

The original documents are located in Box 50, folder “1976/07/12 HR14236 Public Works for Water and Power Development and Energy Research, Appropriation Act of 1977 (1)” of the White House Records Office: Legislation Case Files at the Gerald R. Ford Presidential Library.

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87/12/76

APPROVED
JUL 12 1976

ACTION

THE WHITE HOUSE
WASHINGTON

Last Day: July 12

July 10, 1976

Posted
7/12/76
archives
7/12/76

MEMORANDUM FOR	THE PRESIDENT
FROM:	JIM CANNON
SUBJECT:	H.R. 14236 - Public Works for Water and Power Development and Energy Research Appropriation Act, 1977

Attached for your consideration is H.R. 14236, sponsored by Representative Evins.

The enrolled bill appropriates a total of \$9,518,713,000 in budget authority for activities of the Energy Research and Development Administration, the Corps of Engineers-Civil, the Bureau of Reclamation, the power agencies of the Department of the Interior, and several related independent agencies and commissions. The bill also appropriates \$200,000,000 in supplemental transition quarter funds for relief of victims of the Teton Dam disaster. This bill provides \$395.6 million more in 1977 budget authority than your total requests of \$9,123.1 million. The effect of Congressional changes to your requests is to increase estimated outlays by \$348 million in 1977 and \$36 million in 1978.

A detailed discussion of the provisions of the enrolled bill is provided in Jim Lynn's enrolled bill report at Tab A.

RECOMMENDATIONS

OMB, Bill Seidman and CEA (MacAvoy) recommend that you disapprove H.R. 14236. Jack Marsh and Max Friedersdorf recommend approval of H.R. 14236 (see Congressional Staff comments at Tab B). Counsel's Office (Lazarus) and I also recommend approval.



DECISION

Sign H.R. 14236 at Tab C.

(Marsh, Friedersdorf, Counsel's Office, Cannon)

Approve RF Disapprove _____

Veto H.R. 14236.

(OMB, Seidman, CEA)

(Sign message approved by Doug Smith at Tab D)

Approve _____ Disapprove _____



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

JUL 9 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14236 - Public Works for Water
and Power Development and Energy Research Approp-
riation Act, 1977
Sponsor - Rep. Evins (D), Tennessee

Last Day for Action

July 12, 1976 - Monday

Purpose

Appropriates for fiscal year 1977 a total of \$9,518,713,000 in budget authority for activities of the Energy Research and Development Administration, the Corps of Engineers-Civil, the Bureau of Reclamation, the power agencies of the Department of the Interior, and several related independent agencies and commissions. The bill also appropriates \$200,000,000 in supplemental transition quarter funds for relief of victims of the Teton Dam disaster.

Agency Recommendations

Office of Management and Budget	Disapproval (draft veto message is at Tab C)
Affected agencies	Approval (informally)

Discussion

The enrolled bill provides \$395.6 million more in 1977 budget authority than your total requests of \$9,123.1 million. The effect of Congressional changes to your requests is to increase estimated outlays by \$348 million in 1977 and by \$36 million in 1978.

The following table shows the effect of Congressional action on your 1977 budget requests for major agencies in the enrolled bill:

1977 Budget Authority (in millions of dollars)			
	Request	Amount	Differ-
	Considered	provided	ence
		in bill	
Energy Research and Development Administration.....	5,676*	5,750	+74
Corps of Engineers-Civil.....	2,174	2,467	+293
Bureau of Reclamation.....	723	745	+22
Appalachian regional development programs.....	114	118	+4
Nuclear Regulatory Commission....	249	244	-5
Tennessee Valley Authority.....	121	126	+5
Other.....	66	69	+3
Total.....	9,123	9,519	+396

*Adjusted to include a decrease of \$90.8 million for additional revenues from uranium enrichment services. This proposal was included in the 1977 budget under "proposed legislation." The Congress' action in providing funds for ERDA in this bill assumes enactment of this proposal.

It is impossible to directly compare amounts provided in the bill to targets established by the first concurrent resolution on the budget--since the resolution does not provide a breakdown of recommended budget authority by appropriation bill. A comparison can be made, however, to the House and Senate sub-committee allocations:

1977 BUDGET AUTHORITY
(in millions of dollars)

House	Senate	Enrolled
Target	Target	Bill
10,137	9,800	9,519

Major Changes to Requested Amounts

Essentially, significant Congressional changes to your requests occur in two areas: programs of the Energy Research and Development Administration (ERDA) and activities of the major water agencies (Corps of Engineers, Bureau of Reclamation, Tennessee Valley Authority). The following section of the analysis discusses Congressional changes in these areas:

ERDA
(Summary of Changes)

In total, the enrolled bill provides \$74 million more than your requests for ERDA.

- Funds for solar energy research and development, fusion power research and development, and other operating program items have been increased a net \$209 million.
- Funds for plant and capital equipment have been reduced a net \$7 million by incremental funding of approved projects.
- Your \$50 million request for the Geothermal Resources Development Fund has been cut by \$20 million, a reduction which will have little programmatic impact.
- Estimates of revenues from uranium enrichment activities have been increased by \$32 million, an action which will have no programmatic impact.
- A financial adjustment to unobligated balances has been made which results in a \$76 million decrease to new budget authority, with little programmatic impact.

The Congress has, then, attempted to offset major program increases by reductions which, on balance, have little or no program impact.

Solar Energy/Fusion Power R&D

For solar energy activities, the enrolled bill includes \$290 million, an increase of \$130 million above your budget request of \$160 million. The bill provides large increases over your budget for the entire solar research and development program, with an approximate doubling of funds for solar heating and cooling demonstrations.

Without any Congressional add-on, the funding levels in your budget would support a vigorous solar research and development program with a growth of 39 percent above the 1976 funding level. Your program proposed a solar heating and cooling program including some 225 residential and commercial demonstrations in 1977, a solar electric program including construction of a 5 megawatt solar thermal test facility and a 10 megawatt solar central receiver pilot plant, advanced wind machines, research and development to produce large scale arrays of photovoltaic devices, systems design and critical component research and development for ocean thermal electric systems, initiation of the Solar Energy Research Institute, demonstrations of the use of solar energy

for agricultural and industrial applications, and research and development to realize energy from biomass.

Congressional reports accompanying the bill do not specify the exact use and impact of the funding increases. However, as a minimum, the solar research and development program proposed by this bill would provide for a total of 4,000 heating and cooling demonstrations by 1979 (compared to your program of more than 600 demonstrations), mass Federal purchases of photovoltaic devices, \$10 million worth of solar energy construction projects undefined by the Congress, accelerated development leading towards an ocean thermal electric plant, a doubling of research and development on biomass as an energy source, and a three-fold increase in funds for information dissemination.

Dr. Seamans has already testified that such major funding increases could not be effectively spent by ERDA, which already has large unobligated balances in this program. In other words, large funding increases would result in wasteful spending without accelerating the economical utilization of solar energy. Rather, these increases would result in the simultaneous pursuit of additional parallel approaches which have not previously shown sufficient merit to warrant priority attention.

In addition, excessive Federal spending could preempt, supplant, and compete with private sector investments and thereby retard the commercialization of solar energy. This is particularly true for solar heating and cooling where recent studies have shown that further large increases in the number of Federally-funded demonstrations would not result in commensurate further energy savings for the United States.

Moreover, the potential contribution of solar energy to our energy needs (even by the year 2000) seems to be overstated by the proponents. Even with a massive investment in solar heating and cooling of homes (\$280 billion by the year 2000), it has been estimated that solar energy could produce only about 5 percent of the total U.S. energy demand.

It seems clear that the funds included in this bill for solar energy R&D are far in excess of requirements and will allow funding of projects with low marginal value. On the other hand, it is also clear that solar energy research and development has widespread public and Congressional support and that a veto of the additional funding for this program would be a controversial action.

For fusion power R&D, the enrolled bill would provide an additional \$36 million over your \$392 million request. Your budget proposed an increase of \$142 million (57 percent) over the 1976 funding level for this program. The amount included in this bill is excessive, especially in view of the fact that scientific feasibility has not yet been demonstrated for this very long-term (beyond the year 2000) energy technology.

Major Water Agencies

The enrolled bill includes \$200 million you requested on June 11, 1976, for relief of the victims of the Teton Dam failure. Regulations to implement the disaster assistance payments program were completed earlier this week, and payment of claims could begin as soon as this bill is signed since these funds would become available immediately upon enactment of the bill.

In total, the bill increases your requests for the Corps of Engineers, Bureau of Reclamation, and Tennessee Valley Authority by \$320 million. Over \$165 million has been added to accelerate construction of ongoing water resources development projects. Your budget contained funding for all ongoing projects in 1977, with very few projects being delayed solely for insufficient funding.

More significantly, the Congress has added an unrequested \$46 million for advance engineering and design as well as construction of 41 new projects. These new starts imply an estimated future Federal funding commitment of about \$1.5 billion. The 3 percent down payment which the Congress has provided in this bill increases the backlog of water resources projects now under construction to \$21.1 billion.

Assuming annual construction funding of \$2.3 billion--the level contained in this bill--it would take 8-1/2 years to complete the \$19.5 billion in work already underway. Your budget requested no new starts in 1977 because they would add to the pressure for budget increases in future years as well as reduce program controllability.

These new starts--for the Corps of Engineers, the Bureau of Reclamation, and TVA--are shown at Tab A. An historical table showing the number of budgeted and unbudgeted new construction starts, as well as associated funding, since 1966 is at Tab B.

Other significant increases related to water resources development projects include:

- An unrequested \$29 million for construction of small projects and erosion control demonstrations. Because of the relatively small amounts involved, these projects would be well within the capability of local governments to fund.
- An additional \$65 million primarily for dredging of harbors and waterways. While there is a large unfunded backlog of deferred dredging, your budget request was adequate to make orderly progress on reducing it.
- An unrequested \$7 million for hopper dredge design and construction. Private industry has been making efforts to fill the gap in needs left by the attrition of the Corps of Engineers' aging fleet. The Congress' action may discourage private investment and threaten this private sector development.

Recommendation

My recommendation that you veto the enrolled bill is based primarily on these considerations:

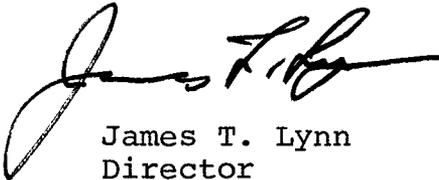
- The Congress has, in this bill, provided \$46 million in unrequested funds for 41 new water resources development projects and for advance engineering and design. The add-on for the new starts represents a three percent down payment on an estimated future Federal funding commitment of approximately \$1.5 billion for completion of these projects.
- Over \$165 million has been added to accelerate construction of ongoing water resources development projects. Your budget contained funding for all ongoing projects in 1977, with few projects being delayed solely for insufficient funding. This add-on is an excessive and unwarranted stimulus to construction projects of the major water agencies.
- Funds for programs of the Energy Research and Development Administration (excluding solar energy) have been increased almost \$80 million. Nearly half of this increase (\$36 million) is related to fusion power research and development, for which your budget proposal would have provided a 57 percent increase over the 1976 funding level. The amount included in this bill for fusion power is excessive, especially in view of the fact that scientific feasibility has not yet been demonstrated for this very long-term energy technology.

While the increases in the bill for solar energy programs (+\$130 million) are, in our view, objectionable, a veto based on increases for solar energy research and development would be highly controversial since the program enjoys widespread public and Congressional support.

We suggest that your veto message make no reference to the increases for solar energy. Instead, we suggest that it refer in generic terms to increases for all energy research and development. In subsequent negotiations with the Congress, we would not insist on dropping the add-on for solar research.

A vetoed Public Works Appropriation Bill would normally be overridden, and this one--containing the Teton Dam disaster funds--is quite likely to be overridden if the opportunity is presented. On the other hand, signing the bill would signal the Administration's acquiescence in raising already-inflated program levels, thus significantly increasing the difficulty of balancing the budget for 1979.

While I recognize the difficulty presented by this bill, I still recommend a veto. A veto now will set the stage for a lower 1978 budget--even if it is overridden--while signing the bill without protest will make our 1978 and 1979 task that much more difficult.



James T. Lynn
Director

Attachments

June 29, 1976

UNBUDGETED NEW STARTS
ADVANCE ENGINEERING AND DESIGN
(\$ thousands)

Corps of Engineers

	<u>1977 Appropriation</u>	<u>Total Estimated Federal Cost</u>
Cottonwood Creek, CA	370	262,000
Eldred & Spanky, IL	100	7,050
Towanda Lk, KA	100	50,200
Manatee Cty., FL.	50	1,270
Elk Crk Hbr., PA	185	2,290
Broadway Lk, SC	90	660
Tamaqua, PA	50	3,904
West Harbor, OH	65	1,470
Skagit River Levee, WA	100	12,500
Savannah Hbr. GA	200	5,212
Sny Island, IL	50	943
Red River Waterway, Shreveport to Index, LA	100	112,000
Saw Mill River, at Elmsford, NY	60	3,120
Strube Lk, & Cougar Additional Unit, OR	150	45,600
	<u>1,670</u>	<u>566,000</u>
Total, Corps of Engineers	1,670	566,000

Bureau of Reclamation

Yakima Project, WA	25	12,600
Dickinson Unit, ND	100	4,000
Pollock Herreid Unit, SD	100	26,000
Polecat Bench Unit, WY	50	46,000
	<u>275</u>	<u>88,600</u>
Total, Bureau of Reclamation	275	88,600
TOTAL, WATER AGENCIES	1,945	654,600

July 1, 1976

UNBUDGETED NEW STARTS CONSTRUCTION
(\$ thousands)

Corps of Engineers

	<u>Appropriation</u>	<u>Total Estimated Federal Cost</u>
Fairfield & Vic. Stream, CA	300	8,400
Humboldt Hbr., & Bay, CA	500	5,100
Port San Luis, CA	1,500	6,510
Del Coast Prot, DL	500	15,000
Potomac Est. Pilot Plant, DC	1,000	7,800
Dade Cty, FL	2,800	30,200
Duval Cty, FL	3,900	11,700
Iao Stream, HA	1,000	9,500
Waianae Small Hbr., HA	1,000	2,806
East Moline, IL	400	7,900
Fulton, IL	400	8,670
Grove Lake, KA	500	84,500
Dayton, KY	150	6,730
Charles River Nat. Storage Area, MA	1,000	11,100
Luddington Hbr., MI	800	4,180
Perry Cty. Levee & Drainage I,II,III,MO	500	3,900
Libby Add. Unit, MT	2,000	193,000
Scajaquada Crk, NY	400	2,400
Huron Hbr., OH	2,000	2,620
Lakeview Park, OH	1,260	1,810
Newark (Log Pond Run), OH	500	1,265
Trexler Lake, PA	300	31,600
Murrels Inlets, SC	800	14,600
Tennessee Colony Lk.,(Land Acquisition), TX	1,000	509,000
Texas City Channel Indus. Canal, TX	200	3,570
Ediz Hook, WA	<u>2,000</u>	<u>7,310</u>
Total -- Corps of Engineers	26,710	991,171

Bureau of Reclamation

Southern Nevada, Phase II, NV	1,200	86,900
Nueces, TX	3,500	60,650
Umatilla Project, McKay Dam, OR	150	1,300
Dolores, CO	850	130,000
Subtotal -- Bureau of Reclamation	<u>5,700</u>	<u>278,850</u>

**UNBUDGETED NEW CONSTRUCTION STARTS
CORPS OF ENGINEERS AND BUREAU OF RECLAMATION**

	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>
<u>Number of New Starts</u>												
Corps of Engineers:												
Budgeted	37	25	10	14	12	16	6	13	4	7	0	0
Unbudgeted	25	33	41	3	34	38	17	20	16	22	16	26
Bureau of Reclamation:												
Budgeted	10	4	4	0	3	9	10	2	0	0	0	0
Unbudgeted	3	2	1	0	3	9	5	3	0	5	5	14
Total:												
Budgeted	47	29	14	14	15	25	16	15	4	7	0	0
Unbudgeted	28	35	42	3	37	47	22	23	16	27	21	40
<u>Total Estimated Cost</u> (\$ in millions)												
Corps of Engineers:												
Budgeted	561	250	351	141	420	829	65	452	19	230	0	0
Unbudgeted	608	608	472	6	583	955	188	694	716	714	343	991
Bureau of Reclamation:												
Budgeted	241	1,000	144	0	132	69	1,026	281	0	0	0	0
Unbudgeted	315	7	1	0	18	972	23	1	0	573	482	455
Total:												
Budgeted	802	1,250	495	141	552	897	1,091	723	19	230	0	0
Unbudgeted	923	615	473	6	601	1,927	211	695	716	1,287	825	1,446
<u>First Year Appropriation</u> (\$ in millions)												
Corps of Engineers:												
Budgeted	23	5	9	17	8	22	2	8	1	3	0	0
Unbudgeted	21	17	24	1	15	24	9	7	11	17	9	28
Bureau of Reclamation:												
Budgeted	21	8	8	0	7	6	8	4	0	0	0	0
Unbudgeted	4	1	1	0	1	3	1	1	0	31	6	15
Total:												
Budgeted	44	13	17	17	15	28	10	12	1	3	0	0
Unbudgeted	25	18	25	1	16	27	10	8	11	48	15	43

THE WHITE HOUSE

WASHINGTON

July 9, 1976

MEMORANDUM FOR:

JIM CANNON

FROM:

MAX FRIEDERSDORF *M.F.*

SUBJECT:

H.R. 14236 - Public Works for
Water and Power Development and
Energy Research Appropriations
Act, 1977.

There is no possible way a veto of this bill can be sustained in either chamber. The bill passed the House by a vote of 378 - 20, the Senate by a vote of 94 - 1. The Conference Report passed the House by a vote of 381 - 15, and the Senate by a voice vote.

The Office of Legislative Affairs recommends the President either sign the bill, or let it become law without his signature, with the release of a statement of objections.

Senator Milton Young, Ranking Republican on the Senate Appropriations Committee strongly urges the President sign the bill.

THE WHITE HOUSE

WASHINGTON

July 6, 1976

MEMORANDUM FOR:

JACK MARSH

FROM:

JOE JENCKES 

SUBJECT:

Senator Milton Young -- Position
on Public Works Appropriations
and Public Works Jobs Bills

Senator Milton Young (R-North Dakota) would like the President to sign H.R. 14236 -- the Public Works Appropriations Bill. Among other things, this bill provides funds for reclamation and Corps of Engineers projects in North Dakota -- namely the Burlington Dam and Garrison Diversion projects.

Senator Young is opposed to the Public Works Jobs Bill, S. 3201, and hopes the President will veto this bill.

cc: Max Friedersdorf

TO THE HOUSE OF REPRESENTATIVES:

I return without my approval H.R. 14236, the Public Works for Water and Power Development and Energy Research Appropriation Act, 1977.

This bill adds nearly \$400 million to my budget request. But the implications for future increases are even more significant than this single figure.

For the Corps of Engineers, the Bureau of Reclamation and the Tennessee Valley Authority, nearly \$320 million has been added. This add-on includes \$46 million for design work and for new construction of 41 projects. These new starts will require an estimated \$1.5 billion in the future. I proposed no new starts in this year's budget because of the huge backlog of construction already underway. The added \$1.5 billion will increase that backlog to over \$21 billion.

The bill would also add \$72 million for dredging of harbors and waterways and for construction of hopper dredges as well as more than \$165 million to accelerate existing construction. Both of these increases are unnecessary.

The enrolled bill would add over \$220 million for energy research and development funding. This Administration fully recognizes the need to pursue energy research and technology programs aggressively. For this reason, my proposed budget for 1977 included a 39% increase for energy research and development programs over 1976 and a 71% increase over 1975. My proposals would permit a continued rapid acceleration of energy programs in areas of appropriate Federal responsibility. However, there are limits to the rate at which these programs can be further accelerated. The size of increases by the Congress is in excess of what is really required or can be effectively used without wasteful spending.

The need is urgent for a bill that would provide the funds I recommended. Expeditious Congressional action on legislation containing my recommendations is particularly critical because it contains funds which I requested to compensate victims of the unfortunate Teton Dam disasters. I urge the Congress to act quickly and pass a revised appropriations bill to insure prompt relief to those who suffered losses in the catastrophe.

THE WHITE HOUSE,

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

T.S.
J. Conroy
7-9-76
12:15 P.M.

JUL 9 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 14236 - Public Works for Water
and Power Development and Energy Research Approp-
riation Act, 1977
Sponsor - Rep. Evins (D), Tennessee

Last Day for Action

July 12, 1976 - Monday

Purpose

Appropriates for fiscal year 1977 a total of \$9,518,713,000 in budget authority for activities of the Energy Research and Development Administration, the Corps of Engineers-Civil, the Bureau of Reclamation, the power agencies of the Department of the Interior, and several related independent agencies and commissions. The bill also appropriates \$200,000,000 in supplemental transition quarter funds for relief of victims of the Teton Dam disaster.

Agency Recommendations

Office of Management and Budget	Disapproval (draft veto message is at Tab C)
Affected agencies	Approval (informally)

Discussion

The enrolled bill provides \$395.6 million more in 1977 budget authority than your total requests of \$9,123.1 million. The effect of Congressional changes to your requests is to increase estimated outlays by \$348 million in 1977 and by \$36 million in 1978.

The following table shows the effect of Congressional action on your 1977 budget requests for major agencies in the enrolled bill:

Tab C.

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there are limits to the rate at which these programs can be further accelerated. The size of increases by the Congress is in excess of what is really required or can be effectively used without wasteful spending.

The need is urgent for a bill that would provide the funds I recommended. Among other needs, the bill includes funds I requested to reimburse those who suffered losses in the recent Teton Dam disaster. To provide prompt help to those victims, I urge the Congress to pass such a bill as quickly as possible.

THE WHITE HOUSE

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 9

Time: 1215pm

FOR ACTION:

Jack Marsh
Bill Seidman
Alan Greenspan
Max Friedersdorf
Ken Lazarus
Gænn Schleede
George Humphreys

cc (for information):

Jim Cavanaugh
Ed Schmults

Lynn May

FROM THE STAFF SECRETARY

DUE: Date: July 9 m

Time: as soon as possible

SUBJECT:

H.R. 14236-Public Works for Water and Power Development
and Energy Research Appropriation Act, 1977

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.
For the President

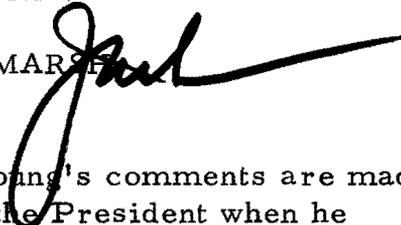
— received
5:10
7/6

THE WHITE HOUSE
WASHINGTON

July 6, 1976

MEMORANDUM FOR: JIM CONNOR

FROM: JACK MARSH



Would you please see that Senator Young's comments are made a part of any staff papers that go to the President when he considers the Public Works Appropriations bill and the Public Works bill.

Many thanks.

advised Marsh the
Public Works bill returned
at or about 3:30 7/6.

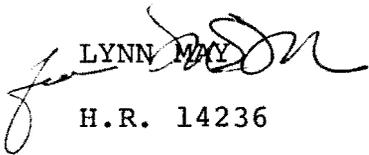
THE WHITE HOUSE

WASHINGTON

July 9, 1976

MEMORANDUM FOR JUDY JOHNSTON

FROM:

LYNN MAY 

SUBJECT:

H.R. 14236

Glenn and George tell me that they concur with OMB's recommendation for veto because of the bill's budgetary impact. Given their recommendation, I have worked-up the veto statement to put more stress on the urgency for Congress to quickly pass a new version containing the appropriations for compensation of the victims of the Teton Dam disaster.

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The need is urgent for a bill that would provide the funds I recommended. ~~Among other needs, the bill includes funds I requested to reimburse those who suffered losses in the recent Teton Dam disaster. To provide prompt help to those victims, I urge the Congress to pass such a bill as quickly as possible.~~

THE WHITE HOUSE



Exped. Congress action on

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THE WHITE HOUSE

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ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*I defer to others on
D.C. Please call J.J.*

Paul

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President



Date: July 9

Time: 1215pm

FOR ACTION:

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Ed Schmults

Lynn May

*to Pres
7/9 3:25
GAM*

FROM THE STAFF SECRETARY

DUE: Date: July 9 n

*TO DJS
7/9 4:40
GAM*

Time: as soon as possible

SUBJECT:

H.R. 14236-Public Works for Water and Power Development
and Energy Research Appropriation Act, 1977

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon
For the President



TO THE HOUSE OF REPRESENTATIVES:

I return without my approval H.R. 14236, the Public Works for Water and Power Development and Energy Research Appropriation Act, 1977.

This bill adds nearly \$400 million to my budget request. But the implications for future increases are even more significant than this single figure.

For the Corps of Engineers, the Bureau of Reclamation and the Tennessee Valley Authority, nearly \$320 million has been added. This add-on includes \$46 million for design work and for new construction of 41 projects. These new starts will require an estimated \$1.5 billion in the future. I proposed no new starts in this year's budget because of the huge backlog of construction already underway. The added \$1.5 billion will increase that backlog to over \$21 billion.

The bill would also add \$72 million for dredging of harbors and waterways and for construction of hopper dredges as well as more than \$165 million to accelerate existing construction. Both of these increases are unnecessary.

The enrolled bill would add over \$220 million for energy research and development funding. This Administration fully recognizes the need to pursue energy research and technology programs aggressively. For this reason, my proposed budget for 1977 included a 39% increase for energy research and development programs over 1976 and a 71% increase over 1975. My proposals would permit a continued rapid acceleration of energy programs in areas of appropriate Federal responsibility. However,



there are limits to the rate at which these programs can be further accelerated. The size of increases by the Congress is in excess of what is ~~really required~~ ^{needed} or can be effectively used without wasteful spending.

~~The need is urgent for~~ A bill that would provide the funds I recommended. ~~Among other needs, the~~ ^{to urgently needed. Among other things, that} bill includes funds I requested to reimburse those who suffered losses in the recent Teton Dam disaster. To provide prompt help to those victims, I urge the Congress to pass such a bill as quickly as possible.

THE WHITE HOUSE

OK



TO THE HOUSE OF REPRESENTATIVES:

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The need is urgent for a bill that would provide the funds I recommended. Among other needs, the bill includes funds I requested to reimburse those who suffered losses in the recent Teton Dam ^{oh} disaster. To provide prompt help to those victims, I urge the Congress to pass such a bill as quickly as possible.

THE WHITE HOUSE



THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: July 9

Time: 1215pm

FOR ACTION:

Jack Marsh
Bill Seidman
Alan Greenspan
Max Friedersdorf
Ken Lazarus
Glenn Schleede
George Humphreys

cc (for information):

Jim Cavanaugh
Ed Schmults

Lynn May

FROM THE STAFF SECRETARY

DUE: Date: July 9 n

Time: as soon as possible

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*I yield to
Lynn May
fwh*

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For the President



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*Recommend
disapproval
Schleede*

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Last day for Pres to get is Monday 7/12

*Disapproval
JWS*



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THE WHITE HOUSE

Insert

Expeditious Congressional action on legislation containing my recommendations is particularly critical because it contains funds which I requested to compensate victims of the unfortunate Teton Dam disasters. I urge the Congress to act quickly and pass a revised appropriations bill to insure prompt relief to those who suffered losses in the catastrophe.



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