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#### THE WHITE HOUSE

WASHINGTON

July 21, 1976

## ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JAMES T. LYNN

FROM:

JAMES E. CONNOR  $\mathcal{PC}$ 

SUBJECT:

Friedersdorf Memo Attaching Letter from Senator Mansfield re: ERDA Budget

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

"Talk with me."

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

cc: Dick Cheney

### THE WHITE HOUSE

WASHINGTON

# July 21, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: MAX L. FRIEDERSDORF

SUBJECT: Senator Mike Mansfield

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

United States Senate Office of the Majority Leader Washington, P.C. 20510 July 20, 1976

The President The White House Washington, D. C.

Dear Mr. President:

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

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

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

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

• With best personal wishes, I am

hespectfully yours,a