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APPROVED
JAN 2-1975

ACTION

THE WHITE HOUSE Last Day: January 4
WASHINGTON

December 28, 1974

Postal
1/3
To archive
1/3

MEMORANDUM FOR THE PRESIDENT
FROM: KEN COLE
SUBJECT: Enrolled Bill H.R. 17558
Saint Lawrence Seaway Development Corporation Administrator

Attached for your consideration is H.R. 17558, sponsored by Representative Blatnik, which provides for a fixed seven year term for the Administrator of the Saint Lawrence Seaway Development Corporation and eliminates the position of Deputy Administrator, a position which has not been filled since 1961.

OMB recommends approval and provides additional background information in its enrolled bill report (Tab A).

Max Friedersdorf (Loen) and Phil Areeda both recommend approval.

RECOMMENDATION

That you sign H.R. 17558 (Tab B)



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

DEC 23 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 17558 - Saint Lawrence Seaway
Development Corporation Administrator
Sponsor - Rep. Blatnik (D) Minnesota

Last Day for Action

January 4, 1975

Purpose

Provides for a fixed seven year term for the Administrator of the Saint Lawrence Seaway Development Corporation and eliminates the position of Deputy Administrator.

Agency Recommendations

Office of Management and Budget

Approval

Department of Transportation

Approval

Discussion

H.R. 17558 would provide for a fixed seven year term for the Administrator of the Saint Lawrence Seaway Development Corporation (SLSDC), to be appointed by the President with the advice and consent of the Senate. Currently, the Administrator serves at the President's pleasure. This provision would not affect the current Administrator, who may continue to serve at the President's pleasure without being reappointed under this procedure.

The bill would also eliminate the position of Deputy Administrator of the Corporation, a position which has not been filled since 1961. Since the Administrator would have authority to hire such staff as is needed, this statutory position is not necessary.

The SLSDC was created in 1954 as a Government corporation to construct, maintain and operate the U.S. portion of the Saint Lawrence Seaway in conjunction with a similar Canadian entity. It was intended that the costs of construction would be repaid with interest from tolls levied on the seaway's users. However, since the toll revenues have not been sufficient to repay both interest and capital, the interest payments have been forgiven by the Federal Government. This removes some of the arguments that the SLSDC is an independent business-oriented corporation.

The SLSDC works with a similar Canadian entity, whose president is appointed to a ten year term. Proponents of the fixed term feel that continuity is a desirable factor when dealing with international issues, such as the seaway. However, it is not of overriding concern, as evidenced by the fact that our ambassadors do not serve fixed terms. The fixed term for such a corporation is not entirely unprecedented, although there are also numerous examples of indeterminate terms. In addition, a fixed term would conflict with the earlier intent of Congress as expressed in the SLSDC enacting law to give the Secretary of Transportation a policy oversight role.

OMB would have preferred that this fixed-term proposal for the SLSDC Administrator be studied in greater detail, particularly for its relationship to similar corporations. However, the bill was only introduced on December 3, 1974. While we have some problems with it as outlined above, we do not feel that they are major enough to warrant disapproval.

Wilfred H. Rommel
Assistant Director for
Legislative Reference

Enclosures





GENERAL COUNSEL

OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

December 20, 1974

Honorable Roy L. Ash
Director
Office of Management and Budget
Executive Office Building
Washington, D. C.

Dear Mr. Ash:

This is in response to your request for the views of the Department on H.R. 17558, an enrolled bill:

"To amend the Act of May 13, 1954, relating to the Saint Lawrence Seaway Development Corporation to provide for a seven-year term of office for the Administrator, and for other purposes."

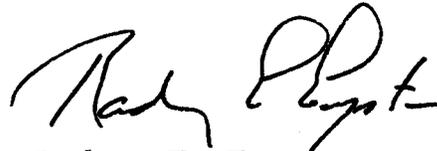
As indicated by the preamble of the bill set forth above, H.R. 17558 provides for the appointment of the Administrator of the Saint Lawrence Seaway Development Corporation for a seven-year term. No term of office is specified for the Administrator under existing law. The bill also does away with the statutory post of deputy administrator, a position which has not been filled for several years. The amendments made by the bill would take effect upon the first appointment of an Administrator made after the date of enactment of the bill.

The Seaway Corporation is a wholly owned Government corporation established for the purpose of constructing, operating, and maintaining, in coordination with the Saint Lawrence Seaway Authority of Canada, navigation works in designated sections of the Saint Lawrence River. The Corporation carries out its functions under the special budget and audit provisions of the Government Corporation Control Act and finances its operations from charges imposed for the use of Seaway services and facilities.

Enactment of the bill would ensure greater continuity of leadership for the Corporation, an important ingredient to the smooth conduct of its business-type functions. Establishment of a fixed term of office for the Seaway Administrator also would be consistent with the arrangement respecting chief executives of certain other Government organizations which conduct business-type functions.

The Department recommends that the President sign the enrolled bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney Eyster". The signature is written in a cursive style with a large, looped initial "R".

Rodney E. Eyster

THE WHITE HOUSE
WASHINGTON

December 27, 1974

MEMORANDUM FOR: WARREN HENDRIKS
FROM: MAX L. FRIEDERSDORF
SUBJECT: Action Memorandum - Log No. 848
Enrolled Bill HR 17558
St. Lawrence Seaway Development Corp. Admin.

The Office of Legislative Affairs concurs in the attached proposal and has no additional recommendations.

Attachment

Rec'd 12-24-74 (1:00 p.m.)

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

To-
Sharon Hendricks
12-24-74
3:30 p.m.
upon receipt of bill
in H.H.

DEC 23 1974

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 17558 - Saint Lawrence Seaway
Development Corporation Administrator
Sponsor - Rep. Blatnik (D) Minnesota

Last Day for Action

January 4, 1975

Purpose

Provides for a fixed seven year term for the Administrator of the Saint Lawrence Seaway Development Corporation and eliminates the position of Deputy Administrator.

Agency Recommendations

Office of Management and Budget

Approval

Department of Transportation

Approval

Discussion

H.R. 17558 would provide for a fixed seven year term for the Administrator of the Saint Lawrence Seaway Development Corporation (SLSDC), to be appointed by the President with the advice and consent of the Senate. Currently, the Administrator serves at the President's pleasure. This provision would not affect the current Administrator, who may continue to serve at the President's pleasure without being reappointed under this procedure.

The bill would also eliminate the position of Deputy Administrator of the Corporation, a position which has not been filled since 1961. Since the Administrator would have authority to hire such staff as is needed, this statutory position is not necessary.



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 848

Date: December 25, 1974

Time: 5:00 p.m.

FOR ACTION: Mike Duval ^W
Max Friedersdorf ^{oh}
Phil Arneson No obj

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: noon

SUBJECT:

Enrolled Bill H.R. 17558 - Saint Lawrence Seaway
Development Corporation Administrator

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

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.

K. R. COLE, JR.
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.: 848

Date: December 26, 1974

Time: 5:00 p.m.

FOR ACTION: Mike Duval
Max Friedersdorf
Phil Areeda

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: noon

SUBJECT:

Enrolled Bill H.R. 17558 - Saint Lawrence Seaway
Development Corporation Administrator

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing



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.

K. R. COLE, JR.
For the President

Date: December 26, 1974

Time: 5:00 p.m.

FOR ACTION: Mike Duval
Max Friedersdorf
Phil Areeda ✓

cc (for information): Warren Hendriks
Jerry Jones

FROM THE STAFF SECRETARY

DUE: Date: Monday, December 30

Time: noon

SUBJECT:

Enrolled Bill H.R. 17558 - Saint Lawrence Seaway
Development Corporation Administrator

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

Please return to Judy Johnston, Ground Floor West Wing

93-1565

*No objection
P. Areeda*



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.

K. Warren K. Hendriks
For the President

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

DECEMBER 11, 1974.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. BLATNIK, from the Committee on Public Works,
submitted the following

REPORT

[To accompany H.R. 17558]

The Committee on Public Works to whom was referred the bill (H.R. 17558) to amend the Act of May 13, 1954, relating to the Saint Lawrence Seaway Development Corporation to provide for a seven-year term of office for the Administrator, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) subsections (a) and (b) of section 2 of the Act of May 13, 1954, referred to as the Saint Lawrence Seaway Act (33 U.S.C. 982), are amended to read as follows:

"MANAGEMENT OF CORPORATION

"SEC. 2. (a) The management of the corporation shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate for a term of seven years. Any Administrator appointed to fill a vacancy in that position prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term."

(b) Subsection (c) of section 2 of such Act of May 13, 1954, is relettered as subsection (b), including any references thereto.

SEC. 2. The amendments made to section 2 of the Act of May 13, 1954, by the first section of this Act shall (1) take effect upon the first appointment of an Administrator of the Saint Lawrence Seaway Development Corporation which is made after the date of enactment of this Act, and (2) be applicable to such first appointment and to each subsequent appointment to such position.

PURPOSE

The purpose of the bill, as reported, is to provide for a fixed 7-year term of office for the Administrator of the Saint Lawrence Seaway Development Corporation. The bill also eliminates the position of Deputy Administrator.

GENERAL STATEMENT

The Saint Lawrence Seaway Development Corporation was created by Congress in 1954 as a Government corporation to construct, operate, maintain, and develop the United States portion of the Saint Lawrence Seaway. This is the joint U.S.-Canadian waterway which opened the Great Lakes to deepwater navigation. Because the costs of construction of the Seaway were to be repaid from revenues generated from tolls levied on its traffic, a Government corporation was chosen to manage the Seaway. The Corporation is to conduct the Seaway's business in conjunction with the appropriate Canadian entity in a manner that will eventually return the original investment to the Treasury while meeting all current financial obligations.

Since the opening of the Seaway, a sizable international maritime industry has developed on the Great Lakes. Millions of dollars in local, State, and Federal funds have been invested in dock and harbor facilities throughout the region and many jobs are directly involved in this industry. The commercial health of this international maritime industry is necessarily dependent upon the Saint Lawrence Seaway, and the operational and development activities of the Seaway Corporation have become of prime importance not only to the Corporation in terms of income but also to the ports and shipping industry throughout the Great Lakes/Seaway.

Since the planning, formulation, and implementation activities of this nature frequently cover an extended period of time, particularly in the maritime industry, it is important to both the Corporation and the region that the highest degree of continuity be maintained. The leadership of the Corporation, if it is to truly function as a business entity, must be in a position to devise and implement long-range programs and must be in the hands of a professional administrator thoroughly conversant with the Seaway and its industry. In the Corporation's efforts to attract and sustain cargo, as in its dealings with its Canadian counterpart, there is an increasing awareness of the need for continuity in order to assure the long-range implementation of business decisions. The Canadian Government in recognizing this fact appoints the Administrator's Canadian counterpart, the President of the St. Lawrence Seaway Authority, to a term of 10 years.

The bill in establishing a 7-year term for the Administrator will provide the needed continuity. This new fixed 7-year term will take effect upon the first appointment of an Administrator of the Saint Lawrence Seaway Development Corporation which is made after the date of enactment of this Act.

The bill also eliminates the position of Deputy Administrator of the Seaway Corporation. This position has not been filled since 1961. In view of the provision of a fixed term for the Administrator and his statutory authority to hire such officers and employees as he feels are necessary to conduct the business of the Corporation, and in light of the long-standing vacancy, it is considered that the position of Deputy Administrator should be eliminated.

COST OF THE LEGISLATION

Enactment of the bill will not result in any additional costs to the United States. In fact, with the elimination of the position of Deputy Administrator, a savings of \$36,000 a year at present salary levels will be realized.

VOTE

The Committee ordered H.R. 17558 reported by voice vote.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman) :

SECTION 2 OF THE SAINT LAWRENCE SEAWAY ACT

[MANAGEMENT OF CORPORATION

[SEC. 2. (a) The management of the Corporation shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$17,500 per annum.

[(b) To assist the Administrator in the execution of the functions vested in the Corporation there shall be a Deputy Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall receive compensation at the rate of \$16,000 per annum. The Deputy Administrator shall perform such duties as the Administrator may from time to time designate, and shall be acting Administrator and perform the functions of the Administrator during the absence or disability of the Administrator or in the event of a vacancy in the Office of the Administrator.]

Management of Corporation

Sec. 2. (a) The management of the corporation shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of seven years. Any Administrator appointed to fill a vacancy in that position prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

[(c) (b) There is hereby established the Advisory Board of the Saint Lawrence Seaway Development Corporation, which shall be composed of five members appointed by the President, by and with the advice and consent of the Senate, not more than three of whom shall belong to the same political party. The Advisory Board shall

meet at the call of the Administrator, who shall require it to meet not less often than once each ninety days; shall review the general policies of the Corporation, including its policies in connection with design and construction of facilities and the establishment of rules of measurement for vessels and cargo and rates of charges or tolls; and shall advise the Administrator with respect thereto. Members of the Advisory Board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties, together with their necessary traveling expenses while going to and coming from meetings.

○



Ninety-third Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the twenty-first day of January,
one thousand nine hundred and seventy-four*

An Act

To amend the Act of May 13, 1954, relating to the Saint Lawrence Seaway Development Corporation to provide for a seven-year term of office for the Administrator, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsections (a) and (b) of section 2 of the Act of May 13, 1954, referred to as the Saint Lawrence Seaway Act (33 U.S.C. 982), are amended to read as follows:

“MANAGEMENT OF CORPORATION

“SEC. 2. (a) The management of the corporation shall be vested in an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of seven years. Any Administrator appointed to fill a vacancy in that position prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.”

(b) Subsection (c) of section 2 of such Act of May 13, 1954, is relettered as subsection (b), including any references thereto.

SEC. 2. The amendments made to section 2 of the Act of May 13, 1954, by the first section of this Act shall (1) take effect upon the first appointment of an Administrator of the Saint Lawrence Seaway Development Corporation which is made after the date of enactment of this Act, and (2) be applicable to such first appointment and to each subsequent appointment to such position.

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*

December 24, 1974

Dear Mr. Director:

The following bills were received at the White House on December 24th:

S.J. Res. 40 ✓	S. 3481 ✓	H.R. 8958 ✓	H.R. 14600 ✓
S.J. Res. 133 ✓	S. 3548 ✓	H.R. 8981 ✓	H.R. 14689 ✓
S.J. Res. 262 ✓	S. 3934 ✓	H.R. 9182 ✓	H.R. 14718 ✓
✓S. 251 ✓	✓S. 3943 ✓	✓H.R. 9199 ✓	✓H.R. 15173 ✓
✓S. 356 ✓	✓S. 3976 ✓	✓H.R. 9588 ✓	✓H.R. 15223 ✓
✓S. 521 ✓	✓S. 4073 ✓	✓H.R. 9654 ✓	✓H.R. 15229 ✓
✓S. 544 ✓	✓S. 4206 ✓	✓H.R. 10212 ✓	✓H.R. 15322 ✓
✓S. 663 ✓	H.J. Res. 1178 ✓	✓H.R. 10701 ✓	✓H.R. 15977 ✓
✓S. 754 ✓	H.J. Res. 1180 ✓	✓H.R. 10710 ✓	✓H.R. 16045 ✓
✓S. 1017 ✓	✓H.R. 421 ✓	✓H.R. 10827 ✓	✓H.R. 16215 ✓
✓S. 1083 ✓	✓H.R. 1715 ✓	✓H.R. 11144 ✓	✓H.R. 16596 ✓
✓S. 1296 ✓	✓H.R. 1820 ✓	✓H.R. 11273 ✓	✓H.R. 16925 ✓
✓S. 1418 ✓	✓H.R. 2208 ✓	✓H.R. 11796 ✓	✓H.R. 17010 ✓
✓S. 2149 ✓	✓H.R. 2933 ✓	✓H.R. 11802 ✓	✓H.R. 17045 ✓
✓S. 2446 ✓	✓H.R. 3203 ✓	✓H.R. 11847 ✓	✓H.R. 17085 ✓
✓S. 2807 ✓	✓H.R. 3339 ✓	✓H.R. 11897 ✓	✓H.R. 17468 ✓
✓S. 2854 ✓	✓H.R. 5264 ✓	✓H.R. 12044 ✓	✓H.R. 17558 ✓
✓S. 2888 ✓	✓H.R. 5463 ✓	✓H.R. 12113 ✓	✓H.R. 17597 ✓
✓S. 2994 ✓	✓H.R. 5773 ✓	✓H.R. 12427 ✓	✓H.R. 17628 ✓
✓S. 3022 ✓	✓H.R. 7599 ✓	✓H.R. 12884 ✓	✓H.R. 17655 ✓
✓S. 3289 ✓	✓H.R. 7684 ✓	✓H.R. 13022 ✓	
✓S. 3358 ✓	✓H.R. 7767 ✓	✓H.R. 13296 ✓	
✓S. 3359 ✓	✓H.R. 8214 ✓	✓H.R. 13869 ✓	
✓S. 3394 ✓	✓H.R. 8322 ✓	✓H.R. 14449 ✓	
✓S. 3433 ✓	✓H.R. 8591 ✓	✓H.R. 14461 ✓	

Please let the President have reports and recommendations as to the approval of these bills as soon as possible.

Sincerely,

Robert D. Linder
Chief Executive Clerk

The Honorable Roy L. Ash
Director
Office of Management and Budget
Washington, D. C.