness, concentrated initially on the degree of vertical integration in the industry, the implications of vertical integration for competition, the economic and financial impacts of divestiture and the likely effects of the transitional period upon the attainment of energy policy goals. A report summarizing the results of the ERC study, "Analysis of Vertical Divestiture" was submitted for the record during the hearings of the Senate Judiciary Committee.

A number of Administration spokesmen testified before the Senate Judiciary Committee to urge the defeat of S. 2387, the principal bill requiring vertical divestiture.

The Senate Judiciary Committee voted on June 15 (by 8 votes to 7) to report the bill to the Senate. The Senators voting to report the bill indicated they are opposed to divestiture, but intend to allow the full Senate an opportunity to consider the merits of petroleum industry divestiture.

GRS  
8/10/76

ISSUE: Outer Continental Shelf Oil

Administration Position

The President stated at a meeting of Governors on Outer Continental Shelf Oil and Gas Development, November 15, 1974:

"I believe that the Outer Continental Shelf Oil and Gas Deposits can provide the largest single source of increased domestic energy during the years when we need it most. The OCS can supply this energy with less damage to the environment and at a lower cost to the U.S. economy than any other alternative. We must proceed with a program that is designed to develop these resources."

Presidential Documents  
Vol. 10, No. 46, p. 1440

In his 1975 State of the Union Message, the President said:

"The largest part of increased oil production must come from new frontier areas on the Outer Continental Shelf and from the Naval Petroleum Reserve No. 4 in Alaska. It is the intent of this Administration to move ahead with exploration, leasing and production on those frontier areas of the Outer Continental Shelf where the environmental risks are acceptable."

Presidential Documents  
Vol. 11, No. 3, p. 49

In his February 26, 1976 energy message the President indicated:

"We must reverse the decline in the Nation's oil production. I intend to implement the maximum production incentives that can be justified under the new Energy Policy and Conservation Act. In addition, the Department of the Interior will continue its aggressive Outer Continental Shelf development considerations."

Presidential Documents  
Vol. 12, No. 9, p. 292

Administration Actions

In November 1974, the President directed the Secretary of Interior to move toward a goal of leasing as much OSC oil and gas acreage as could be done safely and at a fair market price.

In March 1975, the Department of the Interior adopted an objective of six lease sales per year, at least one in a new frontier area, through 1978. This policy objective was adopted in lieu of leasing a fixed amount of acreage per year.

Interior has responded to public criticism of its leasing procedures by:

- requiring more exploration data and development plan information from lessees.
- taking steps to give the States greater participation in the tract nomination and selection process.
- providing States the opportunity to review and comment on development plans, including on-shore facilities.
- prohibiting joint bidding by two or more major oil companies producing in excess of 1.6 million barrels per day (subject to Secretarial waiver under unusual circumstances).

Legislation for a comprehensive Oil Pollution and Compensation Act was submitted to Congress in July 1975. This would provide for consistent application of oil-spill measures that are now part of the Water Pollution Control Act, the Deep Water Ports Act, the Trans-Alaskan Pipeline Act, and the International Convention on Spills from Vessels.

Four OCS lease sales were held in 1975 amounting to about 1.7 million acres: 1.4 million in the Gulf of Mexico, and 310,000 acres in Southern California.

Two OCS sales have been held during calendar year 1976, one in the Gulf of Mexico (160,000 acres), and one in the Gulf of Alaska (440,000 acres) for a total thus far of 600,000 acres. Three more sales are scheduled during calendar year 1976: one in the Mid-Atlantic in August; one in the Gulf of Mexico (general sale) in October; and another in the Cook Inlet in Alaska. Interior is considering a schedule for the 1977-1979 period which will probably call for a total of about 14 sales.

In order to assure protection of the OCS development, Interior has set up the following procedures:

- Studies of existing environmental conditions are initiated approximately one year or more prior to lease sale.
- Environmental Impact Statements are prepared for each lease sale.
- Public hearings are held on the draft EIS.
- In the issuance of leases in frontier areas, additional environmental stipulations may be made a part of the lease, and OCS operating orders specially designed for the lease sale area are promulgated.
- Environmental monitoring continues after lease sale to assess impacts of exploration and development upon the environment.

On November 4, 1975, the Department of the Interior promulgated regulations which provide for State consideration of and comments on OCS oil and gas development plans. Prior to Federal approval of the proposed development plan, leasees must submit to the Governor of each directly affected state, information concerning on-shore and off-shore facilities, operations proposed and other information as required.

The Coastal Zone Management Act Amendments of 1976, which were recently signed into law, provide \$800 million in loans and loan guarantees, essentially identical to the Administration's program, plus \$400 million in formula grant "entitlements" which can be drawn down for certain limited purposes (planning, public facilities if credit is not available, and unavoidable environmental losses which cannot be attributed to identifiable persons). The Act also provides for State review of OCS exploration and development plans for consistency with Federally approved coastal zone management programs.

GRS  
8/10/76

ISSUE: Solar Energy

Administration Position

On February 25, 1975, at the White House Conference on Domestic and International Affairs in Florida, the President said:

"Our 1976 energy program also includes an accelerated solar energy effort far larger than anyone ever imagined several years ago. . .

"The program we are now advocating is designed to help develop technologies for solar heating and cooling, by converting solar energy to electricity, by producing power economically from the wind, and (by) exploring the potential of other solar techniques."

Presidential Documents  
Vol. 11, No. 9, p. 216

The President said in his 1976 State of the Union Message:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposal(s) to . . . accelerate development of technology to capture energy from the sun and the earth, for this and future generations."

Presidential Documents  
Vol. 12, No. 4, p. 47

The President in his February 26, 1976 Energy Message to Congress, indicated:

"I envision an energy future for the United States free of the threat of embargoes and arbitrary price increases by foreign governments . . . I envision . . . significant technological breakthroughs in harnessing the unlimited potential of solar energy and fusion power, and a strengthened conservation ethic in our use of energy."

Presidential Documents  
Vol. 12, No. 9, p. 293

Administration Actions

The President's 1977 Budget provides \$160 million in budget authority for Federally-sponsored solar energy research and development and demonstration activities. This is a 39 percent increase over FY 1976, and an approximately four-fold increase over the \$42 million of budget authority in FY 1975.

The President signed the Public Works appropriations bill which included \$290 million in budget authority for solar energy R&D. However, no decision has yet been made on whether some of the Congressional add-on funding may be proposed for deferral (on the grounds that such a large increase cannot be effectively utilized in FY 1977).

On March 15, 1976, ERDA requested proposals from any responsible organization, including non-profit, commercial or state and local governmental entities, for the proposed Solar Energy Research Institute (SERI), with an option for a larger site in the future. On July 15, 1976, ERDA announced receipt of 20 proposals, acceptable for comprehensive evaluation, for a manager-operator for SERI. ERDA will evaluate proposals and ERDA expects a selection in December 1976.

In June 1975, ERDA submitted to the President and the Congress a report outlining the Federal portion of a "National Solar Energy Research, Development and Demonstration Program" which described current and prospective Federally-funded programs in the areas of solar heating and cooling, solar electric systems, wind power and ocean thermal power and fuels from biomass. (ERDA-49)

In October 1975, ERDA submitted to the President and the Congress a report outlining the Federal portion of a National Program for Solar Heating and Cooling (for residential and commercial applications) which describes programs underway or contemplated (ERDA-23A). The use of solar energy for space heating and hot water heating is the most nearly economic application at this time.

The General Services Administration has under construction two buildings (one in Manchester, N.J., the other in Saginaw, Michigan) which are designed to demonstrate energy conservation and which also will include large solar collectors, scheduled for completion in 1976. In addition, ERDA and GSA and other Federal agencies are exploring the feasibility of installing solar collectors on new Federal buildings and retrofitting existing Federal buildings with solar collectors.

The Department of Defense is installing solar hot water and space heating on a demonstration basis in 15 existing and 35 new Department of Defense owned residential housing units.

The Department of Housing and Urban Development and the National Bureau of Standards have issued standards for residential solar heating and cooling units which must be met to qualify for solar demonstration grants that will be available through HUD.



In addition, HUD is conducting the residential demonstrations for ERDA, and will undertake approximately 100 solar heating and cooling installations in FY 1976. ERDA will undertake approximately 40 demonstrations of the use of solar energy to heat and cool public commercial and institutional buildings.

On July 8, 1976, ERDA demonstrated the first significant production of electric power from a solar driven turogenerator at a test facility near Albuquerque, New Mexico that is designed also to use waste heat from the process for heating and cooling of laboratory buildings.

ISSUE: STATE UTILITY PLANNING AND REGULATION

Administration Position

In his State of the Union Message, January 15, 1975, the President announced:

"I will submit legislation to expedite nuclear licensing and the rapid selection of sites. In recent months, utilities have cancelled or postponed over 60 percent of planned nuclear expansion and 30 percent of planned additions to non-nuclear capacity.

"I am also submitting proposals for selective changes in State utility commission regulations."

Presidential Documents  
Vol. 11, No. 3, p.50

In his 1976 State of the Union Message, the President said:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposals to . . . expedite clean and safe nuclear power production."

Presidential Documents  
Vol. 12, No. 4, p. 47

"Electric power and energy decisions must be made now to determine where we will be 10 years from now. Delay due to the regulatory process, construction cutbacks, or financing problems will significantly affect our ability to adequately meet our future energy needs at the lowest possible costs.

"FEA recognizes the necessity for electric utility regulatory reform and for further necessity to cooperate with and appropriately encourage state authorities in this regard . . . it is imperative that we work together to develop effective programs for rate reform and energy planning."

FEA Administrator  
Frank Zarb, in Testimony  
before the House Commerce  
Committee on April 1, 1976.

Administration Actions

Legislation to reform selective State utility regulatory practices, and to expedite the planning, siting, and construction of generating facilities was included in the President's proposed Energy Independence Act, submitted to Congress on January 30, 1975.

Titles VII and VIII of this Act would:


- provide a five-month suspension limitation on proposed electric rate applications. After five months from the application's filing date, proposed rate schedules would become effective on an interim basis until the State regulatory authority issues a final ruling on the rate application.
- prevent regulatory authorities from prohibiting fuel adjustment clauses that permit monthly changes in utility rates to reflect changing costs of generator fuels.
- disallow regulatory authorities from prohibiting time-of-day pricing for utility customers. Time-of-day rates permit a utility to reflect the full but changing costs of supplying electricity at different times of the day and to reap the benefits of improved capacity utilization.
- order regulatory authorities not to prohibit the costs of construction work in progress in a utility's rate base. The inclusion of construction work in the rate base greatly enhances the ability of utilities to plan for and finance needed capacity additions.
- disallow any prohibition against including the costs of pollution control equipment in the rate base.
- eliminate State regulatory prohibitions of the use of normalization methods of accounting. The removal of such prohibitions would permit utilities to take more advantage of the benefits of the investment tax credit and accelerated depreciation.
- streamline the facility licensing process of Federal agencies, and initiate a comprehensive analysis of national energy siting and facility planning.
- provide authority for grants to assist states in developing Facility Management programs.
- authorize and encourage states to cooperate on a regional basis in future energy planning and in their consideration of specific generating facility siting questions.

Administration officials have appeared on several occasions in support of Titles VII and VIII of the Energy Independence Act. Most recently, FEA officials testified on utility legislation on April 1, 1976, before the House Commerce Committee, and on April 27, 1976, before the Senate Commerce Committee.

Since early last year, FEA has developed several administrative programs designed to encourage the adoption of the goals of regulatory reform and reducing delays in bringing new generating facilities on line. These programs include:

- ten electric utility rate demonstration projects, now funded at \$3.3 million per year, designed to demonstrate the feasibility and benefits of time-of-day pricing.
- participation in State and Federal regulatory proceedings to advocate the inclusion of construction work in progress in the rate base.
- participation in State rate cases to advocate the cost-effective implementation of time-of-day pricing.
- facility siting and planning programs, developed to expedite the approval process for generating facilities, and to encourage the improvement of State and regional energy planning capabilities.
- technical assistance programs, designed to aid State regulatory authorities on a variety of ratemaking, facility siting, powerplant reliability and productivity issues.

GRS  
6/22/76



ISSUE: Synthetic Fuels Commercialization

Administration Position

The President stated in his State of the Union Message, January 15, 1975:

"I have established a goal of one million barrels of synthetic fuels and shale oil production per day by 1985 together with an incentive program to achieve it."

Presidential Documents  
Vol. 11, No. 3, p. 50

The President subsequently stated in his 1976 State of the Union Message:

"I again urge the Congress to move ahead immediately on the remainder of my energy proposals to . . . create a new National Energy Independence Authority to stimulate vital energy investment and accelerate development of technology to capture energy from the sun and the earth, for this and future generations."

Presidential Documents  
Vol. 12, No. 4, p. 47

The President stated in his February 26, 1976 Energy Message to the Congress:

"I also urge Congressional action on legislation needed to authorize loan guarantees to aid in the construction of commercial facilities to produce synthetic fuels so that they may make a significant contribution by 1985.

"Commercial facilities eligible for funding under this program include those for synthetic gas, coal liquefaction and oil shale, which are not now economically competitive. Management of this program would initially reside with the Energy Research and Development Administration but would be transferred to the proposed Energy Independence Authority."

Presidential Documents  
Vol. 12, No. 9, p. 292

Administration Actions

In his 1975 State of the Union Message, the President proposed a Federally sponsored Synthetic Fuels Commercial Demonstration Program. An interagency study concluded that the synthetic fuels program should proceed in two phases; the first of which would involve the construction and operation of about 12-15 commercial-size plants and would result in total synthetic and gas production in

1985 equivalent to 350,000 barrels of oil. The second phase might begin in 1978 or 1979 and raise production in 1985 to one million barrels per day, but this depends upon the results of R&D efforts, additional information on environmental impacts and the private sector's response to the first phase.

The Administration supported a \$6 billion program of loan guarantees to implement aspects of the President's proposal which was passed by the Senate during the last session, but failed to pass the House of Representatives.

The President again supports immediate creation, in 1976, of a synthetic fuels commercialization demonstration program in ERDA. This program will be carried forward in ERDA until such time as the Energy Independence Authority is enacted and the program can be incorporated under that Authority. As a first step in implementing this program, the President has submitted a supplemental 1976 request to provide \$504 million in budget authority to cover \$2 billion in loan guarantees for the remainder of 1976.

This will cover an initial three or four synthetic fuel production plants using coal, oil shale, municipal solid waste or other domestic energy sources.

Budget authority for the remainder of the full \$6 billion loan guarantees program for synthetic fuels is included in the 1977 Budget under the Energy Independence Authority.

The Administration supports the passage of H.R. 12112 which has been reported out of the House Science and Technology Committee. H.R. 12112 is a compromise piece of legislation which provides for loan guarantees for the demonstration of new energy technologies including synthetic fuels.

GRS  
6/22/76

ISSUE: Uranium Enrichment Capacity

Administration Position

The President stated upon signing his June 26, 1975 message to Congress on Uranium Enrichment: "Today, I am asking the Congress to join me in embarking the Nation on an exciting new course of action which will help to assure the energy independence that we need, and significantly strengthen our economy at home, at the same time.

"I am referring to the establishment of an entirely new competitive industry to provide uranium enrichment service for nuclear power reactors. The legislation that I am seeking will reinforce the world leadership we now enjoy in uranium enrichment technology.

"It will help insure the continued availability of reliable energy for America. It will move America one big step nearer energy independence.

"This legislation will insure that the billions of dollars required for the construction of new enrichment plants will be borne by the private sector, not by the American taxpayer."

Presidential Documents  
Vol. 11, No. 26, p. 682

Administration Actions

President Ford, on June 26, 1975, sent to the Congress a message describing his comprehensive plan for expanding the United States capacity to provide uranium enrichment services with financing, ownership, construction and operation of plants by private industry.

President Ford, also on June 26, transmitted proposed legislation necessary to carry out his program, entitled the Nuclear Fuel Assurance Act of 1975. This includes authority for the Energy R&D Administration to enter into cooperative agreements with private firms to provide for Federal cooperation and certain temporary assurances that are needed to overcome the obstacles to private entry into the uranium enrichment industry.

President Ford and other Administration officials have met with the Joint Committee on Atomic Energy (JCAE) and other leaders to explain the program and urge prompt Congressional action.

Top Administration officials from ERDA, FEA, Treasury, State, Justice, Labor, EPA, CEA and OMB have testified before the JCAE on December 3, 4, 5, and 9, 1975, and February 6, 1976, on the need for the Nuclear Fuel Assurance Act, and on the way it would establish a private enrichment industry.

JCAE hearings on the NFAA were also held during March and April to hear industry, utility and potential enrichment firms' testimony.

ERDA is now negotiating cooperative agreements with:

- one private venture (Uranium Enrichment Associates) that wishes to finance, build, own and operate a uranium enrichment plant using gaseous diffusion technology, on the basis of a proposal received in May 1975, and
- three private ventures that wish to build plants using gas centrifuge technology, based on proposals received on October 1, 1975.

The NFAA was ordered reported by the JCAE on May 14, 1976, with some changes from the President's proposal. It was passed by the House on August 4, 1976, and Senate action is anticipated in late August.

The President has requested the Congress to enable ERDA to use \$13 million of available funds in FY 1976 and the Transition Quarter to initiate work on a contingency plan to provide more government capacity.

The President has requested an amendment to ERDA's FY 1977 budget to provide for (1) \$178.8 million for the continuation of efforts on an add-on to an existing ERDA enrichment facility at Portsmouth, Ohio and (2) appropriation language which would permit ERDA to enter into contracts, subject to passage of the NFAA and Congressional approval of each contract, for cooperative arrangements with private enrichment firms up to a limit of \$8 billion.

GRS  
8/10/76



TRANSPORTATION

ISSUE: Airlines and Airports

Administration Position

Secretary Coleman has stated that the Administration has developed proposals to "ascertain the optimal domestic industry size and route structure to serve the Nation's interest...and to enable healthy competition...to modernize Federal financing policy...and to update the current policies for airport planning and financing."

Secretary Coleman, September 17,  
1975 A Statement of National  
Transportation Policy

The President stated on October 8, 1975: "In the almost four decades since economic regulation of airlines was established, this industry has grown tremendously...protective Government regulation established to serve the particular needs of a new industry has outlived its original purpose. The rigidly controlled regulatory structure now serves to stifle competition, increase cost to travelers, makes the industry less efficient than it could be and denies large segments of the American public access to lower cost air transportation. In a number of studies, economists estimate the cost of air transportation to American consumers is far higher than necessary as a result of over-regulation."

Presidential Documents  
Vol. 11, No. 41, p. 1144

The President stated upon signing the Airport and Airway Development Act of 1976 that it..."will make possible the continuing modernization of our airways, airports and related facilities in communities throughout the 50 States. This legislation will give to the various departments increased flexibility to local authorities in the management and the development of the airport facilities and in starting to solve the airport noise problem. It will make possible thousands of jobs in aviation-related activities.

Significantly, this act will combat inflation because the funding for these airport and airway improvements will come from the users of the airways and the airport facilities -- the users of aviation. Moreover, for the first time since 1971 maintenance of the air navigation systems will be funded in part out of the Airport Trust Fund."

Presidential Documents  
Vol. 12, No. 29, p. 1157

### Administration Actions

The Administration has endorsed a seven-point program to assist U.S. international airlines to compete more effectively with subsidized foreign carriers.

The President, on March 17, 1975, submitted new Airport and Airways Development legislation to increase and improve the financing and planning of airport facilities and to provide more equitable collection of aviation user charges.

The Administration, on August 19, 1975, advocated to CAB the direct pass-through of energy costs in setting airline fares.

The President identified the need for modernizing airline regulation and financing policies as part of his State of the Union Message on January 15, 1975, and again in a speech before the White House Conference on Domestic and Economic Affairs at Concord, New Hampshire, on April 18, 1975.

The President, on October 8, 1975, submitted to Congress the Aviation Act of 1975 to improve the regulatory environment of the airlines.

On July 12, 1976, the President signed the Airport and Airway Development Act of 1976 to help maintain our nation's airports.

JRH  
7/22/76

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Presidential Documents  
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SGM  
1/7/76



ISSUE: Amtrak

Administration Position

On February 14, 1976, the President stated: "When I was in the Congress, I voted for the Amtrak concept. I think it is important for us, for a wide variety of reasons, including saving energy, and in certain areas saving time, to develop, or to maintain or to expand rail passenger service.

We certainly need it in the Northeast Corridor, from Boston to New York to Washington, and I am sure there are other equally important areas throughout the country. Unfortunately, however, there are some cases where the Congress has added -- just pure pork barrels -- in adding or requiring Amtrak to run passenger service where it cannot, under any circumstance, be justified.

Now if they keep doing that, it will destroy the basic concept which is sound for Amtrak. So, I just hope we show some restraint and good judgment because we need a good passenger rail system in certain parts of the country, but we can't afford to run it all over the country and strain the taxpayers pocketbook.

Remarks of the President  
and Question and Answer Session  
Ft. Myers Exhibition Hall  
2/14/76

On April 21, 1976 the President met with a group of newspaper people and said: " in Fiscal Year 1976, I recommended and Congress approved -- \$328 million for Amtrak, a little more, but that is the rough figure. In fiscal year 1977, I recommended a \$50 million increase up to \$378 million. I understand that the head of Amtrak, despite that \$50 million increase, is now saying that there will have to be 19 reductions in the many Amtrak programs they have . . ."

"Now, it seems to me that rather than eliminate any of these ongoing Amtrak schedules that Amtrak ought to do one of two things: Increase their efficiency, improve their operating capability so their costs are less; or, if they are incapable of increasing their efficiency I think they have no choice but to do something about their rate structure."

"It seems to me that the better emphasis for them to do to avoid any cutback in any of the 19 cases, then, Amtrak ought to improve its efficiency. I am certain they can do it but, if they can't, then I think they have the other alternative."

". . . but, I can't believe that Amtrak can't do a more efficient job, particularly when we gave them or recommended \$50 million for the next fiscal year over the current fiscal year. We have not cut back anything. We have added \$50 million related to \$328 million -- that is 15, 16 percent. That is an increase. We have not reduced anything for Amtrak."

Interview with the President  
Texas Reporters April 22, 1976

#### Administration Actions

The Presidential budget proposes \$378 million in operating subsidies for Amtrak in FY '77 as compared to \$328.8 million in FY '76. The President's budget for FY '77 would reduce Amtrak's capital grant program from \$110 million in FY '76 to \$105.7 million in FY '77.

On March 9, 1976, at the National Press Club, Secretary Coleman stated that after giving \$50 million more to Amtrak, Amtrak made the decision to eliminate certain lines, all of which just happened to run through influential politicians' districts.

On March 18, 1976, Secretary of Transportation Coleman recommended to the Conferees on H. Joint Res 801 (Miscellaneous Railroad Appropriations) that Amtrak should lease, not purchase, the Northeast corridor lines.

JRH  
4/30/76

The President on July 7, 1975, sent to the Congress proposals for renewing and revising the Federal-Aid Highway program. Emphasis was put on completing the Interstate System and providing greater flexibility in State and local transportation decisions.

The President in February 1975, released an additional \$2 billion in highway construction funds to stimulate employment in the construction industry.

During the week of May 3, 1976, the President will sign the Federal-Aid Highway Act of 1976 (HR 8235) which will provide \$17.6 billion over the next 27 months for highway construction, restoration, rehabilitation and safety programs. Although the Bill will not change the operation of the Highway Trust Fund, past Presidential statements and Congressional debate clearly indicate that the next Congress must carefully review this important issue.

The current bill does consolidate three existing highways categories under a new, basic primary system, and give the State's greater flexibility to shift funds between non-Interstate categories.

JRH  
4/30/76

ISSUE: Concorde - SST

Administration Position

In a decision on Concorde Supersonic Transport, dated February 4, 1976, Secretary of Transportation William T. Coleman decided to permit British Airways and Air France to conduct limited scheduled commercial flights into the United States for a trial period not to exceed 16 months under certain limitations and restrictions. The 16 months will enable 12 months of data collection (during all 4 seasons) and four months of analysis. Up to two Concorde flights per day may go into JFK by each carrier, and one Concorde flight per day into Dulles by each carrier with the following additional terms and conditions:

1. No flight may be scheduled for landing or take-off in the U.S. before 7 a.m. local time or after 10 p.m. local time.
2. Except where weather or other temporary emergency conditions dictate otherwise, the flights of British Airways must originate from Heathrow Airport and those of Air France must originate from Charles de Gaulle Airport.
3. Authorization of any commercial flights in addition to those specifically permitted by this action shall constitute a new major federal action within the terms of NEPA and therefore require a new Environmental Impact Statement.
4. In accordance with FAA regulations, the Concorde may not fly at supersonic speed over the United States or any of its territories.
5. The FAA is authorized to impose such additional noise abatement procedures as are safe, technologically feasible, economically justified, and necessary to minimize the noise impact, including but not limited to, the thrust cut-back on departure.

The Secretary's Decision on  
Concorde Supersonic Transport  
2/4/76, pp. 3 and 4.

In a press conference in Durham New Hampshire, February 8, the President said: "I think Secretary Coleman has written a very excellent, constructive decision and if this 16-month trial period is carried out, as I believe it will, it will give us some very important information that will permit us to make a final decision."





"And I would like to add a postscript. The very limited number of supersonic aircraft that will be flying the so-called Concorde flights are a miniscule number of the total number of military supersonic aircraft that are flying around the world every day. But nevertheless, we ought to do what Secretary Coleman suggested, 16-month trial period, very rigid regulations, very important testing in the process." "I think it was an excellent decision. I fully support it."

Press Conference No. 25  
of the President, 2/8/76  
Durham, New Hampshire  
Presidential Documents  
Vol. 12, No. 7, p.152

#### Administration Actions

On February 4, 1976, the Secretary of Transportation decided to permit the Concorde to conduct limited scheduled commercial flights into the United States under stated conditions. The President in his press conference of February 8, 1976 fully supported this decision. The Secretary of Transportation has asked the Secretary of State to enter into an agreement with France and Great Britain to establish a monitoring system for measuring ozone levels in the stratosphere.

JRH  
2/19/76

ISSUE: Energy Related Activities

Administration Position

Secretary Coleman stated: "Energy conservation is a national imperative and has become a major factor in transportation decision making. As a major consumer of energy, transportation must participate substantially in energy conservation programs and must increase the efficiency with which energy is used. Secondly, as part of the Nation's energy supply infrastructure, transportation must provide an efficient energy distribution network."

Secretary Coleman, September 15,  
1975 A Statement of National  
Transportation Policy

On March 6, 1976, the President stated: "We also have to make sure that we can get our energy to where it is needed. This demands a strong and efficient railroad system to make sure energy is available to fuel America's industry. The Rail Revitalization Act of 1976, which Congress passed and I signed into law about a month ago, will help insure the strong transportation industry that we need to achieve our goal of energy independence."

Presidential Documents  
Vol. 12, No. 11, p. 365

Administration Actions

The Department of Transportation has issued regulations requiring urbanized areas to develop energy conservation and operating efficiency programs as a prerequisite for receiving Federal mass transit assistance.

The Administration has endorsed the 55 mph speed limit to improve efficiency of automobile operations.

The Department of Transportation has initiated proposals for the possible electrification of railroad rights-of-way, and increase in load factors within the airline industry.

The Department of Transportation, Environmental Protection Agency and the National Transportation Safety Board have worked jointly on new automobile designs to, among other things, achieve greater fuel economy.

The Administration has coordinated a voluntary joint industry-government automobile fuel economy improvement program that should achieve 40 percent fuel economy improvement by 1980.

The Federal Aviation Administration is implementing a seven-point program for jet fuel conservation.

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JRN  
3/18/76

Administration Position

There is a need to "refocus the Federal attention on the Interstate system, which is clearly of national significance, and to provide flexible aid to other highway construction in a manner which fully respects State and local decision making roles . . . I am recommending legislation to extend the Trust Fund but limit its use to completion and improvements of the Interstate system itself. Other highway projects receiving Federal assistance would be funded through the General Treasury."

Presidential Message to Congress on  
Federal Aid Highway Act of 1975  
July 7, 1975

Today I have signed into law the Federal-Aid Highway Act of 1976. This legislation is the product of almost a year-long debate. The Act I am signing today is a two-year interim measure which permits the program to continue while setting the stage for the next Congress again to confront the critical issues facing the program.

Statement by the President on signing  
the Federal-Aid Highway Act of 1976  
May 5, 1976

Administration Action

The President submitted to the Congress the Federal Aid Highway Act of 1975 in July, 1975.

The President signed into law on May 5 the Federal-Aid Highway Act of 1976 (H.R. 8235) which provides more than \$17.5 billion for the continuation of Federal highway construction rehabilitation and safety programs and extends the Highway Trust Fund as a method of financing them for two years.

Highlights of H.R. 8235

- provides funds for the first time expressly for rehabilitation and restoration projects on the Interstate system.
- liberalizes the Interstate transfer provisions to allow construction of other highways and/or mass transportation facilities or equipment when nonessential Interstate segments are deleted.
- assigns priority to the completion of the intercity routes closing critical gaps in the Interstate System.



- consolidates a number of existing categorical grant programs into a broader, more flexible program.
- stresses existing and new highway safety programs.



ISSUE: Federal Highway Program

Administration Position

The President said in a message to the Congress on July 7, 1975: There is a need to "refocus the Federal attention on the Interstate System, which is clearly of national significance, and to provide flexible aid for other highway construction in a manner which fully respects State and local decision making roles."

Presidential Documents  
Vol. 11, No. 28, p. 718

The President stated on March 6, 1976: "The Federal Government . . . since the mid-1950's, under the interstate highway program, has contributed 90 percent of the construction of the interstate system."

"We are roughly 85 percent completed . . . I don't think that we should get into maintenance until we have completed construction. Once we have completed construction, I think the President, working with the Congress, ought to take a look at what our resources ought to be and where we ought to spend them."

"Now, even though the interstate system is completed, we have got a lot of primary and secondary roads . . . that still have to be constructed. We have got to balance the completion of the interstate system, the completion of our primary and secondary roads, our so-called farm to market roads."

"Then, I think we can take an honest look to see what we ought to do in the area of maintenance. I don't think I should make you categorical promises because we are three or four years away from the completion, certainly, of the first segment of the interstate system."

Presidential Documents  
Vol. 12, No. 11, p. 357

Administration Actions


The President in January 1975, signed the Highway Amendments of 1974, adding approximately \$500 million for rural highways and providing for selected program restructuring.

The President on June 5, 1975, signed H.R. 3781, the Federal-Aid Highway Land Bill to provide States with greater flexibility in the use of Federal-Aid Highway funds, and to enable them to deter temporarily their matching share for certain projects.

The President on July 7, 1975, sent to the Congress proposals for renewing and revising the Federal-Aid Highway program. Emphasis was put on completing the Interstate System and providing greater flexibility in State and local transportation decisions.

The President in February 1975, released an additional \$2 billion in highway construction funds to stimulate employment in the construction industry.

JRH  
3/18/76



ISSUE: Washington, D.C. Metro

Administration Position

On June 16, 1975, the President directed Secretary of Transportation Coleman to develop a financing plan for METRO. The use of the Interstate transfer provision of the 1973 Highway Act was specified to be the source of Federal aid for METRO costs above the \$3 billion cost estimate financed by METRO's special 1969 legislation. Local leaders must take the initiative in determining whether to withdraw Interstate highway segments to obtain additional funds for METRO.

Administration Actions

On October 2, 1975, the Department of Transportation approved the first Interstate transfer grant to METRO for \$286.5 million. Funds were made available by withdrawing some unbuilt Interstate highway segments in the District of Columbia from the Interstate system.

Decisions reached on the 1977 Federal budget assume that up to \$475 million of FY 1976 obligations and up to \$400 million in FY 1977 obligations can be incurred by METRO under the Interstate transfer process. When combined with past and existing Federal financing and local contributions, these 1976 and 1977 funds will finance nearly \$4 billion of the current \$4.65 billion cost estimate for METRO.

Note: A 4 1/2 mile first segment of METRO in the District of Columbia was opened on March 27, 1976.

JRH  
4/9/76

ISSUE: No Fault Insurance

Administration Position

In a meeting in May of 1975 with Senior White House Staff, Secretary Coleman and the Attorney General, the President indicated support for the "concept" of no-fault insurance, but indicated opposition to federal legislative standards because in his opinion it is an item for the individual States to determine.

"The issue of Federalism is not a frivolous one. It is for the protection of diversity, creativity and freedom within our system. The importance of protecting and promoting these values should be a compelling consideration in determining whether a federal uniform automobile insurance law is desirable and particularly whether requiring State agencies to implement such a law is appropriate."

Attorney General Levi's  
Testimony before the  
Senate Commerce Committee  
June 5, 1975

Background

On March 22, 1976, Senator Ted Stevens, (R), Alaska, wrote to the President expressing his views for minimal federal standards with regard to no-fault insurance. As the bill was recommitted on March 31, Jim Cannon wrote Senator Stevens a letter of April 2, thanking him for his views on behalf of the President. In his letter, Mr. Cannon reiterated the President's position of support for the concept of no-fault, but that he felt it was a matter for the States to determine.

Legislative Action

On March 31, 1976, the Senate voted 49-45 to recommit S.354 (no-fault insurance) to the Senate Commerce Committee. This will probably kill the bill for the remainder of this session.

JRH  
4/9/76





ISSUE: Railroads

Administration Position

In May, 1975, the Administration submitted the Railroad Revitalization Act which called for the elimination of outdated regulation and increased reliance on competition in the railroad industry.

In September, the Department of Transportation and the United States Railway Association (USRA) jointly proposed the Second Regional Rail Reorganization Act to implement the Final System Plan. This plan proposed a new corporation, ConRail, to provide essential freight service in the Northeast and Midwest.

The Local Rail Service Amendments of 1975 were submitted in October to amend the subsidy provisions of the Regional Rail Reorganization Act.

In November, 1975, the Administration offered its plan for improvement in high speed, intercity passenger service between Boston and Washington.

White House Press Release  
Fact Sheet, February 5, 1976

Upon signing the Railroad Revitalization and Regulatory Reform Act of 1976 (S. 2718) the President stated: "The Bill encourages revitalization of our deteriorating rail freight system --both in the Northeastern United States and nationwide. It provides badly needed financial assistance to help the railroads improve their physical plant and encourages the desired restructuring of our railroad system. It makes substantial improvements possible in rail passenger service in our densely populated Northeast section. Congress, in approving this legislation, has taken a very fundamental step to restore the long-term economic health of this very essential and necessary part of our economic system."

In regard to the regulatory reform provisions, the President added: "The regulatory reform provisions in this bill are long overdue. Every President since Harry S. Truman, both Republican and Democrat alike, have called in vain for increased competition and reform in our regulated industry. But, the Railroad Revitalization and Regulatory Reform Act, ...is the first significant reform of transportation by any Administration or any Congress."

Remarks of the President  
February 5, 1976, Rail Signing  
Presidential Documents  
Vol. 12, No. 6, p. 124

## Administration Actions

The President signed the Railroad Revitalization and Regulatory Reform Act of 1976 (S. 2718) on February 5, 1976, in the East Room of the White House. That Act incorporates most of the provisions of the four proposals mentioned above. (See Administration Position) It authorizes \$6.4 billion in appropriations and loan guarantees. This omnibus bill provides long overdue regulatory reform, makes it possible to reorganize the bankrupt Northeast and Midwest railroads, and authorizes necessary financial assistance for upgrading rail facilities.

White House Press Release  
Fact Sheet on Rail Bill February 5,  
1976

JRH 8/11/76

ISSUE: Regulatory Reform in Transportation

Administration Position

The President stated on April 18, 1975: "To deal with the inefficient and inequitable regulation in the transportation industry, I will send to the Congress a comprehensive program of regulatory reform which will promote competition by allowing greater price flexibility, greater freedom of entry and by reducing the power of Government agencies to grant antitrust immunity."

Presidential Documents  
Vol. 11, No. 17, p. 405

On the issue of airlines regulatory reform the President stated: "The overriding objective of the proposed legislation is to ensure that we have the most efficient airline system in the world and the American public is provided the best possible service at the lowest possible cost. We must make sure that the industry responds to natural market forces and to consumer demands rather than to artificial constraints of Government."

Presidential Documents  
Vol. 11, No. 41, p. 1144

The President stated on November 13, 1975: "Like the Railroad Revitalization Act and the Aviation Act of 1975 which are already before the Congress, the basic thrust of this proposed motor carrier legislation is to improve performance of our transportation industry by replacing Government regulation with competition. Together, these three bills will produce a regulatory system that responds to the needs of the consuming public instead of to the interests of the regulated industries."

Presidential Documents  
Vol. 11, No. 46, p. 1277

In Secretary Coleman's testimony before the Senate Commerce Committee, the Secretary said: "Stated plainly, the present system of airline regulation is fundamentally and inherently deficient. The answer is not found in fine-tuning the present statute or in appointing better people. The appropriate answer lies only in allowing the industry to operate in a naturally competitive fashion. This is why the President has proposed to the Congress the Aviation Act of 1975, one of three major transportation proposals submitted by the President."

Secretary Coleman's Testimony  
before Senate Commerce Committee  
April 7, 1976

On May 27, 1976 the President stated: "effective today, all Department of Commerce export license requirements will be eliminated for general aviation aircraft incorporating only standard communications equipment, and destined to most nations.

With these new export regulations, some three to four thousand license applications annually will be replaced by a dozen or so. This action is intended to remove hindrances to exports of general aviation aircraft, expand domestic employment in the aviation industry as a result of increased foreign sales, and reduce the cost of government."

President's Announcement of  
Revised Export Control Regula-  
for General Aviation Aircraft  
May 27, 1976

#### Administration Actions

The President, on November 18, 1974, proposed to the Congress establishment of a National Commission on Regulatory Reform to examine practices and procedures of the independent regulatory agencies.

The President, on June 25, 1975, held a bipartisan meeting with Congressional leadership to discuss problems and needs relating to Government regulation.

The President, on February 5, 1976, signed the Railroad Revitalization Act of 1976, containing positive steps for reform of railroad regulation including improvements in ICC regulatory procedures and increased reliance on market competition.

The President, on October 3, 1975, submitted to the Congress the Aviation Act of 1975 to reform the airline regulations. On April 7, 1976, Secretary of Transportation, William Coleman, as well as other Administration spokesmen, testified before the Senate Commerce Committee in strong support of the Administration's Aviation Act of 1975.

The President, on November 13, 1975, submitted to the Congress the Motor Carrier Reform Act to modernize the regulation of the transportation industry.

JRH  
6/18/76


The President met with large city Mayors on October 1, 1974, to gain support for the National Mass Transportation Assistance Act.

On September 9, 1974, the President addressed the Sixth International Conference on Urban Transportation in Pittsburgh. The address emphasized the need to build an attractive public transit alternative to the automobile and, thereby, help alleviate problems of congestion, pollution and excessive energy consumption.

The President has proposed transfer provisions in the 1975 Federal Aid Highway Bill that would simplify the transfer of highway funds to an expanded list of transportation uses.

During the week of May 3, 1976, the President will sign the Federal-Aid Highway Act of 1976 which among other provisions, will allow any state to reject completion of a non-interstate system in an urban area, and use the funds intended for that portion for other purposes, including mass transit projects.

JRH  
4/30/76



ISSUE: Rural Transportation

Administration Position

Secretary Coleman on rural transportation said: "Rural transportation programs substantially encourage rural development and growth, help meet the problems of rural poverty by facilitating access to employment, education and better medical services, and insure accessible interstate transportation for our citizens. A rural transportation policy should be coordinated with other Federal efforts in rural development as part of a broader national policy on rural and urban growth."

Secretary Coleman, September 15, 1975  
A Statement of National Transportation  
Policy

Mr. Robert Patricelli, Administrator of the Urban Mass Transit Administration stated in his testimony in support of the provision to use \$250 million for operating expenses in non-urbanized areas: "The need for improved public transportation service in non-urbanized areas is not any less urgent than in larger cities. Indeed, the problems of rural residents who do not have access to automobiles are often more severe than those of transit-dependent individuals in metropolitan areas."

Testimony of Robert Patricelli,  
Administrator, Urban Mass Transportation Administration before House  
Public Works Committee, June 2, 1976

Administration Actions

The Department of Transportation is implementing a new special rural mass transportation program for which up to \$500 million is authorized through fiscal year 1980.

The President signed the Federal-Aid Highway Act of 1976 which consolidated a number of existing categorical grant programs into a broader, more flexible program. The bill also allows for the transfer of funds between system categories to allow States increased flexibility in the use of highway funds where they are needed.

The President has proposed a program of partial Federal financial assistance to maintain rural branch rail lines for two year.

JRH 6/18/76

Issue: Transportation Safety

Administration Position

In a report to the Congress on September 4, 1974, the President said with regard to highway safety: "The saving of lives during the past year provides an added incentive for the Government and the Nation to persist in the endeavor to make our vehicles, our highways, and our drivers safer. I am confident that a well-managed program and well-managed use of our resources will continue to have a positive effect in improved highway safety."

Presidential Documents  
Vo. 10, No. 36, p. 1087

In addition, Secretary Coleman stated: "It is the policy of the Department of Transportation . . . to provide the highest practicable and feasible level of safety for people, property and the environment associated with or exposed to the Nation's transportation system."

Secretary Coleman, September 15,  
1975 A Statement of National  
Transportation Policy

The President stated on December 29, 1975: "I am deeply grieved by the loss of life and injuries which occurred tonight at LaGuardia Airport in New York... At my direction the Secretary of Transportation William Coleman and the Administrator of the FAA, Dr. McLucas, investigated the tragedy immediately and gave me a complete report on it. Many of the recommendations and directives of this report have already been implemented, and others are being implemented as fast as technologically feasible."

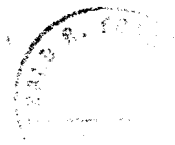
Presidential Documents  
Vo. 12, No. 1, p.2

Administrative Actions

The President, on September 4, 1974, sent a message to the Congress summarizing the results of Federal actions and urging a combination of efforts to improve vehicles, highways and driver skills.

In July, 1975, the President submitted the Federal Aid Highway Act and signed this bill on May 5, 1976.

The President, on September 28, 1975, signed S. 355, Motor Vehicle and Schoolbus Safety Amendments of 1974.



The President, on December 30, 1975, met with Secretary Coleman, officials from DOT and FBI to be briefed on the bombing incident at LaGuardia Airport. A Task Force was established by DOT to develop recommendations on improved security measures. Since April 15 the FAA has required airlines to screen check baggage under approved procedures.

The FAA Task Force has set up training sessions for airport employees dealing with identification of explosive devices, and procedures to be followed whenever there is a bomb threat or incident.

JRH  
6/18/76



ISSUE: Urban Transportation

Administration Position

The President stated on September 9, 1974: "I am dedicated to the revival of efficient transportation in our great urban centers . . . We must make major progress in improving urban transit."

"There is a legitimate and major role to be played by the Federal Government in assisting urban mass transit systems. But I emphasize here that the role must be carried out in complete and total partnership with States and localities."

Presidential Documents Vol.  
10, No. 37, p. 1119-1120

On June 2, 1976 the President stated in an interview with the New Jersey New Media: "I happen to believe in expansion and extension of our mass transit program throughout the country and I was materially involved in getting the mass transit bill passed in 1974. I reiterate my support for a constructive mass transit system program throughout the Country.

Meeting with New Jersey News  
June 2, 1976

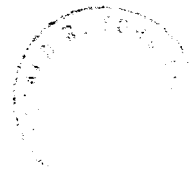
Secretary Coleman has stated: "Federal policy for urban transportation should at once respond to locally determined transportation goals and serve such national objectives as the enhancement of our cities as vital commercial and cultural centers, control of air pollution, conservation of energy, access to transportation for all citizens and particularly the disadvantaged, facilitation of full employment and more rational use of land."

Secretary Coleman, September  
15, 1975 A Statement of  
National Transportation Policy

On February 16, 1976, the U.S. Deputy Secretary of Transportation, John W. Barnum, stated to the American Road Builders' Association: "We must move with greater alacrity toward the eventual merger of highway and mass transit funding for metropolitan areas.

"A few years ago, the possibility of a mutuality of interests between public transit and highway transportation would have been branded as heresy, or - perhaps, lunacy. Yet there is little doubt today that the special problems of our large

GENERAL GOVERNMENT



ISSUE: The Arts

Administration Position

On June 23, 1975 President Ford stated: "Our Nation has a diverse and extremely rich cultural heritage. It is a source of pride and strength to millions of Americans who look to the arts for inspiration, communication and the opportunity for creative self-expression."

". . . It is my hope that every member of Congress will share my conviction that the arts are an important and integral part of our society. I hope that they will agree with my assessment of "the importance to this Nation of the achievements of the Endowment." (National Endowment for the Arts)


Presidential Documents  
Vol. 11, No. 26, p. 666

Administration Actions

The President signed on December 20 1975 the Arts and Artifacts Indemnity Act, and on January 3, 1976 the American Folklife Preservation Act.

On February 5, 1976 President Ford signed PL 94-209 to amend the National Portrait Gallery Act to redefine the term "portraiture". The bill would enable the Gallery to acquire photographs and other portrayals of individuals in addition to paintings and sculptures.

KAR  
4/1/76



ISSUE:            Bicentennial

Administration Position

The President in a proclamation on December 31, 1975, stated: "In the year 1776, the people of our land dedicated themselves in word and deed to the principles of liberty, equality, individual dignity, and representative government. It was a hectic but heroic beginning of a process which led to the creation of a great Republic symbolizing then, as it does today, the hope of the future.

The year 1776 was a year of revolution, not merely in the rejection of colonial rule, but in the thoughtful, eloquent, and enduring expression of a government to foster and perpetuate the development of a free and independent people.

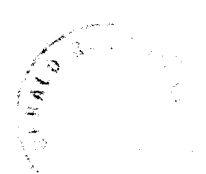
Now, two hundred years later, we have settled our continent and turned our vision to the limits of the universe. We are the richest nation in the world -- rich in our resources, rich in our creativity, rich in our strength, and rich in our people -- from our Native Americans to those who have come from every country on earth to share in the hope, the work, and the spirit of our Republic.

The challenges faced by our forebears were not only to their physical capabilities but also to their faith in the future. Their response to these challenges affirmed their deep belief that by their actions they could create a better world for themselves and those that would follow. As we enter America's third century, let us emulate in word and deed, their resolve and vision.

NOW, THEREFORE, I, GERALD R. FORD, President of the United States of America, do hereby proclaim the year of our Lord nineteen hundred seventy-six as The Bicentennial Year. Let 1976 be a year of reflection, a year of sharing, and foremost, a year of achievement.

I urge all Americans to reflect, from time to time during this Bicentennial year, on the historic events of our past, on the heroic deeds of those whose legacy we now enjoy, and on the compelling visions of those who helped shape our constitutional government.

I call upon educators, clergy and labor, business and community leaders, as well as those in the communications media, to review our history and publicize the shaping events, people, and ideas of our historic beginnings.



I call upon every man, woman, and child to celebrate the diversity of tradition, culture and heritage that reflects our people and our patrimony. Let each of us resolve to cherish and protect what we have achieved in the United States of America and to build upon it in the years ahead, not by words alone, but by actions which bespeak a continuing commitment to a heritage of individual initiative, creativity, and liberty.

IN WITNESS WHEREOF, I have hereunto set my hand this thirty-first day of December, in the year of our Lord nineteen hundred seventy-five, and of the Independence of the United States of America the two hundredth."

Presidential Documents  
Vol. 12, No. 1, p. 15

#### Administration Actions

There is a Federal Agency Bicentennial Task Force which is responsible for White House Bicentennial activities.

The Bicentennial belongs to all Americans. Therefore, there is no theme or program dedicated to the Nation's 200th Anniversary. Instead, there are many programs and activities throughout the Nation -- nearly 50,000 at this point. Citizen involvement is encouraged by the President with each doing what he or she thinks is most significant in commemoration of this important period in our history.

Established by the Congress on December 11, 1973, by Public Law 93-179, to recognize and assist Bicentennial programs, the American Revolution Bicentennial Administration is dedicated to the official themes of "Heritage 76," "Festival USA" and "Horizons 76." The agency serves as a focal point for all Bicentennial activities, local, regional, national and international. Through non-appropriated funds produced from the sale of authorized Bicentennial items, ARBA has thus far distributed approximately \$16 million to projects and communities, on a matching basis.

In addition, 92 countries throughout the world have announced Bicentennial gifts to the U.S. ranging from special chairs of studies at universities and colleges to a "Sound and Light" Show at Mt. Vernon. The multitude of gifts from Americans presented for the Bicentennial are being accepted on behalf of the Nation and will be displayed appropriately during 1976.



President Ford has participated in the following Bicentennial functions:

- The President recorded remarks on the Bicentennial Year on December 31, 1975.
- He promulgated the above proclamation #4411 on January 2, 1976.
- President Ford attended a Joint Commemorative Session of the Assembly in the Hall of the House of Burgesses and a dinner at Colonial Williamsburg on January 31, 1976.
- On Lincoln's birthday he attended the ceremonies at the Lincoln Memorial.
- On March 13, 1976, the President visited and delivered remarks at the Guilford Courthouse National Military Park in Greensboro, North Carolina.
- On Jefferson's birthday, he attended ceremonies at the Jefferson Memorial.

MMB  
4/30/76

ISSUE:      Consumer Protection

Administration Position

President Ford said on April 17, 1975: "I do not believe that we need yet another Federal bureaucracy in Washington, with its attendant costs of \$60 million for the first three years and hundreds of additional Federal employees, in order to achieve better consumer representation and protection in Government. At a time when we are trying to cut down on both the size and the cost of Government, it would be unsound to add another layer of bureaucracy instead of improving on the underlying structure."

Presidential Documents  
Vol. 11, No. 16, p. 396

On September 4, 1975, he said: "I am going to veto the bill."  
(Agency for Consumer Protection)

Presidential Documents  
Vol. 11, No. 36, p. 950

The President said on November 4, 1975: "I am convinced we can resolve by better administration what Congress is attempting to accomplish by new laws and a costly new government agency. The steps we have taken will prove to be responsive to the needs of the American consumer and the concerns of the American public."

Presidential Documents  
Vol. 11, No. 45, p. 1242

On May 3, 1976, the President said: "I am basically opposed to the concept of *Parens Patriae* (H. R. 8535, S. 1284) particularly as it originally appeared in the House version. It's thrust would give to the 50 states' Attorney Generals the right to sue on the basis of Federal law. I think the Federal authorities ought to handle any antitrust action predicated on Federal law. I want it excluded - if not excluded, significantly modified."

On April 23, 1976, the President said: "I have said that I would veto that legislation (a Consumer Protection Agency bill). I think it is totally unnecessary. I think we can handle the legitimate claims of consumers without establishing another bureaucracy -- no, I am opposed to it."

On May 13, 1976, the President said: "my administration has made the reform of government regulation one of its highest priorities. At the same time, we have moved toward a more open and vigorous free market in which consumers have available a wider range of goods and services to choose from and where businessmen have a greater opportunity to run their own businesses."

#### Administration Actions

1. President Ford on April 17, 1975, asked agency heads to examine the efforts they were making to represent the consumer in their agencies' decisions and activities and to work with his Special Assistant for Consumer Affairs in improving their efforts.

Departmental Consumer Representation plans were then drawn up by seventeen Federal agencies and published in the Federal Register on November 26. White House Conferences on the plans were held in nine cities across the country in January to seek suggestions and ideas for ways to make the agencies more responsive to public concerns.

On September 28, 1976, the final Consumer Representation Plans requested by the President were published in the Federal Register.

(The Agency for Consumer Advocacy -- S. 200, H. R. 7575 -- passed the senate on May 15 by a 61-48 vote. The House bill passed by a slim nine-vote margin of 208-199, on November 6. The bill has not been scheduled for conference yet.)

2. On July 10, 1975, the President met with the Commissioners of the ten independent regulatory commissions to discuss the importance of regulatory reform and to urge the commissions to increase the representation of consumer interests in the agency proceedings.

3. The President issued Executive Order 11821, calling on all Executive Branch agencies to conduct inflation impact analyses of all their proposals for major legislation and regulations.



4. On August 11, 1975, President Ford signed into law the extension of the Council on Wage and Price Stability through Fiscal Year 1977.

5. The President endorsed and signed legislation on December 12, 1975, to repeal the "fair trade" laws which govern many retail prices and prevent consumers from benefiting from discount prices and real competition.

6. The President has resubmitted the Financial Institutions Act which would provide for more competitive returns on savings accounts to small savers and more diversified services to all customers.

7. The President signed into law the Securities Act Amendments on June 4, 1975, to abolish fixed commission rates among stockbrokers and to establish a national market system.

8. President Ford submitted and signed into law the Railroad Revitalization Act of 1976. In 1975, he also submitted the Aviation Act and the Motor Carrier Reform Act. These bills would increase pricing flexibility, encourage competition, and lower costs in the above industries.

9. On February 27, 1976, President Ford signed the State Taxation Depositories Act (P. L. 94-222) extending and clarifying several credit-related subjects. It extended the Negotiable Order of Withdrawals (NOW) accounts to all Northeastern States, allowing customers to draw checks on interest-bearing savings accounts. Also, amended the Truth-in-Lending Act to clarify how retailers can offer discounts to cash-paying customers. Law prohibits imposition of a surcharge on credit card customers for 3 years.

10. On March 23, 1976, President Ford signed P. L. 94-239, which expands the Equal Credit Opportunity Act so that, beginning next year, it will be illegal for creditors to discriminate against consumers on the basis of race, color region, sex, marital status, age, national origin or receipt of public assistance.

The creditor is also required to notify consumers as to exactly why they were denied credit.

11. On March 23, 1976, the President signed P. L. 94-24 into law, the Consumer Leasing Act of 1976. The Act, which goes into effect on March 23, 1977, gives the consumer more information regarding the leasing of products.

12. On April 8, 1976, the President met with members of the 10 regulatory agencies, as well as administrative officials, to discuss progress being made in and present status of regulatory reform.

13. On April 19, 1976, President Ford refused import relief for the footwear industry and workers, stating that such a move would not be in the interest of the American consumer and retailer since import restraints would increase shoe prices for consumers. It was the President's feeling that the impact upon the consumer was too great to balance the gains to the industry.

14. The President signed the Animal Welfare Act on April 22, 1976, making it illegal to treat animals inhumanely, including promoting animal fighting and selling stolen animals. The Act further required Department of Agriculture safety regulations to be issued requiring humane handling of research animals or pets being maintained or shipped by air or ground transportation.

15. On April 22, 1976, the President signed legislation clarifying the role of the FDA in regulating vitamins. The law allows FDA to set minimum potency levels for vitamins and minerals, and overrules an FDA proposal that would have given the agency authority to declare some vitamins to be drugs and to ban other combinations of vitamins and related ingredience if FDA believed they were nutritionally useless.

16. On Tuesday, May 11, 1976, the President signed into law the Consumer Product Safety Improvement Act of 1976. The Act would expand the Consumer Product Safety Commission's authority by permitting the issuance of preliminary injunctions to prohibit the preemption of State product safety laws in certain circumstances

17. On May 13, 1976, the President sent to Congress the proposed "Agenda for Government Reform Act" which would establish a timetable for the President and Congress to make comprehensive and fundamental changes in Government regulatory activities which affect the American economy.

18. On May 28, 1976, President Ford signed into law Medical Device Amendments of 1976 which gives FDA new authority to assure the safety and effectiveness of medical tools before they are used by consumers, effective immediately. FDA will also have authority to require manufacturers to notify it 90 days before a new product is put on the market; quickly ban a device which is deceptive or presents an unreasonable risk of illness or injury; and require manufacturers to repair or replace defective devices or give consumers a refund.

19. On June 23, 1976, the President signed National Consumer Health Information and Health Promotion Act of 1976. It expands health education and information programs across the country and strengthens existing communicable disease and lead-based paint poisoning programs. The Act also establishes the Office of Health Information and Health Promotion in HEW, which will act as a national information clearinghouse for health matters.

20. On July 14, 1976, the President signed the Motor Vehicle Information and Cost Savings Act Amendments of 1976. The legislation would now make it a criminal offense to tamper with a car's odometer. Previously, car buyers were only allowed to sue for damages arising from odometer tampering.

21. On September 13, 1976, the President signed into law the Sunshine Act requiring federal agencies headed by more than one Presidential appointee to give advance notice for meeting times and to hold meetings open to the public. The purpose of the legislation is to make the Federal Government decision-making process meetings and transcripts of meetings, open to the public.

22. On October 12, 1976, the President signed the "Toxic Substances Control Act of 1976." The Act provides that the Federal government, through the Environmental Protection Agency, may require the testing of selected new chemicals prior to their production to determine if they will pose a risk to health or the environment. Manufacturers of such new drugs will be required to notify the EPA at least 90 days before starting commercial production. Under the legislation, the EPA may promulgate regulations, go into court to restrict production or ban the chemical, as it sees fit.

DDB  
10-18-76

ISSUE: Historic Preservation

Administration Action

On May 7, 1976, the President issued a proclamation declaring National Historic Preservation Week. In the proclamation he said, "In this Bicentennial year, we have many opportunities to recall that the greatness of America is founded upon appreciation of our heritage and upon knowledge of the historic events that have shaped our national identity.

"One of the most important sources of our sense of national direction is our architectural heritage -- the historic sites, structures and landmarks that link us physically with our past. This great fund of cultural resources includes not only sites such as well-known battlefields and structures of national significance such as the homes of famous patriots, but also includes typical houses, office buildings, factories, and stores, and other public buildings such as post offices, courthouses, and railroad stations. Along the streets of our cities and towns and in our rural areas, these sometimes humble but historic properties remind us of the accomplishments of our predecessors and, thereby, help to provide a continuity and historical perspective that are so important to the cultural heritage of any great nation.

"We are a vigorous and mobile people, often oriented more toward the future than the past. It is important for us to preserve our physical heritage in the face of progress.

"So it is a pleasure to note the efforts of those in the historic preservation movement, in both the public and private sector, who have led the movement to preserve these unique and irreplaceable inheritances of the past. An invaluable contribution by them has been to demonstrate how these historic structures of all types can meet the needs of contemporary society and at the same time add to the richness of our cultural heritage."

Presidential Documents

Vol. 12, No. 20, p. 849

In a statement for the October newsletter of the National Trust for Historic Preservation the President said: "I. . . reaffirm my belief that the preservation of America's cultural resources must be a continuing objective of our society. . . .Federal and State Government has a proper role in this continuing partnership with the private sector to preserve our heritage. I am committed to continuing and enhancing Federal financial support for these programs. . . .The progress in the preservation movement is due primarily to citizen action, and it should remain so, but it can and should be nurtured by the sympathetic actions of government at all levels.

. . .As this Administration is committed to assisting citizen preservationists in identifying and protecting historic sites and properties, we have also sought to protect historic properties which are entrusted to the stewardship of Federal agencies, and to assure that Federal agencies do not act without regard for the historic values of properties which qualify for National Register status."

#### Presidential Documents

On September 28, 1976, while signing S. 327, the Land and Water Conservation Fund Amendments, the President said: "What better way can there be, in this Bicentennial year, to commemorate our Nation's rich history than to pledge to preserve outstanding examples of it for future Americans?"

\* In celebrating our Bicentennial this year, I and millions of others have been inspired to reflect on our history and the progress we have made. The National Historic Preservation Fund will assure that our historic sites and structures will continue to be available to provide this inspiration.

This preservation of historic sites and structures will be achieved through a creative partnership between various levels of government and the private sector. The Federal Government will provide technical and financial assistance, the States will plan the programs, and the bulk of the actual preservation work will be done at the local level, by private individuals. This is appropriate. The preservation movement is a citizen's movement, an example of productive cooperation among the Federal, State, and local governments, and the private sector. Government can nurture this movement, but we must remember that it gains its greatest strength from the individual pride in the nation's past."

Presidential Documents  
Vol. 12, No. 40, p. 1409

"As America looks toward her third century, we draw strength from our past. Our heritage of natural areas and the remaining records of our cultural history provide a reassuring sense of the direction from which we have come, and a respite from the tensions of continuing progress. It is essential that we preserve our natural areas and historic resources in the face of progress. I pledge to do all I can to further this goal."

Presidential Documents  
Vol. 12, No. 40, p. 1410

Administration Action

Twenty-three historic sites managed by the National Park Service were improved this year in preparation for the Bicentennial.

The Administration proposed the Environmental Protection Tax Act, important provisions of which have been adopted by the Congress in its 1976 tax reform legislation, changing depreciation rules to encourage restoration -- and not demolition -- of historic properties. The Administration has strongly recommended enactment of the Public Buildings Cooperative Use Act, making possible the preservation and adaptive use of historic buildings which are owned by the Federal Government.

\* The President recently proposed a \$1.5 billion, ten-year Bicentennial Land Heritage Program, enabling the National Park Service to accelerate its development of historic and archeological sites, while assuring adequate maintenance of facilities for those historic sites which are within the National Park System.

The Secretary of Housing and Urban Development has established a cabinet-level Committee on Urban Development and Neighborhood Revitalization.

On September 28, 1976, the President signed S. 327, the Land and Water Conservation Fund Amendments. It establishes the National Historic Preservation Fund to provide matching Federal assistance to state governments and private individuals for the acquisition and preservation of important historic sites.

It also makes the Advisory Council on Historic Preservation an independent agency.



It authorizes appropriations for Historic Preservation to increase from a current level of \$24.4 million annually to \$100 million each for FY 1978 and 1979 and to \$150 million each for FY's 1980 and 1989.

SCM  
10/18/76

ISSUE: Refugees

Administration Position

President Ford said on December 24, 1975: "Eight months ago, I initiated a program designed to open America's doors to refugees from Indochina seeking a new life . . . Initial fears that the refugees would become an ongoing problem are now allayed. The refugees have proven themselves to be hard working and industrious people with a thirst for education and a deep-seated desire to improve themselves. I am confident that they will follow the example of former immigrants who have so richly contributed to the character and strength of the American system. The warmth and generosity that have characterized the welcome that Americans have given to the refugees serve as a reaffirmation of American awareness of the roots and the ideals of our society."

Presidential Documents  
Vol. 11, No. 52, p. 1395  
Press Release, Vail, Colorado  
December 24, 1975

Administration Actions

The President established on April 18, 1975, the Special Interagency Task Force to coordinate U.S. Government activities in evacuation from Vietnam.

The President signed the Executive Order for establishing the President's Advisory Committee on Refugees on May 19, 1975.

The President signed the Indochina Migration and Refugee Assistance Act of 1975, on May 23, 1975, authorizing \$405 million for the special assistance of Indochinese refugees.

The President signed the Special Assistance to Refugees from Cambodia and Vietnam Bill on May 23, 1975, enabling the U.S. to render assistance to the refugees for other expenses not otherwise appropriated.

The President submitted to the Congress on December 19, 1975, a final report describing the activities of the Interagency Task Force and a report regarding the retrieval of assistance funds to Cambodia and South Vietnam.

-- On December 20th, the final refugees were sponsored from Fort Chaffee and the last reception center closed.

-- On December 31st, the Interagency Task Force for Indochina Refugees ceased operations. HEW was designated as the agency





to monitor and assist refugees during their long-term resettlement process.

### Education

One-time-only grants will be made to help defray emergency costs of instructing refugee children in school districts with refugee enrollments. The revised policy was announced September 9, 1975.

HEW announced on June 11, 1975, that refugees wishing to enroll in post-secondary institutions are eligible for financial assistance under the Basic Educational Opportunity Grants, Guaranteed Student Loan Program, Supplemental Educational Opportunity Grant Program, the College Work-Study Program and the National Direct Student Loan Program.

On July 23, 1975, a national clearinghouse for information on special teaching resources and Indo-Chinese language and orientation materials was established at the Center for Applied Linguistics, Arlington, Virginia.

Technical assistance is available to school districts enrolling Indo-Chinese refugees with five Bilingual Resource Centers supported under this program for one year.

HEW signed a contract on July 24, 1975, for a national information center staffed by Vietnamese and Cambodian refugee students at Georgetown University, Washington, D.C., to answer requests for information on post-secondary educational opportunities for the refugees.

On October 22, 1975 funds were made available to assist the States in programs for adult refugees in speaking, understanding, reading and writing English. This program does not require matching funds as is the case with the usual Adult Education program.

On December 1, 1975, the final five -- of seven -- contracts were signed with institutions for the conduct of Educational Commission for Foreign Medical Graduates (ECFMG) preparatory courses. An estimated 512 refugee physicians are eligible for this four month program.

A credentials evaluation project was established on January 5, 1976, with the University of California, Long Beach, to provide translation and evaluation of academic records for the refugees. Requests must come through institutions.

On January 5, 1976 arrangements were made with Educational Testing Services for one free TOEFL (Test of English as a Foreign Language) to be administered to the refugee students seeking college admission.

### Welfare and Health

Social and Rehabilitation Service on June 9, 1975, announced that 100 percent reimbursement will be provided to the States for welfare, medical assistance and social services costs incurred on behalf of the refugees. February 29, 1976 figures show 24.3 percent of the refugees receiving income supplement payments.

Social and Rehabilitation Service issued the following policy guidelines on June 11, 1975:

- Assistance will be provided to eligible refugees on the basis of need whether or not children are involved.
- The amount of cash assistance to eligible refugees will be the same as that paid by the State to its American AFDC recipients.

On January 15, 1976 the following guideline was issued:

- Eligibility under the refugee assistance program is not limited to Vietnamese and Cambodian nationals but may include aliens of other nationalities who fled from Cambodia or Vietnam and are in the U.S. as refugees. Refugees who fled from Laos are not eligible for assistance under the Indochina Migration and Refugee Assistance Act of 1975.

During March 1976, the Center for Disease Control is running a pretest of a study protocol to be used in reviewing the nature and extent of refugee health programs and problems they may have had in entering into the medical care system in their communities.

### HEW Support Services

On February 27, 1976, a contract was awarded to the American Red Cross to share the cost of a family reunification locator for refugees from Indochina.

On March 10, 1976, a contract was signed with the American Bar Association (ABA), Young Lawyers Section, to share the cost of a nationwide toll-free telephone line to a central Chicago exchange for refugees seeking legal advice. The caller's name is given to a volunteer ABA member who lives in the caller's area and who provides legal assistance free of charge.

Military

Department of Defense established a policy concerning the employment and recruitment of Indochina refugees on June 20, 1975, stating that only individuals admitted as permanent resident aliens are eligible for enlistment in the Regular and Reserve Forces and for appointment as officers in the Reserve Forces.

Civil Service

The Civil Service Commission authorized on July 16, 1975, an exemption from the competitive examination for refugees to permit those agencies to appoint for up to two years non-citizens previously employed by Federal agencies in Vietnam and Cambodia for work directly assisting the refugee program.

LMcD  
3/18/76

ISSUE: Science and Technology

Administration Position

President Ford in remarks at the National Medal of Science Awards Ceremony said on September 18, 1975:

"As we look back over 200 years of the Nation's history, we see the profound influence science and technology have had on our Nation's development. We owe a great debt to science and to all the men and women who have carried on the scientific enterprise of this country.

Beyond this, the whole spirit of science, one that urges us here in the United States to innovate, to explore the unknown, to answer the unanswered, is the true spirit of America."

Presidential Documents  
Vol. 11, No. 38, p. 1027

In his March 22, 1976, message to the Congress on Science and Technology, the President stated:

"In our recent history, the Nation has made major investments in research and development activities to ensure their continued contribution to the growth of our economy, to the quality of our lives and to the strength of our defense. Today there is mounting evidence that science and technology are more important than ever before in meeting the many challenges facing us. . . ."

"In addition to its direct support of research and development, the Federal Government has a responsibility to ensure that its policies and programs stimulate private investments in science and technology and encourage innovation in all sectors of the economy -- in industry, the universities, private foundations, small business, and State and local Governments. We pursue this objective through our tax laws, cooperative R&D projects with industry, and other incentives. . . ."

"The role of industry is particularly important. In our competitive economic system, industry turns new ideas from laboratories into new and improved products and services and brings them to the marketplace for the Nation's consumers. Industry has built successfully on advanced developments of the past and provided new products and services of great economic and social value to the Nation."

Presidential Documents  
Vol. 12, No. 13, p. 474-5



### Administration Actions

The President's 1977 Budget provides for significant increases in funding for the Federal share of the Nation's scientific and technological activities. The Budget calls for \$24.6 billion in obligations for research and development, compared to \$22.2 billion in 1976 -- an increase of 11 percent. Within these totals, there is:

- \$23.5 billion for the conduct of RUD, compared to \$21.3 billion in 1976 -- an increase of 11 percent. This includes:
  - . Major increases for R&D relating to energy and defense.
  - . More than \$2.6 billion for basic research -- an increase of 11 percent from the 1976 level of about \$2.4 billion.
  - . 2.6 billion for colleges and universities to carry out research, most of which is basic research.
- \$1.1 billion for R&D facilities, including an improved linear accelerator to test new theories in high-energy physics and a new wind tunnel for advanced research on aircraft and spacecraft designs.

The President's special message to the Congress on science and technology dated March 22, 1976, urged passage of the budgetary and legislative initiatives described above.

On May 11, 1976, the President signed H.R. 10230, a bill with the principal purpose of creating an Office of Science and Technology Policy (OSTP) in the White House. The bill also (a) declares a national science and technology policy and (b) creates a Presidential Committee to study Federal science and technology policies, programs and organization. The creation of OSTP is a proposal which the President submitted to the Congress on June 9, 1975. The Office is to advise on scientific and technical aspects of issues requiring attention at the highest level of government. When the legislation was being considered by the Congress, the President stated that the Director of the Office would serve as his adviser on science and technology.

The President's nominee for the Director of OSTP, Dr. H. Guyford Steven, was confirmed by the Senate on August 9 and was sworn in on August 12.

GRS  
8/10/76

