

The original documents are located in Box 42, folder “Uranium Enrichment - General” of the John Marsh Files at the Gerald R. Ford Presidential Library.

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THE WHITE HOUSE

WASHINGTON

July 3, 1975

MEMORANDUM FOR: JOHN O. MARSH

FROM: JERRY WARREN 

As you know, the President feels that his plan for a competitive nuclear fuels industry carries a very high priority. He would like to see the uranium enrichment legislation enacted quickly, and to do so, he will need your help.

Because of the complexity of the President's proposal, I felt that it would be helpful to put together a package that explains the plan in some detail. I think it is important that the topic be understood by those at the highest level of Government, so that you can adequately convey this message to the public.

Thanks.

Enclosures

PRIORITY
PRECEDENCE

UNCLAS
CLASSIFICATION

FOR COMM CENTER USE ONLY

FROM: JACK MARSH

TO: DICK CHENEY

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[Signature]

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SPECIAL INSTRUCTIONS:

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THE WHITE HOUSE
WASHINGTON

December 3, 1975

*Please
dispatch
you*

MEMORANDUM FOR THE PRESIDENT

FROM: MAX L. FRIEDERSORF *J.M.F.*
JAMES M. CANNON
SUBJECT: Senate Hearings on Uranium Enrichment

As a direct result of your recent phone call to Senator John Pastore (D-Rhode Island), Chairman of the Joint Committee on Atomic Energy, he has scheduled immediate hearings on our uranium enrichment proposal. (Schedule attached). Senator Pastore reports that you committed that the very highest level administration witnesses, including Secretary Kissinger, would be made available to testify prior to the Christmas recess.

The Committee scheduled nine days of hearings during December. The State Department and the National Security Council advise that the Secretary will not be able to testify during the one of the six days (December 9) on which the Secretary will be in town. The State Department proposes that Undersecretary Ingersoll stand in for Kissinger. Senator Pastore objects strenuously and looks upon such an arrangement as a blatant breach of his agreement with you.

The Chairman sent word last night that hearings will be suspended and no further action will be taken on the legislation until Secretary Kissinger is available.

We strongly urge that you discuss the problem with Secretary Kissinger and instruct us at your earliest convenience.

SCHEDULED WITNESSES
URANIUM ENRICHMENT HEARINGS
Joint Committee on Atomic Energy
December 2-9, 1975

December 2, 1975

Robert C. Seamans, Jr.
Robert Fri
William Anders

Administrator, ERDA
ERDA
Chairman, Nuclear
Regulatory Commission

December 3, 1975

Frank Zarb
Russell Train
Thomas Kauper

FEA
EPA
Justice (Antitrust
Division)

December 4, 1975

Steve Gardner
Paul MacAvoy
John Dunlop

Treasury
For Alan Greenspan
Labor

December 9, 1975

Henry Kissinger
James Lynn
Alan Greenspan
Elmer Staats

State
OMB
Council of Economic
Advisers
Comptroller General



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FM JAMES CONNOR

TO DICK CHENEY

UNCLAS WH52403

DECEMBER 4, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: JIM CONNOR

SUBJECT: URANIUM ENRICHMENT--STATUS REPORT

THE FIRST THREE DAYS OF HEARINGS HAVE BEEN COMPLETED. THIS MEMORANDUM REPORTS ON DEVELOPMENTS, ISSUES AND ACTIONS UNDERWAY TO DEAL WITH THE ISSUES.

WITNESSES

- WITNESSES APPEARING ON DECEMBER 2-4 WERE: SEAMANS, ANDERS, ZARB, TRAIN, KAUPER (JUSTICE), DUNLOP, MACAVOY, GARDNER, AND CONGRESSMAN HARSHA (WHO APPEARED TO TESTIFY IN FAVOR OF A GOVERNMENT ADD-ON PLANT IN HIS DISTRICT --PORTSMOUTH, OHIO.)
- WITNESSES SCHEDULED FOR MONDAY ARE ELMER STAATS, LYNN AND GREENSPAN. INGERSOLL IS PREPARED TO TESTIFY BY CHAIRMAN PASTORE HAS INDICATED THAT THIS IS NOT ACCEPTABLE.
- CHAIRMAN PASTORE ADJOURNED TODAY'S HEARINGS WITH AN ANNOUNCEMENT THAT HEARINGS WOULD RESUME ON TUESDAY, DECEMBER 9 TO HEAR KISSINGER, LYNN AND STAATS.

ISSUES

THE PRINCIPAL ISSUES AND TOPICS THAT HAVE BEEN ADDRESSED THUS FAR ARE AS FOLLOWS:

***** * * * * * WHSR COMMENT * * * * *

HYLAND, MCFARLANE, RODMAN

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1. CONGRESSIONAL REVIEW AND APPROVAL OF CONTRACTS WITH PROSPECTIVE PRIVATE URANIUM ENRICHMENT FIRMS

- ADMINISTRATION WITNESSES HAVE STRESSED THAT APPROVAL OF LEGISLATION DOES NOT MEAN APPROVAL OF UEA OR ANY OTHER CONTRACT, AND THAT LEGISLATION CONTEMPLATES REVIEW BY JCAE BEFORE ANY CONTRACT IS SIGNED.
- CONGRESSIONAL REVIEW HAS EMERGED AS THE PRINCIPAL ISSUE WITH SOME STRONG INDICATIONS IN COMMENTS FROM PASTORE TO ZARB THAT OTHER ISSUES MAY NOT BE PROBLEMS IF ACCEPTABLE CONGRESSIONAL REVIEW PROCEDURES ARE WORKED OUT.
- ALTERNATIVE PROCEDURES AND LANGUAGE ARE BEING DEVELOPED WITHIN YOUR ADMINISTRATION (ERDA, FEA, OMB, WHITE HOUSE COUNSEL AND DOMESTIC COUNCIL) WITH JCAE STAFF FOR DISCUSSION.

2. FEASIBILITY AND RELATIVE COST OF A PRIVATE (UEA) STAND-ALONE PLANT IN ALABAMA VS. A GOVERNMENT ADD-ON PLANT AT PORTSMOUTH, OHIO

- GAO HAD CONTENDED THAT ADD-ON PLANT WOULD BE CHEAPER AND COULD BE BROUGHT ON LINE SOONER.
- ADMINISTRATION WITNESSES HAVE MADE IT CLEAR THAT:
 - ADD-ON PLANT COULD NOT BE BROUGHT ON LINE AHEAD OF A PRIVATE PLANT AND THAT EITHER COULD BE AVAILABLE WHEN NEEDED IN 1983-84.
 - GAO CONSIDERED ONLY CAPITAL COSTS IN THEIR COMPARISON. HIGHER OPERATING COSTS AT PORTSMOUTH (BECAUSE OF MORE EXPENSIVE COAL-FIRE ELECTRICAL POWER) WOULD OFFSET HIGHER CAPITAL COSTS.
 - BECAUSE OF AIR QUALITY REQUIREMENTS, THERE IS AT LEAST AS MUCH UNCERTAINTY IN PRODUCING COAL-FIRED ELECTRICAL POWER FOR PORTSMOUTH AS THERE WOULD BE IN BUILDING NUCLEAR PLANTS FOR THE UEA FACILITY.

3. BUDGET IMPACT

JCAE MEMBERS SEEM TO BE IMPRESSED BY THE ARGUMENT THAT THE BUDGET IMPACT OF A GOVERNMENT ADD-ON PLANT SHOULD BE AVOIDED IF POSSIBLE.

RECALLED

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4. RISK AND RETURN ON INVESTMENT

THERE IS STILL CONSIDERABLE DISCUSSION OF RISK, RETURN ON INVESTMENT AND NATURE OF FEDERAL ASSURANCES; BUT THESE MAY BE RESOLVED IF WE CAN WORK OUT A MUTUALLY ACCEPTABLE CONGRESSIONAL REVIEW AND APPROVAL PROCEDURE FOR INDIVIDUAL CONTRACTS.

5. SUMMARY

THERE SEEMS TO BE CONSIDERABLE ACCEPTANCE (EXCEPT BY SENATOR CASE) OF THE OBJECTIVE OF HAVING PRIVATE INDUSTRY INVOLVED. THUS, AS EXPECTED, ATTENTION IS FOCUSED ON THE ACCEPTABILITY OF THE UEA PROPOSAL AND THE RELATIVE MERITS OF THE PORTSMOUTH ADD-ON.

CC: MR. MARSH
MR. CONNOR

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December 6, 1975

*Crossed
GMB-
Pickup*

MEMORANDUM FOR: JIM CANNON

FROM: JACK MARSH

I think you might want to put a memo in the system which is a status report on the uranium enrichment hearings.

You may wish to transmit this to the Presidential party while in travel status, or you may prefer to wait until the first of the week and send it in to the President through the regular system.

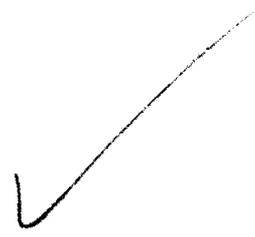
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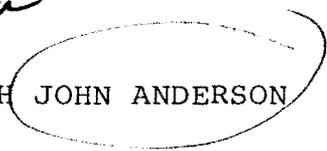
THE WHITE HOUSE
WASHINGTON

July 9, 1976



MEMORANDUM FOR: JACK MARSH
FROM: GLENN SCHEEDE
SUBJECT: CONVERSATION WITH JOHN ANDERSON

Glenn



Here are the talking points that I promised. Please let me know if you need any more.

cc: Jim Cannon
Jim Connor
Charlie Leppert

THE WHITE HOUSE

ACTION

WASHINGTON

July 10, 1976

MEMORANDUM FOR: JIM CANNON
JIM CONNOR
JACK MARSH
MAX FRIEDERSDORF

FROM: 
GLENN SCHLEEDE

SUBJECT: NUCLEAR FUELS ASSURANCE ACT

Charlie Leppert called me last night after he talked with John Anderson. He suggested that I get word to all of you early this morning on the NFAA problem.

Briefly, if we do not get this bill passed during the week of the 19th it may not be possible to enter into contracts with private ventures before April 1977. By then one or more of the private firms may decide to give up.

The reasons for my gloomy predictions are as follows:

- . assuming adjournment on October 2, I understand that there are only 45 legislative days remaining. This total would be changed only if the session goes beyond October 2 or if the Congress comes back after the general election.
 - 20 between the current recess and the Republican Convention.
 - 5 in August before the Labor Day recess.
 - 20 after the Labor Day recess.
- . the NFAA provides for 60 legislative days for Congressional review and approval by concurrent resolution for each contract. That review period breaks down as follows:
 - the JCAE must submit recommendations and proposed resolution for approval or disapproval to each House of the Congress within 30 days of receiving the contracts.
 - the resolutions must become pending business within each House within 25 days thereafter.

-- there must be a vote within 5 days after that.

- . Any chance for getting the contracts approved this year already depends on getting each House to shorten the 60 day review period. As a practical matter this means shortening the 25 and 5 day periods. Undoubtedly, the JCAE will need all 30 days. There has been some indication from Tip O'Neill that he would push such an approach.
- . Contracts are not yet ready to go for approval and negotiations are lagging principally because of the lack of any movement for the bill since the JCAE reported it out on May 14. If we have the bill passed in both Houses by the end of the first week after recess (July 23) and the contracts delivered by the second week (July 30), we would have left a total of 35 legislative days in which to get Congressional approval.
- . Assuming we can't get contracts approved during the current session of Congress, they could not submit until the new Congress -- probably around January 20. 60 legislative days into the new Congress takes us well into April 1977.

John Anderson

John Anderson is crucial to the bill in the House as I indicated before. He has asked Congressman Price to delay consideration of the bill until the second week after the current recess. Congressman Price responded that he had had a call from the President that he couldn't please everybody and they would have to proceed with the bill.

Leppert tells me the bill is on the schedule for House consideration during the week of July 19 but that it is well down on the list, suggesting no action before Thursday or Friday (July 22-23).

The specific dates when Anderson will be in the Far East are in some dispute:

- . Anderson's office indicates that he would be back on the evening of the 20th if he does not go to China and that he would be back on the night of the 27th or 28th if he does go to China.
- . Congressman Anderson told Leppert last night he plans to be back on either the 23rd or 24th. Charlie believes, however, that once Anderson gets in the Far East the length of his stay is likely to be extended -- making the original prediction of the 27th or 28th more valid than the 23rd or 24th.

Anderson is going to the Far East with his wife and son at the invitation of the University of Tapei. He leaves Rockford very early on Monday July 12. His tel # is 815-399-3647.

Other Points

The longer the delays, the more proposed amendments that are piling up. There are at least 6 on the House side now, including amendments to:

- . strip out everything but the add-on plant.
- . prohibit any foreign investment.

You should also note that we must still get an appropriations bill through to provide the \$8 billion to cover contingency liabilities. Our arrangement to have this included in the ERDA appropriations bill (Public Works) fell apart totally because the Congress did not act on the NFAA in June.

Recommendations

- . Very strong urging including the President call, if necessary, to Congressman Anderson that he return on the 20th.
- . If this fails, attempt to go ahead in the House without Anderson, but this is risky.
- . Presidential calls to Senator's Mansfield, Scott, Pastore, Baker and others urging that the bill be taken up in the Senate during the first week after the recess (You should note, however, that Senator Pastore has indicated he wants House action completed first.)
- . That we notify the President that there is a real risk that private contracts can't go ahead until April 1977.

SUBSEQUENT CONVERSATIONS ON SATURDAY MORNING:

- . With Jim Connor: After running over above with him, Jim suggested (a) remote possibility of using an offer of Government transportation to get Anderson back, (b) trying to go ahead with the bill without Anderson, and (c) having Charlie Leppert explore this latter point with Anderson.
- . With Charlie Leppert: He tried to reach Anderson but couldn't. Anderson's wife said: "you mean that somebody still thinks that the bill will come up before the 27th or 28th?" Charlie suggests that Max try to get through to Anderson.
- . With OMB staff: Joe Evins has asked ERDA to get word to the President that, if the President vetoes the Public Works Appropriation Bill, he (Evins) will sit on the \$8 billion appropriations language for the NFAA when it is sent up.

cc: Leppert
Kendall
Jim Lynn

TALKING POINTS FOR CONVERSATION WITH JOHN ANDERSON

- I understand we have a real problem on the scheduling of the Nuclear Fuel Assurance Act (NFAA). As you know the President called Mel Price and urged him to get the bill passed as soon as possible and I understand that Tip O'Neill and Mel are now committed to get the bill up early in the week of July 19.
- Time is crucial for us because we still have to get through the Senate before we can send up the contracts with the four private firms for Congressional approval.
- Because of promises made by Tip O'Neill, we think there is a good chance of getting the contracts through this session in less than 60 days (by getting the contracts brought to the floor soon after the Joint Committee on Atomic Energy (JCAE) completes its 30-day review).
- If we lose another week, this greatly diminishes the chances of getting contracts approved and may mean that we would be held up until the next session of Congress. By then, one of two of the private firms that want to build plants might even give up.
- You are so crucial to the success of this bill that it is hard to think of having it come up without you leading the fight. But I understand that you might stay an extra week in the Far East and that you would not be back in town until the week of the 26th.
- Is there any possibility you could come back sooner so that we could avoid the additional delay?

Other points worth noting to Anderson!

- . The NFAA would provide the first opportunity to get the U.S. back in the market of supplying enriched uranium to foreign customers -- which is crucial to our non-proliferation efforts. The President is aware of his (Anderson's) strong interest in acting on non-proliferation problems and notes that this is another reason for moving the NFAA.

August 5, 1976

Dear John:

I have heard many comments about the great job you did on the Nuclear Fuel Assurances legislation.

Your efforts were obvious in the victory.

Many thanks.

Sincerely,

John O. Marsh, Jr.
Counsellor to the President

The Honorable John Anderson
House of Representatives
Washington, D. C. 20500

JOM/dl

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NOTE:

John Anderson is scheduled to leave Chicago on Monday, the 12th, and, if he returned after completing business in Taiwan and Japan, he would arrive in town on the evening of the 20th. If he goes to China, as he now plans, he would return to Washington around the 27 or 28.

THE WHITE HOUSE
WASHINGTON

September 21

Mr. Marsh:

FYI. Jim Connor
spoke with John
Venneman this
morning.

Thanks.

Donna



THE WHITE HOUSE
WASHINGTON

DONNA:

FYI - and in
case you want it
for your records,
Jim Connor spoke
to Jack Veneman
early this morning
re this.

Eleanor

9/21

SEP 17 1976

OFFICE OF THE VICE PRESIDENT
WASHINGTON

September 16, 1976

MEMORANDUM FOR JACK MARSH

FROM: JACK VENEMAN *(Signature)*

The Vice President is going into Ohio on Wednesday, September 22. Can someone give me a quick briefing on the uranium enrichment legislation vis-a-vis Senator Glenn and the Portsmouth facility that was discussed at staff meeting this morning.

Thanks.

Jim Connor -

*Could you touch
base with Jack Veneman
concerning the above.
Thanks, Jack*

*Done 9/21
JC spok + Veneman*



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WASHINGTON

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*delivered
9/21/76*

