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THE WHITE HOUSE

WASHINGTON

August 2, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

MAX FRIEDERSDORF

FROM:

JAMES E. CONNOR *JEC*

SUBJECT:

Letter from Senator Mansfield
re: ERDA Budget

The attached material was returned in the President's outbox with the request that Senator Mansfield be told the latest developments in the funding of an MHD project in Montana.

Please follow-up with appropriate action.

File Attached

cc: Dick Cheney

JIM CONNOR FOR APPROPRIATE
HANDLING.

JC: Do you want Cong. Affair
to call Warfield - or have
OMB do it? Or do you
wonder when will you call yourself?
8. 8/2

THE PRESIDENT HAS SEEN....



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

July 23, 1976

*Tell Mansfield
8/2/76*

P

MEMORANDUM FOR DICK CHENEY

FROM: JAMES T. LYNN

SUBJECT: Letter from Senator Mansfield re ERDA Budget

Senator Mansfield's primary concern is the funding of an MHD project in Montana. Through reprogramming of funds -- now approved and effective -- such funding has been made available in the amount desired by the Senator.

However, the reprogramming of these funds required taking them from coal research. Senator Byrd, acting for Senator Mansfield, apparently committed to House Members who had to approve the reprogramming that he would replace the coal research funds in the Second Supplemental which the President has now signed.

ERDA has requested apportionment of the coal research replacement funds. OMB has recommended that the President notify the Congress of a deferral of such funds. Senator Mansfield is objecting to any such deferral.

OMB took this action on the ground ERDA will not obligate the funds in this fiscal year -- and indeed anticipates a \$200 million carryover in fossil fuel research funds. Under the rules of the Impoundment Control Act, the President must report a deferral since we had already placed the fossil fuel research in reserve funds. However, we will now release the funds from reserve. We will also amend the report to state that the funds have been released. On this basis a deferral will not lay before the Congress; we will simply have reported a temporary action.

THE WHITE HOUSE
WASHINGTON

July 21, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: JAMES T. LYNN
FROM: JAMES E. CONNOR *JEC*
SUBJECT: Friedersdorf Memo Attaching Letter
from Senator Mansfield re: ERDA
Budget

The attached was received in the President's outbox with the following notation directed to you:

"Talk with me."

Please follow-up with the appropriate action as soon as possible.

cc: Dick Cheney

THE PRESIDENT HAS SEEN....

THE WHITE HOUSE

WASHINGTON

July 21, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: MAX L. FRIEDERSDORF

SUBJECT: Senator Mike Mansfield

Senator Mansfield requested the attached letter be delivered personally to the President.

THE PRESIDENT HAS SEEN....

United States Senate
Office of the Majority Leader
Washington, D.C. 20510

July 20, 1976

The President
The White House
Washington, D. C.

Dear Mr. President:

You will recall that, as a result of an oversight by ERDA in sending its budget for the FY '77, it was necessary to reprogram approximately \$20 million from existing fossil fuel projects to provide the necessary funds to initiate the CDIF in Butte. After many discussions, particularly between Senator Robert Byrd and Congressman Yates, it was agreed that the House, with ERDA's approval, would approve the reprogramming action with a promise from the Senate that in the Second Supplemental Appropriations bill, \$20 million would be reinstated to refund those items which were deferred. During Conference, it was agreed that \$16 million rather than \$20 million would be appropriated.

Of the \$16 million, \$8 million was for the solvent refined coal plant equipment modifications near Tacoma, Washington; \$5 million was for a pressurized fluidized bed; and \$3 million was for a fluidized bed combined cycle pilot plant. The locations of the two latter items are not known to the Committee.

Yesterday, I received word that OMB had sent to you a deferral of this \$16 million. This, of course, places ERDA, the Interior Appropriations Committees and me in a very bad position in making us incapable of keeping our promise. Should the OMB proposal be approved, it would cause concern that the commitment to Members of the House, even though fulfilled by the Senate, would be null and void.

I would appreciate your giving this matter your personal attention because both you and Jim Lynn were made aware of the fact that the \$20 million appropriation for MHD in Montana was an accidental oversight on the part of ERDA in presenting its budget. I had thought this matter had been settled to the satisfaction of you, Mr. Lynn, ERDA, the Appropriations Committees and other legislative committees, and to me. Your assistance has been most reassuring and I would hope that that which we have been able to achieve together in this respect would not be foreclosed at this time because of the recommendation of OMB.

With best personal wishes, I am

Respectfully yours,
Mike Mansfield