4/7/77 [2]

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THE WHITE HOUSE
WASHINGTON

April 7, 1977

Jim Schlesinger
Stu Eizenstat
Jack Watson

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

Rick Hutcheson

Re: Nuclear Materials

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
	X	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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

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

		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
	X	SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

77 APR 1 11 2 40

1 April 77

Mr. President:

Attached is a very brief primer on the production and use of enriched uranium and plutonium for the civilian and military programs.

Jim Schlesinger

Attachment

THIS PAGE INTENTIONALLY WAS SEEN.

C

NUCLEAR MATERIALS

Civilian

The uranium used by the U.S. civilian nuclear power industry orginates almost entirely in the Western United States. Since each ton of ore mined contains only about three pounds of uranium, it is milled to produce a uranium oxide, U_3O_8. In 1976, 12,700 tons were produced for the U.S. nuclear industry, 600 tons were produced for export, and 2,800 tons were imported.

As mined, uranium is 0.7% fissionable U_{235} and 99.3% nonfissionable U_{235}. Government plants at Oak Ridge, Tennessee, Paducah, Kentucky, and Portsmouth, Ohio, use the gaseous diffusion process to enrich the natural uranium to the 2-3% U_{235} for which present light water reactors are designed.

In 1976, 25% of the output of these plants was for U.S. commercial use, 5% was for U.S. government use, 35% was for export, and 35% was put into the U.S. stockpile. In addition to the enriched uranium, the plant produces uranium with less than the natural percentage. This is called tails and the plants are currently producing tails at 0.25% U_{235}. Currently, this is not useful. It is government owned and may be a valuable source when the centrifuge and laser enrichment processes are operational. After enrichment, the utility delivers the enriched uranium to a commercial fuel fabricator, where it is chemically converted to uranium dioxide, UO_2, formed into pellets, placed into zirconium tubing, and made into fuel assemblies.

Reactor operation consumes U_{235} and produces plutonium and fission products. After about 3 years, the fuel is no longer able to maintain the chain reaction. It consists approximately of 1% U_{235}, 95% U_{238}, 1% plutonium and 3% fission products and is highly radioactive. It is placed under water in a storage pool at the reactor site, where it must remain for at least 4-6 months. Currently, most fuel remains stored at the reactor site. If the fuel were to be reprocessed, it would be shipped in a heavily shielded cask to a chemical reprocessing plant, where it would be separated into uranium, plutonium, and fission products. The first two can be reused as fuel (the uranium must be enriched) and the last is high level waste, which must be further processed for storage.

Military

The military program consists of the weapons program and the Naval Propulsion Reactors program. Uranium for both comes from Government stockpiles bought in past years.

Electrostatic Copy Made for Preservation Purposes

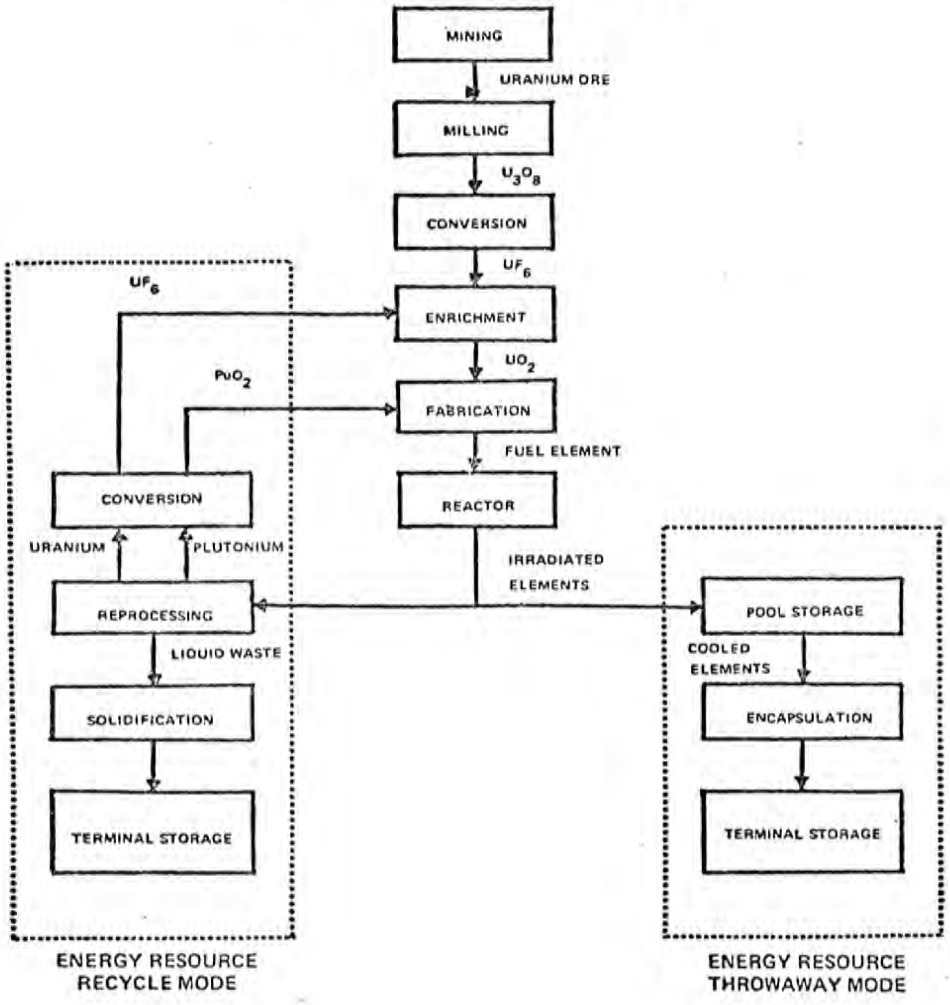
The weapons program uses uranium enriched to 93% U_{235}, and fabricated directly into weapons parts. In addition, some uranium is used in Production Reactors at Hanford, Washington and Savannah River, Georgia to make plutonium for weapons. After the fuel is irradiated in these reactors, the fuel is cooled in a storage pool and then chemically reprocessed at the site. The plutonium produced in the production reactors has about 6% Pu_{240}, a more radioactive isotope than the fissionable Pu_{239} used in weapons, whereas commercial light water reactor fuel has about 25% Pu_{240}. The uranium goes back for enrichment, the waste is stored at the site, and the plutonium is fabricated into weapons parts.

For naval reactors, uranium is enriched to 96.5% of U_{235} and fabricated into fuel assemblies. When these assemblies are removed from the naval reactors, they are reprocessed in a government plant to obtain uranium and plutonium, in addition to waste.

Other Government Programs

Nuclear material is also produced for government R&D programs, such as research reactors. Of the irradiated uranium sent to government reprocessing plants in the last 3 years, 65% was used to produce plutonium for the weapons program and 35% is stored, primarily as a stockpile to produce plutonium for the Fast Flux Text Facility and the Clinch River Breeder Reactor.

LWR FUEL FLOW DIAGRAM



THE WHITE HOUSE
WASHINGTON

April 7, 1977

Bob Lipshutz
Ham Jordan

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

Rick Hutcheson

Re: Proposed Fund Raising Letter
by DNC

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
	X	LIPSHUTZ
		MOORE
		POWELL
		WATSON

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	CAB DECISION
	EXECUTIVE ORDER

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		SCHULTZE
		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

INFORMATION

THE WHITE HOUSE

WASHINGTON

April 6, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ RL
HAMILTON JORDAN HJ

SUBJECT: Proposed Fund Raising Letter by DNC

Following our discussion last Saturday, Hamilton and I reviewed the matter once again and considered quite carefully the observations and suggestions which you made.

We have concluded that, instead of your signing a fund raising letter for the DNC at this time, we would request the Vice President to sign a similar letter. We have done so and he has agreed to signing it.

The letter is now being redrafted and should be ready for final printing within the next few days. We'll send you a copy of the letter as soon as it has been completed.

Electrostatic Copy Made
for Preservation Purposes

ok
J

THE WHITE HOUSE
WASHINGTON

April 7, 1977

Jim Schlesinger
Stu Eizenstat

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

Rick Hutcheson

cc: Frank Moore

Re: Letter from Senator Percy re: Energy

LETTER FROM SENATOR PERCY

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
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	X	SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

CHARLES H. PERCY
ILLINOIS

cc. Jim
Stu
J

United States Senate

WASHINGTON, D.C. 20510

April 5, 1977

THE PRESIDENT HAS SEEN.

President Jimmy Carter
The White House
Washington, D. C. 20500

Dear Mr. President:

The Alliance to Save Energy was officially launched last Friday when we held the founding meeting of the Board of Directors. The support that Hubert Humphrey and I have received has been extraordinary and due in no small measure to you and Jim Schlesinger's early and active endorsement of the Alliance and its goals. For that we are deeply grateful to you.

At the meeting on Friday, Jim Schlesinger outlined the importance of conservation to the nation, and Henry Kissinger described what he intended to do as Chairman of ASE's Advisory Board.

I have been very pleased to learn that your April 20 energy message will make conservation the cornerstone of our national energy policy. As you know, I have urged a much stronger role for conservation than it has had in the past.

You have asked for ideas for consideration in your forthcoming energy policy statement. I am pleased to submit my own views on one aspect, namely conservation energy. They would no doubt be concurred in by many members of the Alliance but they have not yet been submitted to the Board for their consideration. Therefore, I speak here as an individual and not as Chairman of the Alliance to Save Energy.

(1) GENERAL

* Support the gradual reduction of production subsidies such as the oil depletion allowance and loan guarantees which undermine conservation by making energy cost less than its true value.

* Create an Energy Extension Service to facilitate implementation of energy conservation measures at the State and local level.

* Support comprehensive public education programs with a conservation message, including programs specifically directed at schools.

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for Preservation Purposes

* Strengthen the enforcement of current energy conservation laws, including the Energy Policy and Conservation Act and the Energy Conservation and Production Act.

* Intensify Government energy conservation R D & D programs.

* Support an effective effort to reduce all Federal, State and local Government energy use.

* Study the effects of a refundable deposit on bottles and cans to encourage reuse.

* Encourage Government to adopt stiff energy efficiency criteria as part of their procurement policies.

(2) BUILDINGS

* Expedite development of a building efficiency performance standard by HUD, and make this standard both mandatory and stronger.

* Provide tax credits for insulation and other energy-saving equipment.

* Enlarge the program of direct grants to pay for insulating houses of low-income families.

* Support local efforts to improve residential building codes to improve energy efficiency.

* Urge utilities to insulate homes and to recover their costs through monthly utility billings.

(3) APPLIANCES

* Support stringent appliance efficiency standards, and both mandate and strengthen the standards now on the books.

* Support energy efficiency labelling for all major consumer appliances.

(4) INDUSTRY

* Encourage, through loans or loan guarantee programs if necessary, the use of waste heat and process steam to generate electricity.

* Make the existing voluntary industrial program mandatory.

* Support programs to stimulate energy efficiency in industrial production (e.g. target setting, loans for energy improvements, tax credits, energy audits of individual companies, provision of information to small companies.)

(5) UTILITIES

* Require states and local utilities to redesign electricity rates to encourage conservation. For example, time-of-day pricing which makes peak-load power more costly.

* Support policies and programs to improve the efficiency of electrical generation such as thermal storage, peak load policy and other load management techniques.

(6) TRANSPORTATION

* Gradually increase the Federal gasoline tax each year and combine this with a rebate program to low-income groups.

* Enforce and strengthen EPCA fuel efficiency standards i.e. raise the 1985 average fuel efficiency target of 27.5 mpg.

* Penalize those States which do not enforce 55 mph by withholding highway funds.

* Impose a Federal parking tax on all government employees using government property for parking.

* Develop a system of excise taxes which places a special charge on the purchase of a car with poor fuel economy and providesa rebate to the buyer of a more fuel efficient car.

* Encourage programs to increase load factors on transportation modes with excess capacity (e.g. car pools, public transportation).

* Abolish the Highway Trust Fund, and create a unified transportation fund.

* Place priority for Government funding on energy efficient public transport (e.g. rail, bus) rather than on less energy efficient modes (e.g. air travel, highway construction).

* Support Government funding of both advanced auto engines and electric vehicles.

(7) GOVERNMENT ORGANIZATION

* Support the creation of an Under Secretary for Conservation within DOE.

* Support the designation of an Assistant Secretary in DOC, HUD, DOT, GSA and DOD to be responsible for conservation in these departments.

I hope you will find these suggestions helpful. If your staff would like to discuss them with me, I will be here until Thursday when I leave on a personal trip abroad. Chris Palmer (224-1462) of my staff will be available to cooperate and work with them in any way that would be helpful.

Thank you again for your help and support in launching the Alliance to Save Energy.

Warmest personal regards,

Charles H. Percy
United States Senator

cc: Dr. James Schlesinger

THE WHITE HOUSE
WASHINGTON

April 7, 1977

Bert Lance
Stu Eizenstat
Jack Watson

For your information, the attached memorandum was signed by the President and given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

Re: Coordination Among Reorganization Efforts

THE WHITE HOUSE
WASHINGTON

For Linder to distrib memo

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
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		MOORE
		POWELL
	X	WATSON

	ENROLLED BILL
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	CAB DECISION
	EXECUTIVE ORDER

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	FOR INFORMATION
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		JAGODA
		KING

		KRAFT
	X	LANCE
		LINDER
		MITCHELL
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		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

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

April 4, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: BERT LANCE B. Lance

SUBJECT: Coordination Among Reorganization Efforts

Many of the departments have begun to reform their own structure and management. The President's Reorganization Project established in OMB is working on government-wide reorganization.

As we discussed at our reorganization meeting on March 10, we need both a clearer definition of responsibility between agency and the President's Reorganization Project efforts and a better coordination mechanism to facilitate information sharing between the White House staff and other senior government officials. This memorandum describes a rationale for our proposals, sets forth the coordination method to which we agreed, and requests your signature on a memorandum implementing the proposal.

Need for Central Coordination of Reorganization Efforts

- Agency heads may initiate proposals which appear intradepartmental in nature but, in fact, impact on an interdepartmental project underway or planned for the near future. In order to avoid duplication and conflict, these problems must be spotted early.

- During your campaign, you set forth a number of goals and a general philosophy of reorganization. Reorganization initiatives should be checked for compatibility with these objectives.

- While reorganization will be planned and implemented by many agencies, it should remain the President's Reorganization Project. All initiatives should be recorded at a central point, and the President should have the opportunity to choose those which he personally wishes to announce.

- Congress and the public may perceive the Carter reorganization to be fragmented and haphazard unless some form of coordination is achieved.

Recommended Procedure

- You must take a strong and clear leadership role in building a team relationship between agency and the President's Reorganization Project reorganization efforts. It should be made clear that: (1) agencies have primary responsibility for developing and implementing intradepartmental plans; (2) the President's Reorganization Project has primary responsibility for developing and implementing interdepartmental initiatives; and (3) the President's Reorganization Project has responsibility for coordination of all reorganization initiatives.

- A coordination mechanism must be established which provides for the President's Reorganization Project review of agency efforts. This review would include both a periodic general review and a review of specific proposals prior to implementation. It would also include procedures to coordinate public awareness with the Reorganization Advisory Group. As soon as the attached Memorandum to the Cabinet is sent, Harrison Wellford will begin to meet with the Secretaries to work out further details.

- Cabinet members will be consulted at the initiation of any reorganization project which might impact their agencies. At the same time, Cabinet members will be regularly canvassed for ideas for new projects.

- This procedure will give the President's Reorganization Project time to review agency reorganization proposals with senior White House staff and Dick Pettigrew's Reorganization Advisory Group and give all of their comments to you before an agency head requests a decision.

Attached is a draft memorandum to the Cabinet Secretaries which covers these points. If you agree with the wording of the memorandum, please sign it. You may also wish to discuss it at a Cabinet meeting.

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION

SUBJECT: Coordination of Government Reorganization Efforts

Since I took office, I have requested that each of you begin to reform the structure and management of your agency. I have also established the President's Reorganization Project in OMB and made it responsible for government-wide efforts.

A cooperative working relationship among all of us is essential to the success of reorganization. We must avoid fragmentation or duplication of effort and maintain maximum communication. A clear understanding of roles now will avoid problems in the future.

Each agency is primarily responsible for planning its own intra-departmental reforms. The President's Reorganization Project will be primarily responsible for developing and implementing proposals which affect more than one department or agency. While doing so, they will, of course, consult closely with agency heads who might be affected by proposed changes.

There are several reasons to build a coordination mechanism for all our efforts. First, I wish to maintain an up-to-date government-wide record for all reorganization planning and implementation. Second, we need to be sure that all reorganization efforts reflect similar objectives. Third, we must avoid duplicative efforts. Therefore, I have asked Harrison Wellford, Executive Associate Director for Reorganization and Management at OMB, to assume an overall coordination role. He will periodically request reports of your planning and consult with you frequently. It is also important that you notify him of initiatives at least 30 days prior to implementation. Wellford will be seeking a meeting with you shortly to discuss this memorandum in more detail and to apprise you of reorganization project planning and guidelines to date.

Jimmy Carter

STAFF COMMENTS

THE WHITE HOUSE
WASHINGTON

Mr. President:

Staff comments on the draft memorandum are attached.

Rick

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION

3 April 1977

TO: THE PRESIDENT

FROM: RICK HUTCHESON

SUBJECT: Staff Comment on Proposed Memo, "Coordination of Government Reorganization Efforts"

Eizenstat, Jordan, Lipshutz, and Harden concur with the draft memo, and add the following suggestions:

1. Jordan, Harden: Pettigrew's role should be briefly defined and differentiated from Wellford's role.

2. Harden would also include in the memo a provision that Wellford provide the Cabinet Officers with copies of the monthly reorganization report.

Watson is concerned that the memo grants too much latitude to departments for intra-departmental reorganization, and believes that Cabinet Officers need and would welcome more specific guidance regarding:

1. how various presidential requests affecting reorganization fit together;
2. what management principles will be applied when OMB and the White House review department reorganization plans;
3. presidential concerns about the process of reorganization (i.e. citizen participation, congressional involvement);
4. sufficient information about the timing of interdepartmental reorganization activities to make coordination possible.

back to OMB for
possible revision
because of requested
changes from Staff

THE WHITE HOUSE

WASHINGTON

Date: March 31, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Bob Lipshutz - concur
Jack Watson
Hugh Carter - concur
Richard Harden - see comments

FOR INFORMATION: The Vice President
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 3/30 re Coordination Among Reorganization Efforts.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Saturday

DATE: April 2, 1977

ACTION REQUESTED:

__X__ **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:



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)

WASHINGTON

220

Date: March 31, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Jack Watson
Hugh Carter
Richard Harden

FOR INFORMATION: The Vice President
Frank Moore

XC Carp
LAZARUS

FROM: Rick Hutcheson, Staff Secretary

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TIME: 11:00 A.M.

DAY: Saturday

DATE: April 2, 1977

ACTION REQUESTED:

__X__ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

A good memorandum although I would suggest that Pettigrew's role be ~~[illegible]~~ briefly defined and differentiated from Harrison's.

TJ.

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)

THE WHITE HOUSE
WASHINGTON

HJ

Don't know if you have seen this -- I didn't recall it, but Edie might have given it to you--anyway, before Rick sends it in, do you want to make any comments -- the issue of possible interest to you being whether you want to have Pettigrew identified at all to the Cabinet --the way this is only Harrison Wellford gets mentioned and he is identified as over-all coordinator. Does Cabinet know about Pettigrew--or should it-- what I'm trying to say, is, how much visibility & influence do you want for Pettigrew. Memos from Pres. get attention. E.

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

MAR 30 1977

MEMORANDUM FOR THE PRESIDENT

FROM: BERT LANCE

SUBJECT: Coordination Among Reorganization Efforts

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- Congress and the public may perceive the Carter reorganization to be fragmented and haphazard unless some form of coordination is achieved.

Recommended Procedure

- You must take a strong and clear leadership role in building a team relationship between agency and the President's Reorganization Project reorganization efforts. It should be made clear that: (1) agencies have primary responsibility for developing and implementing intradepartmental plans; (2) the President's Reorganization Project has primary responsibility for developing and implementing interdepartmental initiatives; and (3) the President's Reorganization Project has responsibility for coordination of all reorganization initiatives.

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF INTERIOR
THE SECRETARY OF AGRICULTURE
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THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION

SUBJECT: Coordination of Government Reorganization Efforts

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Each agency is responsible for planning its own intra-departmental reforms. The President's Reorganization Project will be primarily responsible for developing and implementing proposals which affect more than one department or agency. While doing so, they will, of course, consult closely with agency heads who might be affected by proposed changes.

There are several reasons to build a coordination mechanism for all our efforts. First, I wish to maintain an up-to-date government-wide record of all reorganization initiatives. Second, we need to be sure that all reorganization efforts reflect similar objectives. Third, we must avoid duplicative efforts. Therefore, I have asked Harrison Wellford, Executive Associate Director for Reorganization and Management at OMB, to assume an overall coordination role. He will periodically request reports of your planning and consult with you frequently. It is also important that you notify him of initiatives at least 30 days prior to implementation.

Pettigrew ?

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
	X	MONDALE
	X	COSTANZA
X		EIZENSTAT
X		JORDAN
X		LIPSHUTZ
	X	MOORE
	X	POWELL
X		WATSON

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	EXECUTIVE ORDER

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	SIEGEL
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	WELLS
	VOORDE

WASHINGTON

Date: March 31, 1977

MEMORANDUM

FOR ACTION:
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Jack Watson ✓
Hugh Carter
Richard Harden

FOR INFORMATION: The Vice President
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 3/30 re Coordination Among Reorganization Efforts.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 11:00 A.M.
DAY: Saturday
DATE: April 2, 1977

ACTION REQUESTED:
Other: X Your comments

STAFF RESPONSE:
X I concur.
Please note other comments below: ___ No comment.

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)

WASHINGTON

Date: March 31, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Jack Watson
Hugh Carter
Richard Harden

FOR INFORMATION: The Vice President
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

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__X__ Your comments

Other:

STAFF RESPONSE:

__✓__ I concur. ____ No comment.

Please note other comments below:

mm/c

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WASHINGTON

Gibson - prompt attn

Date: March 31, 1977

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1977 MAR 31 PM 5 01

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__X__ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

See attached memo.

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THE WHITE HOUSE

WASHINGTON

April 1, 1977

MEMORANDUM FOR: The President

FROM: Jack Watson

SUBJECT: Reaction to Bert Lance Memo of March 30 regarding Coordination Among Reorganization Efforts

The proposed memorandum from the President to the Cabinet seems to grant greater latitude to the Departments than is desirable. If OMB is only informed of intra-departmental reorganization plans 30 days before implementation it will be difficult to relate such plans to overall reorganization initiatives and the plans of other departments.

Moreover, I think that the departments would benefit from additional, specific guidance on the President's expectations for the reorganization efforts both within departments and government-wide. Whether included in this memorandum or handled separately, I think the departments should be given immediate guidance on:

1. how the various Presidential requests affecting reorganization fit together,

2. what organizational or management principles will be applied when OMB and the White House review departmental reorganization plans,

3. Presidential concerns about the process of conducting departmental reorganizations (e.g., citizen participation, Congressional involvement, etc.) and

4. enough information about the timing of inter-departmental reorganization activities to make coordination possible.

In dealing with Cabinet members and the Under Secretaries I believe not only that the Departments would benefit from this type of specific guidance but that they are eager to have it.

THE WHITE HOUSE

WASHINGTON

April 1, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
SI LAZARUS

SUBJECT: Bert Lance Memo 3/30 re Coordination Among Reorganization Efforts

We agree completely with Bert's memorandum and with the objectives he has drafted for your signature. However, we are concerned that the draft memorandum to the Cabinet members may not be as strong or specific as it could be in spelling out the obligations of the agency heads to keep OMB informed at all stages of their internal reorganization efforts.

We would suggest the following revisions:

On the first page of the draft memorandum, third paragraph, first sentence, revise the present wording to read, "Each agency is primarily responsible for planning its own interdepartmental reforms."

On page two, change second sentence to read, "First, I wish to maintain an up-to-date government-wide record of the status of all reorganization planning and implementation."

WASHINGTON

3/31

Date: March 31, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Hamilton Jordan
Bob Lipshutz - concur
Jack Watson
Hugh Carter - concur
Richard Harden

FOR INFORMATION: The Vice President
Frank Moore

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SUBJECT: Bert Lance memo 3/30 re Coordination Among Reorganization Efforts.

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__X__ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

Suggest memo be changed as noted.

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

MAR 30 1977

MEMORANDUM FOR THE PRESIDENT

FROM: BERT LANCE

SUBJECT: Coordination Among Reorganization Efforts

Many of the departments have begun to reform their own structure and management. The President's Reorganization Project established in OMB is working on government-wide reorganization.

As we discussed at our reorganization meeting on March 10, we need both a clearer definition of responsibility between agency and the President's Reorganization Project efforts and a better coordination mechanism to facilitate information sharing between the White House staff and other senior government officials. This memorandum describes a rationale for our proposals, sets forth the coordination method to which you agreed, and requests your signature on a memorandum implementing the proposal.

Need for Central Coordination of Reorganization Efforts

- Agency heads may initiate proposals which appear intradepartmental in nature but, in fact, impact on an interdepartmental project underway or planned for the near future. In order to avoid duplication and conflict, these problems must be spotted early.

- During your campaign, you set forth a number of goals and a general philosophy of reorganization. Reorganization initiatives should be checked for compatibility with these objectives.

- While reorganization will be planned and implemented by many agencies, it should remain the President's Reorganization Project. All initiatives should be recorded at a central point, and the President should have the opportunity to choose those which he personally wishes to announce.

° Congress and the public may perceive the Carter reorganization to be fragmented and haphazard unless some form of coordination is achieved.

Recommended Procedure

° You must take a strong and clear leadership role in building a team relationship between agency and the President's Reorganization Project reorganization efforts. It should be made clear that: (1) agencies have primary responsibility for developing and implementing intradepartmental plans; (2) the President's Reorganization Project has primary responsibility for developing and implementing interdepartmental initiatives; and (3) the President's Reorganization Project has responsibility for coordination of all reorganization initiatives.

° A coordination mechanism must be established which provides for the President's Reorganization Project review of agency efforts. This review would include both a periodic general review and a review of specific proposals prior to implementation.

° This procedure will give the President's Reorganization Project time to review agency reorganization proposals with senior White House staff and give their comments to you before an agency head requests a decision.

Attached is a draft memorandum to the Cabinet Secretaries which covers these points. If you agree with the wording of the memorandum, please sign it. You may also wish to discuss it at a Cabinet meeting.

Attachment

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION

SUBJECT: Coordination of Government Reorganization Efforts

Working with each of you,

Since I took office, I have requested that each of you begin to reform the structure and management of your agency. I have also established the President's Reorganization Project in OMB and made it responsible for government-wide efforts.

A cooperative working relationship among all of us is essential to the success of reorganization. We must avoid fragmentation or duplication of effort and maintain maximum communication. A clear understanding of roles now will avoid problems in the future.

Each agency is responsible for planning its own intra-departmental reforms. The President's Reorganization Project will be primarily responsible for developing and implementing proposals which affect more than one department or agency. While doing so, they will, of course, consult closely with agency heads who might be affected by proposed changes.

There are several reasons to build a coordination mechanism for all our efforts. First, I wish to maintain an up-to-date government-wide record of all reorganization initiatives. Second, we need to be sure that all reorganization efforts reflect similar objectives. Third, we must avoid duplicative efforts. Therefore, I have asked Harrison Wellford, Executive Associate Director for Reorganization and Management at OMB, to assume an overall coordination role. He will periodically request reports of your planning and consult with you frequently. It is also important that you notify him of initiatives at least 30 days prior to implementation. He will provide each of you with a copy of the monthly ~~status~~ Reorganization Status Report.

Be meeting with each of you individually in the next two-three weeks to discuss the ideas in this memo in more detail and he will

(2) Do you want to mention the fact that you are setting up a Presidential Reorganization Advisory Committee headed by Dick Pettigrew?



WASHINGTON

1. L B.
2. #.0.

Date: March 31, 1977

MEMORANDUM

FOR ACTION:
Stu Eizenstat
Hamilton Jordan ✓
Bob Lipshutz
Jack Watson
Hugh Carter
Richard Harden

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