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THE WHITE HOUSE  
WASHINGTON

September 2, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JIM CANNON  
FROM: JIM CONNOR *JCL*  
SUBJECT: ERDA - Contract Systems Management Support

The attached memorandum was received in the President's outbox with the following notation:

"I'm not clear on this. What is reaction of Rog Morton and Frank Zarb?"

Please put together a proposal on this subject that can be given a very careful staffing including OMB, FEA and others.

cc: Don Rumsfeld

THE WHITE HOUSE

WASHINGTON

September 1, 1975

MEMORANDUM FOR: JIM CONNOR

FROM: DICK CHENEY



Jim, attached is the Contract Systems Management Support proposal for ERDA which you mentioned to me concerning coal.

This looks like a fairly major endeavor and ought to be carefully staffed, I think, through OMB, FEA, and other places before we move on it.

Why don't you have Cannon pull together a proposal that can be staffed.

Attachment

THE WHITE HOUSE  
WASHINGTON

John Cannon

I'm not clear  
on this.

What is reaction  
of Roy Morton + Frank  
Zack?

THE WHITE HOUSE

WASHINGTON

August 6, 1975

MEMORANDUM FOR THE ADMINISTRATOR

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

As a critical step in meeting our goal of national energy self-sufficiency, the Energy Research and Development Administration has calculated the following:

- that coal production could grow by three or four times from 1975 to 2000;
- that as many as 200 large synthetic fuel plants may be constructed by the end of the century;
- that a major technological effort is needed to increase the proportion of coal burned directly under utility and industrial boilers.

Accelerating the use of coal at this rate is a large and complex job, and its successful accomplishment will require the coordinated efforts of many elements of government and industry.

As a first step, the nation's coal production and distribution system should be analyzed to determine:

1. The extent and manner of coal utilization required to balance U.S. energy needs;
2. The physical plant that must be put into place to balance our overall coal utilization objectives;

2.

3. The physical, technical, and financial resources required to construct and operate the physical plant;
4. The likely actions industry will take to provide these resources on time, operating under normal market forces;
5. The corresponding government programs required to do what industry will not do, or to ease the way for difficult industrial action.

To meet these systems analysis objectives, you are authorized to use your present statutory authority for financing commercial ventures to obtain by contract the support required.



THE VICE PRESIDENT  
WASHINGTON

August 6, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT  
SUBJECT: ERDA - Contract Systems Management Support

I. BACKGROUND

We have discussed the use of a systems management approach to accelerate the development of the nation's coal resources.

With your approval, I took this up with Bob Seamans at ERDA. His analysis (attached at TAB B) concludes the following:

- "The problem of accelerating coal use is novel and important enough to warrant beginning now to establish a strong national system capability to solve the problem;"
- In accelerating the development of its coal resources, the nation faces a "substantial systems analysis and program development task that is analogous to aerospace systems management";
- Therefore, "contract support is required to do the systems analysis job and to help us define the systems analysis task more precisely".

The next step would be your authorization to proceed, and a draft memo is attached for your approval at TAB A.

II. RECOMMENDATION

That you sign the memo at TAB A authorizing ERDA to proceed with coal systems analysis.



THE WHITE HOUSE

The Honorable Robert C. Seamans, Jr.  
Energy Research and Development Administration  
Seventh and D Streets, Southwest  
Washington, D. C. 20545