

9/25/79 [1]

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THE PRESIDENT'S SCHEDULE

Tuesday - September 25, 1979

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

✓
8:30 Meeting with Members of the Congressional
(20 min.) Suburban Caucus. (Mr. Frank Moore).
The Cabinet Room.

9:45 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.

2:00 Depart South Grounds via Helicopter en route
Andrews AFB and New York City.

9:55 Return to the White House.

THE WHITE HOUSE
WASHINGTON

25 Sep 79

Al McDonald
Rick Hutcheson
Bill Simon

The attached was returned in
the President's outbox. It is
forwarded to you for your
information.

Rick Hutcheson

cc Bill

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
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<input type="checkbox"/>	LAST DAY FOR ACTION

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ACTION
FYI

<input type="checkbox"/>	VICE PRESIDENT
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<input type="checkbox"/>	CUTLER
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<input type="checkbox"/>	CRUIKSHANK
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<input type="checkbox"/>	PETERSON
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<input type="checkbox"/>	WISE

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

21 September 1979

*Rich. This
1st doesn't touch
1/10 of 1% of the
time I spend on
paperwork. I don't
even read - just glance
& sign*

TO: THE PRESIDENT
FROM: RICK HUTCHESON/BILL SIMON
SUBJECT: Reducing Your Paperwork Load

Rich Bill Simon J

We met with Al McDonald to review the volume and type of paperwork you see on a daily basis, and to identify options for reducing your paperwork load. Listed below are five opportunities for paperwork reduction that may be appropriate.

- 1. Autopen hortatory presidential proclamations which have been approved by OMB, Hertzberg and McDonald. *I need to know when these are signed - At times there is intense interest.*
 - autopen
 - President will sign *takes no time*
- 2. Trade cases. McDonald suggests that you need not personally approve routine ITC cases where all agencies and your White House advisors are in agreement. (For example, see the decision you made last week (Tab A)).

President does not need to see ITC decisions in the future where all agencies and White House advisors are in agreement.

President does not need to see these decisions before the fact; give the President an occasional summary.

President will continue to approve each case personally.

3. Cab Decisions.

President's approval can be autopenned in cases where the CAB, all affected agencies, the President's Counsel and Stu Eizenstat are in agreement.

Inform me in each instance

President will continue to approve each case personally.

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for Preservation Purposes**

4. Personnel decisions. The volume of memos involving personnel decisions is quite high; most of these are routine appointments to Commissions.

An alternative to our present approach would be for you to decide only presidential appointments which require Senate confirmation, and other appointments of a particularly sensitive nature. Routine appointments could be made by Hamilton Jordan with the advice of Jack Watson and Arnie Miller. Arnie could provide you with a summary of "low-level" appointments approved the Chief of Staff every few weeks. (Hamilton, Jack and Arnie concur).

 President will continue to decide personally.

 ✓ President will decide on appointments requiring Senate confirmation; Hamilton Jordan may approve other appointments of a routine nature.

5. In addition:

The Chief of Staff will urge the Senior Staff to rely more heavily on weekly reports, summarizing decisions they have made in the President's behalf, rather than sending the President discrete memos on each issue as they arrive. *ok*

Rick Hutcheson will try to make greater use of the "memos not submitted" summary. *ok*

You recently decided that you wished to continue to sign personally Messages to Congress transmitting annual reports and military promotions involving Flag Officers.

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TAB A

copy

C

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

SEP 10 1979

MEMORANDUM FOR THE PRESIDENT

From: Richard R. Rivers
Acting

Richard R. Rivers

Subject: Recommended Presidential Action on the Consent
Order Issued as a Result of Commission Investigation
of Certain Cattle Whips, Under Section 337 of the
Tariff Act of 1930, as Amended

Section 337 of the Tariff Act of 1930, as amended, authorizes the United States International Trade Commission to order remedies for unfair practices in import trade. Under that authority, and Section 603 of the Trade Act of 1974, and Section 554(c) of the Administrative Procedures Act, the Commission has issued a consent order resolving the issues raised and terminating the investigation.

Section 337 contains Presidential authority to disapprove the ordered remedy for policy reasons by informing the Commission of disapproval within 60 days of receipt of the Commission's determination and order. Representatives of the agencies of the Trade Policy Staff Committee (The Special Representative, the Secretaries of Agriculture, Commerce, Interior, Labor, State, and Treasury) unanimously recommended that you exercise the first option below and take no action on this case. This will allow the consent order to become final on October 8, 1979. There is no provision for Congressional override of the Presidential action in 337 cases.

There are no known economic or political policy reasons favoring disapproval of the consent order. The consent order was agreed to by all parties in the proceedings and it allows the respondents to continue importing into/exporting to the United States products other than the whips which were the subject of the complaint. The record includes evidence showing the market to be highly competitive with numerous domestic and imported products so that the effect of the consent order on the domestic market or on foreign policy is negligible.

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for Preservation Purposes**

Handwritten initials/signature

copy

-2-

<u>Decision</u>	<u>Options</u>	<u>Presidential Action Required</u>
<u>✓</u>	Take No Action (recommended)	None, the exclusion order automatically becomes final on October 8, 1979.
<u> </u>	Express Approval	President informs U.S. International Trade Commission of approval of the exclusion order prior to October 8, 1979.
<u> </u>	Disapproval	President informs U.S. International Trade Commission of disapproval of the exclusion order prior to October 8, 1979.

J

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THE WHITE HOUSE
WASHINGTON

9/24/79

Mr. President:

Attached is H.R. 4388, the
Public Works bill, and three
alternative statements (pre-
pared by OMB and cleared by
Al McDonald):

- signing statement;
- signing statement with
recission (TWO SIGNATURES);
- veto message.

Rick

*Line for Counsel
Sinking Species Act
Contin Resol.*

THE WHITE HOUSE
WASHINGTON

You signed legislation
last night.

Do you want to make
any comment on attached,
however? (I removed from
your in-box)

--SSC

no

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

September 21, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
KATHY FLETCHER
SUBJECT: Enrolled Bill HR 4388 -- Energy and Water
Development Appropriation Bill (Public Works
Appropriation)

You must decide by Tuesday, September 25, 1979, whether to sign or veto this bill.

The Bill

OMB has provided you an excellent summary of this bill which I will not repeat here. Basically, the bill is very close to the Administration's budget request.

On the positive side:

- No "hit list" water projects are reinstated.
- No funds are included for the Clinch River Breeder Reactor.
- Generally, the bill is consistent with the budget request.

On the negative side:

- The bill exempts Tellico Dam from the Endangered Species Act and all other laws.
- There is a net total of eight unbudgeted new water project starts which will cost \$169 million. There are also 54 unbudgeted water project studies. The new starts are not fully funded in the bill.
- The Water Resources Council independent water project review is not funded.

Of these negative items, the Tellico Dam exemption is by far the most visible issue.

Votes in Congress

Final action on the bill was by voice vote in the House and unanimous consent in the Senate. The Tellico exemption was adopted in the House by a vote of 258-156. It was originally defeated in the Senate 53-45, but was finally adopted 48-44.

Arguments for Signature

- The bill is not a "budget-buster".
- The Administration was successful in preventing the reinstatement of "hit list" water projects.
- The Tellico issue should be put to rest and should not be the subject of a veto on the basis of preserving the snail darter. Vetoing the bill may simply prolong the Tellico issue, inviting future exemption attempts.
- A veto would be difficult to sustain in the House and would negatively affect other Administration efforts in Congress. The leadership opposes a veto.
- Press coverage of a veto might focus on the snail darter -- what many perceive as a trivial issue.

Arguments for Veto

- The Administration has consistently objected to the Tellico exemption. Signing the bill would be an indication of weakness.
- A veto can be sustained, at least in the Senate.
- There are sufficient economic objections to Tellico to offset press attention to the snail darter. These economic objections indicate that even with construction virtually complete, the project does not have positive benefits.
- A veto would be based on strong procedural grounds. After amendments to the Endangered Species Act last year, a seven-member Cabinet-level committee voted unanimously that the Tellico project benefits did not outweigh its costs. This review process was authored by Senators Baker and Culver.
- Accepting the Tellico provision would be a bad precedent, both with respect to the Endangered Species Act and because it provides a blanket exemption from all statutes.

Senior Staff and Agency Recommendations

Interior, Commerce and the Council on Environmental Quality recommend that you veto the bill.

OMB recommends that you sign the bill and propose a rescission of funds for the Tellico project.

Charlie Schultze, who served on the Endangered Species Committee, recommends a veto if it can be sustained in the Senate.

Anne Wexler opposes a veto:

"The environmental community would work very hard to sustain a veto. But I do not believe that environmentalists would have the clout to bring this off in the House and I am not sure that the risk of loss in the Senate is worth the cost of diverting our efforts with outside groups on other important legislation and possibly harming our positive relations with key energy Senators who are helping us. You are on the verge of having a series of victories on your energy proposals and on other issues. This will show leadership and an ability to move legislation through the Congress, which will have a positive impact on outside groups."

Jack Watson recommends that you sign the bill but do not propose a rescission of funds.

Bob Lipshutz recommends that you sign the bill but propose a rescission.

This decision is a very close call. I believe there are significant risks and negative aspects to either course of action. On the merit and substance of this matter a veto is definitely in order. A clear procedure established by the Congress was circumvented. The veto can be sustained at least in the Senate, based on a canvas by Congressional Liaison. Failure to veto might be perceived as weakness on your part, a sign of your low standing in the polls, and a victory for Senator Baker. The economic/porkbarrel arguments against Tellico are strong and already there has been widespread editorial comment to the effect that the snail darter is not the real issue. We could also indicate at the outset that we do not expect to win in the House -- where the Tellico amendment originated.

The environmental community considers this a highly symbolic issue. While a veto will be welcomed by them and they will support the effort to sustain it, it will not have a significant impact on the rift caused by the energy program. But signing the bill might be viewed as an indication that the Administration has completely written off the environmental community.

However, on the other side, we are in the midst of critical fights for energy, Panama, and the Department of Education -- where a few votes will be critical. As you know, Congressional Liaison feels a veto would adversely effect the Panama vote in the House and our energy votes in the Senate.

Eliot Cutler feels strongly the bill should not be vetoed since a veto would have a bad impact on our energy legislation in the Senate.

Ham has expressed the view that with our resources being used elsewhere that are more important, we cannot dissipate our resources in a veto battle.

Taking this bill on its own, it should be vetoed. But we cannot look at this measure in isolation. Even some who would support a veto urge us not to veto the bill (e.g. Baucus, Randolph and Culver). Our future rests on passage of other legislation which (according to CL, whose views I must accept) will be imperiled by a veto. There will be criticism for signing this bill but it is outweighed here by the damage we are told a veto would have. Also, a veto will focus public and Congressional attention away from energy and Panama.

I would also point out that Senator Randolph, who has consistently voted against Tellico, told me that even if a veto were sustained, supporters of Tellico might succeed in exempting the project from the Endangered Species Act Reauthorization and that therefore the controversy would not end. He stated that there was no enthusiasm in the Senate for yet another fight over Tellico.

Thus, on balance, I reluctantly recommend that the bill be signed.

If you decide to veto the bill, over the weekend we will work with Congressional Liaison and others to prepare a carefully -- drafted veto message and the necessary materials for a fight in both the House and Senate. In particular, it might be helpful to write letters to individual members of Congress assuring them of the limited grounds for the veto and the Administration's continued support for their particular projects. The actual veto should not occur until Tuesday to allow maximum preparation.

If, however you decide to accept my recommendation and sign the bill, I strongly believe that we should not attempt to stop Tellico Dam through other means such as a proposed rescission of funds. The Congress would never enact a rescission and any such proposal would simply prolong the issue and the Administration's defeat. In fact, a primary virtue of signing the bill would be to bring an end to the Tellico issue.

Decision

Sign HR 4388 _____

Sign HR 4388 and propose rescission of funds _____

Veto HR 4388 _____

NOTE: Whatever your decision, it should not be carried out until late Tuesday, the last day for action. If you decide to sign the bill, we should arrange for certain concessions from members of Congress on water policy and other issues. If you decide to veto the bill, we need the maximum amount of preparation time.

MCINTYRE

C



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

September 20, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: JAMES T. McINTYRE, JR. *Jim*

SUBJECT: Energy and Water Development
Appropriations Bill

Regardless of your final decision on the Energy and Water Appropriations bill, I suggest that you invite Tom Bevill and Bennett Johnston to meet separately with you to discuss the final resolution of the bill.

If you are inclined toward signing, I would make the following points:

- (1) Besides the Tellico question, the Energy and Water bill is one of the best public works appropriations bills in the last 10 years. It is fiscally responsible and receptive to many of the water policy reforms recommended by the Administration. Thank them for their help to date. (In fact, you can publicly take personal credit for moving the Congress away from wasteful pork barrel water projects to more responsible cost effective projects -- a clear "victory" for the American people.)
- (2) Try to obtain commitments from them to support rescission of the Tellico language and appropriation of funds for an alternative river flow plan. (Bevill has promised a floor vote on rescission and stated that he would recommend funding for the independent water policy review of the Water Resources Council if the bill is signed.)

If you are inclined toward veto, I would make the following points:

- (1) Thank them for their help, as above.
- (2) Tell them that the precedent-setting nature of the Tellico language forces you to veto the bill. State that this is not directed at them personally and that you hope an identical bill without Tellico could be sent quickly back to your desk for a major signing ceremony.

CEA

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 21, 1979

MEMORANDUM TO THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: Comments on OMB Enrolled Bill Memo: Enrolled
Bill H.R. 4388 - Energy and Water Development
Appropriations Act, 1980

CEA Recommendation: If there are reasonable chances a
veto can be sustained in the Senate,
the bill should be vetoed.

The Endangered Species Committee process was set up after long and tortuous attempts at a compromise. It would be very bad precedent to override the decision of this Committee (and thus to gut the process) the first time the decision is unpopular with one particular group of politicians. (Note that this is not a Tennessee vs. the rest of the world issue -- the Tennessee representative on the Endangered Species Committee voted against the exemption for the dam.) Failure to employ powers of the Presidency to oppose this blatant political challenge to orderly governmental procedure would be seen as a real sign of Presidential weakness.

The Endangered Species Committee process is a prototype of an organized process to weigh competing goals: environmental protection and economic development. However, the Tellico Dam decision was not difficult. It did not, in fact, involve a consideration of the "value" of the snail darter. The dam failed on straight economic grounds. The Committee found that the remaining costs of the dam exceeded the total benefits!

The argument is muddled by the fact that the river development alternative also has negative net benefits. This argues against completing either alternative. However, if one has to be completed, the river alternative and the Tellico Dam are very close on net negative benefits and the river alternative offers historical and environmental advantages.

The arguments for veto could be outweighed only by a judgment -- based on careful intelligence -- that a veto had very little chance of being sustained, and courted the risk of an easy Presidential defeat. Making such a judgment one way or the other lies outside CEA's bailiwick.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

September 19, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth
Jane Yarn

Gus Speth

SUBJECT: Energy and Water Development Appropriations Bill -- H.R. 4388

We recommend that you veto H.R. 4388, the Energy and Water Development Appropriations Bill, primarily because of three issues.

1. Tellico Dam. The Tellico Dam controversy is highly symbolic and challenges the merits of your Water Policy Reform policies. The Tellico Dam amendment to H.R. 4388, which Senator Baker sponsored, mandates construction of Tellico Dam and exempts it from all provisions of federal law. Construction of the dam was prevented by court order to protect the threatened snail darter. Congress then established an Endangered Species Committee comprised of key Administration officials and other representatives to make determinations whether federal projects should be exempted from application of the Endangered Species Act. By unanimous vote, the Endangered Species Committee decided not to exempt Tellico Dam from the Endangered Species Act, primarily because the dam is not economically justified. The Endangered Species Committee includes Secretary Andrus, Chairman Schultze, and a representative of the Governor of Tennessee.

It is estimated that more jobs and more revenues would be produced without the dam than with it. Wholly apart from the costs of completion, the annual operating costs will exceed the benefits. The dam will not itself produce any energy; it is designed primarily to provide flat water recreation and flood control. Recent studies estimate that the dam could not hold the "design flood," making it unsafe. The dam threatens extinction of the snail darter, an endangered species which has become an important symbol of efforts to maintain a healthy environment.

2. Water Resources Council Independent Project Review Function. H.R. 4388 provides that none of the funds appropriated by the bill may be expended for the Water Resources Council's independent project review function until legislation authorizing this function is enacted. Independent water project review is a key element of your Water Resources Policy Reform program. It is the principal means for ensuring that the Administration's new start proposals are economically and environmentally sound.

3. Unbudgeted New Starts. The bill would provide funds for eight new starts over the number included in the Administration's budget. This would involve an additional commitment of about \$170 million to complete these eight projects. For FY 1980, only \$52 million is appropriated for all of the 24 projects included in the bill because the bill also rejects the Administration position that there should be full funding for new construction starts.

We recognize the difficult trade-offs involved in vetoing H.R. 4388. On balance, we believe that you gain by vetoing the bill, particularly by making clear in the veto message that the veto is directed only at those features of the bill which are contrary to your commitment to sound economic and environmental planning. Your veto is meant to ensure that federal aid will support projects which benefit all Americans, not waste the taxpayers money. The environmental community strongly opposes the bill and, like last year, would vigorously support Administration efforts to sustain your veto. If you do not veto the bill, the action could worsen our relations with the environmental community.

We believe that the veto can be sustained in the Senate. In the Senate, H.R. 4388 was passed 48-44, and six senators who would have voted against the Tellico exemption were unable to vote (Muskie, Pell, Bayh, Inouye, Durenberger, and Pressler). We understand that these six Senators and most of the 44 supporters would support a veto on the narrow grounds we propose. Environmental community tallies of the House indicate that there are more than 100 members who support a veto based on the Tellico issue and that there are an additional 100 or so members who are leaning in support of sustaining such a veto.

The bill provides all FY 1980 appropriations for DOE, Corps civil works functions, Bureau of Reclamation, NRC, TVA, and WRC. The veto message should make clear that the Administration supports the appropriations bill for these agencies and reaffirms support for the bill's exclusion of funds for the Clinch River Breeder Reactor.

ELIOT CUTLER

THE WHITE HOUSE

WASHINGTON

SEP 21 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: JIM MCINTYRE 
FROM: ELIOT R. CUTLER 
SUBJECT: Possible Veto of the Public Works
Appropriations Bill

As someone who (a) feels strongly about the importance of defending the Endangered Species Act, (b) urged you to veto the Public Works Appropriations Bill last year and worked hard to sustain it, and (c) carries a large part of the responsibility for seeing that your current energy proposals are enacted, I strongly support Jim McIntyre's recommendation that you not veto this appropriation.

Let me make the case strictly in terms of our chances for success on your energy initiatives:

If anything, I believe we have understated the national security implications of a failure to move forcefully ahead with an aggressive oil imports reduction program. That message is beginning to get through on the Hill; the merits of the Windfall Tax, the ESC and the EMB are beginning to be understood; and in the last 8-10 days we have begun to gain real momentum in the Senate.

At the same time, we would have to make our stand to sustain a public works veto in the Senate; by all accounts, the House is sure to override. Not only will we be forced to reallocate CL and outreach efforts away from the energy effort, but also we will be taking on directly Senators like Bennett Johnston (Chairman of the Public Works Appropriations Subcommittee) who have been and must continue to be our key proponents on the EMB and the ESC. In addition, Senators like Ed Muskie and John Culver have indicated that they would prefer you not veto the bill.

The question is not whether we can successfully sustain a veto in the Senate (I believe we can); but rather what that effort will cost us over the next few months in terms of Congressional action on the most critical legislative package of the year.

There is a real risk that we cannot both sustain a public works veto and successfully enact most of your energy initiatives. I think the energy task is of primary national and political importance, and urge that you sign the appropriations bill.

THE WHITE HOUSE
WASHINGTON

9/21/79

Mr. President:

Attached is the OMB memo regarding the Public Works bill, H.R. 4388.

Senior Staff comments are being prepared, and will be forwarded to you as soon as they are ready (probably Saturday).

Last day for action is Tuesday, September 25.

Rick



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

SEP 21 1979

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 4388 - Energy and Water Development
 Appropriation Act, 1980
 Sponsor - Rep. Bevill (D), Alabama

Last Day for Action

September 25, 1979 - Tuesday

Summary of Congressional Action

(in millions of dollars)

	<u>Request</u>	<u>Congressional Change</u>	<u>Enrolled Bill</u>
Appropriation.....	11,328	-706	10,622
Changes not affecting 1980 programs.		(-647)	
1980 policy changes.....		(-58)	

Highlights

- The enrolled bill includes language exempting the Tellico Dam from the provisions of the Endangered Species Act, as well as any other law, and directs completion of the dam as originally designed. The bill does not provide specific additional funding (estimates range from \$20 to \$35 million) required to complete the project. Though additional appropriation requests for Tellico would normally be required, the language of the exemption makes all other funds available to TVA eligible for use on the project. Construction of the dam had been halted pursuant to the Endangered Species Act since it would, if completed, destroy the habitat of the snail darter.
- For the bill as a whole, certain financial devices have been used to lower budget authority and thus provide a misleading impression of the actual effect of congressional action. However, unlike last year's public works bill, this bill is

still under the budget after adjusting for the artificial reductions.

- The enrolled bill provides \$52 million for the 1980 start-up costs of 24 new water project starts rather than the requested, fully funded level of \$549 million for 16 new starts. The Congress added ten unbudgeted new starts, but deleted two of the Administration's, for a net increase of eight over the budget. The unbudgeted new starts do not significantly violate the selection criteria announced in your water policy, so a strong argument cannot be made for opposing them. (A listing of the new starts included by the Congress is at Tab A.) The funding commitment associated with the congressional package would result in an additional \$169 million over your proposal. This compares with a similar increase of almost \$1.2 billion in last year's vetoed bill.
- The Congress funded 54 unrequested planning studies in the bill, following a major effort in the 1980 budget to develop a more rational planning program. The costs associated with this planning are small, however, and future commitments are containable.
- Increases totalling \$97.2 million were provided for ongoing activities of the Corps of Engineers and Bureau of Reclamation.
- The Congress has added \$19.3 million over your request for the TVA to initiate planning for a number of energy demonstration projects. Construction of all these projects could cost \$1.5 billion thru 1985, of which \$1.2 billion is for a coal gasification plant. We would have preferred that these projects be considered in the context of the Department of Energy budget. However, we still have an option not to proceed beyond planning, and funding for construction -- if we decide to proceed -- could be provided thru DOE funds or, in the case of the gasification project, by the Energy Security Corporation.
- The enrolled bill reflects a net reduction of \$283.8 million for programs of the Department of Energy. Of this, \$138.3 million was cut due to the availability of unobligated balances. This action will not affect 1980 programs. The major policy reduction was for defense waste management, while increases were provided for thermal reactor technology, defense materials production, and solar applications and technology.
- Funds are included for the Water Resources Council. However, no funds are available for the independent water project review function called for by your water policy unless specific authorization is provided at a later date. While some progress

has been made it is not yet certain that an authorization bill will be enacted this session. The bill includes \$21 million for grants to States for water management planning and conservation technical assistance rather than the \$50 million requested.

Final action on this bill occurred by a voice vote in the House and by unanimous consent in the Senate.

Issue

The only major issue in this bill is the directive, notwithstanding any other law, for TVA to complete the Tellico Dam on the Little Tennessee River -- the object of environmental opposition for many years.

The review of water projects you initiated early in your administration did not affect the Tellico Project because it had already been halted by court injunction. Therefore, you did not go on record as either supporting or opposing the project. Your water policy reforms were directed at future water projects and therefore did not address Tellico.

However, it is clear that if the Tellico Project were being designed today, or were before you for decision on either funding or authorization, it would be inconsistent with a number of elements of your water policy, including:

- (1) Strict enforcement of environmental statutes (this would include the Endangered Species Act);
- (2) Strict application of economic evaluation criteria;
- (3) A requirement that a non-structural alternative be considered as each project is planned and evaluated; and
- (4) A requirement that water conservation be given consideration in planning and evaluation of each water project.

Though this dam has been opposed by some environmentalists since its inception, it was virtually completed when TVA was enjoined from plugging it because of conflict with the Endangered Species Act. It would destroy the critical habitat of the snail darter, an endangered species of fish. The Supreme Court upheld the injunction. Thereafter the Endangered Species Act was amended in 1978 to create a Cabinet-level review committee empowered to grant exemptions to the Act. The committee (chaired by Secretary Andrus) considered whether the dam should be completed despite the presence of the snail darter. The committee did not directly address the endangered species issue, but unanimously found that (1) the overall project benefits are slightly less than the overall project costs and (2) a reasonable and prudent

alternative (river development) exists that would be consistent with preserving the snail darter (though this alternative also had a negative benefit-cost ratio). For these reasons, Secretary Andrus recommends that this bill be vetoed.

The Senate -- led by Senator Culver -- had upheld, in earlier action on this bill, the conclusions of the Andrus committee. However, the Senators reversed their position by a vote of 48-44 when, in subsequent debate, they were told that the transplanted snail darter is now thriving in the Hiwassee River and that the House would probably prevent passage of the entire bill if the Tellico provision were not included. (TVA and Interior Department scientific staff cannot now predict whether the transplanted population will survive.) The final House vote in support of Tellico was by a margin of 258-156.

In addition to Secretary Andrus, the environmental community also supports a veto of this legislation. If the bill is signed, the community would probably be quite disappointed and feel that the principles behind the protection of endangered species have been totally violated.

Veto alone would not save the snail darter or its critical habitat in the Little Tennessee River. An additional \$5 million appropriation for removal of a portion of the dam (to return the river to a flowing state and allow the snail darter to migrate upstream) would be needed to save the darter's critical habitat. TVA is presently conducting a holding action to preserve the species by netting darters below the dam and releasing them above.

The Congress' action on other water programs will result in increases to the budget over the next four years, but these increases are small in relation to most public works appropriation bills. (Only two have included fewer added projects or less added cost in the last 14 years.) We were successful in our efforts to prevent funding of the Yatesville and Bayou Bodcau projects, which you had proposed for termination but were added to the bill in action by the Senate Committee on Appropriations. Administration signals to the Hill have consistently emphasized funding for these two projects and the Tellico Dam provision as our only major objections to action on this bill. As a result, many congressional members fully expect that this bill will be signed.

Changes to your energy requests do not present any major problems. The Congress plans to act on the budget estimates associated with your recently announced energy package in a separate supplemental bill.

No funding has been provided for the Clinch River Breeder Reactor, pending action on the related authorization bill. However, if this bill is vetoed, it is possible that the programs funded in this bill would be covered under a continuing resolution. Such action could provide funds in 1980 based on last year's appropriation for the CRBR.

The attachment contains a more detailed analysis of congressional action on this bill.

Discussion

The Tellico Dam is a highly emotional environmental issue that has received National attention. Environmentalists consider it important to stop the project in large part because of its endangered species relationship and because the economic benefits of Tellico are marginal at best. Development interests point to the sunk costs of the project and the potential economic benefits (including some but not much energy generation), and see no value in preserving a small number of little fish whose existence was not even known until a few years ago.

There appear to be three feasible options:

1. Veto the bill and propose appropriations for a flowing river development plan.
2. Sign the bill but propose rescission of the Tellico provision and appropriation of funds for an alternative flowing river plan.
3. Sign the bill and express regret over the Tellico provision but accept it as the clearly expressed will of the Congress on this specific issue.

Option 1, veto. Because the rest of the bill is acceptable, a veto would have to rest solely on the Tellico issue. It would be the strongest posture from which to fight Tellico.

Though an argument based on preserving the snail darter itself would appeal to some, it is unfortunately subject to ridicule, and even the congressional opponents of Tellico recommend deemphasizing the darter.

A stronger argument used by environmentalists is that the congressional action overturns the process set up by Congress for choosing between development projects and endangered species. The counter argument is that the action does not change the legal decision process at all, but simply expresses the views of Congress that the wrong decision was made in this specific case, and legally overturns only that decision.

The third potential argument would be that of the Endangered Species Cabinet Committee -- that economic benefits almost as great as those provided by the dam can be achieved through developing the flowing river and still preserve the snail darter. This is a valid technical economic argument but also hard to win on the floor of Congress when our winning

it would mean destroying the Tellico Dam, a structure that Congress has funded for years, and starting over. Congressional economic rhetoric doesn't have to go by the rules of sound economics.

Veto would certainly be applauded by the environmental community whether successful or not.

We do not know at this writing what the potential for a successful veto would be. Congressional Liaison will advise by separate memorandum on that point.

The potential adverse consequences of veto are: If a veto stood, there would be the possibility of a continuing resolution providing funding for the Clinch River Breeder Reactor for some or all of 1980. However, the continuing resolution may include funds for the reactor regardless of whether you veto the bill.

There is also the high probability of another public works appropriation bill much worse than this one, still containing Tellico, and structured to make a successful veto highly improbable. If delayed late into the session without a continuing resolution this will force contract abrogations, payless paydays and other disruptions. We have strong indications that the Congress will follow this course without even attempting to override a veto of this bill.

A veto, whether successful or not, would have adverse effects on some Congressional attitudes toward working with the Administration during the remainder of this session, on agenda items of great National significance.

Option 2, sign the bill but propose rescission of the Tellico directive, together with funds that would be used to complete Tellico, and request appropriations to pursue the alternative plan.

This would avoid the potential adverse consequences of veto but would not be as strong a posture for fighting the Tellico issue.

It would succeed in raising the issue on the floor again if the key Appropriations Committee members in both Houses promised in advance of your action to report out a rescission bill even though they might not support it. (Preliminary discussions indicate that both Appropriations Committees will do this if asked, but they would not support our position on the floor.)

Assuming that a rescission were reported out of both Committees, we would have one more opportunity to fight the issue on the floor. We would need to muster a majority in both Houses to win.

This action would be described as urging the Congress to consider this issue one more time, on its own rather than in the context of an appropriation bill.

It would be justified on the basis that the rest of this bill is quite responsible and the rest of your legislative agenda is more important than a bitter veto fight over this issue.

Option 3, sign and express regret over Tellico but acceptance of congressional action.

This too would avoid the adverse consequences of veto, and preserve your ammunition for other, perhaps more important, fights this session. It would be viewed by some as recognizing the inevitable. Environmentalists would be bitterly disappointed.

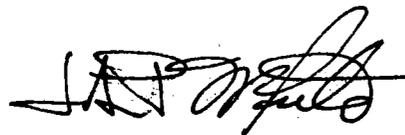
Your statement would emphasize that, with the exception of the one Tellico issue, this bill represents a welcome step by the Congress in the direction your water and energy policies have been urging, and you accept the majority votes in both Houses as expressing clearly the will of Congress that the Tellico Dam be closed despite the clearly understood consequences.

The statement could reaffirm your commitment to the principles of the Endangered Species Act, state that you intend to enforce it vigorously, and affirm that you do not view this specific action as indicating a congressional intent to override routinely the workings of the Act.

Three draft statements, one reflecting each of the options, are at Tab B.

Recommendation

Department of the Interior	Veto
Department of Commerce	Veto
Council on Environmental Quality	Veto
Other affected agencies	Approval (informally)
Office of Management and Budget	Option 2



John P. White
Deputy Director

DETAILED ANALYSIS OF ENROLLED BILL H.R. 4388--
ENERGY AND WATER DEVELOPMENT APPROPRIATION ACT, 1980

Last Day for Action

September 25, 1979 - Tuesday

Purpose

Appropriates a total of \$10,622,495,000 in 1980 budget authority for activities of the Department of Energy (except for fossil fuel and certain conservation and regulatory programs); civil functions of the Army Corps of Engineers; activities of the Department of the Interior's Bureau of Reclamation; activities of related independent agencies and commissions, including the Nuclear Regulatory Commission, the Tennessee Valley Authority, and the Water Resources Council; and construction of the Hart Senate Office Building.

Agency Recommendations

Office of Management and Budget	Option 2
Department of the Interior	Veto
Department of Commerce	Veto (See Letter at Tab C)
Council on Environmental Quality	Veto
Other affected agencies	Approval (informally)

Analysis of Budget Costs

The specific congressional changes in the bill are estimated to affect spending as follows:

	(in millions of dollars)			
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Outlays.....	-89	-20	-10	---

If appropriations are provided in future years to carry out the congressional changes to program levels the effect is estimated to be as follows:

	(in millions of dollars)			
	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Budget authority.....	-706	+56	+228	+232
Outlays.....	-89	+58	+155	+164

The increases in future years are almost entirely associated with the energy demonstration programs to be initiated by the Tennessee Valley Authority.

Discussion

As discussed in the covering memorandum, the enrolled bill includes language that would require completion of the Tellico Dam.

The following table shows--by major agency--the effect of congressional action on the bill in relation to amounts appropriated for 1979 as well as to your 1980 budget requests:

	1980 Budget Authority (in millions of dollars)		
	Amount Provided <u>In Bill</u>	<u>Congressional Changes</u>	
		<u>From Request</u>	<u>From 1979</u>
Department of Energy.....	6,489	-284	+404
Corps of Engineers-Civil.....	2,796	-258	+21
Bureau of Reclamation.....	607	-142	+27
Nuclear Regulatory Commission.	363	-10	+41
Tennessee Valley Authority....	149	+27	-6
Water Resources Council.....	35	-32	+20
Other Independent Agencies....	131	-7	-7
Senate Office Building.....	<u>52</u>	<u>---</u>	<u>+52</u>
Total.....	10,622	-706	+552

Even though the overall budget authority total for the bill reflects a substantial decrease below your requests, the following reductions--totalling \$647.3 million--will have no direct impact on planned programs:

-\$476.0 million requested to provide full funding of new water project starts.

-\$138.3 million in requested appropriations for the Department of Energy denied due to the availability of unobligated balances.

-\$33 million from the \$55 million request to construct the Waste Isolation Pilot Plant (WIPP) in New Mexico denied due to a lack of authorization. The proposed scope of the WIPP project is currently under review by the Congress. This project could be funded in future years at a substantially slower rate than previously planned.

The remaining sections of this analysis discuss the major 1980 policy changes made to your requests for the programs funded in this bill.

Water Projects

New starts. You requested \$549.5 million to fund fully 16 new water projects of the Corps of Engineers and the Bureau of Reclamation. The Congress rejected the full funding policy and included \$52 million--representing 1980 start-up costs only--to fund 24 projects. Total cost of the congressional new starts package, fully funded, is estimated to be \$718.5 million--an increase of \$169.0 million over your proposal. A listing of new starts included by the Congress is at Tab A. In addition, the Congress has provided for 54 unrequested planning studies, following a major effort in the 1980 budget to develop a more rational planning program.

Ongoing programs. Increases to ongoing activities, totalling \$97.2 million, were as follows:

(in millions of dollars)

	<u>Request</u>	<u>Congressional Change</u>	<u>Enrolled Bill</u>
Construction and rehabilitation.....	2,004.5	+66.2	2,070.7
Operation and maintenance.....	926.2	+23.0	949.2
General investigations and other....	332.5	+8.0	340.5

Department of Energy

The enrolled bill reflects a net policy reduction of \$112.5 million for DOE programs. Major components of this change are as follows:

(in millions of dollars)

	<u>Request</u>	<u>Congressional Change</u>	<u>Enrolled Bill</u>
Defense waste management.....	338.8	-60.4	278.4
Breeder reactors.....	589.4	-19.5	569.9
Basic research.....	252.8	-18.3	234.5
Thermal reactor technology.....	37.0	+32.5	69.5
Defense materials production.....	482.6	+21.9	504.5
Solar applications and technology...	506.0	+14.8	520.9

In addition, a cut of \$35.8 million for departmental administration was effected, primarily in engineering and design projects, and intergovernmental programs.

Tennessee Valley Authority

The enrolled bill reflects a net increase of \$26.8 million to your request of \$121.9 million. This includes an additional \$19.3 million for energy demonstration programs and \$8.5 million for continued construction of the Columbia Dam in Tennessee. Continuation of the energy demonstration programs in future years could result in commitments totalling \$1.5 billion through 1985. For two of the projects (fuel cells and coal gasification) some duplication of existing Department of Energy programs may exist. Funding for the coal gasification demonstration plant, if appropriate, could be provided by the Energy Security Corporation when it is established.

Water Resources Council

Funds requested (\$66.2 million) were cut by \$31.6 million. The bill includes \$21 million for grants to States for water management planning and conservation technical assistance instead of the \$50 million requested. No funds are available for the independent water project review function, and bill language precludes any use of the Council's appropriation for such a review prior to the passage of pending authorizing legislation.

Nuclear Regulatory Commission

The Congress reduced your request of \$373.3 million by \$10.0 million, primarily reflecting decreases in (1) safety research and (2) safeguards and waste management, and an increase to fund additional inspection and enforcement personnel.

Legislative Branch

The bill includes \$52.5 million for continued construction of the Hart Senate Office Building. Language in the bill sets a ceiling of \$137.7 million on the total cost for constructing this building.

Tab A

NEW WATER PROJECT STARTS

	Full Funding Estimate (in thousands of dollars)		Congressional Interest
	Budget	Starts Included In Bill	
<u>Corps of Engineers</u>			
Fort Toulouse Bank Stabilization, AL.....	---	19,000	Bevill-D4
Phoenix & Vicinity, AZ (Stage 2 & remaining work).....	208,000	208,000	Rhodes-R1, Stump-D3, Rudd-R4
Wildcat & San Pablo Creeks, CA.....	11,200	11,200	Miller-D7
Savannah Harbor Extension, GA.....	9,100	9,100	Ginn-D1
Kaskaskia Island Drainage and Levee District, IL....	13,200	13,200	Simon-D24
Moline, IL.....	20,468	(250) <u>a/</u>	Railsback-R19
Milan, IL.....	12,045	12,045	Railsback-R19
Missouri River Levee System, IA (L611-614 only).....	12,130	12,130	Harkin-D5
Evansdale, IA.....	(65) <u>a/</u>	4,130	Grassley-R3
Lewiston-Clarkston Bridge, ID & WA.....	---	19,625	ID Symms- R1, WA Foley-D5
Grand Isle & Vicinity, LA..	(107) <u>a/</u>	9,030	Boggs-D2
Manteo (Shallowbag) Bay, NC.	---	55,405	Jones-D1
Williston, ND, Water Intake.....	---	480	Andrews-R1
Arcadia Lake, OK.....	59,600	59,600	Steed-D4, Edwards-R5
West Harbor, OH.....	---	3,800	Pease-D13
Mud Lake Pumping Station, TN.....	2,990	2,990	Jones-D7
Baytown, TX.....	34,000	34,000	Eckhardt-D8
Skagit River Levee & Channel Improvement, WA....	---	<u>16,300</u>	Swift-D2
Total, COE.....	382,733	489,715	

a/ Preconstruction Planning

	Full Funding Estimate (in thousands of dollars)		<u>Congressional Interest</u>
	<u>Budget</u>	<u>Starts Included In Bill</u>	
<u>Bureau of Reclamation</u>			
Alpaugh Irrigation District, CA.....	1,546	1,546	Pashayan-R17, Thomas-R18
Calleguas Water District, CA.....	17,700	---	Goldwater-R20
Eastern Municipal, CA.....	21,300	21,300	Brown-D36, Lewis-R37
Rainbow Municipal Annex 3, CA.....	3,370	3,370	Burgener-R43
Lewiston Orchards Irrigation District, ID...	7,418	7,418	Symms-R1
Central Nebraska Public Power & Irrigation District, NE.....	---	10,000	Smith-R3
McGee Creek, OK.....	115,400	115,400	Watkins-D3
Upalco Unit, Central Utah Project, UT.....	---	69,700	McKay-D1
Total, BuRec.....	<u>166,734</u>	<u>228,734</u>	
Grand Total.....	549,467	718,449	

Tab B

1. Veto

TO THE HOUSE OF REPRESENTATIVES:

Today I am returning H.R. 4388, the Energy and Water Development Appropriation bill, to the Congress without my approval.

With one major exception this is a sound and responsible bill. It recognizes the need to hold down spending. It does not commit to unacceptable future expenditures. It provides for sound water projects and for energy development.

It represents a commendable step by the Congress in the direction I have been urging through my water resources development and energy policies.

However, this bill, in directing completion of the Tellico Dam, would overturn the first decision arrived at through the deliberative process created last year by the Congress to consider exemptions to the Endangered Species Act, require the flooding of the Little Tennessee River valley, and destroy the critical habitat of an endangered species. This action would be mandated despite the fact that comparable economic benefits can be achieved by an alternative plan that preserves the flowing river and the habitat of the endangered species.

The Tellico Dam -- a Tennessee Valley Authority water project -- was halted by court injunction because it would destroy the only known habitat of the snail darter, a fish on the endangered species list. At the time of the injunction the dam was largely built. In 1978, the Supreme Court reaffirmed the lower court decision.

Primarily in response to the Tellico situation, the Congress in 1978 created a process whereby Endangered Species Act conflicts can be reviewed by a seven-member Cabinet-level committee and projects can be exempted. Tellico Dam was then reviewed by the committee and was denied an exemption by unanimous vote. The committee found that:

- "1. There is a reasonable and prudent alternative to the agency action, and
2. The benefits of the proposed agency action do not clearly outweigh the benefits of alternative courses of action which are consistent with conserving the snail darter or its critical habitat."

The committee included the Secretaries of the Interior, Agriculture and Army, the Administrators of EPA and NOAA, the Chairman of the Council of Economic Advisors, and a representative nominated by the Governor of Tennessee.

There are a number of reasons why this is an undesirable project:

- Even with the dam virtually complete, a comparison of the project benefits against the remaining costs of completion showed that project costs exceeded benefits. On an annual basis, benefits are \$6.52 million and costs are \$7.25 million.
- Of the over \$100 million spent on the project, only \$22.5 million was spent on actual dam construction. Remaining expenditures for land acquisition, roads, salaries, etc., have already or will produce benefits with or without the dam.
- Energy benefits from the reservoir would not be substantial. The dam itself has no generators but would supply water flow for a small amount of additional generation at a nearby dam. Annual energy benefits would be \$2.7 million for approximately 200 million kwh of power which would otherwise be provided by TVA's coal and nuclear facilities.
- Annual recreation benefits of the flowing river exceed those of the dam by \$600,000. Although one-third of Tellico's claimed benefits are flat-water recreation, there are 24 other flat water recreation sites within a radius of 60 miles.
- The reservoir would tie up approximately \$40 million of private land values, resulting in an annual loss of \$4 million in benefits from alternative land uses. Much of the land which would be flooded is high-quality farmland.

The Tellico exemption provision in the appropriation bill, while designed to overcome the Endangered Species Act, would also exempt the project from all other statutes.

Given the strong case against Tellico Dam, I cannot approve a bill that would mandate its completion. I will propose appropriations to implement a flowing river development plan.

While there are other shortcomings with this appropriation bill, there is no other provision besides Tellico that cannot be worked out after enactment. Therefore, I would be pleased to sign a bill that differs from H.R. 4388 only in the deletion of the mandate to complete Tellico Dam.

2. Sign but Propose Rescission

TO THE HOUSE OF REPRESENTATIVES:

Today I have signed H.R. 4388, the Energy and Water Development Appropriation bill.

With one major exception this is a sound and responsible bill. It recognizes the need to hold down spending. It does not commit to unacceptable future expenditures. It provides for sound water projects and for energy development.

It represents a commendable step by the Congress in the direction I have been urging through my water resources development and energy policies.

The major flaw in this bill is that it directs the completion of the Tellico Dam project on the Little Tennessee River. This action would overturn a decision arrived at through the deliberative process created last year by the Congress to consider exemptions to the Endangered Species Act, require the flooding of the Little Tennessee River valley, and destroy the critical habitat of an endangered species. This action would be mandated despite the fact that comparable economic benefits can be achieved by an alternative plan that preserves the flowing river and the habitat of the endangered species.

The Tellico Dam -- a Tennessee Valley Authority water project -- was almost completed when it was halted by court injunction because it would destroy the only known habitat of the snail darter, a fish on the endangered species list.

Primarily in response to the Tellico situation, the Congress in 1978 created a process whereby Endangered Species Act conflicts can be reviewed by a seven-member Cabinet-level committee and projects can be exempted. Tellico Dam was then reviewed by the committee and was denied an exemption by unanimous vote. The committee found that:

- "1. There is a reasonable and prudent alternative to the agency action, and
2. The benefits of the proposed agency action do not clearly outweigh the benefits of alternative courses of action which are consistent with conserving the snail darter or its critical habitat."

The committee included the Secretaries of the Interior, Agriculture and Army, the Administrators of EPA and NOAA, the Chairman of the Council of Economic Advisers, and a representative nominated by the Governor of Tennessee.

I continue to believe that Tellico should not be completed, for sound environmental and economic reasons, and I urge the Congress to reconsider this mandate. However, I do not believe that congressional reconsideration of Tellico would be best undertaken in the emotional atmosphere of a veto fight over an otherwise commendable appropriation bill.

I am therefore sending a proposal to the Congress that the directive to complete Tellico be rescinded and initial appropriations be provided toward implementing a flowing river development plan. I look forward to early and serious consideration of this proposal.

3. Sign and Accept Congressional Action on Tellico

TO THE HOUSE OF REPRESENTATIVES:

It is with mixed reactions that I sign H.R. 4388, the Energy and Water Development Appropriation bill.

With one major exception this is a sound and responsible bill. It recognizes the need to hold down spending. It does not commit to unacceptable future expenditures. It provides for sound water projects and for energy development.

It represents a commendable step by the Congress in the direction I have been urging through my water resources development and energy policies.

On the other hand, this bill mandates the completion of the Tellico project on the Little Tennessee River. This project has been halted because of conflicts with the Endangered Species Act. A decision was made through the deliberative process established by the Congress last year to deal with these conflicts, that the Tellico Dam should not be closed because an alternative course of action was available, with comparable economic benefits, that was consistent with conserving the snail darter or its habitat.

This action by the Congress overturns that decision and directs the flooding of the Little Tennessee River valley. I am satisfied, however, that the Congress clearly confronted this issue, and settled on its action with clear majority votes in both Houses. I accept, with regret, this action as expressing the will of the Congress in the Tellico matter.

Nevertheless, I believe firmly in the principles of the Endangered Species Act, and will enforce it vigorously. I do not consider that the action by Congress on the Tellico matter implies congressional intent to overturn the general decision process for resolving conflicts under that Act, but I do accept it as a final decision in the specific matter of Tellico Dam.

Tab C



**GENERAL COUNSEL OF THE
UNITED STATES DEPARTMENT OF COMMERCE**
Washington, D.C. 20230

20 SEP 1979

Honorable James T. McIntyre, Jr.
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Budget Review

Dear Mr. McIntyre:

This is in reference to H.R. 4388, an enrolled bill

"Making appropriations for energy and water
development for the fiscal year ending September 30,
1980, and for other purposes."

The bill would authorize appropriations for energy supply and water development activities and would be at a level of \$2.1 billion for fiscal year 1980. Among other things, the bill would exempt the Tellico Dam project of the Tennessee Valley Authority from the provisions of the Endangered Species Act.

While the Department of Commerce has no objection to the appropriations provisions, we are opposed to enactment of H.R. 4388 in its present form. Of concern to this Department is the provision exempting the Tellico Dam. We believe that the recent decision made on the Tellico Dam project by the Endangered Species Committee, after a thorough evaluation of all relevant biological, social, and economic criteria should not be upset.

Legislation which overturns the decision of the Endangered Species Committee would undermine the integrity of the review process established only last year by the Endangered Species Amendments of 1978. Such action by Congress should be rejected by the Administration absent compelling reasons to the contrary. In April, 1979, this Department testified in opposition to all attempts to reverse the decision of the Committee. Also, records indicate that of the \$103.2 million spent on the Tellico project to date, only \$22.5 million has been spent on actual dam construction.

The remainder was spent for construction of roads, land, and other recoverable costs which could be beneficially used in an alternative river development program.

For these reasons, the Department of Commerce opposes enactment of H.R. 4388, and recommends veto by the President.

Sincerely,

A handwritten signature in black ink, appearing to read "C. L. Haslam". The signature is written in a cursive style with a prominent initial "C".

C. L. Haslam
General Counsel

THE WHITE HOUSE

WASHINGTON

September 21, 1979

MEMORANDUM TO THE PRESIDENT

FROM: Frank Moore *FM.*

SUBJECT: Energy and Water Development Appropriations Bill

This is a long memorandum because your decision on this bill will have important implications for our Congressional politics in the critical weeks to come.

As we see it, you are faced with a choice of vetoing the bill and continuing our largely symbolic but important fight on the Tellico Dam or signing the bill and abandoning that fight. OMB's Option 2 is unrealistic and should not be taken seriously. We do not believe a rescission will ever be approved by the House, nor do we believe you will be able to prevent appropriation of the funds needed to complete the Dam if this bill is signed.

I recommend you sign the bill. A veto will have unacceptable implications for your legislative program, especially in the House. Most importantly, if your decision to sign is handled properly, we can gain important ground on other initiatives where success is now doubtful.

From a Congressional standpoint, three factors are relevant to your decision:

1. Can we win?
2. Will our success help resolve the Tellico issue favorably?
3. What impact would a veto have on other issues on your highest priority list.

I. CAN WE WIN

We believe a veto of this bill is likely to be sustained. The veto is virtually certain to be overridden in the House, but in the Senate we are likely to win.

A. HOUSE

Your veto is likely to be overridden in the House. Even if the veto was sustained, there would be costly repercussions for future legislative initiatives.

The Breaux amendment to delete the Tellico provision was defeated in the House by a vote of 245 to 169, with 20 Members absent. However, our position is weaker than this would indicate.

The vote on the Breaux amendment did not affect any other project, unlike this veto which could be seen as a threat to the entire bill. Moreover, strong supporters on water issues, such as Phil Burton, are not enthusiastic about a possible veto. Burton's newspapers have urged him to sacrifice Tellico for his own Fisherman's Wharf project that is now in the bill.

No senior Member of the House is likely to support us on this question. Most importantly, the leadership, led by Jim Wright, will lobby hard against us. We cannot count on the 31 Republicans and some House liberals who voted with us on Breaux. The former may desert for partisan reasons and the latter may vote against us in retaliation for some of your positions on other bills.

B. SENATE

We believe the Senate would be likely to sustain your veto for the several reasons discussed below. However, if Senator Byrd tackles this bill with the same vigor as last year, our optimism will decrease substantially.

1. The Headcount

We have contacted almost all of 58 Senators who have voted against the Tellico Dam on at least one of the three Senate votes this year. In almost all these cases, contacts were with Senators themselves, not staff. The results are as follows, with our position as the reference.

+	31
L+	9
?	14
L-	14
-	32

The count is a conservative one. For instance, Boschwitz and Durenberger, consistent Tellico opponents, both told Secretary Andrus they would support a veto if only Tellico were cited. Nevertheless, we are carrying them undecided because we believe there is a chance they will cave when Baker presses them. Domenici told us he would support the veto. We carry him undecided for the same reason.

Our contacts revealed several interesting points.

- a) Culver will lead the fight if you ask him. He is not as enthusiastic as before, but thinks we have a better than 50-50 chance to win. Nelson will enthusiastically help.
- b) A great number of Senators predicted victory in the Senate and pledged support, but advised against the veto. These include Pell, Metzenbaum, Baucus, Stone and Matsunaga.
- c) There are several strong Senators in our list of allies. These include Muskie, Hollings, Inouye, Eagleton and Moynihan. Inouye advised against the veto but pledged support.
- d) Senator Byrd will strongly oppose the veto in the Senate. If he becomes extremely active, that could substantially erode our support.

2. Previous Votes

The Senate has twice defeated Tellico amendments -- once on June 13 by a vote of 52-43 and again on July 15 by a vote of 53-45. On September 10, a motion to insist on deletion of the amendment in question here lost, 48-44. Five of our supporters were legitimately absent.

3. Tellico Itself

The dam itself is not popular in the Senate. Many of its supporters openly admit it is a boondoggle.

4. House Procedure

Many Senators are upset at the way the amendment was added to the bill in the House. The 42-second, middle-of-the-night colloquy which amended the bill has drawn criticism.

5. Presidential Politics

Many Democratic Senators who supported Tellico previously may be reluctant to do so again if you are locked in a visible veto fight with a Republican Presidential aspirant, Senator Baker (e.g. Glenn, Boren, Huddleston, Ford, Pryor and Stewart).

6. Editorial Support

Numerous newspapers have editorialized in the last two months against Tellico. They include the Atlanta Journal, the Montgomery, Alabama Journal, the St. Petersburg Times, the Louisville Times, the Norfolk, Virginia Pilot, the Houston Post, the Washington Post and Star, the New York Times, Boston Globe, Los Angeles Times and many others. A number of Tennessee papers have editorialized against the project, as well.

II. IMPACT ON TELLICO IF WE WIN

There is a serious question whether a veto, even if sustained, would end the Tellico fight. The Senate-passed Endangered Species Act authorization has cleared the Rules Committee and is scheduled for floor action on Tuesday. House Members are likely to attach another Tellico Dam amendment onto that bill if you veto this one. They would also be inclined to gut the Act in other ways out of retaliation.

We are also likely to see funds for Tellico in supplementals and continuing resolutions for the remainder of the year. Our strength will remain in the Senate, but that strength is not great enough to assure consistent defeats of House-passed Tellico amendments on authorizing and appropriations bills.

The conclusion is that you could face a number of decisions throughout the remainder of this year and the next that are carbon copies of this one.

Also, Chairman Bevill has hinted that he might not seek to override, and simply sit on the bill for several months before he sent it back to you with no changes.

III. IMPACT ON OTHER ISSUES

The impact of a veto would be devastating in the House, but manageable in the Senate.

We believe the close vote on the Panama legislation may well have been reversed by a signal that you would sign this bill.

The Conference Report will be back on the floor of the House next Wednesday, the day after you must make your decision. The adverse effect of a veto would surely hurt our chances.

The other major bill that would be put in jeopardy is the Department of Education legislation. The Conference Report is very close and hinges on the vote of many Southerners that will be upset over a Tellico veto. Our opinion is that this veto will defeat or substantially delay passage of these two proposals.

In the Senate, Senator Johnston who is Subcommittee Chairman, would be upset at the veto. As you know, he is point man on virtually all our energy legislation in the Senate with the exception of the Windfall Profits Tax. He fears a veto would open up many sensitive issues that have been compromised in this bill -- particularly that of the Hart Senate Office Building. A veto strategy would have to take his concerns into account.

Senator Byrd is likely to be angry at the veto, as well. He will also be frustrated because about half the Democrats in the Senate would support sustaining the veto. Consequently, we believe he may not be able to make this veto a matter of institutional pride like last year. Nevertheless, the veto is likely to affect his level of cooperation with us on key issues such as SALT and energy -- at least for the short term.

Of course, if Senator Byrd does work hard to defeat us, he may well be successful.

VI. Political Advice

I believe the political benefits from a Tellico veto would be mixed and short-lived. The newspaper reports about a Tellico victory would be swallowed by bigger headlines if we lost Panama and the Department of Education a day or two later. Weeks from now, the same editorial writers now strenuously urging veto will be citing our ineptness at angering the House over a trivial matter right before two key votes -- one of which directly affects our national security.

V. STRATEGY FOR WINNING WHILE LOSING TELLICO

If you sign this bill, there are ways to cut our losses and maybe end up ahead. I suggest the following strategy:

1. Delay announcement of a decision until the last minute.
2. Convene negotiations with Baker and Sasser on CRBR. At the very least, get them to promise agreement to a time limit on Senate consideration of the CRBR deauthorization in the DOE bill

now in the Senate Energy Committee. Have them write Jackson announcing they have no objections to the Committee reporting the bill. All this would be in return for your signature on the bill.

3. Approach Bevill and Whitten with the request that they remove restrictions on the Water Resources Council and its independent review function in return for your signing the bill. This will help us with the environmentalists.
4. Approach Whitten, Bevill and others offering to sign the bill if they will agree to support the Panama legislation.
5. In the next 24 hours, have Stu prepare a list of other items we can trade with key Members in return for signing this bill.
6. Allow Sasser to make the announcement. This will patch up a legion of differences we have with him.

If some or all of these overtures are successful, approval of this bill could be a substantial success on several fronts.

THE WHITE HOUSE

WASHINGTON

September 24, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN

Fred

SUBJECT: My Advice on Enrolled Bill 4388 -
Energy and Water Development
Appropriation Act, 1980

In view of the many ways in which this bill represents an improvement over the one you vetoed last year -- in particular, the elimination of funding for the Yatesville and Bayou Bodcau projects -- and in view also of the far smaller dimensions of its economically objectionable aspects, I cannot make a strong argument for a veto on anti-inflationary grounds.

At the same time, the provision for completing Tellico is marginally inflationary -- as would any project be whose benefits are outweighed by the additional costs it entails; and that view, along with the fact that Congress is here overturning the very procedures it had itself set up to weigh economic and endangered species considerations would -- apart from all other considerations -- justify your refusal to tolerate even this very limited instance of inflationary business-as-usual.

If, however, all the positive aspects of the bill, and the prediction of your legislative advisors that a veto would in the end produce much worse results outweigh these admittedly largely symbolic anti-inflationary considerations, I would recommend Option 2 rather than Option 3.

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for Preservation Purposes**

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

TO SM
FYF

September 20, 1979

MEMORANDUM FOR HAMILTON JORDAN

FROM: GUS SPETH *DS*

SUBJECT: Public Works Appropriations Veto

Please look carefully at the enclosed packet of editorials from major newspapers urging the President to veto the public works appropriations bill.

The call for a veto extends far beyond the environmental community. The President will lose credibility on the good government issue if we do not veto this bill. Appreciation of the correctness of a veto will be widespread if we do veto it.

The Philadelphia Inquirer

An Independent Newspaper

Published Every Morning by Philadelphia Newspapers, Inc.
400 N. Broad Street, Philadelphia, Pa. 19101

SAM S. McKEEL
President

DAVID GELSANLITER
General Manager

EUGENE L. ROBERTS JR.
Executive Editor

EDWIN GUTHMAN
Editor

Thursday, September 20, 1979

Page 12-A

The Tellico damdoggle demands presidential veto

The Tellico Dam project in Tennessee was halted by the famous Supreme Court decision which held that the snail darter, a unique fish no larger than a sardine, was protected by the Endangered Species Act with such forcefulness that it could stop the levathans of the Army Corps of Engineers and the combination of political, business and labor union interests which were pushing it. Immediately that coalition, which by decades of public record could be counted on to build a dam in the Gobi Desert if U.S. tax funds could be found to pay them for it, went to work lobbying.

That came to an ugly climax last week when the Senate passed the new Energy and Water Development Appropriations Act. As the dam-builders lobbied it, the bill demands a veto by President Jimmy Carter. He has until next Tuesday to do so, and should waste no time.

Despite previous Congressional rejection of efforts to fund completion of the Tellico dam, by a complicated and deft series of committee and floor-amendment procedures, the dam-builders inserted into the bill the \$36 million which is said to be needed to complete construction — exempting the project from all federal, state and local regulations, including even dam-safety requirements.

That the dam itself is wasteful is beyond reasonable dispute: The unanimous, independent finding of a cabinet level committee which re-appraised the project found it not only totally unjustified from a standpoint of economic benefits, but that it would kill far more than the snail-darter —

including a great deal of superb unspoiled countryside and valuable farmland for no useful purpose. Wiping away legal protections to push a pet project through is an unacceptably dangerous precedent.

As if that were not enough, the final language of the bill, if it became law, would bring other serious setbacks to Mr. Carter's positions on environmental sanity and fiscal prudence.

One is the inclusion of a series of new dam projects without meeting the President's demand that such commitments be fully funded — that is, that the deceitful past practice of getting useless projects under way without having the Congress face their full costs in advance be abandoned. Previously unbudgeted dam projects which the bill would fund run no less than \$178 million.

Beyond all that, the bill fails to fund the federal Water Resources Council's capacity to conduct independent reviews — a responsible request by the President to provide taxpayers with assessments of the value and prudence of such projects by someone independent of the dam-builders, who always have dominated such judgments.

Not one more dime should be spent on the Tellico dam project. Basic legal protection of the environment should not be suspended. The council should be funded, to help prevent such offenses in the future. No new projects should be begun without full funding and full support.

Any one of those arguments demands the bill be vetoed. All of them together make it imperative.



Letters to the editor

Fire: I

To the Editor:

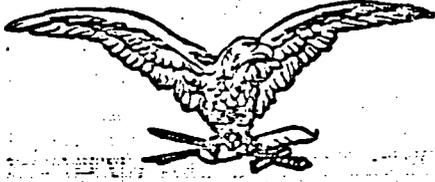
I had to write to tell you that the recent fire on the subway caused a chaotic situation a lot worse than was reported in the news. I was on the train involved, but not one of those cars that were on fire. The whole thing took about 15 minutes, but they seemed like an eternity. The incident was like a scene out of a disaster movie: You see danger, but you are totally helpless.

From where I was on the train, I could not see anyone breaking windows and escaping through them, although the sound of glass breaking was heard throughout the entire train along with the screams of the frantic people.

I was alone on the train, which was packed like a sardine can. I never felt so alone in my whole life. I honestly thought we were going to die. I never felt that feeling before. The exploding noises and the flashes of orange and white light and the immediate smoke made me feel that I had

Los Angeles Times

HARRISON GRAY OTIS, 1882-1917
HARRY CHANDLER, 1917-1944
NORMAN CHANDLER, 1944-1960



OTIS CHANDLER
Publisher and Chief Executive Officer

TOM JOHNSON
President and Chief Operating Officer

WILLIAM F. THOMAS
Executive Vice President and Editor

CHARLES C. CHASE, Vice President—Operations
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JAMES B. GRIDER, Vice President—Production
ROBERT C. LOBDELL, Vice President and General Counsel
DONALD S. MAXWELL, Vice President—Finance
VANCE L. STICKELL, Vice President—Sales

GEORGE J. COTLIAR, Managing Editor
ANTHONY DAY, Editor of the Editorial Pages
JEAN SHARLEY TAYLOR, Associate Editor

6

Part II

THURSDAY, SEPTEMBER 20, 1979

Tellico: a Dam Waste

The survival of the snail darter, a minnow whose only known habitat is a small stretch of the Little Tennessee River near Knoxville, is no longer the most important issue in the controversy over the Tellico Dam.

The more persuasive reason for halting the project is that its potential economic benefit to the region is nil, and President Carter should not hesitate to veto an additional \$36 million appropriation to complete it.

Although backers of the dam present the issue in its most simplistic terms—the existence of the snail darter versus a hydroelectric project on which \$102 million already has been spent—Tellico has been a pork-barrel project from the very beginning, and has been kept alive only by the influence of Senate Minority Leader Howard H. Baker Jr. of Tennessee.

The value of Tellico's electrical generation to the Tennessee Valley Authority, \$3 million a year, is more than offset by crop losses of more than \$4 million a year on the 38,000 acres of prime farmland that the dam's reservoir would flood.

It is also specious to argue that the past federal investment of \$102 million would be lost if the dam were not built. More than \$80 million of that amount was spent on land acquisition and on roads and other improvements that would remain to serve the region.

Nor is there credibility to the claim that Tellico would be of vast recreational benefit; there are already 24 other lakes within 60 miles of the site.

Environmentalists brought the project to a stop last year by convincing the U.S. Supreme Court that the destruction of the snail darter's habitat would violate the Endangered Species Act. Baker's response was to propose formation of a Cabinet-level committee to review Tellico and other controversial projects. Among its members were the secretaries of

interior, agriculture and the Army, and representatives of the Environmental Protection Agency and the Council of Economic Advisers.

The unanimous finding of the committee, and on criteria that had nothing to do with the snail darter, was that further expenditures on Tellico could not be justified.

But that did not stop Baker and others from pushing ahead and, after much arm-twisting, they were able to persuade narrow majorities in the House and Senate to include \$36 million more for Tellico in an omnibus \$10.8 billion spending measure for energy and water projects.

It was done by exempting Tellico from the Endangered Species Act and from "any other law" that would delay its construction. And it was done despite the Tennessee Valley Authority's own admission that Tellico would violate the flood-plain management law, the dredge-and-fill provisions of the Clean Water Act and the Historic Preservation Act.

A very bad precedent has been set when Congress can arbitrarily override its own past enactments to free a project of all environmental restrictions.

President Carter is in a difficult political position, and has been put there by, among others, Baker, who has presidential ambitions of his own. The only way Carter can veto the funds for Tellico is to veto the entire appropriations bill, and that would displease legislators from other states.

Although Tellico was not then an issue, Carter did veto a similar bill last year on grounds of adverse cost benefits and potential damage to the environment, and his veto was upheld in the House.

We urge him to exercise his veto power again this year. Worthwhile projects will survive for consideration again next year. Tellico, a waste of taxpayers' money, should not. □

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The Snail Darter Is Not the Problem

How many times have the backers of development projects complained that environmentalists use every legal and political trick possible to kill a project? Well, now it turns out that the environmentalists could learn a trick or two from backers of the Tellico Dam in Tennessee. That ill-conceived pork-barrel project has just been revived by Congress and now only President Carter can block it.

The Tellico Dam was originally halted lest it kill off the tiny snail darter, a nearly extinct fish entitled to protection under the Endangered Species Act. The dam's advocates called it lunacy to throw away the millions already spent on the project just to save a bucketful of minnows. So they agreed to the establishment of a Cabinet-level committee to review this and other disputed projects. The proposal was even co-sponsored by Senator Howard Baker of Tennessee. Imagine his shock when the committee voted *unanimously* against Tellico on both economic and environmental grounds — having little to do with the snail darter.

The committee found that the supposed benefits of the project would not even equal the \$36-million cost of completing it. Flat water recreation is available at 24 other sites within 60 miles. The dam might cut the electricity generating costs of the Tennessee Valley Au-

thority by about \$3 million a year. Meanwhile, the reservoir would inundate \$40 million worth of prime farmland which could otherwise yield \$4 million a year.

But the Tennessee delegation was unwilling to accept this impartial judgment. Senator Baker introduced legislation to allow Tellico to proceed. It was rejected twice. So Representative John Duncan of Tennessee amended an appropriations bill in the House to exempt Tellico from any law that might impede its completion. His unpublished amendment was approved after 40 seconds of discussion by House members who had little inkling of what was at stake. The Senate again refused to go along, so the dispute went to a conference committee which failed to resolve it. Eventually the House reaffirmed its support for Tellico and the Senate yielded. The long war of attrition by the Tennessee delegation finally paid off.

The legislation should be vetoed by President Carter. Alternate development plans, based on a free-flowing river, are better. Only \$22.5 million has been spent on the dam itself; the remaining \$80 million has gone for land acquisition, roads and other benefits that will remain even if the dam is not completed. If the Tennesseans prevail, they will have created a precedent for further efforts to exempt pork-barrel projects from all laws and rational review.

September 13, 1979

PORTLAND OREGONIAN

Snail darter snared in senseless act

The tiny, two-inch snail darter fish has received a death sentence from the U.S. Senate, which has voted 48 to 44 to allow the completion of the Tellico Dam on the Little Tennessee River. The vote not only seals the fate of an endangered species, but also ratifies an economic loser that will flood 10,000 acres of prime farm land.

It may be easy for some to joke about the "snail darter mentality," but it would be more accurate to discuss the "Tellico mentality" that would permit the completion of a dam whose economic benefits, even counting such flexible things as "recreation," will be less than the cost of finishing the nearly completed project. It is hard to find a worse case of misuse of public funds. Although most of the construction money came from the Tennessee Valley Authority, which gets its money from electricity consumers, millions in federal tax dollars have been wasted on a worthless project.

President Carter can win himself a chapter in

the next volume of "Profiles in Courage" by vetoing the measure, but that probably won't happen because the Congress has thoughtfully insulated the bill by putting in water projects dear to congressional hearts, along with funds for the new Hart Senate Office Building.

The exemption from the Endangered Species Act that the Senate has voted for the Tellico project followed skulduggery in the House, where a Tellico Dam rider passed through a nearly empty chamber in only 42 seconds. No matter that completion of the dam will cost taxpayers \$35.9 million, drown out \$40 million worth of agricultural land that produces \$4 million in annual benefits and wipe out a species that has existed since before the memory of man. No matter that a single species is being destroyed for a lake that will have water skiing as its chief asset.

No matter none of these things. It's goodbye snail darter, hello Tellico.

The Boston Globe

WILLIAM O. TAYLOR, President and Publisher

Tellico Dam at all costs

If Congress, with its incredible decision to approve completion of the Tellico Dam, was simply continuing its war with the tiny snail darter, that decision might be understandable though not defensible (as former Sen. James Buckley eloquently argues today in a piece on the opposite page). The fact of the matter, however, is that approval of Tellico does not merely raise the somewhat rarified issue of endangered species, but casts in bold light the whole issue of congressional pork barrel legislation.

Granted Tellico is 95 percent or more completed and has been for two years. But even so, Administration economists — including those most concerned with too much governmental regulation — have concluded that the dam project, located on the Little Tennessee River and built by the Tennessee Valley Authority, would not be cost effective to complete. In fact, last year when a special Cabinet-level committee, established to consider federal construction projects blocked solely by endangered species, was presented with the Tellico case, it rejected the dam without ever reaching the issue of the snail darter. The dam, the committee decided, simply didn't make economic sense.

There would be more losses resulting from flooding behind the dam, the committee decided, than there would from the recreational or electrification benefits derived by completing the project. And, in fact, the TVA itself has now drafted alternative plans which call for utilization of the dam only in the event of an impending flood.

Yet, despite the fact that the dam violated the Endan-

gered Species Act, despite the fact that it has been now approved by a committee established specifically to make exceptions to the act, despite the fact that an alternative use of the project has been devised, Congress has now ordered the project to be completed, notwithstanding any federal law.

That language is included in a \$10.3 billion public works appropriation bill, and it is not the only thing wrong with the legislation. The Congress has failed to include in the bill money to allow the federal Water Resources Council to conduct what would be the only executive review of water projects not conducted by the federal agencies that have a self-interest in building them. Further, the bill proposes, over President Carter's objections, to continue the discredited process of funding water projects piecemeal, an approach that hides their true costs.

Why does the Congress continue these practices? The answer is not obscure. Multimillion dollar water projects remain a principal source of political pork, a highly visible way to demonstrate "service" to the home folks. The country can no longer afford it.

Secretary of Interior Andrus has said he would advise President Carter to veto any legislation — in this case a \$10.3 billion public works appropriation bill — that authorized completion of the Tellico. Last year the President vetoed similar legislation and was sustained in the House. The closeness of the votes on the Tellico question indicate he could win again. The taxpayers of the nation can only hope that the President accepts Andrus' advice.

The Washington Star

Founded in 1852

MURRAY J. GART, Editor

SIDNEY EPSTEIN, Executive Editor

WILLIAM F. McILWAIN, Deputy Editor

EDWIN M. YODER JR., Editorial Page Editor

WEDNESDAY, SEPTEMBER 12, 1979

Snail darter on the stump

Whether or not the Senate's vote to complete the interminably disputed Tellico Dam will in fact doom the snail darter, the tiny fish that Nature thoughtlessly plunked in the Little Tennessee River has been nudged from its central role in this weary drama.

Two further aspects of the snail darter epic now claim equal billing with the fish. One was Congress' disdain of its own sensible solution last year to the fracas over endangered species. The other, of high political voltage, is the challenge to President Carter embodied in the Senate's vote on Monday — largely the handiwork of Sen. Howard Baker, who would not be reluctant to lead the Republican parade in 1980.

When the Endangered Species Act last year was itself threatened with extinction, Senator Baker and Democrat John Culver fashioned an amendment intended to introduce flexibility into the rigid administration of the law. It provided for a review committee which, when controversy erupted, would determine whether "reasonable and prudent" alternatives existed to a disputed project, whether the benefits outweighed the risks and whether the project served the public interest. Culver-Baker was a reasonable accommodation.

In its first outing, however, the review committee refused to exempt the Tellico project from the Endangered Species Act — but not because of the snail darter. The project was ill-conceived and uneconomic in the first place, said the committee, composed of the secretaries of Interior, Agriculture and the Army, the EPA and NOAA administrators, and the head of the Council of Economic Advisers.

But in June, Rep. John Duncan, in whose district the Tellico Dam resides, craftily clipped an amendment to an appropriations bill which was approved in a nearly empty House in 42 seconds. Enter the Senate, which three times previously had voted against continuing the dam. For a while during the roll-call vote Monday, it looked as if the project would suffer a fourth Senate defeat. But Senator Baker began cashing in chips: Six senators, five of the Republican persuasion

and one Democrat, changed votes in mid-stream, so to speak, and Tellico triumphed 48-44.

So much for the integrity of the Culver-Baker mechanism. The members of the review committee will hardly be eager to enter endangered-species frays in the face of such evidence that Congress will, like as not, parochially disdain their conclusions.

That an author of the review amendment, Senator Baker, would lead the pack in demolishing his own creation might be thought curious — until one realizes in how ticklish a position his action has placed President Carter. If the president vetoes the bill containing the Tellico approval, he would be vulnerable to Senator Baker's charge that he has allowed an energy-worthy project — for so Tellico is billed — to be scuttled over a lousy little fish which, anyway, is allegedly no longer threatened, having been planted elsewhere to thrive. Dandy campaign fodder.

The Baker-crafted Senate vote would not only approve finishing the project despite the Endangered Species Act, but would also explicitly exempt Tellico from "any other law" that would impede that end — federal as well as, presumably, state laws. This despite the Tennessee Valley Authority's concession that the project violates the floodplain management law, the dredge-and-fill provisions of the Clean Water Act, and the federal Historic Preservation Act — and possibly other applicable federal laws.

We think President Carter can make a convincing case for vetoing the Tellico Dam approval. We are not among those who lie awake nights over the fate of the snail darter, which may be an example of conservation by fetish. But we do think the Endangered Species Act — reasonably administered, and with oversight by a review committee — has merit, and should not be undermined by the Tellico vote.

Senator Baker, by combining pork barrel with presidential aspirations, may have chosen a precarious case to challenge the president — if Mr. Carter has the gumption to return the challenge on this issue.

We hope he does.



20 SEP 1979

Honorable James T. McIntyre, Jr.
Director, Office of Management
and Budget
Washington, D. C. 20503

Attention: Assistant Director for Budget Review

Dear Mr. McIntyre:

This is in reference to H.R. 4388, an enrolled bill

"Making appropriations for energy and water
development for the fiscal year ending September 30,
1980, and for other purposes."

The bill would authorize appropriations for energy supply and water development activities and would be at a level of \$2.1 billion for fiscal year 1980. Among other things, the bill would exempt the Tellico Dam project of the Tennessee Valley Authority from the provisions of the Endangered Species Act.

While the Department of Commerce has no objection to the appropriations provisions, we are opposed to enactment of H.R. 4388 in its present form. Of concern to this Department is the provision exempting the Tellico Dam. We believe that the recent decision made on the Tellico Dam project by the Endangered Species Committee, after a thorough evaluation of all relevant biological, social, and economic criteria should not be upset.

Legislation which overturns the decision of the Endangered Species Committee would undermine the integrity of the review process established only last year by the Endangered Species Amendments of 1978. Such action by Congress should be rejected by the Administration absent compelling reasons to the contrary. In April, 1979, this Department testified in opposition to all attempts to reverse the decision of the Committee. Also, records indicate that of the \$103.2 million spent on the Tellico project to date, only \$22.5 million has been spent on actual dam construction.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

September 19, 1979

MEMORANDUM FOR RICK HUTCHESON

FROM: Ed Strohbehn

SUBJECT: H.R. 4388 Enrolled Bill (Tellico Dam Exemption)

Attached is CEQ's memorandum for the President on our recommendation for Presidential action on H.R. 4388, the Energy and Water Development Appropriations Bill. The bill has been enrolled and the President must act on the bill by September 25, 1979.

This memorandum should be sent to the President with the decision memorandum for the President on H.R. 4388.

*Hold
for public
works
enrolled
bill memo*

THE WHITE HOUSE
WASHINGTON

9/25/79

Arnie Miller

The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

September 24, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM: ARNIE MILLER 

SUBJECT: National Commission on Libraries
and Information Science

The National Commission on Libraries and Information Science has three vacancies. Of the fifteen members, most are librarians or trustees. The Commission needs information specialists and we are recommending that two of the three appointees be from that field. This slate has been approved by Stu Eizenstat and Richard Harden.

Carlos A. Cuadra (California): Owner and President, Cuadra Associates, Inc. Formerly with System Development Corp. for 21 years. Has written and lectured widely on information sciences. Strongly recommended for reappointment by Cong. Dixon, Richard Harden and the Commission Chairman, Charles Benton.

Margaret S. Warden (Montana): State Senator. Past President, Montana Library Association. Recommended by Senator Baucus.

Helmut A. Alpers (Ohio): Vice President, General Bookbinding Co. For 18 years, held various management positions with IBM, including Assistant to the Chairman of the Board. Highly recommended by Peter Kelly.

RECOMMENDATION:

Nominate the three candidates mentioned above for the National Commission on Libraries and Information Science.

✓ approve _____ disapprove

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for Preservation Purposes**

CARLOS A. CUADRA

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& Telephone:

Cuadra Associates
1523 Sixth Street, Suite 12
Santa Monica, CA 90401
(213) 451-0644

Home Address
& Telephone:

13213 Warren Avenue
Los Angeles, CA 90066
(213) 398-5276

EDUCATION

1949 A.B. in Psychology, University of California, Berkeley

1953 Ph.D. in Psychology, University of California, Berkeley

EMPLOYMENT

1953-1956 Veterans Administration, Downey, IL
Staff Psychologist, responsible for research, diagnosis,
therapy, and training of junior staff.

1956-1957 RAND Corporation, Santa Monica, CA
Training specialist, responsible for development and/or
implementation of special training procedures in a
military context.

1957-1978 System Development Corporation, Santa Monica, CA
(various positions; see summary below)

1978-- Owner and President, Cuadra Associates, Inc.

OTHER PROFESSIONAL
ACTIVITIES

1964-1975 Editor, Annual Review of Information Science and
Technology

1969-1972 Member of Advisory Board, Chemical Abstracts Service

1971-- Member, U.S. National Commission on Libraries and
Information Science

OTHER PROFESSIONAL
ACTIVITIES (cont.)

- Member of Advisory Board, Documentation Abstracts
- 1975-- Member, Board of Directors, Information Industry Association
- 1976-- Chapter Reviewer, Annual Review of Information Science and Technology
- 1977-- Member of Editorial Board, On-line Review

HONORS, PRIZES
& AWARDS

- Awarded Charles Atwood Kofoid Fellowship, University of California, 1949
- Elected to Phi Beta Kappa, University of California, 1949
- Received Award of Merit, American Society for Information Science, 1968
- Received award for Best Information Science Book, American Society for Information Science, 1969
- Named Distinguished Lecturer of Year, American Society for Information Science, 1970

ASSOCIATIONS

- Member, American Society for Information Science
- Corporate Member, Information Industry Association
- Member, Special Libraries Association

BIOGRAPHICAL
LISTINGS

- American Men and Women of Science
Community Leaders and Noteworthy Americans
Dictionary of International Biography
Men of Achievement
Who's Who in America
Who's Who in Finance and Industry
Who's Who in North America
Who's Who in the West
Who's Who in the World

PERSONAL

Married Gloria Nathalie Adams May 3, 1947

Children: Mary Susan Nielsen
Neil Gregory Cuadra
Dean Arthur Cuadra

Hobbies: skiing, playing jazz piano

RECENT PRESENTATIONS
& PUBLICATIONS*

Introduction to On-line Retrieval Services. Seminar for top officials of the U.S. Information Agency, March 1977.

U.S.-European Cooperation and Competition in the On-line Retrieval Services Marketplace. Presented at Sixth Cranfield International Conference on Mechanised Information Storage and Retrieval Systems, Cranfield Institute of Technology, Bedford, England, July 1977.

Commercially Funded On-line Retrieval Services--Past, Present, and Future. Presented at 51st Aslib Annual Conference, University of Lancaster, England, September 1977.

Commentary on Keynote Paper (A. Kent: "The Potential of On-line Retrieval Services"). Presented at On-line Revolution in Libraries meeting, Pittsburgh, November 1977.

On-line Retrieval: The New Way to Find Engineering Information. Prepared for presentation at Society for Automotive Engineers meeting, Detroit, February 1978.

Database Producers, Online Services, and Custom Information Services--Who Will Survive? Presented at annual conference of EUSIDIC (European Association of Information Services), Crawley, Sussex, England, October 1978.

The Role of the Private Sector in the Development and Improvement of Library and Information Services. Presented at the 40th Annual Conference of The University of Chicago Graduate Library School, Chicago, May 1979.

*Past 2 years only; see enclosed bibliography for additional listing of publications and presentations.

OTHER MAJOR
PUBLICATIONS

Editor, Annual Review of Information Science and Technology, American Society for Information Science, Washington, D.C., 1975, 488 pp.
(Developed and served as editor for this series for first 10 volumes, 1966-1975.)

POSITIONS/ASSIGNMENTS AT SYSTEM DEVELOPMENT CORPORATION
(reverse chronology)

7/74-2/78

General Manager, SDC Search Service.

Responsible for overall development and management of a computer-based on-line retrieval service providing access to scientific, technical and business literature and research. The Service grew from one data base and a handful of users into a several-million-dollar business serving thousands of users in over 30 countries.

Developing and operating the Service required specification and development of more than 100 computer programs; selection, training, and supervision of a large cadre of specialists in marketing, training, program development, product development, computer support operations, and customer service.

1/71-7/74

Manager of Education and Library Systems Department.

Responsible for management of a major SDC department performing contract- and grant-based projects for government and private organizations. Fields of competence included design and development of educational programs and tools, evaluation of educational programs, general research in education, design and development of library and information systems, evaluation of library and information systems, and general research in the field of library and information science.

In addition to general management responsibility for the Education and Library Systems Department, directed and/or participated actively in R & D projects, including research into the assessment of relevance judgments, research on the impact of on-line retrieval services, and development of the prototype for SDC Search Service, in 1971. Among the major information projects during this period were the development of ORBIT, SDC's proprietary on-line retrieval system, and development of the MEDLINE and MEDLARS II systems, for the U.S. National Library of Medicine.

9/68-12/70

Manager of Library and Documentation Systems Department.

Responsible for management of SDC department performing contract- and grant-based projects for government and private organizations. Fields of competence included design and development of library and information systems, evaluation of library and information systems, and general research in the field of library and information science. The seminal studies for what later became the MEDLINE on-line retrieval service of the National Library of Medicine were initiated during this period, and the prototype service for MEDLINE was placed in operation at SDC.

10/56-6/68

Several positions, all of which, except for initial entry position, were supervisory. Significant activities during this period included selection and training of 120 SDC field training specialists; leading SDC's participation in Air Force project 466L; establishment of SDC's intelligence information projects activities; establishment of the Annual Review of Information Science and Technology; and preparing "Technology and Libraries," for the U.S. National Advisory Commission on Libraries.

Biography of Margaret S. Warden
208 Third Ave. N.
Great Falls, Mt. 59401
(406) 452-1292

Born: Glasgow, Montana
July 18, 1917

Moved to Great Falls in 1920,

Graduated from Great Falls High School in 1935 and attended the Great Falls Commercial College.

Employed by the Great Falls Tribune as newspaper librarian from 1935-42.

Married R.D. Warden in 1942.

Employed by the Bureau of Aeronautics and Deputy Chief of Naval Operations (Air) in Washington, D.C. in 1943-44, serving as a civilian editor of the Publications Index Section which issued catalog of publications (15,000) of technical nature to 10,000 naval ships and stations in the Pacific and Atlantic fleets and received commendation from the Secretary of Navy.

Worked on Navy-wide catalog of all publications in the office of Secretary of Navy 1944-46.

Cataloged Secretary of Navy James Forestal's libraries in Georgetown home, Navy Office, and yacht on Potomac.

Active in Community Chest; March of Dimes, Easter Seal; organized Civil Defense in all schools in Great Falls 1954-58; Boy Scouts; Camp Fire Girls; PTA; Red Cross Blood Program; National Resources Conference by Industrial College of Armed Forces; Community Council and Forward Great Falls, to promote the development in Great Falls. Served as member of President's Council of the College of Great Falls since 1967. Elected lay representative to the Montana Citizens on Ad Hoc Classroom Office Building Committee for the Montana State University in Bozeman, 1969 to present. ERA Ratification Council 1973-76. Elected to the Montana Constitutional Convention from District 13 in 1971-73 and served as Public Information Chairman.

Received outstanding award for the state Blood Program for Red Cross given by the Montana Kiwanis Club. Named as Woman of the Year by the Business and Professional Women, 1955. Elected honorary member of Delta Kappa Gamma Society International, 1975. Served on the Steering Committee for the Western Interstate Bibliographic Network, WICHE, 1975. Member of the Montana Constitutional Society of the State of Montana, 1973.

ACTIVITIES ON NATIONAL LEVEL:

American Library Association

ALA Member since 1957

Secretary, American Library Trustees Assn.

ALTA publicity committee, 1977-79

ALTA White House Conference Committee, 1972-79

ALTA Trustees of State Library Committee, 1974-75

ALTA Publications Committee, 1977-79

Vice Chairman, Trustees of State Library Committee, 1974

American Library Association Recruitment Committee, 1970-73

Ad Hoc Subcommittee of ALA Committee to the Office for Library

Personnel resources, Sept. 1973-74

ALTA Legislative Committee, 1965-74, Chairman, 1968-69

ALTA Trustee Citations Award Committee 1964-65 and 1971-72

ALTA National Library Week Committee, 1965-66

ALTA Membership Chairman for Montana 1959-60 and 1962-64

Testified before National Commission on Libraries and Information Science
in San Francisco, Nov. 29, 1972

Member of ALTA "March of Trustees" to Washington, D.C. in July, 1969,
to lobby for full funding. Participated in leadership of meeting.

One of 16 ALTA members invited to meet with President Nixon to discuss
needs of libraries in the U.S. and possible White House Conference,
Oct. 21, 1969, at the White House. One of three from the Western
United States.

Testified before the platform committee of Democratic National Committee
in Washington, D.C., in Aug. 1968, representing ALA (Amer. Library Assn.)

Awarded logo pin from National Commission of Libraries and Information
Science at Seattle in 1974 for services to national library programs.

Lobbied of ALA with members of Congress for last 10 years, for total
library service funding.

Serving on the Advisory Committee for White House Conference on Libraries
and Informations Services.

Contributor to: Encyclopedia of Library and Information Science

In: Who's Who in American Women; World Who's Who of Women; Women in Public
Office; Who's Who in America; Dictionary of International Biography

REGIONAL LEVEL ACTIVITIES:

Pacific Northwest Library Assoc.

Member of PNLA since 1963

Legislative Committee, 1964-68

Chairman of Legislative Committee, 1965

Special Projects Committee 1967-69

Conducted workshop on Legislative program, PNLA annual meeting 1974

Speaker on White House Conference PNLA, Aug. 1977

ACTIVITIES ON STATE LEVEL:

Montana Library Association

President, MLA 1973-74

Vice President-President-elect, MLA 1972-73

Pre-White House Conference on Libraries Planning Committee 1977-79

Member Montana State Library Commission, 1973-77

Chairman Montana State Library Commission 1977

Member Montana State Library Advisory Council, 1973-present

Legislative Chairman, MLA 1961-74

Spearheaded Governor's Conference on Libraries, helping to plan and participated in first Governor's Conference on Libraries in Montana, October, 1971

As Legislative Chairman was instrumental in getting legislature to revise library laws of Montana including: modernizing law establishing the Montana State Library; to create, maintain and operate public libraries in counties and cities; to establish Montana State Library as Publications Distribution Center; and to provide for interstate library compacts. These laws brought the part of Montana Codes dealing with libraries up-to-date for the first time since 1915.

Montana National Library Week Committee since 1964

Member of Library Development Committee since 1965 and worked on "Plan for Development of Library Service in Montana" as well as on current plan for total state funding to be presented in 1975 to legislature.

Frequent contributor to "Montana Libraries", formerly published magazine of Montana Library Assn.

Conducted numerous Trustee Workshops for trustees around the state to help them be better trustees and improve library services.

Participated in TRUSTEE INSTITUTES sponsored by the University of Montana in cooperation with the Montana State Library in 4 cities and in 4 regions of Montana in June of 1968 and 1969.

In publication "Time for Great Things" discussed the role of the trustee in legislative process.

Received the first annual "Trustee of the Year Award" from the Montana Library Association in 1965.

Honorary member Delta Kappa Gamma for work for libraries, 1975.

Member of the Montana State Senate, 1975 to present.

LOCAL LEVEL ACTIVITIES:

Trustee of Great Falls Public Library since 1958

Chairman of the Board of Trustees of Great Falls Public Library, 1963-77

Served as trustee during three bond issue drives. Two failed and the third attempt passed when she was board chairman.

Chairman when first major library in Montana in 50 years was dedicated in October, 1967, costing \$1,250,000.

Member of the Pathfinder Federation of Libraries servicing Cascade, Pondera, Teton, and Liberty Counties. (Board Member)

One of the founders of the Friends of the Library group in Great Falls.

With her husband, R.D. Warden, established the Great Falls Public Library Foundation, Inc., to supplement public funds with private donations to develop and improve library services.

With husband, established the College of Great Falls Library Foundation to further develop library services.

ADDITIONAL ACTIVITIES:

Vice Chairman for the Giant Springs Heritage Park, 1975.

Society of American Archivists since 1977.

Fort Union Task Force on Water Allocation and Quality Problems.

Montana State Vocational Education Council since 1975.

State Legal Services, and Election Laws, 1977-79.

Capitol Building and Planning Committee, 1977

Chairman of the Constitutional Convention Proceedings Publication Committee, 1977-79.

Campaign Finance Committee, 1977-78

Chairman of the Ad Hoc Committee for the Supreme Court Archives Preservation.

Vice Chairman of the Environmental Quality Council, 1975-76.

Helmut A. Alpers
8344 Mayfield Road
Chesterland, Ohio 44026
Telephone: (216) 729-9411

Married
Children: 3
Age: 48

Education: Harvard Business School - M.B.A. - 1954
Case Institute of Technology - B.S. - Ch. Eng.

Experience:

General Bookbinding Co. 1975 - present

Vice President - Sales

Responsible for sales and general management. Company activities require continuous contact with libraries and solutions to collection preservation problems.

International Business Machines (I.B.M.) 1957 - 1975

Variety of positions held, included:

- * Assistant to Chairman of the Board
Reported directly to chairman. Responsible for special projects and personnel matters.
- * Product Administrator
Managed multiplexor product line in data processing division.
- * District Marketing Programs Manager
Responsible for sales programs in district covering Eastern Seaboard - 800 marketing personnel.
- * Commercial Analysis Manager
Headed department which determined and assessed I.B.M. worldwide marketing activities versus competition.

Military - Honorable discharge - U.S. Army - 1956

Instrumental in developing U.S. Army's first automated troop assignment system while assigned to European command.

CANDIDATE FOR: COMMISSIONER
NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

BACKGROUND

The business career of Mr. Alpers would provide The National Commission on Libraries and Information Science (NCLIS) with a unique combination of experiences and skills. He is currently Vice President of Marketing for the General Bookbinding Company of Chesterland, Ohio. He has held this position for the past four years and is knowledgeable in library operations and problems through contact with hundreds of libraries.

Prior to joining General Bookbinding he spent eighteen years with the IBM Company. He held a variety of management and administrative positions including assistant to the then Chairman of the Board, T. J. Watson, Jr.. In his last position with IBM he perceived the need for a networking capability in the IBM product line. He was instrumental in having IBM commit over thirty million dollars to the development of this capability.

The use of data processing and networking of computers is currently emerging as a major thrust in libraries in an effort to achieve economies through better management and sharing of resources. Also, more effective dissemination of information will be possible with computerized data banks.

Recently, Mr. Alpers was elected to lead Ohio's delegation to the White House Conference on Libraries which is scheduled for October, 1979.

During his military service, he was instrumental in developing the U. S. Army's first automated troop assignment system.

Mr. Alpers is a graduate of Harvard Business School and Case Institute of Technology. He is 48 years of age, married with three children.

His experience in both large and small organizations and understanding of both the data processing and library field should provide NCLIS with an effective and valued Commissioner.

BUSINESS ADDRESS

Vice President
General Bookbinding Company
8844 Mayfield Road
Chesterland, Ohio 44026
(216) 729-9411

RESIDENCE ADDRESS

3 Putnam Road
New Canaan, Connecticut 06840
(203) 966-4168

AUTHORITY: Public Law 91-345, July 20, 1970
20 U.S.C. 1502
Public Law 93-29, May 3, 1973, Sec. 802

METHOD: Ex-officio and nominated to the Senate

MEMBERS: LIBRARIAN OF CONGRESS
and
FOURTEEN members appointed by the President, by and with the advice and consent of the Senate.

NOTE: FIVE members of the Commission shall be professional librarians or information specialists, and the remainder shall be persons having special competence or interest in the needs of our society for library and information services, at least ONE of whom shall be knowledgeable with respect to the technological aspects of library and information services and sciences, and at least ONE of whom shall be knowledgeable with respect to the library and information service and sciences.

CHAIRMAN: Designated by the President from among the members. ^{need} the

TERM: FIVE years, except that the terms of office of the members first appointed shall commence on the date of enactment of this Act and shall expire:

- TWO at the end of one year,
- THREE at the end of two years,
- THREE at the end of three years,
- THREE at the end of four years, and
- THREE at the end of five years.

Vacancies shall be filled for the unexpired term.
(NOT HOLDOVERS)

SALARY: Members, who are not regular full-time employees of the United States, shall, while on business of the Commission, be entitled to receive compensation at a rate fixed by the Chairman, but not in excess of the rate per day specified for a GS-18, including travel time. They may be allowed travel expenses, including per diem in lieu of subsistence.

NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

Independent

PURPOSE:

See Sec. 5 of the law.

REPORT:

Submit to the President and the Congress (not later than January 31 of each year) a report on its activities during the preceding fiscal year and make and publish such additional reports as it deems to be necessary.

NOTE:

The Department of Health, Education, and Welfare shall provide the Commission with necessary administrative services.

THE WHITE HOUSE
WASHINGTON

Phil had

seen

THE WHITE HOUSE
WASHINGTON

Sept. 25, 1979

MR. PRESIDENT:

Harry Benson, Life
Magazine photographer, will
come in after your meeting
with Hamilton/Frank for about
ten minutes to capture you
at your work.

PHIL

**Electrostatic Copy Made
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8:30 AM

THE WHITE HOUSE
WASHINGTON
September 24, 1979

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MEETING WITH SELECTED MEMBERS OF THE CONGRESSIONAL SUBURBAN CAUCUS

Tuesday, September 25, 1979
8:30 a.m. (20 minutes)
The Cabinet Room

From: Frank Moore *f.m/pd.*

I. PURPOSE

To show this small bi-partisan caucus that indeed the White House has interest in their problems. It also assures us of Mottl's vote on Hospital Cost Containmentment.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: They obviously feel all federal programs are either geared to urban or rural settings. They will come up with some suggestions on how this may be overcome. You are not obligated to do anything but listen or comment if you feel comfortable.

They might ask for a White House staff person to be designated, but I think the fact that Jack Watson's staff handles most of the other caucuses would allow us to say that Watson's office would be willing to work with them.

One of their examples of how they are being hurt is the Executive Order which calls for federal facilities to relocate in urban areas. Bill Goodling feels he lost a Fish and Wildlife office under this policy.

Participants: The President, Frank Moore, Bob Maher, Members of Congress (see attached list)

Press Plan: White House photographer only.

III TALKING POINTS

One of the problems in dealing with suburban matters is not so much the politics, but rather finding proper jurisdictional recognition. You respect the fact that millions of Americans indeed live in the suburbs. You

would welcome their suggestions on how their problems could best be addressed.

Certainly it is not your intention to penalize them for living in the suburbs. Basically, they would appear to be doing better than those in the inner city or rural areas, but you would be willing to consider any suggestions they might have. Basically, this is more of a listening session and they do not expect any comments from you.

The subject of the White House activity on what is casually known as "regional shopping center policy" will probably be brought up. You should say that nothing has been firmed up on this and there won't be for some time.

ADDED NOTE: PANAMA VOTE

<u>Member</u>	<u>Vote</u>
John Wydler	No
Ron Mottl	No
Marty Russo	Yes
Bob Young	Yes
Gladys Spellman	Yes
Lester Wolff	Not voting
Tom Luken	Switched to No
Bill Goodling	No
Dick Schulze	No
Carl Pursell	Not voting
Wayne Grisham	No

MEMBERSUPPORT SCORE

Rep. John Wydler(R-New York-5) Co-chairman & founder	28.6
Rep. Ron Mottl(D-Ohio-23) Co-chairman & founder	38.1
Rep. Marty Russo(D-Illinois-3)	73.9
Rep. Bob Young(D-Missouri-2)	58.3
Rep. Gladys Spellman(D-Maryland-5)	75
Rep. Lester Wolff(D-New York-6)	64
Rep. Tom Luken(D-Ohio-2)	60.9
Rep. Bill Goodling(R-Penn-19)	42.9
Rep. Dick Schulze(R-Penn-5)	20.8
Rep. Carl Pursell(R-Michigan-2)	59.1
Rep. Wayne Grisham(R-Calif-33)	20

THE WHITE HOUSE

WASHINGTON

September 24, 1979

MEMORANDUM TO: THE PRESIDENT

FROM: Frank Press *FP*

SUBJECT: Meeting with Prime Minister Ohira

In correspondence and in your meeting with Prime Minister Ohira in Tokyo, you suggested that Japan had underinvested in scientific research over the years, exploiting the research of other countries to develop high technology industry. You proposed that Japan invest more in basic research and that Japan and the US pool resources in funding globally important, high risk, expensive projects that each side would need to undertake separately even with absence of cooperation. You also proposed to Ohira that I head a high-level delegation to Japan to follow through on these ideas.

I was in Japan last week to begin implementing your proposals. The Prime Minister received me despite a busy election campaign schedule. He agreed with your philosophy of emphasizing S&T research despite an austere budget and your recommendation of cost-sharing important projects. He also recognized the political importance of the world's leading economic powers cooperating in these areas.

The counterpart talks of NASA, NIH, DOC, EPA, DOA and DOE were inconclusive since the Japanese Ministry of Finance, uninformed of the Prime Minister's intention of working with us, instructed agencies not to make commitments at this time.

The Japanese will respond to our proposals when they come to Washington in December. If Ohira is reelected with increased strength, as is likely, his intent to work with us will carry force with the bureaucracy, and we are likely to end up with a unique and significant new approach to R&D.

Given Ohira's gracious and favorable reception of me and the desirability of continued pressure on the Japanese, I will draft a letter for you to send to Ohira shortly after the elections thanking him and looking forward to an early start to US-Japanese cooperation in R&D projects.

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 24, 1979

EYES ONLY

MEMORANDUM TO THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: August Consumer Price Index
(Released at 9 a.m., Tuesday)

Consumer prices rose 1.1 percent in August (13.4 percent annual rate), compared to increases of 1.0 percent in June and July.

Much of the bad news has been expected, since the August producer price index, released several weeks ago, continued to show very large increases in gasoline and heating oil prices.

As has been the case for the last nine months, energy led the way. Fuel oil prices rose by 6.7 percent and gasoline by 4.0 percent. Overall, energy prices rose at an annual rate of 48 percent.

Home purchase prices rose 1.5 percent; the cost of mortgage finance, insurance and taxes by 2.1 percent. The two together rose at a 24 percent annual rate.

Food prices were stable -- zero increase. Meats were down, while there were scattered increases in other food prices.

Outside of energy, food, and homeownership costs, the average of consumer prices rose by 0.7 percent in August. This is an annual rate of 8.5 percent, compared to the very moderate 5.8 percent rise in these "other" prices over the past three month period. Apparel prices, which had been slightly declining in June and July, rose 0.7 percent in August.

Excluding only energy, the August CPI rose by 0.8 percent (10.1 percent annual rate).

For your convenience, a table with the relevant numbers is attached.

Attachment

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

September 24, 1979

MEMORANDUM TO JODY POWELL

From: Charlie Schultze ^{CL³}
Subject: Public Reaction to August CPI

The attached memorandum to the President summarizes the facts.
Public reaction might take the following lines:

- (1) Energy and the cost of buying and financing a home again pushed the consumer price index up at a double-digit rate.
- (2) We were gratified to see grocery prices stable. And outside of food, and the troublesome areas of energy and housing, other consumer prices rose at a much lower, though still too high, 8.5 percent rate.
- (3) These numbers underline the importance of following through on the President's energy and anti-inflation program:

--for the second time in six years our nation is suffering severely from both higher inflation and higher unemployment on account of a sudden and massive increase in world oil prices;

--the need to reduce our dependence on foreign oil is driven home every time the CPI comes out.

- (4) Right now double-digit inflation is caused principally by energy and housing; we simply cannot let the huge increase in these prices set off double-digit inflation in wages and other prices; and to prevent that from happening we need restraint on two fronts:

--continuing to pursue a tight federal budget as the President has proposed;

--observing the President's voluntary wage-price standards (which -- skeptics to the contrary -- have been keeping double-digit inflation at bay outside of energy and housing).

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Attachment

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Change in the CPI, July to August
(percent)

	<u>Monthly Rate</u>	<u>Annual Rate</u>
Total CPI	<u>1.1</u>	<u>13.4</u>
Food	0	0
Energy	3.3	47.5
Housing, Mortgage Finance, etc.	1.8	24.3
Total, excluding above Three Items	0.7	8.5
Total, excluding Energy	0.8	10.1

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

September 24, 1979

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CS*

Subject: Advance New Orders for Durable Goods

Tomorrow (Tuesday, September 25) at 2:30 p.m., the Bureau of the Census will release the advance report on durable goods manufacturers' shipments and orders for August 1979. Total new orders for durable goods rose 0.8 percent in August. The revised July estimate of total durable goods orders continued to show a 4.6 percent decline from June levels.

The August data indicate a stabilization of orders for durables after the sharp July declines. Orders for investment goods were also relatively stable, again after an earlier decline. These data indicated continued moderate weakness, but, so far, do not show a sharp cumulative decline.

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