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THE WHITE HOUSE

WASHINGTON

January 12, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES T. LYNN

FROM:

JAMES E. CONNOR *JEC*

SUBJECT:

Impact Aid in Connection
with OCS and Mineral Lands
Leases

The President reviewed your memorandum of January 6 on the above subject and made the following notation:

"I told Secretary Kleppe of my decision and told him to contact you."

Please follow-up with appropriate action.

cc: Dick Cheney

THE WHITE HOUSE
WASHINGTON

Jim Ryan -

I told Sec. Klespe
of my decision & told
him to contact you.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

January 6, 1976

MEMORANDUM FOR THE PRESIDENT

From: James J. Lynn

Subject: Impact Aid in Connection with OCS and Mineral
Lands Leases

Just before you went to China, you determined to propose to the Congress

- a set of principles upon which any impact aid for Federal energy development should be based, and
- a recommended program which met such principles.

You selected this option over the revenue sharing approach recommended by Secretary Kleppe.

In a subsequent discussion, I mentioned to you the importance of Secretary Kleppe's support of your decision and asked that you discuss it with him. I understand that you did so briefly in a meeting with him last December. You then asked the Secretary to see me about the option you had decided upon.

I have talked briefly with Secretary Kleppe, and Jim Mitchell has briefed the Secretary quite extensively, on the basis for the decision.

The House Merchant Marine and Fisheries Committee is scheduled to begin markup on January 20 and the minority has requested a briefing on the Administration's position late next week. We envision setting up an interagency task force to reduce the principles embodied in your decision to a more specific, recommended program. I believe that Interior should chair the task force and should have responsibility for the briefing of the minority.

Secretary Kleppe intends to call you to affirm in his own mind the decision that you made. He remains unconvinced that the decision can be "sold" on the Hill on the grounds that it is too difficult to explain and may be more costly than a revenue sharing approach. These issues were both discussed in your decision memorandum and I do not share the Secretary's view.

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