

12/12/77 [3]

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THE WHITE HOUSE
WASHINGTON
December 12, 1977

Jack Watson

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

Rick Hutcheson

CABINET MEETING FORMAT

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
/		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

1

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank

Jane

December 9, 1977

RE: Weekly Summaries; Miscellaneous Items

We have attached the weekly summaries.

We have not prepared an agenda for Monday's Cabinet meeting, since it will be devoted exclusively to a discussion of the 1978 Presidential agenda. For your information, we informed people that there will not be a "regular" Cabinet meeting on Monday, but rather a special briefing for Cabinet-rank appointees.

not so

Several other items:

-- We are preparing a status report for you on the forthcoming White House Conference on Balanced National Growth and Economic Development to be held in Washington, D.C. January 29 through February 2. We think it is very important for you to participate.

-- We have recommended that a memorandum from Pat Harris, explaining changes in the National Flood Insurance Program, need not be forwarded to you.

CC: The Vice President

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO HAMILTON JORDAN
FROM: LANDON BUTLER
DATE: DECEMBER 12, 1977
SUBJECT: TELEPHONE CALL TO GEORGE MEANY

*To: President Carter
Hope you can do this.
Brief call will save
us lot of problems later.
Make Y.N.J. between 8-9 tonight.*

On Friday, I discussed with Tim Kraft the possibility of the President calling Mr. Meany today to congratulate him on his reelection to the presidency of the AFL-CIO. The call would have been broadcast to the Convention delegates. Tim asked the President to make the call and the President agreed.

However, Tom Donahue and I decided this morning that a public call would be unwise: it would appear to be an attempt to make up for the fact that the President did not attend the Convention. As you know, there has been some negative press on this subject, and a public phone call would only encourage additional stories.

Instead, we recommend that the President call Mr. Meany privately between 8 and 9:00pm tonight. The AFL-CIO would then announce to the press that Mr. Meany talked privately with the President.

If the President makes the call, he could make the following points:

1. Congratulate Mr. Meany on his reelection and on a successful Convention.
2. State that he has discussed the Convention with Vice President Mondale and that he stands behind the Vice President's remarks made Friday morning.
3. Invite Mr. Meany to meet with him as soon as their two schedules permit to discuss legislative priorities during the coming year.

My impression from the Convention is that Mr. Meany, Lane Kirkland, and the 30 or so members of the Executive Council hold the President in genuine respect, and are in general agreement on the Administration's programs. The rank and file, however, are not as enthusiastic, and we are going to have to do a lot of missionary work in the next six months. I'll prepare a more detailed Memorandum to you on this subject by Monday.

THE WHITE HOUSE

WASHINGTON

December 12, 1977

The Vice President

Frank Moore

Jody Powell

Hamilton Jordan

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the President's outbox. It is
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Rick Hutcheson

RE: KEN CURTIS

ADMINISTRATIVELY CONFIDENTIAL

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

December 9, 1977

*Frank - Ham,
you, To by, use
Fitz - all use
every opportunity
to praise Ken
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *FM/ood*

Senator Muskie telephoned me today to express his concern over the Ken Curtis situation. He said he does not blame you personally but believes that lower echelon members of the White House staff are responsible for Curtis' problems.

The Senator said that it should be kept in mind that Ken Curtis may well be one of the Senators from Maine before your term in office is through. He said that the people of Maine are extremely upset over the treatment of Ken Curtis and the Senator believes that a statement of support from you would be very helpful.

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THE WHITE HOUSE
WASHINGTON

December 12, 1977

Hugh Carter

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Rick Hutcheson

RE: WEEKLY MAIL REPORT

THE WHITE HOUSE
WASHINGTON

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THE WHITE HOUSE

WASHINGTON

December 9, 1977

*Hugh - Also
Attach the
incoming telephone
tally
J*

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 12/2</u>	<u>WEEK ENDING 12/9</u>
Presidential	29,650	28,600
First Lady	2,480	5,110
Amy	490	880
<u>Other First Family</u>	<u>70</u>	<u>80</u>
TOTAL	32,690	34,670

BACKLOG

Presidential	3,330	2,385
First Lady	510	1,315
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	3,840	3,700

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	48%	40%
WH Correspondence	21%	24%
Direct File	17%	19%
White House Staff	4%	4%
<u>Other</u>	<u>10%</u>	<u>13%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters and Post Cards	8,479	3,490
Mail Addressed to WH Staff	13,799	15,123

cc: Senior Staff

MAJOR ISSUE IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 12/9/77

ISSUES	PRO	CON	COMMENT ONLY	NUMBER OF LETTERS
Support for U.S. Aid to Alleviate World Hunger	100%	0	0	1,132
Support for Tuition Relief Tax Credit S.834, H.R.3403	98%	2%	0	707
Support for the E.R.A. and the I.W.Y. Conference	6%	94%	0	565
Support for Returning the Crown of St. Stephen to Hungary	2%	98%	0	564
Support for Tougher Restrictions on Steel Imports	99%	1%	0	420
Support for Palestine Liberation Organization Representation at Peace Talks	7%	93%	0	344
Support for Increased Federal Funding of Vocational Education Programs (1)	99%	1%	0	331
Support for National Health Care Kennedy-Corman Bill S.3, H.R.21	95%	5%	0	281
Support for Panama Canal Treaties	6%	91%	3%	265
Support for H.E.W.'s Proposed National Guidelines for Hospitals	2%	98%	0	242
Support for Administration's Energy Act, Including Continued Regulation of Natural Gas	22%	53%	25%	<u>164</u>
			TOTAL	5,015

(See Note Attached)

NOTE TO MAJOR ISSUE TALLY

Week Ending 12/9/77

(1) INCREASE IN FEDERAL FUNDING OF VOCATIONAL EDUCATION (99% PRO)

Educators, counselors, and business leaders, along with participants of many work training and family life education programs throughout the country, are urging President Carter to seek an increase in federal funding of vocational education programs for fiscal year 1978-79.

THE WHITE HOUSE
WASHINGTON
December 12, 1977

Stu Eizenstat

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Rick Hutcheson

WETLANDS PERMITS

THE WHITE HOUSE
WASHINGTON

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THE WHITE HOUSE

WASHINGTON

December 9, 1977

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT
BILL DELLER

SUBJECT:

Wetlands Permits
(Prepared at your request)

You asked what we could do administratively about the amendment agreed to by conferees on the water pollution bill that exempts congressionally-approved federal projects from the requirement for obtaining a permit from the Corps of Engineers for dredge and fill activities in wetlands. This memorandum is necessarily a preliminary one because the language of the amendment was just released on December 6th.

The amendment would exempt any federal project from the requirement in Section 404 of the Federal Water Pollution Control Act (FWPCA) for a dredge and fill permit if it meets these prerequisites:

- 1) the project has been specifically authorized by Congress;
- 2) information on the effects of discharges of dredge or fill activities to be conducted in the construction of the project are included in the project's environmental impact statement; and
- 3) such environmental impact statement has been submitted to Congress before dredge and fill activities begin and prior to either authorization of the project or an appropriation for its construction.

We have identified several ways to take administrative action that would protect wetlands threatened by projects qualifying for this exemption:

Stu
J

Stu

EPA or CEQ review: A review process could be established whereby EPA and/or CEQ would review proposed projects for consistency with guidelines already established by EPA for the issuance of dredge and fill permits.

OMB Clearance: OMB could be directed to insure that proposed projects comply with the EPA wetlands guidelines and the executive orders on wetlands and floodplains before clearing any Administration statements favoring those projects.

Deauthorization or Reauthorization: Projects not complying with the EPA wetlands guidelines and causing major environmental destruction could be recommended for deauthorization or reauthorization explicitly incorporating environmental concerns.

It has not been possible to flesh out the approaches that might be taken because the actual language of the amendment and the conference committee's report were not available until this week. EPA and the other agencies most interested in protecting wetlands have been so busy working with the congressional staff in an attempt to develop beneficial legislative history that they just have not been able to give much thought to what administrative actions would be most workable and appropriate.

We recommend that we be permitted to move ahead and develop these options in detail for presentation to you in January. This would allow us to develop the options with a much clearer understanding of the amendment than we now have and with the considered advice of the interested agencies.

There is also a real political danger in moving before the bill is passed, because it is likely that legislative history broadening the effect of the amendment will be developed on the floor if the Administration is perceived as working to circumvent the amendment's intent. Efforts to broaden its application are already being contemplated by some senators and representatives.

It will be important, however, to reaffirm (in a general way) the Administration's strong commitment to protecting wetlands at the time the water pollution amendments are signed into law.

ok

ok



United States
Environmental Protection Agency
Washington, D.C. 20460

cc Stu
J

The Administrator

November 11, 1977

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

WATER BILL: As you know, the House and Senate conferees have reached agreement on amendments to existing water pollution control legislation. This morning's Washington Post characterized the amendments as a weakening of the strong 1972 statute. I believe this characterization is largely inaccurate; in fact, I am pleased and encouraged for the following reasons:

- Congress has, in essence, reaffirmed its original strong commitment to cleaning up and protecting the nation's waters; the basic goals of the Act remain unchanged.
- Necessary mid-course corrections have been made. For example, emphasis has properly been switched from controlling conventional pollutants, such as suspended solids and biological oxygen demand, to controlling the discharge of toxic pollutants.
- The 1983 deadline for industries to achieve best available technology has been delayed one year, to 1984, which will allow needed additional time to implement new requirements concerning toxics.
- Funding for the first five years of the Administration's ten-year municipal construction grant program is authorized at the recommended \$4.5 billion annual level for Fiscal 1978 and \$5 billion for fiscal 1979-82.
- Two proposed amendments that we strongly opposed were dropped; the bill now contains no authority for Congressional veto of agency regulations, nor does it exempt the steel industry from complying with environmental standards.

- While the bill does not authorize non-compliance penalties such as fines, its accompanying conference report is expected to state that this omission reflects the conferees' understanding that such penalties are authorized under existing laws (although assessment is the responsibility of the courts rather than EPA).

The most disappointing amendment to the environmental community is that exempting federally sponsored projects in wetlands from obtaining permits from the Corps of Engineers. However, I believe this can be handled by a strong Administration commitment to assuring that wetlands projects are rigorously reviewed for environmental soundness--this is substantially the position recommended to Congress by the Administration.

In enacting these amendments, Congress has essentially rounded out its revision of EPA's legislation. The only major action remaining is agreement on a pesticide bill; the conference on the House and Senate versions of this bill is expected early in 1978.


Douglas M. Costle

*Stu -
What can we
do about this
Administratively?
J*

THE WHITE HOUSE
WASHINGTON

December 12, 1977

Stu Eizenstat

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Rick Hutcheson

DOMESTIC POLICY STAFF WEEKLY STATUS
REPORT

THE WHITE HOUSE
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THE WHITE HOUSE
WASHINGTON

December 9, 1977

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MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Staff Weekly Status
Report

ECONOMIC AND BUSINESS

Tax Reform: We continue to work with Treasury and CEA.

Economic Policy: We are working with CEA and OMB to develop a coordinated economic strategy.

CIVIL SERVICE MATTERS

Hatch Act Reform: The interagency task force continues to meet with the Senate staff to discuss amendments. We are also working with Frank on overall legislative strategy.

Civil Service Reform Initiative: The final decision memorandum is being drafted by Chairman Campbell and OMB. They hope to have it to you by December 15. We continue to follow the project closely.

AGRICULTURE AND RURAL DEVELOPMENT

Cotton Set-Aside: A decision memorandum is in preparation and will come to you by Monday, December 12.

Agricultural Strike: USDA is preparing a briefing document for you regarding the overall agricultural situation, Administration policy, and implication of the policy solutions being suggested by the strikers.

Sugar: The USDA is developing a status report on implementation of the de la Garza program.

CONSUMER MATTERS

Class Actions: The Department Justice has circulated a draft proposal to satisfy the commitment made in your consumer message to support responsible legislation to expand class action authority.

OPENNESS AND INTEGRITY IN GOVERNMENT

*Stronger
The
better*
Lobby Law Reform: House mark-up and Senate hearings will be held in January. We continue to work on policy amendments and legislative strategy with Frank's staff and an expanded interagency task force and push for a strong bill. We are meeting with key House members.

ENERGY

Options Memo on Oil Imports: Jim Schlesinger may be speaking with you on this. We will review his suggestions.

Balance of Payments Decision Memo: Memo being reviewed by principals and will be in to you next week.

NEA: Working daily on legislative strategy with Secretary Schlesinger, Frank Moore, Hamilton and the Vice President.

Energy Impacts: We are working with the Department of Energy, OMB and Jack Watson's staff on an interagency review of federal programs to assist communities facing demands that result from energy development.

Nuclear Licensing Reform Initiative: Initiative is still in interagency review. Decision memo for you is being drafted.

ERDA Authorization Legislation: House passed substitute legislation December 8, deleting provisions dealing with the CRBR, and one of the three one-house vetoes. Senate schedule not yet certain. Memo seeking guidance on Senate action to you soon.

EMPLOYMENT

Youth Employment Private Sector Initiative: Proposal due to you by the end of the week.

TRANSPORTATION

Adams Memo: Together with OMB, we are analyzing the memo. Report to you by December 16.

COMMUNICATIONS

Minority Ownership: We expect to announce the package of steps to increase minority ownership of radio and TV outlets in about two weeks.

HUMAN RESOURCES

Social Security: As you know, agreement has been reached on all but the tuition tax credit. We will keep you informed.

Welfare Reform: The Welfare Subcommittee continues to make progress in voting on the principles to guide the staff in writing their version of the welfare bill. They have voted to provide universal cash coverage and to fold AFDC, SSI, and Food Stamps into the cash program. They have differed with us in including a cost of living increase in the bill and they will permit a state to increase the benefit reduction rate on those expected to work from the 52% we proposed to 70%. The committee will continue to meet tomorrow and next week according to their current schedule.

NATURAL RESOURCES

Water Pollution Bill: Conference report filed December 6.

Water Projects: We are following up on Budget REview and meeting with environmentalists with a memorandum in preparation.

Non-fuel Minerals Policy Study: Memorandum has been submitted.

HOUSING AND URBAN DEVELOPMENT

Urban Policy: We continue to meet intensively on urban policy and are reviewing the URPG working staff draft. There are problems with the quality of its policy content as well as its budget implications. We are working with OMB to prepare for Tuesday's FY 1979 urban policy budget review. The policy proposals prepared by URPG require substantial refinement and reworking, which we have begun and will complete (working with the agencies and OMB) after tentative budget guidelines are set.

Fanny Mae: We are awaiting recommendations from HUD and Treasury regarding the resolution of continuing disagreement between HUD and Fanny Mae over the corporation's policies and management. Speaker O'Neill and Senator Cranston have a strong interest in this issue. Memo to you by January 1.

National Flood Insurance Program: HUD's decision to take over the National Flood Insurance Program has elicited strong opposition from Senators Eagleton, Ribicoff, and others. Memo will be to you soon.

Community Development Block Grant Regulations: There is Congressional support, but opposition from mayors, to HUD's administrative decision to require that 75% of CDBG funds be used to benefit low-income persons. Memo from Assistant Secretary Embry to you by December 25.

MISCELLANEOUS

Executive Committee: I continue to work with the Vice President and members of the Executive Committee on the agenda for next year.

Budget: We continue to work closely with OMB on policy/legislative implications of budget options and decisions.

Congressional Veto Message: We continue to work with Bob Lipshutz and Justice on a message to be submitted just before congressional adjournment.

GSA Space Requests: As you directed, I will meet with Jay Solomon concerning pending requests of federal agencies for additional space.

THE WHITE HOUSE
WASHINGTON

12-12-77

To Zbig -

You & Cy work out
draft of a statement
re S. Korea - acknowledging
imperfections, but emphasizing
commitment to ROK security
& strategic need for U.S.
"Don't let Tongsun Park
case disrupt relations".

I'll decide when to
make statement -

J.C.

THE PRESIDENT HAS SEEN.

Done

Saturday-

Secretary Califano

would like you to
give him a call

this a. m. re:

social security.

Jan

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 10, 1977

Q

TO: The President

FROM: Fran *fran*

RE: Call from Senator Randolph

He wanted me to give you the news that he is today announcing in Elkins, West Virginia, that he will be a candidate for re-election to the Senate.

He appreciates your expression of confidence in him and your friendship.

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THE WHITE HOUSE
WASHINGTON

December 12, 1977

Frank Moore

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Rick Hutcheson

RE: SEN. JOHN STENNIS - B-1

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THE WHITE HOUSE
WASHINGTON

December 9, 1977

*Frank -
You see
him
JC*

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

Senator John Stennis has a choice of bringing up the B-1 on December 15 or December 20. He told me yesterday he thinks the 15th would be better because the attendance would favor us. We will be working every vote in the Senate between now and next Thursday.

Senator Stennis says the person who has been most helpful to him in the Committee and Subcommittee has been Senator Barry Goldwater by not leading the charge for B-1. Senator Stennis suggests that you call Senator Goldwater and ask for his help in this matter.

Attached are talking points taken from Congressman Jack Edwards' (R-Ala) "Dear Colleague" letter which would appeal to Senator Goldwater. If you would prefer not to call him, I will go up and see him Monday to talk with him. I tried to see Senator Goldwater yesterday, but he had left his office before I finished with Senator Stennis.

TALKING POINTS

1. The Senator has been a constant supporter of a strong defense position, but recission of the \$462 million would not seriously disadvantage our national security.
2. Research and development will continue on the B-1 bomber using the three aircraft which have been completed and the fourth aircraft now under construction. Congress provided \$442 million, as requested, to continue research and development of the B-1. This is an adequate sum to proceed with all necessary development effort. Additional B-1 aircraft are not needed for development purposes. The Air Force has stated that the first four aircraft are adequate to complete the B-1 development program.
3. There is no need to build additional B-1 aircraft in order to keep open the production line. No real production line exists.

The B-1 aircraft which have been built for research and development purposes were built using research and development procedures, not assembly line procedures. Since the production program never started, there is no real production line to maintain.

4. The Air Force could not usefully deploy six B-1 bombers. Such a small force would be difficult to maintain, to train personnel for, and would add very little to our strategic capabilities.

THE WHITE HOUSE
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December 12, 1977

Frank Moore

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WEEKLY LEGISLATIVE REPORT

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December 10, 1977

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE

**Electrostatic Copy Made
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SUBJECT:

Weekly Legislative Report

1. ENERGY

--Floor action in both Houses before Christmas appears unlikely. There is still a possibility of an "agreement in concept" on the remaining tough issues, but the conferees may be reluctant to have the details of an agreement open to criticism during the adjournment period. We believe we should keep up the pressure.

--The next tax conference is tentatively scheduled for Tuesday and there could be some movement on the users' tax.

--If anything, the public sessions of the natural gas conference last week were counter-productive. However, some progress was made in private meetings. On the Senate side, Senator Ford continues to send signals that he is willing to make substantial concessions. We have his offer, which appears similar to a move by Congressman Wilson (Tex.), calling for deregulation after five years except that the President may maintain controls if the average price for the year exceeds the price that would have occurred if controls were still in effect. The offer also calls for the Senate definition of new gas, an escalating price starting at \$1.75, and controls on intrastate prices with no allocation authority.

--The Ford-Johnston approach is to forge a coalition from the middle of the Senate conferees, cutting adrift Metzenbaum and Abourezk on the left and possibly two or three Republicans on the right. The trouble is that Bumpers and Durkin are also likely to reject the Ford proposal. This makes it difficult to get the ten votes that are required for a Senate proposal. The next natural gas conference is scheduled for Monday.

--Attached at the end of this report are DOE summaries of conference action of last week.

2. FOREIGN POLICY ISSUES

--Panama: State and White House Congressional Liaisons began recontacting Senators this week with predictably mixed results. A report summarizing these sessions will be sent to you. Senator Sparkman apparently has agreed to report the Treaties out at the end of January at Senator Byrd's request. The Committee will hold three more days of hearings in late January, and begin markup January 28. Senator Stennis has tentatively agreed to have his hearings completed at the same time. Pressure continues for you to appear publicly on Panama before Christmas.

Foreign Assistance: Last week Henry Owen, Doug Bennet (State), Colby King (Treasury) and Jean Lewis (AID) met with the staff director of the Senate Foreign Relations Subcommittee on Foreign Assistance and Senator Humphrey's legislative assistant to discuss the Subcommittee's plans for FY 1979 legislation.

--AID advises that Senator Humphrey is preparing a letter for you which will probably be signed also by Senator Case outlining his preferences for changes in the current aid structure.

--Jack Brady, the staff director of the House International Relations Committee has indicated a preference for minimal changes in the FY 1979 Foreign Assistance Act, but would probably follow the lead of the Senate if Senator Humphrey's Subcommittee succeeds in enacting any far-reaching revisions of current legislation.

--The Humphrey Subcommittee has tentatively set aside February 27 through March 10 for hearings. During the week of January 23, the SFRC will have hearings on arms control policy and will probably take up a number of issues affecting security supporting assistance. The HIRC will hold hearings on February 21, 22 and 23. The House Committee would like to have all subcommittee recommendations by March 24 so that the Committee markup can begin on April 4 following the Easter recess.

Middle East Reactions: Basically, Members are awaiting further developments and are uncertain as to the role the U.S. should play. State reports that friends of Israel on the Hill continue to look for some sign that the Administration is pushing a separate peace, are concerned that the Administration will not have the patience to wait on whatever consensus emerges from Israel's internal debate over its negotiating positions, and they are worried that the Cairo Conference will be used to pressure Israel into more "reasonable" positions before the political climate in Israel is right. While continuing to praise Sadat, they are reluctant to cast their lot with him entirely.

PL-480 and Human Rights: Negotiations over PL-480 contracts with human rights components continue to hold the interest of the Hill. State is being pressured by farm state Members to ignore the human rights legislation to get the contracts moving. State advises that Indonesia, which had been objecting to the new human rights language, has now agreed to sign, and State does not anticipate strong objections from other recipients.

Soviet Wheat Forecast: Agriculture reports that a dozen members of the House Agriculture Committee, at the instigation of Congressman Volkmer (D-Mo) held off-the-record and informal briefings this week on the subject of the discrepancy of USDA and CIA estimates of the Russian wheat crop as compared to the USSR's final announced figures in November. The U.S. figure overestimated the final crop announcement by 10 percent. Sensing a communications gap between USDA and CIA, the Committee held separate hearings with representatives from each agency. USDA expects formal hearings for both House and Senate Committees early in the next session of Congress. Senator Dole has already "demanded" similar hearings from Senator Talmadge, who intends to keep the hearings in a broader context of export policies and world marketing variables.

3. SUPPLEMENTAL APPROPRIATIONS

--The Senate, last Wednesday, passed the Supplemental without the B-1 bomber item. A vote in the Senate is tentatively scheduled on the issue next Thursday. DOD expects that the Senate will stay with us, but to assure this we will have to be more active

than in the past (North American Rockwell is applying significant pressure through subcontractor constituencies). After a favorable December 15 Senate vote, George Mahon will look for the most propitious time to bring the B-1 bomber issue to the House floor. Strong House leadership action is an absolute prerequisite to a successful House outcome.

4. BLACK LUNG

--Staffs are finalizing conference reports on the black lung benefits bill and the separate revenue bill which authorizes trust fund financing through a two-tier tax on the tonnage of coal mined. DOL estimated that the tax revenues in the tentative trust fund agreement would be insufficient to support fund costs during fiscal years 1978 and 1979. Therefore, DOL has submitted a detailed letter to Chairman Long asking that the tax rates be increased and advises that Long will probably agree to do so.

--The conferees have agreed that the revenue bill must be passed before either House will act on the benefits bill conference report. Both bills could be passed as early as next week.

5. SUGAR

--Secretary Bergland, Monday, will announce the wage rates to be established for agriculture employees engaged in the production of sugar as mandated by the de la Garza amendment. USDA advises that while not definite, the rate will probably be considered too high by producers and refiners (and their spokesmen on the Hill, notably Senators Long and Johnston) and too low by organized labor and their Hill friends. The rate will apply only to the 1977 and 1978 crops of sugar beets and cane and will self-destruct if and when an International Sugar Agreement is concluded.

6. MISCELLANEOUS

--The problems we are having with the social security bill and energy taxes illustrate the effects of loading individual committees with "must" bills. Care in the timing of Administration proposals will help us, to some extent, control this problem in the future.

--SBA will recommend the appointment of Alicia Chason to the regional directorship at El Paso. Senator Bentsen had suggested another candidate whose qualifications were deemed insufficient, but he does not seem too upset about SBA's decision.

--Your meeting with Senator Huddleston was a great success. He received substantial favorable press in Kentucky.

--The increasingly strong protectionist sentiment in the House, which played a substantial role in the strong opposition to the extension of the Overseas Private Investment Corporation, is a source of concern for House supporters of foreign assistance legislation.

--Jackson's Arms Control Subcommittee will hold a hearing next Friday on the ICBM program.

--We are hopeful the photo session on Tuesday will satisfy those Members who were clamoring for a Rural Health Clinic bill signing ceremony. We have explained that the ceremony will be very brief because of drastic scheduling problems with other major issues, and most are understanding.

--Reorganization Plan #2, Public Diplomacy, will become effective tomorrow, December 11.

FLOOR ACTIVITIES, WEEK OF DECEMBER 12

House

--The House has scheduled pro forma sessions for Monday and Wednesday. There will be no session on Tuesday. The House has tentatively scheduled the Social Security bill for Thursday, but this is dependent on whether the conferees can be persuaded to meet on Monday. The Clean Water Act conference report is also scheduled for Thursday.

Senate

--The Senate will be in pro forma session on Monday and will not be in session on Tuesday and Wednesday. On Thursday, the Senate may consider the conference report on the Legal Services Corporation bill, the B-1 bomber amendment in disagreement, and the conference report on the Social Security bill, if available.

SUMMARY OF THIS WEEK'S ACTION BY
HOUSE/SENATE CONFERENCE ON ENERGY TAX PROVISIONS (H.R. 5263)

The Energy Tax Conference met on Tuesday and Wednesday of this week, and on Wednesday reached a tentative decision on the gas-guzzler tax.

When the Conferees adjourned on Wednesday afternoon, they did not set a day or time to reconvene, and at this writing it remains uncertain when the Conferees will meet again.

Senator Russell Long offered the gas-guzzler tax compromise which was agreed upon, and it contained the following elements:

1. that the Senate receded to the House, accepting the guzzler tax, but conditionally; the tax will only apply if the other Conference rejects the Senate bill's mandated auto fuel efficiency standards and doubling of EPCA manufacturer penalties (known as the Metzenbaum Amendment);
2. that the dollar figures for the tax will be rounded off; for example, the 1979 tax on a car getting between 16 and 17 miles per gallon would have been \$636; this is rounded off now to \$650 - on a car getting between 14 and 15 miles per gallon the tax would have been \$1,015, and will now be \$1,000.
3. the dollar amounts on the tax be slightly changed for some of the fuel efficiency levels in 1979, 1980 and 1981; for example, the initial tax in 1979 for cars getting between 14 and 15 miles per gallon would have been \$339; this is now changed to \$200; however, the Long proposal contained only four such dollar amount reductions, the one detailed above being the largest (~~Detailed chart attached~~);
4. the creation of a Trust Fund to Retire the National Debt via the use of the gas-guzzler tax revenues was dropped entirely; there was no indication of how the funds will now be used;
5. the House elimination of the income tax deduction for state and local gasoline taxes was dropped from the bill; thereby retaining that deduction in the tax code;
6. there will be an exemption from the tax for emergency vehicles such as ambulances and police cars; also, as in the EPCA law, the Secretary will have discretionary power to give special treatment to small auto manufacturers (those producing 10,000 cars or less per year).

Enclosure 1.

SUMMARY OF SENATE/HOUSE CONFERENCE ACTIONS
ON H.R. 5289, NATURAL GAS PROVISIONS
DURING THE WEEK OF DECEMBER 5-9, 1977

Thus far the Senate Conferees, comprising the entire Energy and Natural Resources Committee Members, have remained deadlocked 9-9 as they did in Committee, which led to the issue being battled on the Senate Floor 14 days in September/October. The House Conferees, while retaining a safe plurality in support of the House/Administration bill, are nonetheless voting along the same intransigent lines of 15-8. While the House intransigence is not critical as with the Senate's even split, it does demonstrate the fixed ideologies on the issue at present.

Following is the breakout of voting positions:

HOUSE

For Admin Bill
(all Democrats)

Staggers
Ashley
Ullman (P)
Bolling (P)
Foley (P)
Dingell
Rogers
Eckhardt
Sharp
Moffett
Reuss
Rostenkowski (P)
Corman (P)
Vanik (P)
Rangel (P)

Against Admin Bill
(All Republicans)

Anderson
Brown (Ohio)
Horton
Wydler
Brown (Mich)
Steiger
Collins
Archer

Waggoner - no vote cast, but favors decontrol;
Wilson - vote not cast, but present majority of
sessions.

(P) - Proxy

Enclosure 2

Note should be made of Congressman Wilson's comment in Conference that the Administration bill carried in the House by only a 20-vote margin, and several Members who have voted for decontrol in the past, voted for the Administration bill on the assumption that the House bill would be further softened through compromise in conference with the Senate.

SENATE

For Admin Bill

Jackson
Church
Metcalf
Abourezk
Bumpers
Durkin
Metzenbaum
Haskell
Matsunaga

Against Admin Bill

Johnston
Ford
Hansen
Hatfield
McClure
Bartlett
Weicker
Domenici
Laxalt

In addition to the rhetoric, the few votes cast this week reflect the stalemate:

- Dec 5 - House defeated (15-8) Anderson motion to adopt the Senate bill - subsequently adopted Dingell motion to insist on House bill.
- Dec 6 - Senate defeated (9-9) Johnston motion to extend the time of deregulation from 2 to 3 years for new onshore gas; and from 5 to 6 years for OCS gas.
- Dec 6 - Senate defeated (9-9) Domenici motion that no gas could be imported at a price higher than domestic gas; and prior to this vote, defeated (9-9) the Matsunaga motion to table the Domenici proposal.

House adopted (15-8) Eckhardt motion to clarify language in Title IV of the House bill related to the statutory price ceiling, incentive pricing for high-cost, hard-to-find gas, and treatment of contracts for new gas entered into prior to date of enactment. This clarification was to appear as part of the Statement of Managers in order to assuage concerns expressed by the Minority of possible misinterpretation by DOE in their administration of this Title.

The Senate Conferees refused to act on the House proposal since they considered it "piecemeal" and want to address the whole philosophical question of pricing as a single entity.

Dec 8 - First Senate vote to indicate a break in the impasse: Adopted (15-3) the Ford motion, as modified by Jackson that "It is the sense of the Senate Conferees that we work together to obtain a bill on natural gas by resolving our differences." (Metzenbaum, Abourezk and Durkin dissenting.)

Senator Jackson on Tuesday stated specific principles that would have to be upheld if a bill could be produced by the Conferees, but, on Wednesday, following strong criticism by Republican Conferees, he retreated to the position that they could be "negotiable". These were:

- *There must be price regulation of all new gas, but the Senate Conferees would be willing to agree to a small increase to the House price.
- *New gas -- The definition of "new gas" would be limited to gas produced from new reservoirs -- not from extension wells.
- *Incremental pricing must be included and apply to interstate and intrastate gas.
- *The bill must not include a phase-out of price controls regardless of what happens to oil price controls.

Electrostatic Copy Made
for Preservation Purposes

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

December 12, 1977

9
/

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*

SUBJECT: Secret Service Protection for Your
Daughters-in-Law

When you recently requested protection by the Secret Service of Judy at the meeting in Houston, the Secret Service expressed some concern about the legality of furnishing protection for an in-law and the Deputy Secretary of the Treasury called me about the matter.

He and I agreed on a procedure in that particular situation whereby the protection was furnished, partly in conjunction with the protection furnished for the First Lady.

I requested him to have thorough research done on the question so that we would be well-advised when the same question arose in the future. As a result the legal counsel for the Secret Service has rendered an opinion, in which the General Counsel for the Treasury concurs, that the Secret Service has the authority to protect the spouses of the children of the President at such times and under such circumstances as the President and/or Secretary of the Treasury may direct.

Therefore, in the future, this will be a matter of your judgement or the judgement of the Secretary of the Treasury.

During the terms of recent Presidents, going back to Franklin Roosevelt, the only such protection which the Treasury Department could ascertain was for Mrs. Franklin D. Roosevelt, Jr. Most of the children of the Presidents after Franklin Roosevelt were female and apparently no such protection was furnished for any of the sons-in-law. Thus, for many years the Secret Service had furnished protection only to the spouse, children and grandchildren of Presidents.

I have given Rick Hutcheson a copy of the legal opinion covering this matter, dated November 25, 1977, should you wish to review it.



THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

December 9, 1977

MEMORANDUM FOR: MR. ROBERT LIPSHUTZ

Enclosed pursuant to our telephone conversation is the material we discussed concerning the authority of the U.S. Secret Service to protect the spouse of a child of the President.


Robert Carswell

Attachment

Date: DEC 9 1977

MEMORANDUM FOR: ACTING SECRETARY CARSWELL

From: Robert H. Munford
General Counsel *RAM*

Subject: Secret Service Authority to Protect
the Spouse of a Child of the President

Attached hereto is a copy of a legal opinion relating to the above mentioned subject which was prepared by the Secret Service Legal Counsel. I agree with the conclusion stated therein.

	Initiator	Reviewer	Reviewer	Reviewer	Reviewer	
Surname	Goff	Knight	Stockell			
Initials	<i>KGJ</i>	<i>HSK</i>	<i>S</i>			

UNITED STATES GOVERNMENT

Memorandum

TO : The Director

DATE: November 25, 1977

FROM : Robert O. Goff *R.O.G.*
Legal Counsel

SUBJECT: Secret Service Authority to Protect the Spouse of a Child of the President

Reference is made to your recent request for an opinion concerning the meaning of "immediate family" as used in section 3056, title 18, United States Code, with relation to Secret Service protection of the spouse of a child of the President.

As you are aware, section 3056, title 18, United States Code, provides, among other things, an authorization for the Secret Service to protect the President of the United States and "the members of his immediate family." The Secret Service has been authorized to protect the members of the President's immediate family since this language was first included in the Sundry Civil Expense Appropriation Act of June 12, 1917 (40 Stat. 105, 118). Originally, the language was inserted as an amendment to the 1917 appropriations bill by the Senate Appropriations Committee and was carried unchanged in appropriations acts until the enactment of section 3056. However, the Appropriation Committee hearings and reports are silent as to the reason for the amendment, and no legislative or other history on its meaning and purpose has been found.

Although there are statutory and regulatory definitions of "immediate family" which do not include sons-in-law and daughters-in-law, in my research on the subject I have located Federal statutory definitions of the term which do include the spouse of children. For example, section 608 of title 18, United States Code,* stated that a member of a candidate's immediate family includes, among others, any child, parent, brother or sister and the spouses of such persons. (See also 15 U.S.C. 80a-2.) Also illustrative of the broad meaning which can be attached to the language "immediate family" is the history of section 204(a) of the Housing and Rent Act of 1948, 62 Stat. 98, which provided that a landlord could recover the possession of housing accommodations for use by "a member or members of his immediate

* Prior to its repeal by the Federal Election Campaign Act Amendments of 1976.



family." The Conference Report on the bill stated that the term "immediate family," although not definitive, was intended to include, among others, sons, daughters, and in-laws of the landlord. (H. Rpt. No. 1611, 80th Congress).

It is reasonable to assume that the Congress extended the authority to protect the immediate family of the President in order that his freedom of action not be circumscribed by threats of harm (e.g. kidnapping) to those of his family who are very close to him. Since immediate family is not limited in the statute to any specific persons the Congressional purpose would be served by including sons-in-law or daughters-in-law because typically they have a similarly close relationship and thus create substantially the same risk of harm. On this basis the Secret Service in the past has afforded protection on occasion to Mrs. Franklin D. Roosevelt, Jr.

In 1974 then General Counsel of the Treasury Albrecht, in connection with an opinion concerning the meaning of "immediate family," stated:

"Since Congress has not defined the term 'immediate family' it is my opinion that the Secret Service may adopt a flexible policy and give that term the construction circumstances warrant."

Accordingly, it is the opinion of this Office, in which the General Counsel concurs, that the Secret Service has the authority to protect the spouses of the children of the President at such times and under such circumstances as the President and/or Secretary of the Treasury may direct.

THE WHITE HOUSE
WASHINGTON
December 12, 1977

Bob Lipshutz
Richard Harden

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

OFFICE OF ADMINISTRATION -- E.O.

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
	/	LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
	/	HARDEN
		HUTCHESON
		JAGODA
		GAMMILL

		KRAFT
	✓	LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

THE WHITE HOUSE

WASHINGTON

December 5, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RL*

RE: Proposed Executive Order Re
"Office of Administration in the
Executive Office of the President"

The attached proposed Order implements the decision set forth in Reorganization Plan No. 1 to establish the Office of Administration within the Executive Office of the President. The purpose of the office is to provide centralized administrative support for all units within the Executive Office.

The Order sets December 4 as the date on which the office was officially established, and provides that all necessary transfers to the office should be made by April 1, 1978.

We recommend that you sign the attached Order.

Approve

Disapprove

EXECUTIVE ORDER

- - - - -

OFFICE OF ADMINISTRATION IN THE
EXECUTIVE OFFICE OF THE PRESIDENT

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the National Security Act of 1947, as amended, Reorganization Plan No. 2 of 1970 (5 U.S.C. App. II), Section 202 of the Budget and Accounting Procedures Act of 1950 (31 U.S.C. 581c), and Reorganization Plan No. 1 of 1977 (42 F.R. 56101 (October 21, 1977)), and as President of the United States of America, in order to effectuate the establishment of the Office of Administration in the Executive Office of the President, it is hereby ordered as follows:

Section 1. The establishment, provided by Section 2 of Reorganization Plan No. 1 of 1977 (42 F.R. 56101), of the Office of Administration in the Executive Office of the President shall be effective, as authorized by Section 7 of that Plan, on December 4, 1977.

Sec. 2. The Director of the Office of Administration, hereinafter referred to as the Director, shall report to the President. As the chief administrative officer of the Office of Administration, the Director shall be responsible for ensuring that the Office of Administration provides units within the Executive Office of the President common administrative support and services.

Sec. 3. (a) The Office of Administration shall provide common administrative support and services to all units within the Executive Office of the President, except for such services provided primarily in direct support of the President. The Office of Administration shall, upon request, assist the White House Office in performing its role of providing those administrative services which are primarily in direct support of the President.

(b) The common administrative support and services provided by the Office of Administration shall encompass all types of administrative support and services that may be used by, or useful to, units within the Executive Office of the President. Such services and support shall include, but not be limited to, providing support services in the following administrative areas:

- (1) personnel management services, including equal employment opportunity programs;
- (2) financial management services;
- (3) data processing, including support and services;
- (4) library, records, and information services;
- (5) office services and operations, including: mail, messenger, printing and duplication, graphics, word processing, procurement, and supply services; and
- (6) any other administrative support or service which will achieve financial savings and increase efficiency through centralization of the supporting service.

(c) Administrative support and services shall be provided to all units within the Executive Office of the President in a manner consistent with available funds and other resources, or in accord with Section 7 of the Act of May 21, 1920 (41 Stat. 613), as amended (31 U.S.C. 686, referred to as the Economy Act).

Sec. 4. (a) Subject to such direction or approval that the President may provide or require, the Director shall:

- (1) organize the Office of Administration;
- (2) employ personnel;
- (3) contract for supplies or services; and
- (4) do all other things that the President, as head of the Office of Administration, might do.

(b) The Director shall not be accountable for the program and management responsibilities of units within the Executive Office of the President; the head of each unit shall remain responsible for those functions.

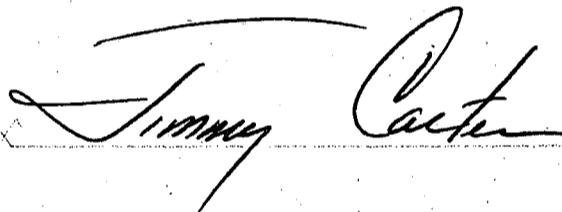
Sec. 5. The primary responsibility for performing all administrative support and service functions of units within the Executive Office of the President shall be transferred and reassigned to the Office of Administration; except to the extent those functions are vested by law in the head of such a unit, other than the President; and except to the extent those functions are performed by the White House Office primarily in direct support of the President.

Sec. 6. The records, property, personnel, and unexpended balances of appropriations, available or to be made available, which relate to the functions transferred or reassigned by this Order from units within the

Executive Office of the President to the Office of Administration, shall be transferred to the Office of Administration.

Sec. 7. (a) The Director of the Office of Management and Budget shall make such determinations, issue such orders, and take all actions necessary or appropriate to effectuate the transfers or reassignments provided by this Order, including the transfer of funds, records, property, and personnel.

(b) Such transfers shall become effective on April 1, 1978, or at such earlier time or times as the Director of the Office of Management and Budget determines, after consultation with the Director of the Office of Administration and other appropriate units within the Executive Office of the President.

A handwritten signature in cursive script, reading "Jimmy Carter", written over a horizontal dashed line.

THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON

December 12, 1977

Jack Watson

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

Rick Hutcheson

RE: FEDERAL AID REFORM

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
/		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

12/9/77

Mr. President:

Eizenstat had no comment.

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

November 29, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON AND LARRY GILSON

SUBJECT: Federal Aid Reform

On September 9, 1977, you sent two memoranda to the heads of executive departments and agencies regarding the reduction of red tape in the administration of federal aid. In these memoranda, you outlined specific steps to be taken by the departments and agencies to streamline the administrative procedures and improve the federal-state-local partnership.

As you know, senior intergovernmental officials have been designated in the federal agencies. My staff has been working with each of these officials to assure full implementation of your memoranda. Progress in several departments and agencies is outlined in the attached.

Attachment

Electrostatic Copy Made
for Preservation Purposes

*Jack -
A good but tentative
start. Monitor progress
on claimed projects -
when specific achievements
are realized, ask them
to include routinely in
weekly reports -
JC*

DEPARTMENT OF AGRICULTURE

- provides the computerized Federal Assistance Programs Retrieval System (FAPRS), enabling the identification of federal aid programs available to eligible recipients;
- is expanding use of letter-of-credit procedures for advance payments on USDA programs;
- is in the process of implementing OMB circulars to bring numerous USDA programs under uniform grant and agreement standards;
- has revised regulations in a drought relief program to accelerate application processing and meet the immediate needs of aid recipients; also responding to emergency flood disaster relief through accelerated contracting procedures for equipment rentals and supplies for clean-up operations; and
- The Food and Nutrition Service is developing a single set of regulation for 15 assistance programs.

*Little
long, b/k
progress
yet*

DEPARTMENT OF COMMERCE

- The Economic Development Administration has been successful in reducing the public reporting burden by 17 percent; ✓
- EDA is reviewing regional organizational structures to decentralize overall grant administration;
- EDA handbook is being revised to benefit potential grant recipients;
- EDA's Assistant Secretary has prepared detailed instructions for all EDA program officers on the Presidential objectives;

- The National Fire Prevention and Control Administration is instituting letters-of-credit procedures;
- The U.S. Travel Service has revised and simplified its grants program. They will continue to encourage grant consolidation, to streamline requirements and to simplify and reduce paperwork in the internal monitoring system; and
- EDA is working with HUD's Community Development and Planning division to coordinate their respective planning and project requirements. EDA and HUD have also agreed to support each other in encouraging and assisting comprehensive urban and metropolitan development strategies.

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

- Operation Common Sense has been instituted to review and revise Departmental rules within the next five years. Deputy General Counsel for Regulatory Review has been named to lead up the effort;
- Seven states, one territory, one county, and 44 universities/hospitals are receiving 10 billion dollars annually through a Single Letter-of-Credit System. In addition, 2900 individual letters-of-credit with annual advances of about 32 billion dollars are made. Implementation of the Single Letter-of-Credit is planned in two additional states during FY 1978. Three additional states are considering implementation; 900 d
- has reduced the reporting burden on HEW grantees by 11 million hours (24 percent); including: 900 d
 - five million hour reduction in preparation of student aid forms;
 - 1.4 million hour reduction in preparation of medical disability forms; and
 - 1.4 million hour reduction in preparation of Medicare/Medicaid forms.

HEW plans to reduce the current burden (34 million hours) to below 31 million hours by the end of FY 1978. "

- has standardized application forms and financial reporting forms for state and local grantees and will extend this effort to all other HEW grantees. Regulations to be published in January 1978 with uniform requirements for application forms, reporting, auditing, payment procedures, property management, budget resources and allowable costs. Several hundred individual grant program regulations will be revised to conform to the new regulations; and
- HEW Audit Agency participates in National and Regional Intergovernmental Audit Forums, exchanges audit plans reports and technical information with state auditors; engages in joint training projects; works with state and local auditors on joint audit assignments.

good

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

- has published for comment proposed revisions of the Community Development Block Grant Regulations. Regulations have been revised to: encourage better planning and coordination; reduce the frequency of preparation and submission of the Community Development Plan Summary and the full Housing Assistance Plan to once every three years; change the timing of application submissions to increase applicant's flexibility to shorten or lengthen program year; provide for a written citizen participation plan; provide for A-95 clearing-house review and comment;
- has solicited comments on improvements to environmental regulations for the Community Development Block Grant Program; preparing major revision of its environmental regulations to provide additional exemptions from environmental review and to shorten the review period;

good

- has established a special task force to improve and simplify regulations for Section 8, the major assisted housing program. Comments are being solicited from major interest groups;
- has circulated a memo to all principal staff requesting that HUD forms be written in simple, comprehensible language and that procedures should be established to implement this policy; and
- is holding sixteen all-day briefings across the country on the Housing and Community Development Act of 1977. Attendance ranging from 1500 to 2000.

DEPARTMENT OF TRANSPORTATION

- is revising the application procedures in the Urban Mass Transportation Administration (UMTA); consolidating all duplicative materials and eliminating unnecessary requirements for Section 5 Operating Assistance. Major portions of the instructions are being clarified and simplified;
- UMTA is planning an experimental program with Atlanta to test the elimination of individual UMTA approvals for procurements bids, to be replaced by an Annual Work Plan;
- UMTA is strengthening its Regional Offices to foster more effective cooperation with state/local governments and to expedite review of grant applications;
- UMTA is planning to phase in the use of letter-of-credit;
- The Federal Aviation Administration has simplified and streamlined the National Airport System Plan Data Reporting Forms. An eight-page report has been replaced by a one-page report;
- FAA has streamlined its grant audit procedures by providing greater flexibility in applying various auditing concepts;

Good

- FAA has delegated the authority for administration of the Airport Aid Program to its regional offices to reduce grant processing time and decrease "federal presence" at the local level;
- FAA is exempting a significant number of items of airport development from the A-95 process to simplify and reduce paperwork and reduce grant processing time;
- FAA is revising its regulations for the Airport Aid Program to eliminate all unnecessary and obsolete regulatory requirements;
- The Coast Guard has revised the application form and grant agreement for its Boating Safety Program to eliminate unnecessary items and simplify and reduce paperwork;
- The Coast Guard has conducted seminars to provide information and technical assistance to states in the administration of its financial assistance program;
- The Federal Highway Administrator appointed a Task Force to improve the delivery system of federal aid funds and reduce unnecessary requirements on the state and local governments; twenty-three task force recommendations are being implemented; and
- Four FHWA regions are implementing electronic funds transfer to speed reimbursement processes to the states.

ACTION

- has tested a computerized Grants Management System to be expanded to the regions; and
- has consolidated its national VISTA grants.

COMMUNITY SERVICES ADMINISTRATION

- is implementing OMB Circular A-110 and FMC 74-7 to supersede numerous CSA instructions and reduce duplication and confusion. CSA is also eliminating repetitive data collection forms;
- is participating in the A-95 process providing information among the State Clearinghouses, CSA and the grantees;
- has automated its check issuing payments to 900 grantees requiring no more than two work days to effect issuance of treasury checks. (Prior to automation, delays of two to three weeks occurred.); and ✓
- is providing applicants and grantees with a single document outlining the application process and funding requirements. ✓

ENVIRONMENTAL PROTECTION AGENCY

- is considering the consolidation of environmental program grants to encourage integration of categorical programs at the state level. This proposal would strengthen coordination between EPA's Regional Office and state staffs and increase state flexibility in allocating resources and funds, simplify administration and reduce paperwork;
- is considering 13 changes to reduce and simplify planning requirements and to effect four consolidations within EPA's planning programs; and
- The State of Iowa has developed and implemented a Consolidated Environmental Program resulting in significant reductions of paperwork. Approximately six work years of state resources are saved and reprogrammed to other pollution control activities.



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

December 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM MCINTYRE

Jim McIntyre

SUBJECT: Watson Memo Dated 11/29/77 re Federal Aid Reform

Concerning the above memo, we have no objection generally to the report. We do, however, have some major additions, together with a minor comment concerning reporting the indicated A-95 exemptions by FAA as a response to your September 9 initiative. These exemptions were worked out by OMB and FAA staff in July in response to an FAA suggestion to exempt certain programs felt not to have significant community and regional development impact. Some exemptions were allowed by OMB as a previous action to the September 9 memo.

The report can be supplemented by adding several OMB activities related to your September 9 statement, including:

Planning Requirements Reform. Pursuant to your July 19 directive to the Heads of Agencies, an extensive interagency review of Federal planning requirements led by OMB has resulted in significant simplification of planning requirements. A report to you is being drafted and will be available by mid December.

Regulation Simplification and Reform. A draft Executive Order prepared by OMB has been published in the Federal Register which would reform preparation of Federal regulations with emphasis on broadened public, State and local consultation and participation. This Executive Order will also expand and improve the previous OMB state/local consultation instructions to the agencies (A-85).

Paperwork and Reporting Reduction. Instructions prepared by OMB on burden reduction for FY 78 have been sent to the agencies and an interagency policy level meeting has been held by OMB to launch the FY 78 effort.

Management Circular Review. Review of other OMB management circulars are proceeding including preparation of an interim report issued for general consultation on improving the OMB Circulars for State and local review of proposed Federal projects (A-95) and on actions to improve the joint funding process (A-111).

Reorganization Projects. A number of Presidential Reorganization Projects have been launched with the policies stated in your September 9 issuance as prime criteria for reorganization decisionmaking.

Federal Field Coordination. As part of the process of strengthening federal field interagency and intergovernmental coordination, OMB working closely with Jack Watson, has charged the Federal Regional Councils with working with state and local officials to assure effective implementation of your reform initiatives throughout the country.

OMB will ensure that the policies you have launched are emphasized in our ongoing budget, management and reorganization work with the agencies.

12/12

THE WHITE HOUSE

WASHINGTON

Date: December 1, 1977

MEMORANDUM

FOR ACTION:
 Stu Eizenstat *w/Don't? N/C*
 Jim McIntyre *- w/Don't? - on Midge Costanza - all hand*

FOR INFORMATION:
 The Vice President
 Midge Costanza
 Hamilton Jordan
 Frank Moore (Les Francis)
 Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Watson memo dated 11/29/77 re Federal Aid Program

**YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:**

TIME: 10:00 AM

DAY: Saturday

DATE: December 3, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

[Handwritten scribbles]

*→ w/Don't -
impress if
comments*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)