The original documents are located in Box 8, folder "Congressional - Strip Mining (3)" of the Philip Buchen Files at the Gerald R. Ford Presidential Library.

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FOR IMMEDIATE RELEASE

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE HOUSE OF REPRESENTATIVES:

I am today returning without my approval, H.R. 25, the proposed Surface Mining Control and Reclamation Act of 1975. I am unable to sign this bill because:

- 1. As many as 36,000 people would lose jobs when unemployment already is too high.
- 2. Consumers would pay higher costs -- particularly for electric bills -- when consumer costs are already too high.
- 3. The Mation would be more dependent on foreign oil -- when we are already overly dependent and dangerously vulnerable.
- 4. Coal production would be unnecessarily reduced --- when this vital domestic energy resource is needed more than ever.

America is approaching a more serious domestic energy shortage, and we are not facing up to it.

We can develop our energy sources while protecting our environment. But this bill does not do that. I have supported responsible action to control surface mining and to reclaim damaged land. I continue to support actions which strike a proper balance between our energy and economic goals and important environmental objectives.

Unfortunately, H.R. 25 does not strike such a balance.

Since I submitted my comprehensive national energy program earlier this year -- a program which included a tough but balanced surface mining bill -- our energy situation has continued to deteriorate. With domestic energy production continuing to drop, we are today more vulnerable to the disruption of oil supplies than we were during the Mid-East oil embargo. We will be even more vulnerable as our economy recovers and energy consumption increases. This vulnerability places us in an untenable situation and could result in new and serious economic problems.

Coupled with this steadily deteriorating situation is the fact that the Congress has yet to act on a comprehensive energy program capable of achieving goals on which we all agree. Several Congressional committees have worked hard to develop solutions. Unfortunately, their proposals are inadequate to achieve the energy objectives I have set.

more



As the one abundant energy source over which the United States has total control, coal is critical to the achievement of American energy independence. In the face of our deteriorating energy situation, we must not arbitrarily place restrictions on the development of this energy resource.

It is with a deep sense of regret that I find it necessary to reject this legislation. My Administration has worked hard with the Congress to try to develop an acceptable surface mining bill and other energy programs which could, when taken together, enable us to reduce energy imports and meet environmental objectives. While the Congress accepted in H.R. 25 some of my proposals, it rejected others necessary to reduce the adverse impact on coal production and to clarify various provisions of the legislation to make it precise and more workable.

The Department of the Interior and the Federal Energy Administration now advise me that, if this bill were to become law, a production loss of 40 to 162 million tons would result in 1977. This would mean that six to twenty-four percent of expected 1977 coal production would be lost. Actually, production losses resulting from H.R. 25 could run considerably higher because of ambiguities in the bill and uncertainties over many of its provisions.

The bill I sent to the Congress in February would have also entailed production losses estimated between 33 and 80 million tons. Even though these losses would have been substantial, we could have accepted them if Congress had enacted the comprehensive energy program I proposed. But, now the potential losses of H.R. 25 are intolerable.

The reduction in coal production would mean that the United States will be forced to import more foreign oil. To demonstrate the seriousness of this problem, it is estimated that we would be forced to import an additional 215 million barrels of oil a year at a cost of \$2.3 billion for every 50 million tons of coal not mined. At a time when our dependence on Mid East oil is expected to double in just 2-1/2 years, I believe it would be unwise to further increase this dependency by signing into law H.R. 25. This kind of setback in coal production would cause our dependence on Mid-East oil to triple by 1977.

Additional reasons for withholding approval of H.R. 25 are its legislative shortcomings. These include:

- -- Ambiguous, vague and complex provisions -- as the record of Congressional debate indicates. The bill would lead to years of regulatory delays, litigation and uncertainty against the best interests of achieving either our environmental or energy objectives.
- Cumbersome and unwieldy Federal State regulatory and enforcement provisions. H.R. 25 would inject the Federal Government immediately into a field which is already regulated by most states. Since 1971, 21 states which produce over 90 percent of the nation's surface mined coal have either enacted new environmental legislation governing surface mining or have strengthened laws already on the books.



- -- H.R. 25's tax provisions which would be excessive and unnecessarily increase the price of coal.
- -- Its provisions which enable State governments to ban surface mining of coal on Federal lands -- thus preventing a national resource from being used in the national interest.
- -- Its provisions permitting the Federal government to pay private landowners 80 percent or more of the cost of reclaiming previously-mined land, leaving title to the land in private hands, could provide windfall profits at the expense of coal consumers.

In short, I favor action to protect the environment, to prevent abuses that have accompanied surface mining of coal, and to reclaim land disturbed by surface mining. I believe that we can achieve those goals without imposing unreasonable restraints on our ability to achieve energy independence, without adding unnecessary costs, without creating more unemployment and without precluding the use of vital domestic energy resources.

GERALD R. FORD

THE WHITE HOUSE,

May 20, 1975.

#



THE WHITE HOUSE

"turned the Hill

4:30 Talked with Ken Lazarus who said Mr. Buchen showed him a copy of the Udall letter on Monday and asked what should be done about it. Mr. Lazarus feels they're trying to throw out a fishnet. Mr. Lazarus suggested sending Zarb and letting him answer the questions. Thinks Mr. Buchen was going to let Zarb answer the letter.

Lazarus said what they're really fishing for is OMB, Domestic Council and White House staff. Should let Zarb handle it.

Lazarus said Mr. Lazarus attended a meeting with Friedersdorf this morning concernig the strategy to be used in the strip mining veto. So he thinks that's why they're all getting up in the air about it.

Mr. Hills:

4:15 Vern Loen had called earlier to say that he is being pressured on the letter from Cong. Udall and they need to know where it stands.

2591

I left word for Lazarus but he hasn't called me back. (He's expected back shortly)

Bob Wolthius just stopped in to ask again -- indicating they are pestering Loen about it. (Deadling to day)

Did Mr. Buchen discuss this with you?

Eva



THE WHITE HOUSE

J-31-75

TO: MR. BUCHEN
FROM: CHARLES LEPPERT
Please Handle For Your Mormation
Per Our Conversation
Other:

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COMMITTEE ON INTERIOR AND INSULAR AFFAIRS U.S. HOUSE OF REPRESENTATIVES WASHINGTON, D.C. 20515

GENERAL COUNSEL
MICHAEL C. MARDEN
MINORITY COUNSEL

CHARLES CONKLIN

LEE MC FLVAIN

STAFF DIRECTOR

May 30, 1975

The President
The White House
Washington, D.C.

Dear Mr. President:

On May 22, 1975, a letter signed by Rep. Patsy T. Mink and me was delivered to the White House, in which we requested that we be furnished by May 28 with copies of "any memoranda or other analysis" dealing with the projected impacts of H.R. 25 cited as a justification for your disapproval of that bill in the veto message. We also requested that you make available for the Subcommittees' hearing schedule for June 3, those individuals who developed these figures and projections.

As of 12:00 noon today, neither the requested materials nor a list of witnesses has been furnished to us, nor has counsel to our Committee been able to obtain this information from White House staff.

It is the purpose of this letter to reiterate our request for the materials--which are needed immediately if we are to have sufficient opportunity for evaluation--and to request that certain individuals be made available for the hearing.

It has come to our attention that the individuals identified on the attached list were intimately involved in the interpretation of the legislation or in the development of your projections. Of course, the list is not intended to be exhaustive, and you are certainly welcome to make available individuals in addition to those listed who developed the projections.

In order to achieve our mutual goal of establishing the impact of enactment of H.R. 25, it is imperative that

The President

May 30, 1975

the Subcommittees be apprised of the availability of the requested witnesses. I make the further request, therefore, that my office be notified of the names of the witnesses you will be making available for appearance at the hearing by 10:00 a.m., Monday, June 2, 1975.

Your cooperation in this matter will be sincerely appreciated.

Sincerely,

Mørris K. Udall Chairman, Subcommittee

on Energy and the Environment

R.A. Pense

Bureau of Mines

R. Hadley

U.S.G.S.

Denver

Jack Reed

U.S.G.S.

Reston

W.R. Keefer

U.S.G.S.

Denver

Dan Colby

Bureau of Mines

George Miller

Bureau of Mines (Environmental Division)

THE WHITE HOUSE

WASHINGTON

June 2, 1975

Dear Mrs. Mink and Mr. Udall:

In reply to your joint letter of May 22, addressed to the President, this is to advise you that individuals from the Administration will be made available on June 3 for the scheduled hearings before the Subcommittees on Energy and Environment and Mines and Mining.

The basis for the President's veto of H.R. 25 was stated in his memorandum of May 20, and it would be inappropriate to furnish any further information about considerations which may have contributed to the President's decision. The action taken by the President and the Memorandum of Disapproval sent to the Congress constitute the information provided in regard to all such Presidential decisions.

In reply to a letter of May 30, 1975, on the same subject from Congressman Udall, I can report that I am advised that among the Administration witnesses available for testifying at your scheduled hearing of June 3, 1975, will be the following individuals who were responsible for developing the figures with which you are concerned:

John Hill Deputy Administrator, Federal

Energy Administration

Eric Zausner Acting Deputy Administrator, FEA

Dr. Tom Falkie Director, Bureau of Mines, Department

of Interior

Raymond Peck Office of General Counsel,

Department of Commerce

They will be accompanied by at least the following:

Al Cook Director, Economic Analysis, FEA
Dan Jones Office of Coal FEA

Dan Jones Office of Coal, FEA
Jim Paone Bureau of Mines Dox

ne Bureau of Mines, Department of Interior



The six additional individuals named with the letter of May 30 will also be available to testify to the extent of their participation, if any, in the development of the figures.

Also, I am advised that the Subcommittee staffs already have in hand materials which explain how estimates were made of the adverse impacts on production, reserves, and employment that enactment of H.R. 25 would produce. These materials were presented in the form of a letter on May 23, 1975, from Thomas V. Falkie, Director of the Bureau of Mines, to Senator Metcalf, along with two attachments, and copies have been furnished to your staffs.

Sincerely,

Philip (W. Buchen

Counsel to the President

The Honorable Patsy T. Mink House of Representatives Washington, D.C. 20515

The Honorable Morris K. Udall House of Representatives Washington, D.C. 20515



THE WHITE HOUSE WASHINGTON

June 2, 1975

Eva:

This letter came in on Saturday and Mr. Leppert of this office gave Mr. Buchen a copy.

Since Mr. Buchen has the action, I am sending you the original of the letter. We have not acknowledged this one -- only the previous one from Udall and Mink.

Thanks.

Elouise Frager



JAMES A. HALEY, FLA., CHAIRMAN

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COMMITTEE ON INTERIOR AND INSULAR AFFAIRS U.S. HOUSE OF REPRESENTATIVES WASHINGTON, D.C. 20515

May 30, 1975

CHARLES CONKLIN STAFF DIRECTOR

LEE MC ELVAIN
GENERAL COUNSEL

MICHAEL C. MARDEN MINORITY COUNSEL

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The White House
Washington, D.C.

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Your cooperation in this matter will be sincerely appreciated.

Sincerely,

Morris K. Udall

Chairman, Subcommittee

on Energy and the Environment



R.A. Pense Bureau of Mines

R. Hadley U.S.G.S. Denver

Jack Reed U.S.G.S. Reston

W.R. Keefer U.S.G.S. Denver

Dan Colby Bureau of Mines

George Miller Bureau of Mines (Environmental Division)



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OFFICIAL BUSINESS

James a Haley

The President
The White House
Washington, D.C.

Toward of Charles Soppert

THE WHITE HOUSE WASHINGTON

June 2, 1975

MEMORANDUM FOR:

PHILIP BUCHEN

FROM:

CHARLES LEPPERT, JR.

Witnesses

John Hill

Deputy Administrator - Federal Energy Administration

Eric Zausner

Acting Deputy Administrator - FEA

Dr. Tom Falkie Director, Bureau of Mines, Department of Interior

Raymond Peck

Office of General Counsel, Department of Commerce

Accompanied By

Al Cook

Director, Economic Analysis, FEA

Dan Jones

Office of Coal, FEA

Jim Paone

Bureau of Mines, Department of Interior

These people had responsibility for developing and establishing the full range of impacts of H. R. 25 the production losses, oil imports, unemployment and consumer prices.

Monday 6/2/75

3:45 Fred Karem called from Kent Frizzell's office.

Apparently you had asked if copies had been delivered of the 5/23 letter from Thomas Falkie to Senator Metcalf.

The House Minority got a copy a week ago Friday (prior to the Holiday) -- as well as to Harvey and Van Ness. A copy was delivered to Udall's office late on Tuesday (after the Holiday).

