

The original documents are located in Box 31, folder “Strip Mining – General (1)” of the John Marsh Files at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald R. Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

QUESTION: Mr. President, what do you intend to do on the Strip Mining Bill? Is it your plan to sign it or veto it?

ANSWER: I have remarked previously it is my desire to have a bill before me so I can study it prior to making any statement as to what I might do. This applies to the Strip Mining Bill. There is a great deal of concern developing over one section of the Bill relating to steep slope mining, which may not have been adequately considered in the present Bill. It should be pointed out that the previous strip mining bill had made some accommodations for this type of mining, but the same provisions were not carried over in this legislation. Predictions are that present steep slope restrictions seriously affect coal supplies of a special quality coal used in metallurgy, and will adversely affect coal resources for other purposes. There are roughly four Appalachian states that use this mining technique and these restrictions will have a very adverse economic impact on the people in these mining operations.



QUESTION: Mr. President, what do you intend to do on the Strip Mining Bill? Is it your plan to sign it or veto it?

ANSWER: I have remarked previously it is my desire to have a bill before me so I can study it prior to making any statement as to what I might do. This applies to the Strip Mining Bill. There is a great deal of concern developing over one section of the Bill relating to steep slope mining, which may not have been adequately considered in the present Bill. It should be pointed out that the previous strip mining bill had made some accommodations for this type of mining, but the same provisions were not carried over in this legislation. Predictions are that present steep slope restrictions seriously affect coal supplies of a special quality coal used in metallurgy, and will adversely affect coal resources for other purposes. There are roughly four Appalachian states that use this mining technique and these restrictions will have a very adverse economic impact on the people in these mining operations.



STRIP MINING VETO NOTES

I. Form a Task Force consisting of:

II. Identify Resources

A. Key Congressional leaders

- (1) Rhodes
- (2) Michel
- (3) Steiger
- (4) Wampler
- (5) Appalachia M/Cs
- (6) Western coal M/Cs
- (7) Others (list)

B. Executive

- (1) FEA (Zarb and Deputies)
- (2) Commerce (Sparling)
- (3) Interior
- (4) Domestic Council (list)
- (5) ERDA (Cantus)
- (6) Other Cabinet (list)
- (7) Vice President
- (8) President
- (9) Other (list)

C. Outside Resources

- (1) Cramer
- (2) Ikard
- (3) Overton
- (4) Utilities Associations
- (5) U. S. Chamber
- (6) Other (list)



III. Strategy Meetings

- A. Rhodes and Michel
- B. Steiger and Wampler and others
 - (1) Time
 - (2) Place
 - (3) List of participants
 - (4) Plan of action
- C. Meeting of outside resources
- D. Meeting of Congressional LA's (Max)
- E. Task Force planning meeting

IV. Materials

- A. Fact sheet
- B. Letters to colleagues
- C. Speeches
- D. Circulate Veto Message

V. Contact key Congressional groups

- A. Holt Group
- B. Satterfield Group
- C. Waggoner Group
- D. Other

VI. Prepare pre-notification list

VII. Vote Survey

- A. List of Republican firm votes
- B. List of Democratic firm votes
- C. Possible votes, Republican and Democratic list
- D. Make vote assignments



VIII. Opposition Assessment

- A. Key leaders
- B. Arguments
- C. Collect materials and letters
- D. Pressure groups
- E. DSG position
- F. Opposition strategy
- G. Significant activities
- H. Prepare counter arguments



ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

March 22, 1975

TO: JIM CANNON
JIM LYNN
FRANK ZARB
MAX FRIEDERSDORF

FROM: *Glenn*
GLENN SCHLEEDE

SUBJECT: STATUS REPORT ON STRIP
MINING LEGISLATION

- The attached paper is for your information.
- A detailed interagency substantive review of the bill is underway under OMB's leadership. This should provide the basis for identifying the most desirable features to push in Conference.

cc: Mike Duval

bcc: Dick Dunham
Jim Cavanaugh
Jack Marsh ✓
Vern Loen
Charlie Leppert



ADMINISTRATIVELY CONFIDENTIAL

STATUS REPORT ON STRIP MINING LEGISLATION

This is the latest assessment of the strip mining bills passed by the House and Senate.

Senate Action

Some helpful changes from last year's bill were made by the Senate. However, one serious problem with the Senate action has since come to light; i.e., the Senate bill combined with floor debate makes it clear that the Senate intends that Federally-owned coal lands will be subject to State law and regulation. If allowed to stand, this would be an undesirable precedent and could prevent development of Federally-owned coal in states establishing rigid requirements.

Interior Department considers this a serious problem. It is possible that the problem could be eliminated in Conference since the House has a much less restrictive view.

House Action

The bill passed by the House on March 14 by a vote of 333-86 is regarded by Interior and FEA as more rigid in several important respects than the bill you vetoed last year. The two most important are:

- . Tightening considerably the restriction on mining in alluvial valley floors. Interior tentatively estimates that the new restriction will increase the adverse production impact by about 40 million tons in the first full year of the bills application and prevent access to substantial coal reserves in the west.
- . Expansion of the scope of the reclamation fund to permit its use to pay costs of "socio-economic impact" related to any energy development -- not just strip mining. The Administration had requested that the fund be used only for reclamation of publicly owned orphaned strip-mined lands, and that it not cover either public facilities or privately owned lands.



With respect to the eight critical changes that were requested, the House bill:

- . Eliminates the special unemployment provisions (retained by Senate).
- . Partially eliminates absolute restrictions on increased stream sedimentation and impact on hydrology.
- . Reduces the excise tax on underground-mined coal and some strip-mined coal (change rejected by Senate).
- . Changes the arbitrary restriction on impoundments (dams) by making them subject to Corps of Engineers authority and standards (rather than accept our change as the Senate did).
- . Rejected changes to:
 - narrow the scope of citizen suits (accepted by Senate).
 - authorize the Secretary to define ambiguous terms (Senate also rejected).
 - authorize mining in National Forests (Senate also rejected).

Interior's tentative estimate of the adverse production impact of the House passed bill is 62-162 tons (18 to 21%) in the first full year of its application. This compares to 48-141 million tons (6 to 18%) for last year's bill. As in the case of previous estimates, these cover only those impacts that can be estimated (e.g., restrictions on steep slope mining, impact on small mine operators). Impacts could be larger if there are delays from extensive litigation of restrictive interpretations of ambiguous provisions of the bill.

Conference

The conferees have not yet been appointed but probably will be next week.

It is too early to predict the probable outcome. If the best provisions from each bill are adopted by the conference, the bill will be better than the one vetoed last year.



THE WHITE HOUSE
WASHINGTON
March 26, 1975

Jim,

I would like to discuss this with you.

Thanks.

Jack Marsh



MAR 24 1975

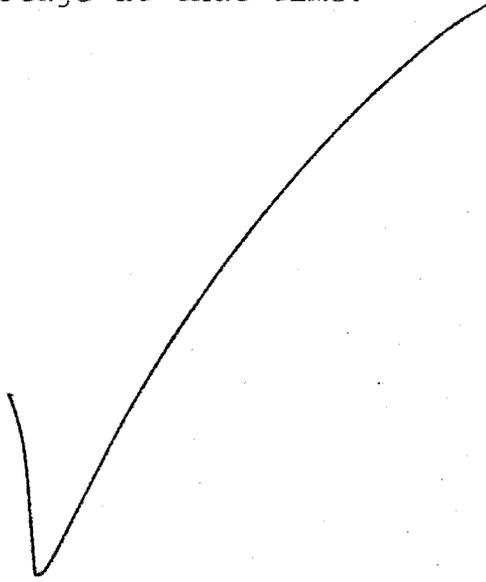
THE WHITE HOUSE
WASHINGTON

March 24, 1975

MEMORANDUM FOR: WARREN RUSTAND
FROM: MAX FRIEDERSDORF *M.F.*
SUBJECT: Proposed Utilities Dinner, April 10

From our standpoint a Utilities Dinner on April 10 might be a problem because this will be about the time that the conference on the strip mining bill may be convening and the President is faced with a very critical decision regarding this legislation which, of course, involves the utilities. The President may decide to confront this issue head-on but I would want to raise the point that the strip mining bill will be at the critical stage at that time.

*cc: Max
Bonney*



THE WHITE HOUSE
WASHINGTON



Jim Conner

I'd like

to discuss

this. JM

THE WHITE HOUSE
WASHINGTON
April 7, 1975

Max --

In reference to the attached, please note my memo to Warren Rustand (attached). The figure cited (1,000 large coal trucks) is fairly accurate.

Thanks.

Jack



APR 4 1974

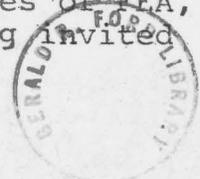
THE WHITE HOUSE
WASHINGTON

April 3, 1975

MEMORANDUM FOR: BILL CASSELMAN/DICK PARSONS
FROM: *Glenn*
GLENN SCHLEEDE
SUBJECT: Appalachian Coal Surface Miners
Demonstration - April 8-10, 1975

Tom Adams of Congressman Wampler's office called to alert the White House to the plans of an Appalachian organization of surface miners to stage a demonstration against the surface mining bill. He indicated that current plans call for the following:

- . The delegation will leave Wise County Virginia about midnight on Sunday April 6, arriving in the Washington area Monday afternoon. Current estimates are that there will be:
 - .. 1,000 large coal trucks
 - .. 20-30 buses
 - .. about 7,000 people including union and nonunion miners, coal mine operators, equipment suppliers, and others who fear loss of Appalachian coal production.
- (Note: The estimate on the number of demonstrators and trucks sounds exaggerated.)
- . The trucks will be parked in Alexandria near Cameron Station.
- . The group has a permit for a downtown truck parade covering the period from 10:00am to 3:00pm on Tuesday, April 8. The expected route will be the 14th Street Bridge to Constitution Ave., 17th or 18th Street to Pennsylvania Ave. to and around the Capitol.
- . 500 of the delegation will hold a meeting in the Cannon House Office Building Caucus Room with the Virginia delegation, Congressman Steiger and other House members on Tuesday, April 8, at 10:00am. Representatives of FEA, Interior, EPA, CEQ and the White House are being invited.



to attend this meeting (but not to speak).

- . The group has a permit for a peaceful demonstration at the West front of the Capitol on Tuesday and Wednesday were about 2,000 people are expected.
- . Representatives of the group will try to meet with all members of the Congress that have voted for the surface mining bill and with all Senate-House Conferees.

Congressman Wampler has been in touch with Jack Marsh, seeking an opportunity for representatives of the delegation to meet with the President to present petitions. (That request is being handled by Jack Marsh and Warren Rustand.)

cc: Jim Cannon
Frank Zarb
Jack Marsh ✓
Warren Rustand



April 1, 1975

MEMORANDUM FOR: WARREN RUSTAND

FROM: JACK MARSH

Congressman Wampler, who represents a coal mining region in Virginia, has called in reference to a short appointment next Tuesday, Wednesday, or Thursday, for the purpose of presenting to the President a petition on behalf of individuals opposed to the Strip Mining Bill. He would like to be accompanied by at least six representatives of various phases of the coal industry.

Next week I understand a large number of strip mining people plan to drive a convoy of coal dump trucks to Washington for the purpose of presenting their case to Congress and the Administration in opposition to the Strip Mining Bill. The Wampler group would be leaders from this effort, who he says will perform in an organized and orderly way.

I discouraged Bill on the chances of such a request being approved because of the schedule next week, but told him I would submit the request.

cc: Don Rumsfeld

JOM/dl



WE'LL ACCEPT THE STATEMENT OF VIRGINIA'S HARRY BYRD OVER THAT OF UDALL

Headline grabbing, stubborn, and possessing knowledge beyond anyone . . . that's the apparent description we have gained of an Arizona Congressman, Morris K. Udall. The sponsor of the unrealistic strip mining bill is a good example of the many "Little Pharoahs" that have gained unlimited power in the legislative halls of the U.S. Congress.

This past Tuesday while hundreds of miners from Southwest Virginia, West Virginia, Kentucky and Tennessee in an orderly manner descended on Washington, Udall made it a point to grab the headlines, supposedly calling a news conference. His statements show he has such limited knowledge of the coal mining industry that he deserves the sympathy of everyone.

The Enterprise very strongly prefers to accept the knowledge of Senator Harry F. Byrd instead of a Congressman from Arizona, that has as much knowledge of coal mining as a child in the third grade. Udall said that the bill would not reduce U.S. coal production nor would it throw miners out of work. He called the protest in Washington "a mischievous and purposeful effort" by segments of the coal industry to mislead miners and their families into thinking their jobs were at stake. The visit of the miners was called by the Arizona politician a "power play."

B. V. Cooper, the director of Va. Surface Mining and Reclamation Assn., said Udall "refuses to believe anyone has a valid point but himself." Little people get elected to public office. They soon become drunk with power. The nation and thousands of citizens suffer because of the obsession for power and glory and the spotlight.

Virginia's true statesman (not a flamboyant politician) Senator Harry F. Byrd welcomed the miners. He said the strip mining bill would result in 47,000 strip miners losing their jobs. That means about 450,000 people directly affected. Byrd opposed the bill. He pointed out that the miners had a perfect right to make their problems known to the lawmakers. He emphasized such was democracy, and pledged his full support. Congressman William Wampler, who has fought the bill continually, also welcomed the group and re-emphasized his promise to work and do all humanly possible to see that President Ford realizes the seriousness of the problem and vetoes the bill.

It is obvious, we think, that Mr. Udall does not begin to comprehend the seriousness of the bill, or either he does not care, and has no interest in the people aside from the district he represents from his own state. Either way, the Enterprise certainly accepts the view and belief of Harry Byrd in preference to a Congressman from Arizona.

The bills so stringent and demanding that anyone that has only a very limited amount of horse sense will readily realize that the steep mountain slopes of Southwest Virginia and West Virginia cannot be returned or re-placed to appear exactly like they were before the coal is dug. We have a granddaughter in the first grade of school. We could show her a mountain and explain the situation, and she would realize and know that such a demand is impossible. There are, apparently, a large number of the Congressmen that don't know why they voted for the bill, or else they have no concern for the future of the nation. Coal is and will become more vital to providing the nation with energy in the years ahead. To eliminate millions of tons annually when the nation faces a crisis at the height of absurdity, and the greatest display of stupidity that has taken place in the Nation's Capitol in decades. This fact is highly significant in view of the chaos and conglomeration of laws that can only be described as being the work of unthinking, inane, irrational people.

The battle cry we have continually used for months is strengthened by the passage of the strip mining bill. Never in the history of the United States has the need been so great for statesmen and people of wisdom and possessing the God-given talent of common sense as it is in this year of 1975.

OPPOSITION TO THE SURFACE MINING ACT

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, last week thousands of union and nonunion surface coal miners, truckers, equipment operators, suppliers, and small coal operators peaceably petitioned the Members of the Congress not to enact the Surface Mining Control and Reclamation Act of 1975, now in conference, in its present form.

Some have attacked the surface coal miners and the truckers, as tools of big business and rapists of our environment. They are neither. They work for extremely small businesses and all but a few of the hundreds of trucks that participated in that parade were owner-operated. Moreover, Virginia's surface miners want to preserve their environment and are willingly abiding by Virginia's surface mining reclamation laws. The people of Virginia and the other States in the Appalachian coal fields are hopeful that there is still time to prevent the enactment of the surface mining control bill in its present form. They want to believe that their Government would not willingly force severe economic and social costs on the people of the Appalachian area. They desire a practical and reasonable law that will allow them to work and still provide balanced protection to their environment.

To assist me in presenting their case to the Congress, I requested the Congressional Research Service of the Library of Congress to draft a statement using the best available data which would present, in recapitulation form, the economic and social costs of implementing the Surface Mining Control and Reclamation Act of 1975, H.R. 25, with special attention to the "steep-slope" requirements, now in conference.

The statement follows:

THE ECONOMIC AND SOCIAL COSTS OF IMPLEMENTING THE SURFACE MINING CONTROL AND RECLAMATION ACT OF 1975—WITH SPECIAL ATTENTION TO THE STEEP-SLOPE REQUIREMENTS

"Central Appalachia remains the most concentrated zone of poverty within the Region", says the Appalachian Regional Commission (1972 Annual Report, p. 20). Do we wish to contribute further to that dismal record by enacting H.R. 25 in its present form?

Section 515 in both H.R. 25 and S. 7, entitled Environmental Protection Performance Standards, requires numerous actions by the mine operator as requirements for all kinds of surface coal mining. Specific additional requirements, applicable to steep-slope surface coal mining are:

(d) (1)—No debris, equipment, spoil material, or waste mineral matter may be placed on the downslope below the bench or mining cut, except to provide initial access and for storage of spoil material in excess of that required to restore the original contour.

(2)—Backfilling to the original contour must cover the highwall and remain stable.

(3)—Land above the top of the highwall may not be disturbed.

(4)—"Steep Slope" is defined by the regulatory authority after consideration of soil, climate, and other characteristics of a region or State.

In its report on H.R. 25, (H. Rept. No. 94-45, March 6, 1975) the House Interior Committee remarked that, although many State regulatory programs have special environmental standards to control mining in steep-slope areas, their effectiveness is problematical. The report cited Maryland's and Kentucky's 33 degree and West Virginia's 30 degree restrictions on fill benches as being not restrictive enough, because (1) "experience . . . has shown that it is extremely difficult to stabilize such massive amounts of material placed on steep downslopes," and (2) because "regulation of operators is frustrated since it is difficult to determine actually how much material has been placed over the side of the hill," and (3) since "most contour surface mining in the Appalachian States occurs on steep slopes between 14 and 33 degrees," operations governed by these State regulations that prohibit fill benches are few (p. 109).

ECONOMIC IMPACT OF THE H.R. 25

It is difficult to arrive at precise estimates of the economic impact of H.R. 25 if it were to be enacted. The Administration has outlined its estimates of the extra costs, both in 1974 on legislation then active and again in the past couple of months on H.R. 25. The following table shows how these costs would impact even more ominously on the small mines.

TABLE I.—ADDITIONAL COSTS TO PRODUCERS FROM H.R. 25

	Small surface mines	All surface mines	All surface and underground mines
Permits costs	\$0.30		
Steep slope costs	.55	\$0.50	\$0.24
Impoundment costs	.10		
Reclamation fund fee	.35	.95	.30
Total	1.30	1.85	0.54
Estimated annual production affected after 1976 (million tons)	400	330	684

¹ Plus 20 to 20 percent.

² Production less than 50,000 tons per year.

Additional costs that were not included by the Administration in its estimates because they are difficult to quantify, but which it states could add 25-55% more to the estimated costs, are:

- (1) requirements for additional capitalization
- (2) protection of alluvial floors
- (3) restoration of aquifers
- (4) citizen suits
- (5) designation of lands as unsuitable for surface coal mining
- (6) costs of exploration permits
- (7) increased costs due to the moratorium on coal leasing on Federal lands
- (8) removal of siltation structures
- (9) restrictions on mining in Natural Forests
- (10) obtaining consent of surface owner for exploration and mining

The Administration estimates that the U.S. coal output could be reduced as much as 167 million tons by H.R. 25, which (at \$15 per ton) would amount to a direct reduction in GNP of \$1.75 billion.

EMPLOYMENT IMPACT OF H.R. 25

The Administration holds that, if coal output were to be reduced by 162 million tons,



higher estimate of the effect of H.R. 25, 14,000 jobs would be lost directly during the first year of the Act's implementation. An additional 12,000 jobs would be lost indirectly, for a total first year impact of 26,000 jobs. This would amount to a loss in wages of \$467 million.

The House Interior Committee, in its report on H.R. 25 (p. 112), discussed some of the costs associated with surface coal mining in steep slopes. Referring to a TVA-sponsored analysis of a study in Campbell County, Tennessee, concerning the "block-cut" approach to mining on slopes greater than 26 degrees (including restoration to the original contour), stated:

"The entire on-site mining and reclamation costs come to \$8.65 per ton of coal for a 36-inch seam. . . . While these costs do not include haulage or user, it is clear that such an operation is economically competitive within present market prices (December, 1974) . . . while average about twice the amount of costs shown here (*Cong. Record*, Dec. 1974, p. S22069)."

In a dissenting view of H.R. 25, included in the House Report (p. 175-176) Congressman Sam Steiger, Don Young, Bob Bauman, and Steve Symms, pointed out that the steep-slope requirements constitute "another anti-small business provision of H.R. 25. This provision alone will put most of the small operators out of business since it is largely small operators who operate on steep slopes."

Furthermore, they continued (p. 176) the decision regarding downslope spoil placement should be made on an "individual" basis rather than on a sweeping legislative prohibition, because: "the true test of whether downslope soil can be stabilized and revegetated to prevent slides and excessive erosion depends upon the particular soil and other conditions at each particular site."

Certainly, experts know that variable geological and topographic conditions produce differing degrees of problems; and different responses to natural influence as well as manmade ones. This issue was discussed at length in hearings on surface-mining legislation during earlier Congresses, and the need for flexibility in the law and in regulations was amply documented at that time.

The minority report by the four Congressmen, cited earlier, also discussed the magnitude of the effect of H.R. 25 on the production of coal in 1973 in the Appalachian region as follows:

In 1973, according to the U.S. Bureau of Mines, half of the bituminous coal produced was by surface mining methods, half of that amount came from Appalachian States, and half of that amount came from slopes greater than 20 degrees; thus, approximately 12% of the total U.S. production in 1973 would have been forbidden under the terms of H.R. 25.

The effect on mining in Virginia is even more significant. In 1973, more than a quarter of its coal production was by surface mining (in 1971, it was 44% for the Bristol economic area), and virtually all of that amount (in 1971 it was 97% from the Bristol area) came from slopes steeper than 20 degrees. At the 1973 price of \$11.59 per ton, the value of the coal production that would have been denied by H.R. 25 would total a little less than \$100 million.

Furthermore, of the 12,400 persons employed in coal mines in Virginia in 1973, approximately 1,650 of them would have been unable to mine this coal because it came from surface mines having a slope steeper than 20 degrees.

In terms of strippable coal resources remaining in the Appalachian region, Virginia has 1.5 billion tons according to the U.S. Bureau of Mines (Information Circular 8531, 1971, p. 14). Although only 17% of that amount can be mined with present technology, according to the Bureau of

Mines, nevertheless the 253 million tons that are thereby classified as strippable reserves do constitute a significant element in long-range U.S. coal picture.* Only two percent of Virginia's strippable reserves, moreover, is high in sulfur in character and thus less desirable as a source of fuel.

These strippable reserves are located in six counties of Southwestern Virginia, as follows (B.M., 1971, p. 114):

Buchanan, 38 percent.
Wise, 25½ percent.
Dickenson, 17½ percent.
Lee, 7 percent.
Russell, 6 percent.
Tazewell, 5½ %.

IMPACT OF H.R. 25 ON U.S. ENERGY POSITION

The Administration has stated that the potential impact of the results of implementation of H.R. 25 would be a reduction of coal output in the long run of 40-162 million tons. If this had to be replaced by imported oil, and additional 138-155 million barrels of oil per year would be required.

However, since not all of this coal can be replaced by oil, the Administration estimates that 20 percent must be supplied by underground mining of coal. This would result in a 10 percent increase in underground coal production per year, at the 1973 rate of production. Although the mining industry has repeatedly stated that it could expand production significantly if adequate safeguards and incentives were provided, present shortages of capital, equipment, and manpower indicate that such an increase would not come easily.

SUMMARY

It was pointed out in the House floor debate on March 14, (*Cong. Record*, March 14, p. H.1748), H.R. 25 would do grievous harm to the coal miners of Southwestern Virginia. Numbers concerning the effect of that bill on surface coal mining in the six coal-producing counties of Virginia, graphically describe the importance of that industry to the Commonwealth, and especially to Virginia's ninth district.

More than 100 coal surface mining companies and suppliers operate in Virginia, employing 2,000 surface miners and 5,000-7,000 people are employed in related jobs; thus, \$125 million is added to the economy of Virginia. Furthermore, much of the underground coal mining in Virginia is made possible because its underground-mined high-sulfur coal can be blended with Virginia's low-sulfur coal that is surface-mined. Furthermore, because the Southwestern Virginia coal occurs in areas with steep slopes (all of the six producing counties have slopes that average 20 degrees or more), the steep-slope restrictions in H.R. 25 would have a devastating effect on the coal surface-mining industry in Virginia, and would bring economic chaos to this area of Appalachia.

In the early half of the 20th century, while the rest of the Nation prospered, Appalachia barely maintained the status quo. Then, in the 1950's the demand for coal decreased; many mines closed and others cut back. Without alternative industry to take up the slack, unemployment soared. By the late 1950's the situation was critical; Appalachia was a region without hope.

In 1963, at the request of the governors of the ten Appalachian States, President Johnson established the President's Appalachian Regional Commission, which combines the resources of nine of the ten Appalachian States and some ten Federal agencies. Eight months later the PARC sub-

mitted its report and recommendations, which were endorsed by the Congress; the result was that in March, 1965, the Appalachian Regional Development Act became law.

Eleven states were included in the original bill, with New York being added during its passage through the Congress and Mississippi later by amendment. The ensuing years of tackling the program's three goals—social, economic, and physical development—has consumed approximately \$1 billion of appropriated funds (plus another \$1.5 billion for highways). The States and local governments have contributed an equivalent amount in both programs.

After ten years, Central Appalachia, (western Virginia, southern West Virginia, eastern Kentucky, and the northern part of eastern Tennessee) reveals a mixture of encouraging and unfavorable trends (Appalachian Regional Commission, 1972 Annual Report, p. 20). Although unemployment has remained significantly higher in Central Appalachia than in the nation or the other three sub-regions of Appalachia, the coal mining industry has been the largest employer since its dramatic reversal in 1970 of the declining unemployment of the 1950's and 1960's. It would be tragic if these employment gains were reversed by the steep-slope requirements of H.R. 25.

"Central Appalachia remains the most centralized zone of poverty within the region," says the ARC 1972 Annual Report. Do we wish to contribute further to that dismal record by enacting H.R. 25 in its present form?

NATIONAL CENTER FOR ASIAN STUDIES

(Mrs. MINK asked and was given permission to extend her remarks at this point in the Record.)

Mrs. MINK. Mr. Speaker, this Nation is involved in a great debate at the moment over whether or not there should be additional military aid to countries in Indochina. There is increasing evidence that a war-weary Congress more and more is taking into consideration the seemingly endless ability of Asian insurgents to continue the present fighting for generations on end until the goals of the liberation forces are met. This kind of drive, this kind of motivation is difficult for most Westerners to understand; and it has been suggested that the willingness to endure these sacrifices on such a large scale as the people of Southeast Asia have for so long is rooted in a psyche that those who look to the Western tradition cannot hope to comprehend.

Is it too presumptuous to offer the opinion that had we as a nation been more aware of the Asian continent as an equal with a culture greater and richer than ours, and with a nationalistic will to bear unthinkable burdens, to commit generations, if necessary, to fight the struggle of self-determination and identity to the end, that we would not have involved ourselves in Southeast Asia as we did?

My point, Mr. Speaker, is that those of us educated in Western ways show an appalling lack of knowledge and understanding of the ways of the East, and while the basic considerations of the insurgent commitment may illustrate this point, I wish to turn today to the Asian peoples and ask the Congress to support

* In the Bristol economic area, 86% of the strippable reserve of \$14 million tons comes from slopes of 20 degrees or greater. (CEQ report, Senate Committee Print Serial 93-8, March, 1972, p. 53).



ham Lincoln to the people of the State of Israel.

Mr. Leon Gildesgame, a constituent of mine from Mount Kisco, N.Y., acquired the award-winning statue of Lincoln sculpted by Chicago artist Sidney Loeb for the express purpose of making this generous donation to demonstrate our affinity with Israel.

Abraham Lincoln symbolizes, for millions of Americans, the cherished dreams of freedom, human dignity and hope for mankind. It is quite a sensitive gesture, then, to present a statue of this great man to the people of Israel. For those people, the dreams of freedom, human dignity, and hope have been a credo under which their nation was born and under which it continues to thrive. Indeed, even the Israeli national anthem, Hatikvah—which means Hope—expresses the thoughts and dreams for which President Lincoln stood.

Mr. Gildesgame's generous offer for the presentation of this statue to the people of Israel is a worthy one and I hope the House will facilitate this generosity and express through it the good relations between the great democracies of the United States and Israel by the passage of this resolution, the text of which follows:

H.J. RES. 406

Joint resolution to provide for the presentation by the United States to Israel of a statue of Abraham Lincoln to be donated by Leon Gildesgame of Mount Kisco, New York

Whereas President Abraham Lincoln symbolizes for millions of Americans the cherished dreams of freedom, human dignity, and hope for mankind;

Whereas the people of the State of Israel share with the American people those dreams which Abraham Lincoln symbolizes; and

Whereas Leon Gildesgame of Mount Kisco, New York is the owner of an award-winning statue of Abraham Lincoln which he has expressed an interest in donating to the United States in order that it may be given as a gift from the people of the United States to the people of Israel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President (1) shall accept, on behalf of the United States, a statue of Abraham Lincoln from Leon Gildesgame of Mount Kisco, New York, and (2) shall present such statue to the people of Israel on behalf of the people of the United States. The President may pay reasonable costs incurred in conjunction with such presentation, including costs incurred for the transportation to, and placement in, Israel of such statue.

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

[Mr. MILLER of Ohio's remarks will appear hereafter in the Extensions of Remarks.]

(Mr. MILLER of Ohio asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

[Mr. MILLER of Ohio's remarks will appear hereafter in the Extensions of Remarks.]

SURFACE MINING REGULATION, UNITED STATES OR VIRGINIA?

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAMPLER. Mr. Speaker, since 1966 the State of Virginia has regulated coal mining operations within its boundaries. Our law, amended in 1968 and again in 1972, has proven very effective, yet it has not placed unreasonable burdens upon operators within the State. Much of the success of our law can be attributed to the efforts of State legislators, who have tailored the regulations to the unique characteristics of the coal beds in Virginia and have considered the needs of both the landowners and the coal operators within the State.

A large percentage of coal mined in Virginia comes from so-called "steep-slope" operations. The average slope angle of Virginia coal mines is approximately 22 to 23 degrees. Consequently, any severe restrictions or prohibitions of coal mining on slopes of 20 degrees or more could virtually destroy the surface coal mining industry within our State.

Other coal producing States in mountainous areas will surely suffer from lost production if the pending legislation is passed. At a time when the policies of our Nation should be directed toward developing every potential domestic energy resource available, it is quite apparent that passage of H.R. 25 or S. 7 is incompatible with a program of energy independence.

Last week Washington was visited by a group of concerned and angry, union and nonunion surface miners, equipment operators, small coal operators and suppliers and the owner-operators of coal-hauling trucks in the Central Appalachian mining area. These men know what a 20-degree slope-angle restriction would do to their livelihood and to the investments of up to \$50,000 that they have in each of their coal trucks. Their concern is well founded, for the present strip-mining proposals would leave many of these hard-working people jobless.

We cannot allow this, especially when our present nationwide unemployment rate is nearing double-digit figures.

I have examined closely the laws established by the State of Virginia for the coal mining operations within its jurisdiction and compared these laws with the present House and Senate bills. One item which I found to be particularly important was the definition of reclamation. According to the State law, reclamation means "the restoration or conversion of disturbed land to a stable condition which minimizes or prevents adverse disruption and the injurious effects thereof and presents a reasonable opportunity for further productive use."

This concept is embodied throughout all of the provisions of Virginia's reclamation law and should be our primary concern in drafting equitable and effective surface mining legislation for the rest of the Nation. If the land can be restored to a reasonable use, why is it necessary to arbitrarily restrict mining on any slopes? It is the final result that counts.

The past 4 years of investigations by

the Congress into the surface mining issue have shown us that the problems associated with surface mining are unique to the different areas of the country. Reclamation methods for returning Western lands to a useful condition cannot be compared with lands in the Eastern United States. This, as my colleague, the distinguished Representative from the State of Arizona (Mr. STEIGER) has pointed out on numerous occasions, is a weakness in the surface mining bill. The sponsors of the bill, in an attempt to write forceful effective legislation, have impaired the flexibility that any regulatory authority must have in order to adapt the provisions of H.R. 25 to the vastly different reclamations situations that will be encountered now and in the future.

Not only does H.R. 25 require that the land must be restored to a condition fully capable of supporting its previous uses, but it also specifies the procedure the operator must use in achieving this goal. It would appear, therefore, that the supporters of H.R. 25 have confused the law with the regulations—regulations which, if initiated at the State regulatory level, could be adapted to the local environment, to local land use, to local programs for agricultural, recreational, commercial or residential development, to local coal mining operations, and to local human needs.

In addition, H.R. 25 is riddled with uncertainties for the coal mine operators. As the administration has already pointed out in testimony before both the House and Senate Interior Committee and in statements to congressional leaders, the surface-mining bills have retained provisions from the bill passed by the 93d Congress that would permit practically any citizen to bring civil action against mine operators, and to halt production of vitally needed coal. This type of provision establishes a negative and unstable framework within which the operator must make business decisions and invest large amount of capital. These commitments may be for as long as 8 years, and the risk may be too great for many operators. A large dragline or shovel, for example, can cost in excess of \$8 million and must be ordered 8 years in advance. The unit must be assembled at the factory, inspected, disassembled, and transported to the mine site on a huge train of 500 rail cars or more. After reaching its destination, the shovel must be reassembled and powered before it can begin the production necessary to amortize its cost. The power plants that will consume the coal from these shovels must have a planned life of up to 30 years and must be guaranteed an uninterrupted supply of coal through long-term contracts.

These decisions are critical to the successful operation of the coal industry and the electric utilities, and cannot be made in the climate of uncertainty that would result from the prospect that a company's coal reserves might be locked up by an injunction resulting from a civil suit. Before committing company funds to large outlays of capital for equipment, and before making contractual arrangements with public utilities, managers must have reasonable assur-

ance that their productions will continue without delays.

Another critical point of difference between the law we have in Virginia and that which would result from the Federal bills is that of restoring the original contours of the mined land. H.R. 25 and S. 7 would require the surface of mined land to be restored to its approximate original contour, with very few exceptions. The Virginia law does not specify original contours, but the director of the State regulatory agency is urged to encourage the adoption of more productive land uses such as pasture, agriculture, recreational areas, industrial and building sites, when mining operations are completed in each area. Not only in Virginia, but also in neighboring States as well, the productivity of mined land has actually been increased by not restoring the original contour. In the State of Kentucky, orchards now yield bountiful harvests of fruits from lands that previously could not have supported such agricultural activity. Perhaps more importantly, much of this agriculture activity could not take place if the original contour had been restored. Benches left by contour mining can even serve a useful purpose as roadbeds for public transportation.

The Virginia surface-mining law is not a weak law in any respect. The law is tough, where it needs to be tough. For example, H.R. 25 requires that operators whose permits have been subsequently revoked disclose such revocation only on new permit applications. The Virginia law, however, in addition to requiring disclosure of any such revocation, prohibits the issuance of a new permit until a detailed hearing is convened to determine whether or not an operator should be allowed to engage in new surface mining operations. In this instance, Virginia felt that former noncompliance with the law should not be taken lightly, and has reinforced these provisions to prevent repeated offenses.

Another section of the Federal law which may prove overwhelming for coal operators is that dealing with auger mining. According to preliminary coal statistics of the U.S. Bureau of Mines 15.7 million tons of coal were produced in the United States by auger mining in 1973. This figure accounted for about 3 percent of the total U.S. output of coal for that year. Almost 2 million tons of that 15.7 million production came from the State of Virginia. Auger mining is important because it increases the efficiency of coal recovery from surface mining operations in mountainous areas. The operator bores into the sides of mountains and extracts coal that cannot otherwise be surface mined due to overburden thickness. Such mining operations do, however, leave horizontal holes, sometimes 7 feet in diameter and up to 300 feet in length, in the sides of hills or mountains. The State of Virginia realized the potential problem of leaving such holes unattended, and requires that auger holes be entirely covered after the augering operation. The Federal law, however, is so stringent in its reclamation requirements for auger mining operations that it could result in the closing of many mines. As it is written, the Fed-

eral law would require that all auger holes be filled with a noncombustible and impervious material. According to authorities on the subject, the only two practical materials that meet these requirements are clay and concrete.

If clay were used, it would have to be forced into the auger holes with heavy equipment, providing the bench was wide enough to allow for their maneuvering. In some cases, clay may not be indigenous to the area and would have to be trucked in at great cost to mine operators. If clay is unavailable, concrete would have to be pumped into the auger holes to meet the requirement. This could be more expensive than even the proponents of the bill imagine.

Let us assume, for example, that coal has been augered out, leaving a hole 4 feet in diameter and 200 feet deep. Lack of local clay of proper character would dictate that concrete be used to fill the hole, the volume of which is approximately 2,500 cubic feet. If the operator purchases the concrete from a ready-mix supplier, he must order 94 cubic yards of concrete at a current price of \$30 per cubic yard for a total cost of nearly \$2,800.

The operator, in creating the hole, removed approximately 126 tons of coal, which at current market prices of \$20 per ton is worth \$2,520. The total market value of the coal, minus the single cost of filling the hole, therefore, nets the operator a loss of \$280. This does not even account for labor costs, equipment amortization, and other expenses which, when added to reclamation cost, will send many operators on a tailspin into bankruptcy. Even if the operator purchased his own concrete-mixing equipment and thus was able to cut the cost of his concrete-filling operation in half, he would barely break even while incurring the high cost of the additional equipment. If auger mining is destroyed by this one provision, which seems likely, we can subtract 15.7 million tons of coal or the energy equivalent of 62.8 million barrels of imported oil from Project Independence program.

This is just one example of a lack of consideration for an industry which in the past has struggled to survive. We should not kill it now when we need it the most. Renewed interest in coal mining has brought a resurgence to the economy of Appalachia, one of our Nation's most impoverished areas. The truck caravan of central Appalachia's citizens and taxpayers are telling us what they want and what they need. How, in good conscience, can we ignore them now?

Coal mining is finally emerging once again as an important industry and it is an essential industry if energy independence is to be achieved. Ill-conceived proposals, such as the one now before us, H.R. 25, would dash those hopes. I trust that the conferees can learn from the successful legislative efforts of the State of Virginia, and pass a surface-mining bill that will be fair for all concerned, and will permit our Nation to provide its citizens with the kind of life that they have struggled so hard to attain.

FOUR NEW PROPOSED RESCISSIONS AND SIX NEW DEFERRALS UNDER CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-109)

The SPEAKER pro tempore (Mr. McFALL) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

I herewith report four new proposed rescissions and six new deferrals as required by the Congressional Budget and Impoundment Control Act of 1974. In addition, I am transmitting two supplementary reports which revise deferral reports made to the Congress in previous special messages.

Five of the reports contained herein are withholdings in the fourth quarter of funds authorized under the Continuing Resolution for the Department of Health, Education, and Welfare. Resolution of two of these items might be better served by action upon the Administration's appropriation request for health planning and emergency school aid in the Second 1975 Supplemental Appropriation bill now pending before the Congress.

The items I am submitting in this special message, along with other actions I have already proposed, provide a means of restraining budget outlays and thereby can help hold the fiscal year 1976 budget deficit within reasonable bounds. When I signed the tax reduction bill on March 29, 1975, I noted that the estimated 1976 deficit had reached about \$60 billion and was threatening to go as high as \$100 billion. Such an enormous deficit could generate another inflationary spiral and might well choke off any economic recovery. I will continue to resist every attempt to add to the deficit.

The details of the rescission and deferral reports are attached.

GERALD R. FORD.

THE WHITE HOUSE, April 18, 1975.

NINE SUPPLEMENTARY REPORTS REVISING DEFERRAL REPORTS, AS REQUIRED BY CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 94-108)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations and ordered to be printed:

To the Congress of the United States:

As required by the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344), I am transmitting nine supplementary reports that revise deferral reports sent to the Congress in the fall of 1974. I am also trans-



April 19

THE W
WASHINGTON

Mr. Marsh --

Glenn Schleede called re the attached: Strip Mining Legislation. There is a 4th alternative:

Hardline attempt to influence conferees with maximum press exposure followed quickly by an attempt to negotiate a compromise with the Conferees.

This alternative is a Zarb/Morton alternative.

This is the alternative Max goes with.

Schleede said they are trying to get this to the President as quickly as possible upon his return from New England.

If possible, Schleed would like a call from you re your recommendation.

Thanks.

donna



PER MY CONVERSATION WITH Schleede:

***This is going to the President upon his return today (Sat.) and JOM might not even have to look at it - (since it will probably be too late).



THE WHITE HOUSE
WASHINGTON



Jack -

Very tough
call -

Would want to
hear views of Zareb
and Morton -

If you grant that
bill is going to
pass anyway, and
that maintaining a

THE WHITE HOUSE
WASHINGTON

veto is unlikely,
 a view with which
 I concur, I would
 have to favor Att.
 #1.

L.



APR 18 1975

*due 4/18
noon*

THE WHITE HOUSE
WASHINGTON

April 17, 1975

MEMORANDUM FOR:

PHIL BUCHEN
MAX FRIEDERSDORF
ALAN GREENSPAN
✓ACK MARSH
BILL SEIDMAN

FROM:

JIM CANNON *JC*

SUBJECT:

STRIP MINING LEGISLATION

We believe it is important to bring the President up to date on the status of this legislation and to obtain his decision on possible additional steps to influence the legislation.

May we have by noon on Friday, April 18, your comments on the attached draft memorandum and your choice among the alternatives.

We are also obtaining comments and votes from Rog Morton, Frank Zarb, Russ Train, Bill Simon and Russ Peterson.

Attachment

cc: Jim Lynn

*Jim -
alternatives
4*

*called
4-19
1:20*



4/16/75 (2)

SUBJECT: Strip Mining Legislation

House-Senate Conferees began meeting on the strip mining bills on Wednesday, April 16, with attention to major issues expected on April 23. Agreement on a bill now appears likely during the week of April 28.

This memorandum is to: (a) report on the House and Senate bills, (b) comment on the outlook for Conference actions, and (c) seek your decision as to whether additional steps should be taken to influence the Conference or to posture the Administration for acceptance or veto of the bill.

THE BILLS PASSED BY THE SENATE (84-13) AND HOUSE (333-86)

Changes from last year's bill. Your February 6, 1975, letter (copy at Tab A) which transmitted the Administration's bill indicated that eight changes were "critical to overcome objections" which led to your veto, and that additional changes were needed to reduce unnecessary production impact and make the bill more effective and workable.

The table at Tab B shows the results of House and Senate action. Briefly, it shows that:

- Three serious new problems were created in one house or the other. All three affect the potential for Western coal development by locking up reserves and reducing expected production. They involve:
- Making Federal coal lands subject to State law and regulation, including bans on mining.
 - Restrictions on mining of alluvial valley floors.
 - Establishing a precedent in Federal law with respect to water rights by requiring that a mining permit applicant demonstrate ability to replace interrupted water supplies.



Of the eight critical changes:

- None were fully adopted by both houses.
- Two were partially adopted by both houses:
 - . Partial lifting of prohibition on sediment increases.
 - . Modified restrictions on location of impoundments (dams)
- Two were fully adopted by one house:
 - . Narrowing of citizen suits.
 - . Eliminating special unemployment provisions.
- Three were partially adopted or partially covered in report language in one house:
 - . Restriction on impacting hydrologic balance.
 - . Authority to define ambiguous terms.
 - . Reducing the tax on coal for a reclamation fund -- (but the permissible uses of the fund were broadened).
- One change -- to permit mining on national forest lands under certain conditions -- was specifically rejected by both houses.

Of the nineteen other changes requested, (a) four were fully accepted and one partially accepted in both houses, (c) three were partially accepted in one house, (d) seven were rejected in both houses, and (e) two were made worse in one house.

Impact of the bills on coal production and reserves, unemployment, inflation. Your February 8, 1975, letter indicated that changes from last year's bill were necessary to avoid unnecessary loss of coal production (and the resulting need to rely on oil imports), reduce ambiguities in the bill, avoid inflationary impact, and correct other deficiencies. Accessibility of reserves also requires attention because of House changes with respect to alluvial valley floors. Interior and FEA have estimated the impact on these factors which are summarized below and provided in more detail at Tab C:

	<u>S.7</u>	<u>H.R.25</u>
<u>Loss of coal production in the 1st full year of application, not including potential impact of delays from litigation or restrictive interpretations of ambiguous provisions:</u>		
- in millions of tons - - - -	40-162	62-162
- as % of expected 1977 production	5% to 22%	8% to 22%
By way of contrast, the vetoed bill involved a potential production loss of 48-141 million tons and the Administration's bill could reduce expected production by 33-80 million tons.		
<u>Lock-up of Coal Reserves,</u>		
<u>principally because of restrictions on mining in alluvial valley floors:</u>		
- in billions of tons - - - -	12-72	33-72
- as % of demonstrated surface-mineable reserve of 137 billion tons - - - - -	9% to 53%	24% to 53%



. <u>Increased Oil Imports</u> , assuming 80% of lost coal production is replaced by oil.		
- <u>millions of barrels per year</u>	138-559	215-559
- <u>dollar value - billions</u>	\$1.5 to \$6.1	\$2.4 to \$6.1
. <u>Job Losses</u> - direct and indirect		
	9,000 to 36,000	14,000 to 36,000
. <u>Inflationary Impact</u> - in addition to higher cost foreign oil would include (in millions)		
- Fee for reclamation fund	\$130	\$204
- Higher production and reclamation costs	\$171	\$171
- Federal & State Program Administration	\$100 \$110 to \$ 160	\$135 \$100 to \$ 160

THE CONFERENCE

Schedule and Actions Taken by the Administration.

Work on controversial issues is expected to begin on April 23. Committee minority staff believe that Democratic conferees have already reached essential agreement and the Conference will be completed quickly. A number of the changes requested in your letter will not be subject to Conference. Detailed position papers outlining Administration position and rationale have been prepared for 29 specific issues which will be subject to Conference action. These papers have been provided to Senator Fannin, Congressman Steiger and other minority conferees. If the positions in these papers are adopted, the estimated adverse effects will be reduced.

Prediction. It is too early to predict the outcome with any certainty, but our current estimate with respect to "critical" changes and new problems are that:

- . Problems involving alluvial valley floors, State control over Federal lands, and water rights will be mitigated somewhat but will remain serious.
- . The Administration position probably will not be adopted with respect to citizen suits or special unemployment provisions.
- . Changes or report language will be adopted to (a) reduce the effect of restrictions on siltation, hydrologic impact, and impoundments; (b) reduce somewhat the excise tax on coal; and (c) indicate that current law permits defining ambiguous terms in regulations.
- . The Administration position has been rejected with respect to mining in national forests.



The net result probably will be a bill that is very similar in acceptability to last year's bill. However, the conferees could vote out a bill that would be either significantly better or worse.

IMPACT OF THE MINERS' DEMONSTRATION

The miners' demonstration last week apparently had several objectives, including (a) highlighting the impact* on small mine operators in Appalachia of steep slope restrictions and permit applications, (b) emphasize expected unemployment, (c) point out that most States have adopted strip mining controls since the bill was first proposed in 1971, (d) urge you to veto the bill, and (e) urge those favoring the bill in the past to vote to sustain a veto. The Congressional relations staff believe it is too early to assess the impact of the demonstration but they note that it apparently has impressed some members from Appalachian states. The demonstration was sponsored by small mine operators and was neither supported nor opposed by large coal mining companies.

OVERALL OUTLOOK FOR THE BILL

There continues to be strong national sympathy for the bill particularly among environmentalists and among people who are not directly affected. Supporters of the bill are contending that its impacts on production, unemployment, etc., are grossly overstated. The inconsistency between the bill and the goal for increased coal production is not widely perceived.

Congressman Burton is a strong proponent of the bill and it is likely that the Democratic caucus will continue to support passage of a rigorous, environmentally oriented bill.

At present, the Congressional Relations staff believes it will be very difficult to sustain a veto.

CUMULATIVE EFFECT OF NEGATIVE ENVIRONMENTAL DECISIONS

In reaching your position on surface mining legislation, you may want to consider a cumulative impact of a number of your decisions affecting environmental concerns that have been offensive to the large number of people in the country who want to improve the environment. These include last year's surface mining bill, clean air amendments, the Interior Secretary appointment, the land use legislation issue, and moves involving leasing and development of oil and gas on the OCS and coal in the West.

*which would be essentially the same under the Administration's bill.

ISSUE FOR DECISION

Should additional actions be taken by the Administration to try to improve the bill in conference or to posture the Administration for acceptance or veto?

Alt. #1: A conciliatory attempt now to influence the Conference. Review the bills personally with Morton, Zarb and Train and obtain agreement on a very small number of desirable changes that would be sought in a "last ditch" attempt to influence the bill and cut losses. Approach conferees either through:
A. Personal contact by the three principals; or
B. A Presidential letter with a concilliatory tone. Either approach should be followed with detailed negotiations--preferably by a principal who is authorized to commit you to accept a bill if the conferees make concessions.

Pro

- . Best approach for taking advtage of any flexibility that the conferees may be willing to exercise (e.g., small changes in report language).
- . Positions the Administration to accept a bill that it probably will get anyway.

Con

- . May be construed as caving in, thus weakening further chances of getting changes in undesirable features of the bill.
- . To the extent changes are accepted, narrows the basis for veto.

Alt. #2: A hard line attempt now to influence the Conference. Dispatch a Presidential letter to the Conferees which (a) continues position in February 6 letter; (b) reiterates changes needed to avoid a veto; and (c) lays out the best possible case for concerns about the bill. A draft letter is enclosed at Tab D. (This draft should give the basis for evaluating the strength of the opposition case--in terms of impact on the public and Congress--if a veto is decided.)



Pro

- . Makes clear your resolve to continue pushing for a better bill.
- . Attracts attention to issues and may influence some conferees to improve the bill.
- . Provides a rallying point for opponents of undesirable features of the bill.

Con

- . Unlikely to have much impact on the bill.
- . Reduces options for accepting the bill when it passes.
- . Using arguments against the bill now may weaken their impact later if a veto is decided, and provide more time for counterarguments.

- Alt. #3: Make no significant moves now. Continue current work with Conferees, maintaining position in February 6 letter. Immediately assess results of conference and decide then whether to:
- A. begin posturing to accept or veto the bill through an announcement of your intentions before floor votes; or
 - B. wait for final Congressional action before deciding acceptance or veto.

Pro

- . Additional action now is unlikely to affect the Conference bill.
- . Keeps options open to accept or veto the bill.

Con

- . Passes up the last opportunity to influence contents of the bill -- short of a sustained veto.
- . Passes up an opportunity to begin positioning to accept the bill or to sway marginal votes against undesirable features of the bill.

RECOMMENDATIONS AND DECISION

_____ Alt. #1. A concilliatory attempt now to influence the Conference.

_____ Alt. #2. A hard line attempt now to influence the Conference.

_____ Alt. #3. Make no significant moves now.



TAB A



THE WHITE HOUSE

WASHINGTON

February 6, 1975

Dear Mr. Speaker:

Our Nation is faced with the need to find the right balance among a number of very desirable national objectives. We must find the right balance because we simply cannot achieve all desirable objectives at once.

In the case of legislation governing surface coal mining activities, we must strike a balance between our desire for environmental protection and our need to increase domestic coal production. This consideration has taken on added significance over the past few months. It has become clear that our abundant domestic reserves of coal must become a growing part of our Nation's drive for energy independence.

Last December, I concluded that it would not be in the Nation's best interests for me to approve the surface coal mining bill which passed the 93rd Congress as S. 425. That bill would have:

- . Caused excessive coal production losses, including losses that are not necessary to achieve reasonable environmental protection and reclamation requirements. The Federal Energy Administration estimated that the bill, during its first full year of operation would reduce coal production between 48 and 141 million tons, or approximately 6 to 18 percent of the expected production. Additional losses could result which cannot be quantified because of ambiguities in the bill. Losses of coal production are particularly important because each lost ton of coal can mean importing four additional barrels of foreign oil.



- . Caused inflationary impacts because of increased coal costs and Federal expenditures for activities which, however desirable, are not necessary at this time.
- . Failed to correct other deficiencies that had been pointed out in executive branch communications concerning the bill.

The energy program that I outlined in my State of the Union Message contemplates the doubling of our Nation's coal production by 1985. Within the next ten years, my program envisions opening 250 major new coal mines, the majority of which must be surface mines, and the construction of approximately 150 new coal fired electric generating plants. I believe that we can achieve these goals and still meet reasonable environmental protection standards.

I have again reviewed S. 425 as it passed the 93rd Congress (which has been reintroduced in the 94th Congress as S. 7 and H.R. 25) to identify those provisions of the bill where changes are critical to overcome the objections which led to my disapproval last December. I have also identified a number of provisions of the bill where changes are needed to reduce further the potential for unnecessary production impact and to make the legislation more workable and effective. These few but important changes will go a long way toward achieving precise and balanced legislation. The changes are summarized in the first enclosure to this letter and are incorporated in the enclosed draft bill.

With the exception of the changes described in the first enclosure, the bill follows S. 425.

I believe that surface mining legislation must be reconsidered in the context of our current national needs. I urge the Congress to consider the enclosed bill carefully and pass it promptly.

Sincerely,

A handwritten signature in cursive script, appearing to read "Howard R. Ford". The signature is written in dark ink and is positioned above the typed name and address.

The Honorable
The Speaker
U.S. House of Representatives
Washington, D.C. 20515



SUMMARY OF PRINCIPAL CHANGES FROM S. 425 (S. 7 and H.R. 25)
INCORPORATED IN THE ADMINISTRATION'S
SURFACE MINING BILL

The Administration bill follows the basic framework of S. 425 in establishing Federal standards for the environmental protection and reclamation of surface coal mining operations. Briefly, the Administration bill, like S. 425:

- covers all coal surface mining operations and surface effects of underground coal mining;
- establishes minimum nationwide reclamation standards;
- places primary regulatory responsibility with the States with Federal backup in cases where the States fail to act;
- creates a reclamation program for previously mined lands abandoned without reclamation;
- establishes reclamation standards on Federal lands.

Changes from S. 425 which have been incorporated in the Administration bill are summarized below.

Critical changes.

1. Citizen suits. S. 425 would allow citizen suits against any person for a "violation of the provisions of this Act." This could undermine the integrity of the bill's permit mechanism and could lead to mine-by-mine litigation of virtually every ambiguous aspect of the bill even if an operation is in full compliance with existing regulations, standards and permits. This is unnecessary and could lead to production delays or curtailments. Citizen suits are retained in the Administration bill, but are modified (consistent with other environmental legislation) to provide for suits against (1) the regulatory agency to enforce the act, and (2) mine operators where violations of regulations or permits are alleged.



2. Stream siltation. S. 425 would prohibit increased stream siltation -- a requirement which would be extremely difficult or impossible to meet and thus could preclude mining activities. In the Administration's bill, this prohibition is modified to require the maximum practicable limitation on siltation.
3. Hydrologic disturbances. S. 425 would establish absolute requirements to preserve the hydrologic integrity of alluvial valley floors -- and prevent offsite hydrologic disturbances. Both requirements would be impossible to meet, are unnecessary for reasonable environmental protection and could preclude most mining activities. In the Administration's bill, this provision is modified to require that any such disturbances be prevented to the maximum extent practicable so that there will be a balance between environmental protection and the need for coal production.
4. Ambiguous terms. In the case of S. 425, there is great potential for court interpretations of ambiguous provisions which could lead to unnecessary or unanticipated adverse production impact. The Administration's bill provides explicit authority for the Secretary to define ambiguous terms so as to clarify the regulatory process and minimize delays due to litigation.
5. Abandoned land reclamation fund. S. 425 would establish a tax of 35¢ per ton for underground mined coal and 25¢ per ton for surface mined coal to create a fund for reclaiming previously mined lands that have been abandoned without being reclaimed, and for other purposes. This tax is unnecessarily high to finance needed reclamation. The Administration bill would set the tax at 10¢ per ton for all coal, providing over \$1 billion over ten years which should be ample to reclaim that abandoned coal mined land in need of reclamation.

Under S. 425 funds accrued from the tax on coal could be used by the Federal government (1) for financing construction of roads, utilities, and public buildings on reclaimed mined lands, and (2) for distribution to States to finance roads, utilities and public buildings in any area where coal mining activity is expanding. This provision needlessly duplicates other Federal, State and local programs, and establishes eligibility for Federal grant funding in a situation where facilities are normally financed by local or State borrowing. The need for such funding, including the new grant program, has not been established. The Administration bill does not provide authority for funding facilities.

6. Impoundments. S. 425 could prohibit or unduly restrict the use of most new or existing impoundments, even though constructed to adequate safety standards. In the Administration's bill, the provisions on location of impoundments have been modified to permit their use where safety standards are met.
7. National forests. S. 425 would prohibit mining in the national forests -- a prohibition which is inconsistent with multiple use principles and which could unnecessarily lock up 7 billion tons of coal reserves (approximately 30% of the uncommitted Federal surface-minable coal in the contiguous States). In the Administration bill, this provision is modified to permit the Agriculture Secretary to waive the restriction in specific areas when multiple resource analysis indicates that such mining would be in the public interest.
8. Special unemployment provisions. The unemployment provision of S. 425 (1) would cause unfair discrimination among classes of unemployed persons, (2) would be difficult to administer, and (3) would set unacceptable precedents including unlimited benefit terms, and weak labor force attachment requirements. This provision of S. 425 is inconsistent with P.L. 93-567 and P.L. 93-572 which were signed into law on December 31, 1974, and which significantly broaden and lengthen general unemployment assistance. The Administration's bill does not include a special unemployment provision.

Other Important Changes. In addition to the critical changes from S. 425, listed above, there are a number of provisions which should be modified to reduce adverse production impact, establish a more workable reclamation and enforcement program, eliminate uncertainties, avoid unnecessary Federal expenditures and Federal displacement of State enforcement activity, and solve selected other problems.

1. Antidegradation. S. 425 contains a provision which, if literally interpreted by the courts, could lead to a non-degradation standard (similar to that experienced with the Clean Air Act) far beyond the environmental and reclamation requirements of the bill. This could lead to production delays and disruption. Changes are included in the Administration bill to overcome this problem.



2. Reclamation fund. S. 425 would authorize the use of funds to assist private landowners in reclaiming their lands mined in past years. Such a program would result in windfall gains to the private landowners who would maintain title to their lands while having them reclaimed at Federal expense. The Administration bill deletes this provision.
3. Interim program timing. Under S. 425, mining operations could be forced to close down simply because the regulatory authority had not completed action on a mining permit, through no fault of the operator. The Administration bill modifies the timing requirements of the interim program to minimize unnecessary delays and production losses.
4. Federal preemption. The Federal interim program role provided in S. 425 could (1) lead to unnecessary Federal preemption, displacement or duplication of State regulatory activities, and (2) discourage States from assuming an active permanent regulatory role, thus leaving such functions to the Federal government. During the past few years, nearly all major coal mining States have improved their surface mining laws, regulations and enforcement activities. In the Administration bill, this requirement is revised to limit the Federal enforcement role during the interim program to situations where a violation creates an imminent danger to public health and safety or significant environmental harm.
5. Surface owner consent. The requirement in S. 425 for surface owner's consent would substantially modify existing law by transferring to the surface owner coal rights that presently reside with the Federal government. S. 425 would give the surface owner the right to "veto" the mining of Federally owned coal or possibly enable him to realize a substantial windfall. In addition, S. 425 leaves unclear the rights of prospectors under existing law. The Administration is opposed to any provision which could (1) result in a lock up of coal reserves through surface owner veto or (2) lead to windfalls. In the Administration's bill surface owner and prospector rights would continue as provided in existing law.
6. Federal lands. S. 425 would set an undesirable precedent by providing for State control over mining of Federally owned coal on Federal lands. In the Administration's bill, Federal regulations governing such activities would not be preempted by State regulations.



7. Research centers. S. 425 would provide additional funding authorization for mining research centers through a formula grant program for existing schools of mining. This provision establishes an unnecessary new spending program, duplicates existing authorities for conduct of research, and could fragment existing research efforts already supported by the Federal government. The provision is deleted in the Administration bill.
8. Prohibition on mining in alluvial valley floors. S. 425 would extend the prohibition on surface mining involving alluvial valley floors to areas that have the potential for farming or ranching. This is an unnecessary prohibition which could close some existing mines and which would lock up significant coal reserves. In the Administration's bill reclamation of such areas would be required, making the prohibition unnecessary.
9. Potential moratorium on issuing mining permits. S. 425 provides for (1) a ban on the mining of lands under study for designation as unsuitable for coal mining, and (2) an automatic ban whenever such a study is requested by anyone. The Administration's bill modifies these provisions to insure expeditious consideration of proposals for designating lands unsuitable for surface coal mining and to insure that the requirement for review of Federal lands will not trigger such a ban.
10. Hydrologic data. Under S. 425, an applicant would have to provide hydrologic data even where the data are already available -- a potentially serious and unnecessary workload for small miners. The Administration's bill authorizes the regulatory authority to waive the requirement, in whole or in part, when the data are already available.
11. Variations. S. 425 would not give the regulatory authority adequate flexibility to grant variances from the lengthy and detailed performance specifications. The Administration's bill would allow limited variances -- with strict environmental safeguards -- to achieve specific post-mining land uses and to accommodate equipment shortages during the interim program.
12. Permit fee. The requirement in S. 425 for payment of the mining fee before operations begin could impose a large "front end" cost which could unnecessarily prevent some mine openings or force some operators out of business. In the Administration's bill, the regulatory authority would have the authority to extend the fee over several years.



13. Preferential contracting. S. 425 would require that special preference be given in reclamation contracts to operators who lose their jobs because of the bill. Such hiring should be based solely on an operators reclamation capability. The provision does not appear in the Administration's bill.
14. Any Class of buyer. S. 425 would require that lessees of Federal coal not refuse to sell coal to any class of buyer. This could interfere unnecessarily with both planned and existing coal mining operations, particularly in integrated facilities. This provision is not included in the Administration's bill.
15. Contract authority. S. 425 would provide contract authority rather than authorizing appropriations for Federal costs in administering the legislation. This is unnecessary and inconsistent with the thrust of the Congressional Budget Reform and Impoundment Control Act. In the Administration's bill, such costs would be financed through appropriations.
16. Indian lands. S. 425 could be construed to require the Secretary of the Interior to regulate coal mining on non-Federal Indian lands. In the Administration bill, the definition of Indian lands is modified to eliminate this possibility.
17. Interest charge. S. 425 would not provide a reasonable level of interest charged on unpaid penalties. The Administration's bill provides for an interest charge based on Treasury rates so as to assure a sufficient incentive for prompt payment of penalties.
18. Prohibition on mining within 500 feet of an active mine. This prohibition in S. 425 would unnecessarily restrict recovery of substantial coal resources even when mining of the areas would be the best possible use of the areas involved. Under the Administration's bill, mining would be allowed in such areas as long as it can be done safely.
19. Haul roads. Requirements of S. 425 could preclude some mine operators from moving their coal to market by preventing the connection of haul roads to public roads. The Administration's bill would modify this provision.

The attached listing shows the sections of S. 425 (or S. 7 and H.R. 25) which are affected by the above changes.



LISTING OF PRINCIPAL PROVISIONS IN S. 425 (S. 7 and H.R. 25)
 THAT ARE CHANGED IN THE ADMINISTRATION'S BILL

Subject	Title or Section S.425,S.7,H.R.25	Administration Bill
<u>Critical Changes</u>		
1. Clarify and limit the scope of citizens suits	520	420
2. Modify prohibition against stream siltation	515 (b) (10) (B) 516 (b) (9) (B)	415 (b) (10) (B) 416 (b) (9) (B)
3. Modify prohibition against hydrological disturbances	510 (b) (3) 515 (b) (10) (E)	410 (b) (3) 415 (b) (10) (E)
4. Provide express authority to define ambiguous terms in the act	None	601 (b)
5. Reduce the tax on coal to conform more nearly with reclamation needs and eliminate funding for facilities	401 (d)	301 (d)
6. Modify the provisions on impoundments	515 (b) (13) 516 (b) (5)	415 (b) (13) 416 (b) (5)
7. Modify the prohibition against mining in national forests	522 (e) (2)	422 (e) (2)
8. Delete special unemployment provisions	708	None
<u>Other Important Changes</u>		
1. Delete or clarify language which could lead to unintended "antidegradation" interpretations	102 (a) and (d)	102 (a) and (c)
2. Modify the abandoned land reclamation program to (1) provide both Federal and State acquisition and reclamation with 50/50 cost sharing, and (2) eliminate cost sharing for private land owners	Title IV	Title III



Subject	S. 425, S. 7, H. R. 25	New Bill
3. Revise timing requirements for interim program to minimize unanticipated delays	502(a) thru (c) 506(a)	402(a) and (b) 406(a)
4. Reduce Federal preemption of State role during interim program	502(f) 521(a)(4)	402(c) 421(a)(4)
5. Eliminate surface owner consent requirement; continue existing surface and mineral rights	716	613
6. Eliminate requirement that Federal lands adhere to requirements of State programs	523(a)	423(a)
7. Delete funding for research centers	Title III	None
8. Revise the prohibition on mining in alluvial valley floors	510(b)(5)	410(b)(5)
9. Eliminate possible delays relating to designations as unsuitable for mining	510(b)(4) 522(c)	410(b)(4) 422(c)
10. Provide authority to waive hydrologic data requirements when data already available	507(b)(11)	407(b)(11)
11. Modify variance provisions for certain post-mining uses and equipment shortages	515(c)	402(d) 415(c)
12. Clarify that payment of permit fee can be spread over time	507(a)	407(a)
13. Delete preferential contracting on orphaned land reclamation	707	None



Subject	S.425,S.7,H.R.25	New Bill
14. Delete requirement on sales of coal by Federal lessees	523 (e)	None
15. Provide authority for appropriations rather than contracting authority for administrative costs	714	612
16. Clarify definition of Indian lands to assure that the Secretary of the Interior does not control non-Federal Indian lands	701 (9)	601 (a) (9)
17. Establish an adequate interest charge on unpaid penalties to minimize incentive to delay payments	518 (d)	418 (d)
18. Permit mining with 500' of an active mine where this can be done safely	515 (b) (12)	415 (b) (12)
19. Clarify the restriction on haul roads from mines connecting with public roads	522 (e) (4)	422 (e) (4)



TAB B



SUMMARY OF RESULTS OF HOUSE AND SENATE ACTION

A. Action on changes from the vetoed bill identified as "critical to overcome objections".

<u>Subject & Proposed Change</u>	<u>Senate</u>	<u>House</u>
1. <u>Citizen suits</u> Narrow the scope	Adopted	Rejected
2. <u>Stream Siltation</u> Remove prohibition against increased siltation	Partially Adopted	Partially Adopted
3. <u>Hydrologic balance</u> Remove prohibition against disturbances	Partially Adopted	Rejected
4. <u>Ambiguous Terms</u> Specific authority for Secretary to define	Partially Covered in Senate report	Rejected
5. <u>Abandoned Mine Reclamation Fund</u> . Reduce 35¢-25¢ fee to 10¢	Rejected	Fee Reduced on some coal
. Limit use of fund to reclamation	Uses Broadened	Uses Broadened
6. <u>Impoundments (dams)</u> Modify virtual prohibition on impoundments	Adopted	Rewritten to Provide Corps of Engrs. authority and standards
7. <u>National Forests</u> Allow mining in certain circumstances	Rejected	Rejected
8. <u>Special Unemployment Provisions</u> Delete as unnecessary and precedent setting	Rejected	Adopted

B. Three significant new problems -- not previously on the "critical" list.

1. Senate floor debate indicates that the language of the bill can be constructed to permit states to ban surface coal mining on Federal lands. The House takes the opposite view.
2. The House adopted a provision prohibiting location of a mining operation in an alluvial valley floor which is expected to prevent expected production and lock up major coal reserves in the West.



B. New Problems (Continued)

3. In addition to a tough provision requiring replacement of water affected by a mining operation, the House added a new provision requiring either (a) written consent to mining by offsite owners of water rights, or (b) ability and willingness to provide substitute water. Agency experts believe provision is inconsistent with state law, would be difficult to handle administratively, and would involve burden of proof problems.

C. Action on changes from vetoed bill identified as "needed to reduce further the potential for unnecessary production impact and to make the legislation more workable and effective".

<u>Subject & Proposed Change</u>	<u>Senate</u>	<u>House</u>
1. <u>Antidegradation</u> Delete requirement	Adopted	Adopted
2. <u>Abandoned Mine Reclamation Fund</u> . Require 50/50 cost sharing . Eliminate grants for privately owned lands	Rejected Broadened	Rejected Broadened
3. <u>Interim Program Timing</u> . Reduce potential for mining delays . Allow operations under interim permit if regulatory agency acts slowly	Rejected Adopted	Rejected Adopted
4. <u>Federal Preemption</u> Encourage states to take up regulatory role	Rejected	Not adopted but report supports concept
5. <u>Surface Owner Consent</u> Rely on existing law	Rejected	Rejected (water rights provision added; Sec.B.3, above)
6. <u>State Control over Federal lands</u> (Now a serious problem - discussed in B. 1, above)		
7. <u>Funding for Research Centers</u> Delete as unnecessary	Rejected	Rejected
8. <u>Alluvial Valley Floors</u> (Now a serious problem - discussed in B. 2, above)		



C. Other changes (continued)

<u>Subject and Proposed Change</u>	<u>Senate</u>	<u>House</u>
9. <u>Designation of areas as Unsuitable for Mining</u> Expedite review and avoid frivolous petitions	Partially Adopted	Rejected
10. <u>Hydrologic Data</u> Authorize waiver in some case where unnecessarily burdensome	Rejected	Rejected
11. <u>Variiances</u> Broaden variances for certain post-mining uses and equipment shortages	Rejected	Rejected
12. <u>Permit Fee</u> Permit paying over time rather than pre-mining	Adopted	Adopted
13. <u>Contracting for reclamation</u> Delete requirement that contracts go to those put out of work by bill	Rejected	Adopted
14. <u>Coal Sales by Federal Lessee</u> Delete requirement that lessee must not deny sale of coal to any class of purchaser	Rejected	Requirement Softened
15. <u>Appropriations Authority</u> Use regular appropriations authority rather than contract authority	Rejected	Rejected
16. <u>Indian Lands</u> Clarify to assure no Federal control over non-Federal Indian land	Adopted	Rejected. Also, new Indian lands Program Adopted
17. <u>Interest charge on civil Penalties</u> Adopt sliding scale to minimize incentive for delaying payments	Adopted	Adopted



C. Other changes (continued)

<u>Subject and Proposed Change</u>	<u>Senate</u>	<u>House</u>
18. <u>Mining within 500 feet of active mines</u> Permit where it can be done safely	Rejected	Rejected
19. <u>Haul Roads</u> Clarify restriction on connections with public roads	Adopted	Adopted



TAB C



IMPACT OF THE HOUSE AND SENATE PASSED BILLS
ON COAL PRODUCTION, RESERVES, OIL IMPORTS,
DOLLAR OUTFLOW AND JOBS

S. 7

H.R. 25

1. Loss of coal production in the first full year of the bills' application (covers only those features for which estimates can be made; does not cover potential losses from delays due to litigation or restrictive interpretation of ambiguous provisions):

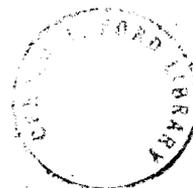
In millions of tons:

. Small Mines	22-52	22-52
. Restrictions on steep slopes, siltation, aquifers	7-44	7-44
. Alluvial valley floor restrictions	<u>11-66</u>	<u>33-66</u>
Total	40-162	62-162
(% of 1977 production-estimated at 750 million tons.)	5-22%	8-22%

(Note: Administration bill would also have impacted coal production -- in the range of 33-80 million tons.)

2. Lock up of coal reserves. The U.S. demonstrated reserve base which are potentially mineable by surface methods is 137 billion tons. Estimate reserve losses are (billion tons):

. Alluvial valley floor provisions (includes losses from national forest provisions of 6.3 billion and surface owners provisions of 0-14.2 billion)	10.8-65.0	32.5-65.0
. National forest (outside alluvial valleys)	.9	.9
. Other provisions (e.g., steep slopes)	<u>0-6.5</u>	<u>0-6.5</u>
Total	11.7-72.4	33.4-72.4



3. Increased oil imports and dollar outflow - assuming 80% of lost coal production was replaced by oil. (20% by underground mining.)

. million barrels per year (4.3 barrels per ton of coal)	138-559	215-559
. dollar value (\$11 per barrel) - billions	1.5-6.1	2.4-6.1

4. Job losses (assuming 36 tons per day per miner and 225 work days per year; and .8 non-mining jobs per miner) - in thousands

. direct job losses -	5,000 to 20,000	8,000 to 20,000
. indirect job losses -	4,000 to <u>16,000</u>	6,000 to <u>16,000</u>
Total	9,000 to 36,000	14,000 to 36,000

5. Inflationary Impact - In addition to higher cost foreign oil -- would include:

. Fee for Reclamation fund	\$130	\$204
. Higher production and reclamation costs	\$171	\$171
. Costs of Federal and State program administration	\$100 \$110 to \$160	\$135 \$100 to \$160



TAB D



Dear Mr. Chairman:

On February 5, 1975, I transmitted to the Congress a proposed surface mining bill which was designed to strike a balance between our objective of improving environmental quality and other national objectives including increased energy independence and a strong economy. I am pleased that some of the changes from last year's bill that I have recommended have been adopted by one or both Houses and are now being considered by the Conference Committee.

However, I want to take this opportunity to reiterate my concern about the bills before the Committee, stress the importance of the Committee's action for all the people of the Nation, and identify changes that are needed to produce an acceptable bill.

The problem facing us would be small if the only objective was environmental protection and reclamation because I, too, support strongly those objectives. The bills also involve other fundamental national issues including (a) our chances of achieving energy independence, (b) outflow of dollars to other nations, (c) unemployment, (c) higher consumer costs, particularly for electricity, and (e) expanding the role of the Federal Government in some areas where it is not necessary to achieve national objectives.

I recommend strongly that the Conference weigh carefully the developments affecting these important issues that have occurred since the Congress began considering this legislation.

1. Energy Requirements. The Nation must take steps through energy conservation and increased domestic energy production to stem our growing dependence on foreign oil which is (a) increasing our vulnerability to serious disruption from another oil embargo, and (b) increasing the outflow of dollars (and jobs) for oil imports.

Increased domestic coal production is essential. I have called for doubling coal production by 1985 which is roughly 1.2 billion tons. The energy plan advanced by the Congressional democratic leadership calls for 1985 production of 1.37 billion tons. The serious risk is that the Conference could adopt a bill that is totally inconsistent with those goals.



Interior and FEA estimate that the Senate-passed bill (S.7) would reduce expected coal production by 40 to 162 million tons (5 to 22%) in the first full year of its application; and that the House-passed bill would reduce production by 62-162 million tons (8 to 22%). These estimates do not include potential delays from litigation or stringent interpretation of ambiguous provisions of the bill.

Each ton of coal is equivalent in energy value to roughly 4.3 barrels of oil. If the legislation were to result in loss of only 50 million tons of coal per year, alternative energy equivalent to 215 million barrels of oil would have to be obtained from other sources. Importing that amount of oil will increase dollar outflow by more than \$2.3 billion dollars and cost more than 10,000 jobs. This domestic energy loss could more than offset the results of our energy conservation actions.

2. Inflationary Impact. Consumers have already been subjected to higher costs because of our heavy reliance on expensive foreign oil. If domestic coal, which is used primarily in producing electricity, must be replaced by foreign oil consumer costs will be forced still higher. In addition, consumer prices or taxes would reflect the added cost of \$130 to \$204 million in taxes on coal, \$171 million in increased coal production and reclamation costs, and \$100 to \$135 million for Federal and State government activities to carry out requirements of the bills.

Unnecessary burdens of the legislation will fall most heavily on small mining operations and probably put many out of business. This runs the risk of lessening competition in the coal industry and could contribute to higher prices.

3. Unemployment. As indicated above, greater outflow of dollars means loss of jobs in the United States. In addition, Interior and EPA estimate that jobs lost as a result of legislation would range from 9,000 to 36,000 in the case of the Senate bill and 14,000 to 36,000 in the case of the House bill. These employment losses would hit hard in those areas such as Appalachia that have been struggling to improve their economic conditions. It is true that some jobs would be created by the requirements to reclaim areas abandoned in the past but this would involve dislocation of employees and fewer job gains than losses.



4. Actions already taken by States. All of the twelve leading surface mining states -- which account for about 98% of 1973 surface coal mining in the nation -- now have their own surface mining laws. Since 1971, when Federal legislation began to be considered, 21 states -- including the 12 leading surface coal producers -- have enacted or strengthened their surface mining laws. In addition, a survey conducted by the staff of the Council on Environmental Quality indicates that the leading coal producing states have tightened up their regulations and increased their regulatory staff.

These developments are significant because they indicate that our concerns for the environment do not depend solely on Federal legislation.

The states should have the freedom to adopt standards which reflect the desires of their citizens. We should avoid to the maximum extent possible setting national requirements that do not take state differences into account or which unnecessarily superimpose Federal requirements and Federal enforcement activities.

5. Locking up domestic coal. In addition to new term reduction in expected coal production, Interior and FEA have estimated that the Senate passed bill has the potential of preventing mining of 12 to 72 billion tons of coal and the House passed bill from 33 to 72 billion tons. These amounts constitute 9 to 53% of the total 137 billion tons of coal in the Nation's demonstrated reserve base which are potentially mineable by surface methods.

I urge the Conferees to take these developments into account and to report a bill which achieves a balance among our national objectives.

My February 6, 1975, letter identifies changes in the legislation which are needed to reduce unnecessary impact and to achieve a workable and effective bill. I would call your attention particularly to the need to:

- . Modify citizen suit provisions to avoid unnecessary and unacceptable production delays or curtailments.
- . Reduce hydrologic disturbance provisions concerned with alluvial valley floors so as to avoid requirements, which would be impossible to meet are unnecessary to provide reasonable environmental protection and which would preclude most mining activities.



- . Reduce the excise tax on coal to 10¢ per ton which would be adequate to provide a fund for reclamation of abandoned surface mined lands.
- . Remove the special unemployment provisions which unfairly discriminate among classes of unemployed persons, set undesirable precedent, and are inconsistent with modifications to unemployment which were signed into law on December 31, 1974.
- . Make clear that State laws and regulations do not cover Federal coal lands.
- . Avoid a requirement that precludes mining in alluvial valley floors which could lock up more than 50% of the nation's 173 billion tons of surface mineable coal reserves.
- . Avoid setting a new precedent with respect to water rights.
- . Permit surface mining on national forest lands when this is found to be in the national interest.

Administration officials stand ready to work with you to discuss these and other changes, with the objective of developing legislation that is in the overall best interest of the nation.

Sincerely,



PLANNING AND THE ECONOMIC CRISIS

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH, Mr. Speaker, I should like to draw to the attention of my colleagues an article that appeared in Newsday on April 10 by Arnold Saltzman. From his experience serving in World War II on the National Industrial Mobilization Committee, the Office of Price Administration, and the U.S. Procurement Policy Board, he sees the need for an Economic Strategy Board. Mr. Saltzman, who lives in Great Neck, is president of Seagrave Corporation, a diversified manufacturing company. In the 93d Congress he rendered great volunteer service to the New York bi-partisan congressional delegation. The text of the article follows:

THE WAY I SEE IT—A DECLARATION OF WAR ON STAGFLATION

(By Arnold A. Saltzman)

More and more Americans are beginning to realize that our country is in deeper economic trouble than they have been told. The politicians have been unable or unwilling to explain the problems so that people can understand them. And economists, like doctors, speak in their own special jargon which is hard for anybody else to understand.

One year ago we were suffering from several economic diseases at the same time. Inflation was stealing from rich and poor, businessman and worker, and especially from the old, the pensioned, the jobless. It still is.

Recession was galloping into depression with 5,000,000 of our people unemployed. Now we are getting close to 9,000,000, with 25 per cent of our plant capacity idle, and the waste is shameful. Every day a man doesn't work, the potential wealth he creates—bricks, sewing machines, shoes, bread—is lost. It's like pouring milk down a sewer. And the increase in the rate of crime keeps pace with the increase in the rate of unemployment.

One year ago Washington was moaning about the energy crisis, reflecting the fact that a year before that, even before the Arab-Israeli war, the Arabs had tripled the price of oil. The reality is that for 10 years America has been using energy faster than we have replaced it, so while Washington has done nothing but beat its breast about the energy shortage Con Edison has raised prices 300 per cent.

We are losing \$125 billion of annual production and spending \$35 billion to feed 9,000,000 unemployed—all of that money down the drain. And we didn't restore our cities, turn coal into oil, cure cancer, or modernize our railroads. The \$60 billion deficit projected by June, 1975, I call the deficit of omission.

In recent weeks we have seen a great drama unfold between the President and the Congress on how to "spend us out of recession." It was all shadowboxing, because no way in the world does it matter whether the President spent \$17 billion or Congress spent \$22 billion. Neither expenditure would get us out of our mess, and the White House must know it if they want to extend special unemployment benefits into 1977.

There is no way that we can get healthy without attacking all of our illnesses at the same time. There is no way the White House could crush inflation without economic controls or without throwing people out of work, so in 1974 they starved us into a recession.

There is no way they can spend us out of a depression without economic controls and without serious price inflation in 1975.

We need strong medicine to cure our several economic diseases at the same time. It won't help us if we improve our heart disease and die from cancer. And until we can get out of serious trouble at home, our standing in the capitals of the world diminishes as does the value of the dollar.

We need an overall plan for national progress and survival instead of being nibbled to death by one crisis after another. The government must intervene until we get back on the track here at home and get straightened out abroad. But this must be done logically and boldly, not in a helter-skelter fashion that upsets all of us. The American people will accept and do whatever is necessary if they can believe that the White House and Congress know where they are heading and have the courage to take us there.

It is ridiculous to have idle workers in the glass, lumber, aluminum and construction industries coexisting with a shortage of decent housing. It makes no sense to say that spending \$800,000,000 to subsidize mass transit so people can get to work at the cheapest energy cost is inflationary, but on the same day to allocate \$2 billion to the cattle interests to encourage them to keep beef off the market and raise meat prices that consumers forced down. It makes no sense to make such little use of the nation's coal, while high-priced imported oil puts us in a financial straitjacket.

Since we are in crisis we need to create the equivalent of a War Production Board and a Bureau of Economic Warfare. This combination of economic planning and prescription for action I call an Economic Strategy Board. Such a board would long since have made it clear that we could not lick both recession and inflation without tough wage-price-money and export-import controls. It would have been clear long ago that we were using energy faster than we were creating it and would have produced a sensible plan to meet such problems.

The United States no longer has an infinite store of natural resources—in fact, on balance we have to import them. We no longer are the most efficient industrial producer in the world, nor is our dollar the strongest and most sought-after currency. And at the rate we are now exporting our last great superiority, our technology, we will soon not be supreme there as well. While we are still strong, we should realize that we can no longer do everything, waste our resources, save the whole world whether or not it desires to be saved, and increase our consumption without measuring the cost. We need to plan ahead as well-run corporations and wise heads of households do. We need to determine what our people will need next year and five years from now and what resources we will have to meet those needs.

In calling for an Economic Strategy Board, I purposely invoke the wartime names of War Production Board and Bureau of Economic Warfare. We are at war today—a war to preserve the American standard of living at home and a war to prevent our great country, which is under economic attack all over the world, from submitting to such pressures. If we act now, we can still preserve the promise of America for ourselves and our children. We don't have much time.

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. KOCH's remarks will appear hereafter in the Extensions of Remarks.]

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. KOCH's remarks will appear hereafter in the Extensions of Remarks.]

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. MIKVA's remarks will appear hereafter in the Extensions of Remarks.]

(Mr. MIKVA asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. MIKVA's remarks will appear hereafter in the Extensions of Remarks.]

CONSUMERS MUST BEAR COST FOR STRIP MINING LEGISLATION

(Mr. WAMPLER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

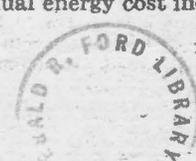
Mr. WAMPLER, Mr. Speaker, for weeks I have been trying to get an answer to a simple question. How much will the Surface Mining Control and Reclamation Act of 1975, now in conference, cost the consumers of America?

Apparently this is a difficult question to answer and one which appears not to have been studied very deeply. Yet to me and to millions of Virginians concerned about the phenomenal rise in their electric bills, it is a valid question and a pressing question. I should also think this question would also be important to millions upon millions of other American consumers who are also alarmed about the recent rise in their electric bills.

Several weeks ago I requested the Congressional Research Service of the Library of Congress to draft me a statement, using the best available data, which would present in recapitulation form, the economic and social costs of implementing the surface mining control and reclamation bills, H.R. 25 and S. 7, with special emphasis on how much these bills would cost consumers. I received a fine report from the Library and inserted it in the CONGRESSIONAL RECORD, page H2870 on April 16. However, my question on "how much these bills would cost the American consumers" was not answered. Finally, I received another report. Unfortunately, it is an economic report and is couched in economic jargon, but, it does contain some very important facts.

The report states that there are quantifiable and unquantifiable costs to consumers, under these bills, of \$850 million annually; plus, an unnecessary \$11 billion in payments for imported oil, which would annually be charged to consumers, because of losses in coal production that will be brought about by enactment of this legislation.

To me, an annual energy cost increase



to the American consumers of approximately \$12 billion for any legislation is disturbing. I would think the consumers of this Nation would want to know why this increase is necessary. I would think the press of America would want to know why these costs have not been presented to the public before. I know I am not satisfied that this much of an increase in cost is necessary, and I intend to continue my efforts to find a more detailed answer to the question: How much will the Surface Mining Control and Reclamation Act of 1975, now in conference, cost the consumers of America?

Mr. Speaker, the statement drafted for me by the Library of Congress follows:

THE COST TO CONSUMERS IF STRIP MINING LEGISLATION IS ENACTED

The potential for damage to consumers' vital interests from passage of H.R. 25 lies in its implications for both the cost and availability of coal. Whatever the initial impact of higher production costs, it is predictably the final energy user who will eventually be called on to shoulder these increased expenses. Through higher priced fuels and the additions to prices of every product that uses energy from coal in its production, America's consumers will end up paying the check for this ill-considered measure. Quantifiable costs for the 684 million tons of coal affected after 1976 will burden consumers with more than \$350 million in additional energy expenses. Unquantifiable costs could, according to the Administration, boost this total to nearly half a billion dollars in additional annual outlays.

Against the heady rises in petroleum prices, this figure may seem small. Yet it is important to realize that its impact will be focused on exactly those sectors of the economy that can little afford another shock. Because coal plays so dominant a role in the fueling of electric power plants, the already hard-pressed utility industry—and its customers—will bear the brunt of more expensive coal supplies. Utility companies must either further shrink the earnings that alone enable future growth, or already dissatisfied electricity purchasers, in homes and factories across the land, must be asked to ante up millions of dollars to pay utility bills they view as excessive presently. The tasks of financing needed expansion of utility generating power, regulating the chaotic utility markets, and gaining public understanding of the problems and prospects confronting electricity users—all will be rendered more difficult by a sudden and unnecessary hike in the cost of coal.

These consequences will flow inevitably from those provisions of H.R. 25 imposing additional costs on coal production. Less easily seen, perhaps, but far more important in the long run are the effects of H.R. 25 on the actual volume of coal production that we can expect in coming years. According to the Administration, passage of the bill could cut U.S. coal output by 167 million tons annually. Even reducing this figure to 100 million tons—a figure that even advocates of strip mining bans would find hard to quarrel with—would have a decisive and disastrous effect on our overall energy dilemma. Consider: A hundred million tons of lost coal production annually translates to an increase of more than one million barrels a day of petroleum needs. This reflects the simple assumption that any reduction in the availability of one fuel source—or a decrease from what it otherwise might have been—compels the enlarged dependence on some other fuel source. For the immediate future there is only one alternative fuel source capable of replacing coal in this volume: imported crude oil and refined petroleum.

President Ford has submitted his own plan for reducing U.S. dependence on foreign oil by a million barrels a day next year. Whatever the final disposition of the Administration's and others' energy plans, I think one fact has emerged in recent debates: any workable policy designed to have this much energy will force real sacrifices on the American people. Yet the entire benefit of these sacrifices could be offset, indeed squandered by the immediate impact of this one piece of legislation.

And how will such a wasted effort hit the pocketbooks of consumers? There is no easy answer to this question; but a review of some of the issues involved leads to the inescapable conclusion that the cost could be immense. The purpose of a serious energy conservation program is chiefly to reduce America's import needs enough to moderate the price-setting manipulations of the oil cartel itself. No target number of "barrels-a-day" saved can be regarded as certain to achieve this goal. Yet it is clear that the more we save in energy the better our chances of restraining imported oil prices and the sooner we can expect to do so. Conversely, the more energy we waste—either by overconsuming or failing to develop practical reserves of coal and other sources—the longer we will have to go on paying exorbitant charges for foreign crude oil. We presently import more than six million barrels a day of crude and products at a price approaching \$12/bbl. Most experts put the free market price needed to encourage oil supplies at about \$7/bbl. If the coal lost because of H.R. 25 were to delay a return to something like a free international energy market by just one year (and the million barrels a day in extra oil needs indicates that this is not an unrealistic assumption) it would cost the nation an unnecessary \$11 billion in payments for imported oil.

The fulfillment of that particular scenario—or of any other precise set of developments in world oil markets—cannot of course be predicted. But the point stands: H.R. 25 works against the essential directions which U.S. energy policy must take if we are to solve the problem of our addiction to foreign fuel supplies at monopoly price levels. And it works against these policies in ways that are measurable and measurably significant. For the American consumer who has been asked to pay so much for our past oil policy mistakes, the cost of further mistakes may prove intolerable. Intolerable as well to the consumer as taxpayer and voter would be the sort of decision-making by elected representatives that would needlessly impose such costs.

BENEFITS FOR RECIPIENTS OF DISABILITY INSURANCE

(Mrs. MINK asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mrs. MINK. Mr. Speaker, through legislation which I have introduced earlier in this session and through bills which I am introducing today, I seek remedies to several disadvantageous provisions of current law as it relates to benefits for recipients of disability insurance.

My bill, H.R. 3032, would equalize the earnings limitations placed on recipients of disability benefits and social security retirement benefits to whatever the limitation on the latter benefits might be for purposes of determining eligibility. Equalizing the earnings limitations not only has the obvious and desirable result of eliminating confusion between these

two programs, but it also has the immediate effect of raising the earnings limitation substantially for recipients of disability benefits to allow a meaningful income for an individual who, despite his disability, is able to engage in some kind of gainful employment.

I have also introduced H.R. 5354 which would exempt disability income entirely from the income tax. These payments are exempt currently for recipients through age 65, but are considered "retirement benefits" after age 65, and are thus subject to taxation. I feel this is wrong. No additional burden should be placed on an elderly disabled person. Certainly, if anything, older recipients require more in the way of benefits to cope with increased costs of living in the face of possible reduced earning capacity which might result from reaching retirement age, in addition to whatever barriers the disability itself might place in the person's way.

My bill H.R. 5923, which was before the 93d Congress as H.R. 4029, also deals with persons who are disabled. It extends benefits to persons not now covered. This amendment liberalizes the test for the nonblind disabled so that it equals that for the blind. That is, currently, full disability benefits are available to the medically blind person at age 55 if he is unable to work in his normal occupation, whereas the nonblind disabled must show that he is unable to work at any occupation at all before these benefits become available. My bill changes this so that the nonblind disabled person need only show that he is unable to obtain work in his accustomed employment.

This latter change in the law is in line with recommendations in the recent report of the Advisory Council on Social Security which notes that a "severe, but not totally disabling impairment" can have virtually the same impact on an older worker as does total disablement on a younger worker. The report suggests that these "occupationally disabled" workers over 55 years of age be paid higher disability benefits. My bill provides full benefits to these persons. In addition, medicare coverage would be provided these occupationally disabled on an equal basis with other recipients of disability benefits, which currently means that medicare coverage is available after a person has received disability payments for a period of 24 months.

I am also introducing two bills today which deal with disability benefits, one of which was my bill H.R. 4028 of the 93d Congress. This bill liberalizes the conditions governing eligibility of blind persons to receive disability benefits. Persons who meet the definition of "industrial" blindness would be considered disabled, regardless of their capacity to work, and could receive social security disability insurance benefits for any month in which they do not engage in substantial gainful activity. Such persons would qualify for disability benefits with as few as 6 calendar quarters of social security coverage; whereas in general, the law now requires that a worker be fully insured and have at least 20 quarters in the 40 quarters preceding disablement.

R. FORD LI