

Office of the White House Press Secretary
(Vail, Colorado)

NOTICE TO THE PRESS

The President has signed S. 1283--"Federal Nonnuclear Energy Research and Development Act of 1974,"--which directs the Energy Research and Development Administration to formulate and carry out a comprehensive program of research and development covering all energy sources except nuclear, to pursue appropriate demonstration projects, and to encourage the application of Government-sponsored energy inventions through licensing; and authorizes the President to allocate critical materials needed for energy research and development.

Over the long term, achieving the capability for energy self-sufficiency will require development of a broad range of energy technologies. The Administration and the Congress have recognized this need by including more than \$2 billion in the fiscal 1975 budget for energy research and development and by creating the Energy Research and Development Administration (ERDA), which will begin operating by mid-January.

ERDA's responsibilities with regard to nuclear energy will be governed by the provisions of the Atomic Energy Act, while the bill provides overall guidelines and direction for ERDA's nonnuclear programs. In general, S. 1283 incorporates rather than supercedes previously enacted ERDA authorities such as those contained in the solar and geothermal energy bills which were approved earlier this year.

ERDA Program. The bill directs the Administrator to submit to the Congress by June 30, 1975, and update annually, a comprehensive report detailing the plan and program then in effect for developing and demonstrating various non-nuclear energy technologies, including synthetic fuels, solar and geothermal power, advanced electrical generation and transmission, new designs for automotive engines, and techniques for recycling of energy and materials.

Principles. In designing and executing the program, the Administrator is to be guided by a number of governing principles enunciated in the bill. Among other things, these require analysis of social and environmental consequences, strong attention to energy conservation and water consumption, emphasis on methods of using renewable or essentially inexhaustible energy sources, and the degree to which non-Federal entities could achieve comparable results in

a timely manner.

Federal Assistance. To carry out the program, S. 1283 authorizes the Administrator to employ various forms of Federal assistance, including contracts and loans. The bill sets out detailed criteria for two types of assistance--joint Federal-industry corporations and guaranteed prices or purchases of the products of demonstration facilities--but specifies that these cannot be employed without additional authorizing legislation. The Administrator must obtain specific authorization from Congress to build demonstration plants for which the Federal share of the construction cost is expected to exceed \$50 million. Further, if the Federal share of construction costs is expected to be more than \$25 million, funds could not be spent until an ERDA report on the project has been before the Congress for 60 days.

Patents and Licensing. S. 1283 includes extensive provisions regarding the policies to be followed in granting patents and licenses for inventions developed under ERDA contracts. In general, they provide for the Government to retain title and for licenses to be granted on a nonexclusive basis, but the bill also contains explicit authority for the Administrator to grant waivers and exclusive or partially exclusive licenses that conform with specified minimum considerations. In addition, the bill requires submission of a report to Congress within 12 months on the need, if any, for changes in these patent and licensing provisions.

Environmental Effects. Three provisions of the bill are directed at evaluating the potential effects of energy research and development projects on the environment. The Council on Environmental Quality is directed to carry out a continuing analysis of environmental consequences, the Water Resources Council is authorized (at ERDA request) to assess the availability of water for any energy technology or project, and the Environmental Protection Agency is directed to monitor the construction of any demonstration facility to insure that it meets environmental requirements.

Materials Allocation. Finally, the bill authorizes the President to allocate any materials and equipment that he finds "scarce, critical and essential to carry out the purposes of (the) Act" but which "cannot reasonably be obtained" without mandatory allocation. Any rule or order requiring such allocation would take effect 30 days after submission to the Congress, unless either House passed a resolution disapproving it.

Authorization of Appropriations. Notwithstanding a statement of congressional findings that the Nation's energy challenge will require a total Federal investment of over \$20 billion in the next decade, the bill contains no authorization for funding, but states that "There may be appropriated. . . such sums as may be

authorized in annual authorization acts." Funds to carry out the bill's provisions for the remainder of fiscal year 1975 have already been appropriated under authorization contained in the ERDA Act and other legislation such as the solar and geothermal Acts previously mentioned.

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