White House (60-98)
July 1980- January 1981

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Collection: Paul A. Volcker Papers
Call Number: MC279 **Box 9**

Preferred Citation: White House Correspondence, No. 60-98, 1980 July-1981 January; Paul A. Volcker Papers, Box 9; Public Policy Papers, Department of Rare Books and Special Collections, Princeton University Library

Find it online: http://findingaids.princeton.edu/collections/MC279/c290 and https://fraser.stlouisfed.org/archival/5297

The digitization of this collection was made possible by the Federal Reserve Bank of St. Louis.

From the collections of the Seeley G. Mudd Manuscript Library, Princeton, NJ

These documents can only be used for educational and research purposes ("fair use") as per United States copyright law. By accessing this file, all users agree that their use falls within fair use as defined by the copyright law of the United States. They further agree to request permission of the Princeton University Library (and pay any fees, if applicable) if they plan to publish, broadcast, or otherwise disseminate this material. This includes all forms of electronic distribution.

Copyright

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Under certain conditions specified in the law, libraries and archives are authorized to furnish a photocopy or other reproduction. One of these specified conditions is that the photocopy or other reproduction is not to be "used for any purpose other than private study, scholarship or research." If a user makes a request for, or later uses, a photocopy or other reproduction for purposes not permitted as fair use under the copyright law of the United States, that user may be liable for copyright infringement.

Policy on Digitized Collections

Digitized collections are made accessible for research purposes. Princeton University has indicated what it knows about the copyrights and rights of privacy, publicity or trademark in its finding aids. However, due to the nature of archival collections, it is not always possible to identify this information. Princeton University is eager to hear from any rights owners, so that it may provide accurate information. When a rights issue needs to be addressed, upon request Princeton University will remove the material from public view while it reviews the claim.

Inquiries about this material can be directed to:

Seeley G. Mudd Manuscript Library
65 Olden Street
Princeton, NJ 08540
609-258-6345
609-258-3385 (fax)
mudd@princeton.edu

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date January 23, 1981

To Karl Scheld

Subject:

From Jerauld C. Kluckman

Attached is a copy of a letter from the White House. I have forwarded a copy to the Examination Council.

With respect to paragraph 2, the Board published for comment a proposed amendment to Regulation B along the lines suggested. However, we believe that we will recommend that the Board not adopt the change. In view of this and the fact that Carter has departed, we don't believe a response is necessary.

#98

OK
RAS

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

1981 JAN 21 P 10:29

January 19, 1981

WH # 98

MEMORANDUM TO PAUL A. VOLCKER
CHAIRMAN OF THE FEDERAL
RESERVE BOARD

I convened the White House Conference on Small Business last January to receive recommendations on how the government could help small business men and women.

One of the priority recommendations made by the Conference delegates was that the Federal Reserve Board establish record-keeping requirements for commercial loans to women which would permit effective monitoring of performance under the Equal Credit Opportunity Act. I agree with the delegates' recommendation and urge that the Board act favorably on its proposal to extend to 25 months the record-keeping requirements for small business loans.

In addition, I suggest that the Federal Financial Institutions Examination Council, which plans to study in the near future the feasibility and usefulness of requiring depository institutions to compile and publicly disclose information regarding small business loans, consider as well the feasibility and usefulness of categorizing the information by subgroups such as women-owned business.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The Carters
Vice Trustees

BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM
1981 JAN 21 AM 10:29
RECEIVED
OFFICE OF THE CHAIRMAN

THE WHITE HOUSE

WASHINGTON

January 19, 1981

WH # 98

MEMORANDUM TO PAUL A. VOLCKER
CHAIRMAN OF THE FEDERAL
RESERVE BOARD

I convened the White House Conference on Small Business last January to receive recommendations on how the government could help small business men and women.

One of the priority recommendations made by the Conference delegates was that the Federal Reserve Board establish record-keeping requirements for commercial loans to women which would permit effective monitoring of performance under the Equal Credit Opportunity Act. I agree with the delegates' recommendation and urge that the Board act favorably on its proposal to extend to 25 months the record-keeping requirements for small business loans.

In addition, I suggest that the Federal Financial Institutions Examination Council, which plans to study in the near future the feasibility and usefulness of requiring depository institutions to compile and publicly disclose information regarding small business loans, consider as well the feasibility and usefulness of categorizing the information by subgroups such as women-owned business.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

January 19, 1981

WH # 98

MEMORANDUM TO PAUL A. VOLCKER
CHAIRMAN OF THE FEDERAL
RESERVE BOARD

I convened the White House Conference on Small Business last January to receive recommendations on how the government could help small business men and women.

One of the priority recommendations made by the Conference delegates was that the Federal Reserve Board establish record-keeping requirements for commercial loans to women which would permit effective monitoring of performance under the Equal Credit Opportunity Act. I agree with the delegates' recommendation and urge that the Board act favorably on its proposal to extend to 25 months the record-keeping requirements for small business loans.

In addition, I suggest that the Federal Financial Institutions Examination Council, which plans to study in the near future the feasibility and usefulness of requiring depository institutions to compile and publicly disclose information regarding small business loans, consider as well the feasibility and usefulness of categorizing the information by subgroups such as women-owned business.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1980 NOV 28 PM 9:50
RECEIVED
OFFICE OF THE CHAIRMAN

THE WHITE HOUSE

WASHINGTON

November 21, 1980

WH-95

MEMORANDUM FOR DEPARTMENT AND AGENCY HEADS

FROM : JACK WATSON
AL MCDONALD

SUBJECT : President's Farewell Address and State of the Union Message

The preparatory work is now underway for the President's Farewell Address and his State of the Union Message to Congress in January.

We would welcome during the coming days any suggestions you may wish to make concerning either the President's Address or his Congressional Message. Please send your comments to this office no later than COB Friday, December 5.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

No Records Necessary
File

THE WHITE HOUSE

WASHINGTON

1980 DEC 11 AM 10:47

December 10, 1980

WH-97

MEMORANDUM FOR DEPARTMENT AND AGENCY HEADS

FROM: JACK WATSON Jack

SUBJECT: Resignation Policy

I want you to know that the President is extremely pleased with the professionalism and high degree of cooperation demonstrated by the transition officers throughout the government. I believe that this transition will be a model for many future transitions to follow.

A specific transition matter which requires your special attention is the resignation policy for your subordinates. As you know, Presidential and Secretarial appointees are not technically required to submit resignations unless they are requested to do so by the next Administration. As a practical matter, however, planning for resignations should begin for all appointees who are not on fixed terms. Accordingly, I would appreciate your coordinating the resignations and appointment of acting replacements for your respective departments and agencies.

Presidential Appointees

We would like to have letters of resignation on file for all Presidential appointees who are planning to resign on or before January 20. Those who have reason to expect that they will be asked to stay on temporarily for purposes of continuity may, of course, wait until an appropriate later time.

All letters of resignation should be submitted to the Presidential Personnel Office, EOB, Room 145, no later than December 22. Attached to each letter should be a draft Presidential letter of appreciation to the appointee which accepts the resignation and briefly cites the appointee's major accomplishments and contributions.

We also need to have the names of all acting replacements for Presidential appointees for transmittal to the Reagan transition team. Names should be sent to Harrison Wellford's Office, EOB, Room 246, by January 12. This will ensure operational continuity until the new appointees are confirmed by Congress.

12-12

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Secretarial Appointees

Resignation policy for Secretarial appointees is a matter left largely to your discretion. In the past, many administrative Schedule C employees have wanted to stay on beyond January 20. I suggest that you make it clear that Secretarial appointees need not resign unless they are requested to do so by the new Administration. On the other hand, if such appointees do plan to resign on or before January 20, an early resignation letter would expedite processing and offer time for appropriate recognition by their respective senior officials.

Sample Letter of Transmittal

Attached is a sample memorandum for organizing and transmitting our resignation policy. Since you are the best judge as to its appropriateness for your department or agency, please feel free to alter it or use other means to communicate our policy.

ATTACHMENT

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

SAMPLE MEMO FOR TRANSMITTAL OF RESIGNATION POLICY*

MEMORANDUM TO PRESIDENTIAL APPOINTEES
SECRETARIAL APPOINTEES

FROM: (Name)
(Assistant Secretary-Administration)

SUBJECT: TRANSITION MATTERS - LETTERS OF RESIGNATION

President Carter and Secretary (name) have pledged to provide a smooth and efficient transfer of the responsibility for running the (name of Department or Agency) to the new Administration. This includes taking reasonable care that during the transition period the necessary functions of the Department (or Agency) continue to be performed in an effective manner.

In past transition periods, the incoming Administration has asked some Presidential and Secretarial appointees to continue to serve the public by remaining beyond Inauguration day. You should also be aware that Presidential and Secretarial appointees are not technically required to resign unless they are requested to do so by the new Administration. On a practical level, however, many appointees have already begun to consider new career alternatives.

In this connection, it would be helpful to the Secretary if all Presidential and Secretarial appointees would complete the attached questionnaire, indicating their personal plans. The questionnaire should be submitted to (designee's name) of Secretary (name)'s office by December 18.

Many of you who plan to resign on or before January 20 have inquired about the appropriate protocol for termination of service. The appropriate procedure is for each Presidential appointee to submit a letter of resignation addressed to the President. Those of you who wish to submit resignation letters should send them to Secretary (name). There is no set format for the letters. They should be personal but brief. You should also state an effective date of resignation.

*For Departments of the Executive Branch; Agencies must change titles and nomenclature accordingly.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

If you plan to resign on or before January 20, please send your resignation letter along with the attached questionnaire to (name of designee). He (or she) will coordinate transmittal to the President or the Secretary as is appropriate.

RETURN TO: (name and address of Secretary's designee)
by December 18, 1980

/____/ I plan to leave before January 20, 1981. My estimated date of departure is _____. After resignation, I can be reached at _____.

/____/ I am willing to remain on the job after January 20, 1981, if asked.

_____
NAME

_____
TITLE

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

December 10, 1980

WH-97

MEMORANDUM FOR DEPARTMENT AND AGENCY HEADS

FROM: JACK WATSON Jack

SUBJECT: Resignation Policy

I want you to know that the President is extremely pleased with the professionalism and high degree of cooperation demonstrated by the transition officers throughout the government. I believe that this transition will be a model for many future transitions to follow.

A specific transition matter which requires your special attention is the resignation policy for your subordinates. As you know, Presidential and Secretarial appointees are not technically required to submit resignations unless they are requested to do so by the next Administration. As a practical matter, however, planning for resignations should begin for all appointees who are not on fixed terms. Accordingly, I would appreciate your coordinating the resignations and appointment of acting replacements for your respective departments and agencies.

Presidential Appointees

We would like to have letters of resignation on file for all Presidential appointees who are planning to resign on or before January 20. Those who have reason to expect that they will be asked to stay on temporarily for purposes of continuity may, of course, wait until an appropriate later time.

All letters of resignation should be submitted to the Presidential Personnel Office, EOB, Room 145, no later than December 22. Attached to each letter should be a draft Presidential letter of appreciation to the appointee which accepts the resignation and briefly cites the appointee's major accomplishments and contributions.

We also need to have the names of all acting replacements for Presidential appointees for transmittal to the Reagan transition team. Names should be sent to Harrison Wellford's Office, EOB, Room 246, by January 12. This will ensure operational continuity until the new appointees are confirmed by Congress.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Secretarial Appointees

Resignation policy for Secretarial appointees is a matter left largely to your discretion. In the past, many administrative Schedule C employees have wanted to stay on beyond January 20. I suggest that you make it clear that Secretarial appointees need not resign unless they are requested to do so by the new Administration. On the other hand, if such appointees do plan to resign on or before January 20, an early resignation letter would expedite processing and offer time for appropriate recognition by their respective senior officials.

Sample Letter of Transmittal

Attached is a sample memorandum for organizing and transmitting our resignation policy. Since you are the best judge as to its appropriateness for your department or agency, please feel free to alter it or use other means to communicate our policy.

ATTACHMENT

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

SAMPLE MEMO FOR TRANSMITTAL OF RESIGNATION POLICY*

MEMORANDUM TO PRESIDENTIAL APPOINTEES
SECRETARIAL APPOINTEES

FROM: (Name)
(Assistant Secretary-Administration)

SUBJECT: TRANSITION MATTERS - LETTERS OF RESIGNATION

President Carter and Secretary (name) have pledged to provide a smooth and efficient transfer of the responsibility for running the (name of Department or Agency) to the new Administration. This includes taking reasonable care that during the transition period the necessary functions of the Department (or Agency) continue to be performed in an effective manner.

In past transition periods, the incoming Administration has asked some Presidential and Secretarial appointees to continue to serve the public by remaining beyond Inauguration day. You should also be aware that Presidential and Secretarial appointees are not technically required to resign unless they are requested to do so by the new Administration. On a practical level, however, many appointees have already begun to consider new career alternatives.

In this connection, it would be helpful to the Secretary if all Presidential and Secretarial appointees would complete the attached questionnaire, indicating their personal plans. The questionnaire should be submitted to (designee's name) of Secretary (name)'s office by December 18.

Many of you who plan to resign on or before January 20 have inquired about the appropriate protocol for termination of service. The appropriate procedure is for each Presidential appointee to submit a letter of resignation addressed to the President. Those of you who wish to submit resignation letters should send them to Secretary (name). There is no set format for the letters. They should be personal but brief. You should also state an effective date of resignation.

*For Departments of the Executive Branch; Agencies must change titles and nomenclature accordingly.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

If you plan to resign on or before January 20, please send your resignation letter along with the attached questionnaire to (name of designee). He (or she) will coordinate transmittal to the President or the Secretary as is appropriate.

RETURN TO: (name and address of Secretary's designee)
by December 18, 1980

/____/ I plan to leave before January 20, 1981. My estimated date of departure is _____. After resignation, I can be reached at _____.

/____/ I am willing to remain on the job after January 20, 1981, if asked.

_____
NAME

_____
TITLE

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 28, 1980

WH-96

MEMORANDUM FOR DEPARTMENT AND AGENCY HEADS

FROM: JACK WATSON

SUBJECT: Executive Outplacement Program for Presidential Appointees

The Presidential Personnel Office has arranged a professional executive outplacement program for Presidential appointees. The program will be conducted as a public service by the New York firm of Fuchs, Cuthrell and Co., Inc.

Fuchs, Cuthrell is an organization of experienced consultants who specialize in helping executives who, for whatever reason, have been separated from their company. They provide a comprehensive program of professional counseling designed to assist people to relocate satisfactorily as quickly as possible consistent with their interests and abilities. They have worked for executives with a variety of backgrounds and industries, including senior managers from more than 100 of the Fortune 500 companies. More than 85% of Fuchs, Cuthrell's participants relocated to better positions than their previous ones.

Their program for us will include:

. A two-day seminar on Saturday December 6 and Sunday, December 7

At this seminar, Fuchs, Cuthrell will provide an in-depth series on -- how to assess one's skills and abilities, resume development, planning and implementing a job campaign, job interview techniques and other vital techniques needed to successfully relocate.

. A two-day series of small group sessions on Saturday, December 13 and Sunday, December 14

During these sessions Fuchs, Cuthrell's professional counselors will work individually in small groups to help participants design and tailor their own job campaign.

We have had to limit these seminars to only Presidential appointees to keep the number of participants manageable. Fuchs, Cuthrell is developing a handbook that we will send you soon that will

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

be a useful tool for non-career employees who are not Presidential appointees. You may want to distribute this handbook.

Please let Decker Anstrom in the Presidential Personnel office (456-2995) know by noon, Wednesday, December 3 which Presidential appointees in your agency want to participate in this program. We will then give them final details about the time and location of the session. Participants should also send the attached form to Decker by December 3.

Attachment

cc: Transition Officers

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

"PRE-LIM" QUESTIONNAIRE

Participants Name _____

Home Phone _____ Office Phone _____

Current Position _____

Years in Present Position _____

Compensation _____

Education _____

_____

_____

Past Major Positions _____

_____

_____

_____

_____

_____

_____

_____

_____

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 21, 1980

WH-95

MEMORANDUM FOR DEPARTMENT AND AGENCY HEADS

FROM : JACK WATSON
AL MCDONALD

SUBJECT : President's Farewell Address and State of the Union Message

The preparatory work is now underway for the President's Farewell Address and his State of the Union Message to Congress in January.

We would welcome during the coming days any suggestions you may wish to make concerning either the President's Address or his Congressional Message. Please send your comments to this office no later than COB Friday, December 5.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 17, 1980

RE: 9/a 93

MEMORANDUM FOR THE HEADS OF

DEPARTMENTS AND AGENCIES

As a part of our transition process and the development of archival records, please prepare a summary of major accomplishments during this Administration in your agency's area of jurisdiction. These summaries should highlight, in no more than ten pages, the achievements which represent significant accomplishments or noteworthy changes of direction in public policy. Add any personal comments or suggestions you might have.

Please direct these papers to the attention of the President by Friday, December 12. They will be handled confidentially, as appropriate.

Jack Watson

Jack H. Watson, Jr.
Assistant to the President

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-94

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

OFFICE OF FEDERAL
PROCUREMENT POLICY

November 7, 1980

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Timely Payment of Contractor's Invoices

I would like to reinforce the policy which this Office has enunciated in previous letters to you of August 3, 1976 and June 29, 1977 on the subject of timely payment of contractors' invoices. The General Accounting Office report entitled "The Federal Government's Bill Payment Performance Is Good But Should Be Better" (FGMDS 78-16, dated 2-24-78) states that agencies are doing fairly well in this regard. However, we are still getting consistent complaints, especially from small entrepreneurs who generally have rather acute cash flow problems. The need for timely payment is particularly important in light of the current high cost of capital.

Congress has proposed legislation to deal with the continuing problem of late payments. The Office of Management and Budget (OMB) too, has expressed its concern. The Department of the Treasury in its Circular 1084 calls for prudent cash management. It stipulates that an agency's payment system shall be designed to ensure that payment is made by the date specified on the invoice provided that the related goods or services have been received. I would like to break out for your convenience some of the considerations to be emphasized in meeting your timely payment obligations under Federal procurement. These will be covered in greater detail in the Federal Acquisition Regulation (FAR). In the meantime, you should emphasize the importance of a sound payment process within your agency, particularly with respect to minority owned small business firms. Every effort shall be made to give priority to payment of invoices to minority owned and small business firms.

Basic Payment Needs

General

Reduce paperwork associated with the receipt, inspection and acceptance of supplies and services wherever practicable.

Streamline the structure of the payment process within each procuring agency or payment office.

Avoid proliferation of forms and stress the standardization of forms related to payment.

Use Fast Payment Procedures as a possible means of curbing delayed payments on FOB/Inspection and Acceptance at Destination contracts.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Specific

Avoid segmentation of responsibilities for payment of invoices. This can be accomplished by assigning within the procuring agency a central point of contact responsible for tracking payments and for answering contractors' cash management inquiries.

Include instructions for the forms used in connection with payment, such as Progress Payment Request (DD Form 1195); Material Inspection and Receiving Report (DD Form 250); and Public Voucher (Standard Forms 1034 and 1035), in each contract in a clear and simple manner.

Eliminate non-essential data and unnecessary distribution copies of payment forms.

Include specific payment terms, where possible, in each Government contract and purchase order. The standard 30 day commercial practice for payment of correct invoices should be used as a norm.

In the case of payment of claims for costs incurred under cost reimbursement-type contracts and where an agency's disbursing function is mechanized, contractors should be allowed to use their own commercial type invoices. This recognizes that the commercial invoice can substitute for the SF Voucher Form 1034/1035, for the applicable agency payment voucher would be mechanically generated. Most interim vouchers are provisionally approved for payment subject to final audit upon completion of the contract. Current certifications by a Government representative and a review of the contractor's accounting system for adequacy afford sufficient protection to the Government, I believe. All necessary information to support the payment of the invoice and to provide an adequate audit trail should continue to be included in summary form by the contractor.

Streamline invoice and payment procedures involving recurring payments for items such as utility, telephone, and data processing services, taking into account that adjustments can be effected in the next bill. This would not apply to fixed due dates covering payments for insurance, rent, and lease arrangements.

Take discounts only when merited, and not after the discount period has expired. Emphasize better scheduling of payments where discounts are offered. The key is the proper assessment of the time value of money in order to balance Treasury's concern to reduce Government borrowings at high interest rates to meet obligations.

Pending formal regulatory coverage in the FAR, the above initiatives will serve to alleviate some of the complaints we have been hearing. In addition, you will be acting on many of the recommendations to improve payment procedures made by the President's Cash Management Project, by the GAO, the Commission on Government Procurement, and the Commission on Federal Paperwork.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Finally, contracts which call for the furnishing of specific equipment and subsequent installation by the contractor pose another difficulty. Payment delays can develop in those instances where final installation by the contractor is contingent upon actions by the Government and such actions are unduly delayed. In these types of contract situations, then, it is recommended that the actual installation price be shown in the contract as a separate billable line item from the item being manufactured or furnished.

Your ability to address these issues will go a long way toward improving the Government's image as an customer.

Karen Hastie Williams

Karen Hastie Williams
Administrator

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

RE: WH-914
93

November 7, 1980

MEMORANDUM FOR ALL CABINET AND AGENCY HEADS

FROM : JACK WATSON

This is to reiterate the information conveyed by telephone concerning the transition. Until the official transition unit heads are designated by the President-elect and you are so notified by this office, any informal requests of any persons representing themselves as officials of the President-elect should be courteously refused and this office notified.

We are cooperating fully to establish a planned and coordinated transition program with the official representatives of the President-elect. Consequently, all orientations and exchanges of information should be channeled through these official designees.

cc: White House Senior Staff

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 12, 1980

#WH-93

MEMORANDUM FOR CABINET AND AGENCY HEADS

FROM: JACK WATSON Jack

The purpose of this memorandum is to inform you of persons designated by the President and Governor Reagan as members of their respective transition teams. A description of the transition teams is attached.

This memorandum also establishes guidelines for the filling of SES positions during the transition period and the detailing of agency employees to the Reagan transition team.

Filling SES Vacancies

As part of the President's commitment to an effective transition, it is important that the new Administration be given appropriate latitude in filling key career Senior Executive Service (SES) positions when it assumes office. This is particularly true since involuntary reassignments of career SES employees may not be made within 120 days after the appointment of a new agency head.

Accordingly, the President expects all department and agency heads personally and carefully to review all recommendations for new SES appointments and transfers of career SES employees between now and January 20, 1981.

Use of Detailees

The Presidential Transition Act of 1963 (Sec. 2) provides that any employee of any agency of any branch of the government may be detailed to a Presidential transition team on a reimbursable basis with the consent of the head of the agency. An employee so detailed shall continue to receive compensation for regular employment and retain the rights and privileges of such employment without interruption. The detailee will be responsible only to the President-elect or Vice President-elect for the performance of such duties.

As stated in previous memoranda, it is the President's desire that all departments and agencies should cooperate fully with the transition team. This general policy extends to any requests for detailees. Requests should generally be granted, unless the person requested is necessary for the continued effective performance of agency functions and operations.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The agency head should personally approve the use of any detailees. In order for us to maintain a complete record of transition services, you are requested to include in your transition progress reports, a list of the detailees whom you have approved. Please report any decision to deny a request for detailees to Harrison Wellford, Executive Associate Director of OMB.

Request for detailees should be discussed by the respective transition officers for the agency. Formally, the request must be transmitted to the agency head in writing, and signed by Mr. Peter McPherson or Vernon Orr (or their designee) with a copy to the Comptroller of GSA (Mr. Raymond Fontaine).

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

William E. Timmons, Deputy Director of the Transition, is responsible for the Office of Executive Branch Management.

Frank A. Whetstone is the senior advisor to this office and Stanley Ebner is Coordinator.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The following is a listing of Executive Branch agencies and the Director responsible for teams to be assigned to them. The groupings are for the administrative convenience of the transition staff only and have no policy implications.

NATIONAL SECURITY GROUP

Dr. David M. Abshire

- Department of State
- Department of Defense
- Central Ingelligence Agency
- International Development Cooperation Agency
- Arms Control Disarmament Agency
- International Communication Agency
- Veterans Administration
- International Bank for Reconstruction and Development
- Overseas Private Investment Corporation
- Foreign Claims Settlement Commission
- Board for International Broadcasting

RESOURCES AND DEVELOPMENT GROUP

Richard Fairbanks

- Department of Agriculture
- Department of Energy
- Federal Energy Regulatory Commission
- Department of the Interior
- Environmental Protection Agency
- Nuclear Regulatory Commission
- Alaska Natural Gas Transportation System
- Commodity Futures Trading Commission
- Farm Credit Administration
- Tennessee Valley Authority
- Syn-Fuels Corporation
- Office for Micronesian Status Negotiations
- National Aeronautics and Space Administration

HUMAN SERVICES GROUP

Elizabeth Dole

- Department of Education
- Department of Health and Human Services
- Department of Housing and Urban Development
- ACTION
- Community Services Administration
- Federal Council on Aging
- National Credit Union Administration

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

ECONOMIC AFFAIRS GROUP

Stanton D. Anderson

- Council on Wage and Price Stability
- Office of Special Trade Representative
- Department of Commerce
- Department of Treasury
- Department of Transportation
- Comptroller of the Currency
- Export-Import Bank
- Federal Home Loan Bank Board
- Small Business Administration
- International Trade Commission
- Federal Deposit Insurance Corporation
- Federal Reserve System
- National Transportation Safety Board
- Regional Development Commissions
- National Labor Relations Board
- Department of Labor
- Federal Labor Relations Authority
- Federal Mediation and Conciliation Service
- National Mediation Board
- Occupational Safety and Health Review Commission
- Federal Savings and Loan Insurance Corporation

LEGAL AND ADMINISTRATIVE AGENCIES GROUP

Loren A. Smith

- Department of Justice
- General Services Administration
- Office of Personnel Management
- United States Railway Association
- Civil Aeronautics Board
- Federal Communications Commission
- Federal Trade Commission
- Interstate Commerce Commission
- Securities Exchange Commission
- Federal Maritime Commission
- Consumer Product Safety Commission
- Federal Emergency Management Agency
- National Science Foundation
- Advisory Commission on Intergovernmental Relations
- United States Postal Service
- Federal Election Commission
- Merit System Protection Board
- Smithsonian Institution
- National Endowment for the Arts
- National Endowment for the Humanities
- Advisory Council on Historic Preservation
- Postal Rate Commission
- Civil Rights Commission
- Equal Employment Opportunity Commission
- Miscellaneous Boards and Commissions

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Team leaders report to one of five Group Directors who manage issues clusters.

Department team leaders are:

Department of State: Robert E. Neumann
Department of Defense: William Van Cleave
Department of Treasury: Gerald L. Parsky
Department of Justice: Richard Wiley
Department of Interior: Richard Richards
Department of Agriculture: Richard Lyng
Department of Commerce: Calvin J. Collier
Department of Labor: Richard Shubert
Department of Health and Human Services: Robert Carleson
Department of Housing and Urban Development: Gerald Carmen
Department of Transportation: Arthur E. Teele
Department of Energy: Michael Halbouty
Department of Education: Loreli Kinder

Team leaders for agencies and independent commissions, as well as members of the departmental teams, will be announced later.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

TRANSITION OFFICERS
WHITE HOUSE

Jack Watson — 456-6797
White House Chief of Staff

Al McDonald — 456-7873
White House Staff Director

Harrison Wellford — 395-3864
OMB Executive Director

Michael Rowny — 456-7873
Deputy to the Staff Director

White House Administrative Contact:

Hugh Carter — 456-2702
Special Assistant to the President
for Administration

White House Press Contacts:

Ray Jenkins — 456-2100
Rex Granum — 456-2100
Deputy Press Secretaries

Vice President's Office:

Dick Moe — 456-6606
Vice President's Chief of Staff

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 12, 1980

LIST OF TRANSITION OFFICERS
DEPARTMENTS AND AGENCIES

DEPARTMENT OF AGRICULTURE Jim Williams (Howard Hjort - budget) (Joan Wallace - space, tech., pers.)	447-6158
DEPARTMENT OF COMMERCE Ms. Elsa Porter	377-4951
DEPARTMENT OF DEFENSE Peter Hamilton	697-8388
DEPARTMENT OF EDUCATION Under Secretary Steven A. Minter	755-1100
DEPARTMENT OF ENERGY Douglas G. Robinson	252-6476
DEPARTMENT OF HEALTH AND HUMAN SERVICES Randy Kinder Alair Townsend	245-7163 245-6396
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Terrence Duvernay	755-6810
DEPARTMENT OF INTERIOR William Kendig	343-4701
DEPARTMENT OF JUSTICE Kevin D. Rooney	633-3101
DEPARTMENT OF LABOR Paul Jensen	523-8231
DEPARTMENT OF STATE Peter Tarnoff	632-2540
DEPARTMENT OF TRANSPORTATION Deputy Secretary Bill Beckham	426-2222
DEPARTMENT OF THE TREASURY Curtis Hessler	566-2551

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

ACTION Robert Currie	254-7264
COMMUNITY SERVICES ADMINISTRATION Mr. Lee Foley	254-5590
COUNCIL OF ECONOMIC ADVISERS Susan Irving	395-5084
COUNCIL ON ENVIRONMENTAL QUALITY Malcolm Baldwin	395-4522
COUNCIL ON WAGE AND PRICE STABILITY Bob Russell	456-6466
ENVIRONMENTAL PROTECTION AGENCY Jack Ford	755-2705
FEDERAL EMERGENCY MANAGEMENT AGENCY William S.W. Jones	653-7776
GENERAL SERVICES ADMINISTRATION Mr. E. Perley Eaton, Jr.	566-1212
NATIONAL SECURITY COUNCIL Les Denend (For National Security Affairs) Ms. Christine Dodson (For the NSC staff)	456-2235 395-3440
OFFICE OF ADMINISTRATION Ms. Sarah T. Kadec	456-2804
OFFICE OF MANAGEMENT AND BUDGET Ms. Alice Rogoff	456-6992
OFFICE OF PERSONNEL MANAGEMENT Alan Campbell, Director	632-4724
SELECTIVE SERVICE SYSTEM Dr. Bernard Rotsker	724-0817
SMALL BUSINESS ADMINISTRATION Bill Mauk	653-6678
SPECIAL REPRESENTATIVE TO THE PRESIDENT (AMBASSADOR SOL LINOWITZ) Andy Marks	456-7620
U.S. TRADE REPRESENTATIVE Ambassador Robert Hormats Robert Cassidy	395-5114 395-3150
VETERANS ADMINISTRATION Rufus H. Wilson	389-2817

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

CIA
Richard Lehman 351-6724

INTERNATIONAL COMMUNICATIONS AGENCY
Richard Cohen 724-9185

OFFICE OF SCIENCE & TECHNOLOGY POLICY
Frank Press 456-7116

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Jerry Griffin 755-3972

PEACE CORPS

Dick Celeste 254-7970

OFFICE OF CONSUMER AFFAIRS

Esther Peterson 456-6970

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 13, 1980

WH-92

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

There is only one week left before the formal close of the 1981 Combined Federal Campaign (CFC).

As you know, I care deeply about the CFC and the hundreds of voluntary human services it supports.

Secretary Bergland, this year's Chairman of the CFC in the National Capital Area, tells me that the campaign has been going well and that over $11 million has been raised to date.

Nevertheless, we need to raise nearly $2 million more in order to reach this year's goal of $12,875,000.

I am asking you to give personal leadership to your organization's CFC and to see that every employee is asked to participate even if your campaign must extend beyond the 20th of November. With your active support we can ensure victory for the CFC and, more importantly, for those millions of people the CFC helps.

Thank you for giving this important and deserving cause your personal attention.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 10, 1980

WH-91

MEMORANDUM FOR CABINET AND AGENCY HEADS

FROM: JACK WATSON

SUBJECT: An Orderly Transition of the Presidency

The purpose of this memorandum is to confirm and clarify the President's instructions given last week regarding the transition.

The Presidential Transition Act of 1963 is intended to facilitate "... the orderly transfer of the executive power in connection with the expiration of the term of office of a President and the inauguration of a new President...." The Act states:

> "The national interest requires that such transitions in the office of the President be accomplished so as to assure continuity in the faithful execution of the laws and in the conduct of the affairs of the Federal Government, both domestic and foreign."

As you know, the President has asked me to serve as overall coordinator of the transition effort on his behalf. Al McDonald, White House Staff Director, will be working closely with me on the transition, as will Harrison Wellford, Executive Director of OMB. As soon as Governor Reagan officially designates his transition representative(s) for your agency, I will transmit those names to you. I am planning to meet with Governor Reagan's director of the transition, Ed Meese, on Wednesday, November 12th, and should receive the names at that time.

The transition briefing materials you are preparing should be concise and contain information that will be of immediate usefulness to the incoming officials. It would not be fruitful, in my opinion, to innundate Governor Reagan's people with excessive detail or with unsolicited advice and recommendations. Our guideline is simply to be helpful and forthcoming in every way possible, without burying the new people under mountains of briefing books and paper.

Although the exact form and content of the transition briefing materials will be determined by each agency, those materials should cover the subjects set forth in the attachment to this memorandum.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The President and his Administration are, of course, fully responsible for the exercise of all governmental responsibilities until the President-elect assumes office on January 20, 1981. As the Presidential Transition Act states, one of our primary goals is to "minimize any disruption which could produce results detrimental to the safety and well-being of the United States and its people."

Please submit to my office a brief progress report on your transition efforts on November 15, 1980, and each two weeks thereafter.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Attachment

Subjects for Transition Materials

1. Agency missions, programs, and statutory authorities.

2. Basic organization and functions.

3. Budgetary and financial information.

4. Personnel policies and administration -- nature and tenure of appointment to major positions, conflict of interest, compensation and benefits, supporting services.

5. Key senior career personnel.

6. Significant interagency relationships.

7. Significant intergovernmental relationships.

8. Budget and appropriation processes.

9. Legislative processes, including legislative clearance requirements.

10. Issues and priorities, with emphasis on matters requiring immediate decision and those requiring action during the first quarter of 1981.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

November 4, 1980

WH-89

MEMORANDUM FOR ALL DEPARTMENT AND AGENCY HEADS

FROM : JACK WATSON
AL MCDONALD

This is to advise you that effective COB November 3 all Schedule C and SES non-career vacancies have been frozen. Presidential Personnel will be in touch with each agency to set up the clearance process for filling any of these positions.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

OFFICE OF FEDERAL
PROCUREMENT POLICY

NOV 3 1980

WH-90

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

SUBJECT: Report on Major OFPP Activities

Enclosed for your information and review is a copy of a report I recently submitted to Congress. The report covers OFPP's major activities over the last two years, and is required by Section 8(a)(1) of the Office of Federal Procurement Policy Act, as amended (41 U.S.C. 407 (a)(1)).

Activities outlined in the report include the development of the Uniform Procurement System proposal required by Section 8(a)(2) of the above statute. Also included are status reports on such interim issues and projects as the Federal Acquisition Regulation; the Federal Procurement Data System; Major System Acquisitions Policy; Commercial Products Policy; Socio-Economic Policy; Policy for Relying on the Private Sector; and the Commission on Government Procurement Recommendations.

All activities included in the report are presented in a summary-type format. If you have questions or need additional information about any aspect of the report, please call me. Your cooperation and support of the Office of Federal Procurement Policy during the two years covered by the report are appreciated.

Karen Hastie Williams
Administrator

Enclosure

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

OCT 30 1980

1980 NOV -4 AM 11:38

WH-88

MEMORANDUM FOR: DEPARTMENTS AND AGENCIES SUBJECT TO OR VOLUNTARILY COMPLYING WITH E.O. 12044, "IMPROVING GOVERNMENT REGULATIONS"

SUBJECT: Coordination of the Publication of the Semiannual Agendas of Regulations and the Calendar of Federal Regulations

On June 27, 1980, the President issued Executive Order 12221 extending E.O. 12044, "Improving Government Regulations," until April 30, 1981. The purpose of the extension is to continue existing procedures for improving government regulations, pending the enactment of regulatory reform legislation.

Both the Office of Management and Budget and the U. S. Regulatory Council have received comments from the agencies concerning the workload imposed by their semiannual agendas of regulations, mandated by E.O. 10244, and by the Calendar of Federal Regulations. Several agencies have suggested that closer coordination of the agendas and the Calendar may provide better and more consistent information on upcoming regulations and reduce agency workloads. Accordingly, we encourage you to make every effort to coordinate the preparation of these documents as much as possible.

We recognize the value of the agendas as internal agency management tools, and are, therefore, not requiring that they be published at specific times. Nevertheless, you should consider changing the dates for publishing your semiannual agendas to coincide with preparing your submissions for the Calendar. The Regulatory Council publishes the Calendar in November and May. You might wish to publish your agendas in October and April so the work you do to complete your agendas can be coordinated with the work you do to prepare entries for the Calendar.

We also suggest that you consider using certain common data elements in your agenda, beyond those required by E.O. 12044.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Elements required by E.O. 12044	Additional elements we recommend
Title	CFR citation
Legal authority	Why regulation is significant
Description of the regulation	Docket number
Need for regulation	Sectors affected by the regulation
Is a regulatory analysis required?	Collaboration with other agencies
Agency contact	Timetable for expected action

Many agencies already are including some or all of these additional elements. If all agencies did so, we would all better be able to analyze our regulations for duplication, overlap, inconsistency, and for their aggregate sectoral effects. We would also better be able to eventually computerize the information to give us an accessible regulatory information data base which could help all of us to know what each other is planning.

We particularly urge you to consider adding "sectors affected by the regulation" and "collaboration with other agencies" to the existing data elements in your agendas. These two data elements are among the most valuable pieces of information provided in Calendar entries which are not <u>required</u> to be included in your semiannual agendas.

Wayne Granquist
Associate Director
Management and Regulatory Policy
Office of Management and Budget

Peter J. Petkas
Director
U.S. Regulatory Council

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-87-NR-Orig

to Anderson

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

OFFICE OF FEDERAL
PROCUREMENT POLICY

WH-87

October 28, 1980

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

SUBJECT: Uniform Procurement System

With the enactment of Public Law 96-83 in October 1979, the Office of Federal Procurement Policy was charged with the development of a Uniform Procurement System (UPS) proposal to be submitted to the Congress this fall. For the last six months we have been actively engaged in the development of that proposal and have depended heavily on interagency committees and public hearings to identify shortcomings in the current system and desirable features to incorporate in the proposal for a new, comprehensive UPS.

On October 27, 1980, I transmitted the proposal, in final form, to the Congress. A copy is attached for your information. The proposal, as submitted, reflects many of the comments which you and your staff prepared in response to drafts provided to you earlier this fall. Copies have been provided to your staff.

Though a major milestone, the development of this proposal is only the first step in the project to develop the UPS. As you may know, a UPS legislative proposal and management proposal are required to be submitted to the Congress by October 1981 -- elements that will build upon the System proposal.

I want to thank you for your help in developing the System proposal and solicit your continuing assistance and support as we enter the next phase of this project.

Karen Hastie Williams

Karen Hastie Williams
Administrator

Enclosure

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

M-81-3

October 22, 1980

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: James T. McIntyre, Jr. Jim McIntyre WH-86

SUBJECT: Requirements to File Internal Revenue Service Information Returns

It has come to our attention that most departments and agencies are not complying with the reporting requirements contained in Section 6041 of the Internal Revenue Code on non-employee compensation and other forms of income. Specifically, recent GAO studies and congressional testimony have revealed general non-compliance in the Federal sector with respect to these information reporting requirements.

Section 6041 of the Code requires that persons, including Federal agencies, making payments to others in the course of their trade or business must file the appropriate IRS Form 1099 information document with IRS. Form 1099 applies to payments totaling $600 or more in one year to a recipient for gains, profits, income, rents, salaries, wages, commissions, fees, and other forms of compensation for services provided by nonemployees. The IRS has prescribed separate forms within the 1099 series for reporting various types of such payments. Payments to certain corporations however, are exempt under §1.6041-3.

The Form 1099 requirement is intended to provide the IRS with a means of identifying income not subject to withholding. It has been estimated by IRS that as much as 40 percent of such income goes unreported and therefore, results in significant losses of tax dollars to the government. Accordingly, each department and agency should take whatever action is necessary to assure compliance with Section 6041 of the IRS code and to accommodate the IRS in fulfilling its tax collection responsibilities.

I encourage you to direct your personnel, procurement and finance staffs to work together to achieve full compliance by ensuring that all data needed to identify payments subject to the provisions of Section 6041 is available. Further, I ask that you report to OMB not later than December 31, 1980 on the actions you have taken.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

October 20, 1980

WH-85

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

SUBJECT: President's Executive Exchange Program

The President has asked me to reiterate his support of the Executive Exchange Program, in which outstanding career executives in the government are selected to spend one year working in the private sector, and a similar group of business executives is selected to spend one year in Washington with the federal government. He hopes for participation by every department and agency.

The program is a successful means to improve understanding between the two sectors, and more than 200 federal and 400 business executives have participated during the program's first ten years.

The value of the Executive Exchange Program is now greater than ever as a broadening experience for federal executives interested in being considered as candidates for the Senior Executive Service.

Would you please ensure that the program is well publicized in your agency. The staff of the President's Commission on Executive Exchange will follow-up with its liaisons in your agency with specific requests for action.

Thank you for your cooperation.

Gene

Eugene Eidenberg
Secretary to the Cabinet
and Assistant to the President
for Intergovernmental Affairs

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

October 10, 1980

Mr. Nathaniel Scurry
Assistant to the Director
for Civil Rights
Executive Office of the President
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Scurry:

I am responding to your letter of September 19 to Chairman Volcker regarding the Federal Reserve Board's scheduled training programs and other meetings conducted by our employees relating to the enforcement of civil rights.

I am enclosing a copy of our Consumer Compliance Handbook which discusses the civil rights laws enforced by the Federal Reserve System and how we examine for compliance with these laws.

Our plan is to train a large number of examiners in civil rights enforcement during the coming year, either in schools run by the Federal Reserve or the Federal Financial Institutions Examination Council. Attached is a proposed schedule for these training sessions.

We do not have a definite schedule for participating in management seminars or other public meetings on the enforcement of civil rights. During this past year officials and staff of the Division of Consumer and Community Affairs participated in approximately 35 meetings and conferences involving civil rights enforcement activities, including activities involving the Community Reinvestment Act. I anticipate that they will be involved in about the same number this coming year.

I hope the information is of use and if we can be of additional help to you please contact Mr. Jerauld C. Kluckman or Mr. Glenn E. Loney of our Division of Consumer and Community Affairs at 452-3401 or 452-3585.

On a related matter, your letter of September 22, 1980, alerted us to the designation of the Department of Justice and the Equal Employment Opportunity Commission as lead agencies to compile and provide OMB with their assessment of Agencies' A-11 budget submissions dealing with Federal non-discrimination programs. As you know, the Federal Reserve Board is not

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

a government funded or appropriated agency and as such does not submit an A-11 budget. We have advised both the Department of Justice and the Equal Employment Opportunity Commission of this.

Sincerely,

Frederick H. Schultz

Enclosures 2

bcc: John Denkler (Chairman's Letter # 2634)

JKB:lll
10/09/80
M-355

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

Date: 9/24/80

To: Janet Hart

From: JOHN M. DENKLER

Please originate a reply as we discussed.

Attachment: Chairman's Letter #2634

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

September 18, 1980

#2634

Honorable Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
20th and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Mr. Chairman:

One of my Office's objectives during the coming fiscal year will be to gain further familiarity with the procedures, accomplishments, and needs of the programs we oversee. I am, therefore, requesting that you provide me, as soon as possible, with a schedule of training sessions, public information seminars, and national management meetings planned by the civil rights division in your department/ agencies during fiscal year 1981. I would also appreciate receiving copies of all procedural manuals or handbooks used in the enforcement of civil rights.

Sincerely,

Nathaniel Scurry

Nathaniel Scurry
Assistant to the Director
for Civil Rights

Received C&CA SEP 26 1980
Log No. 80-0235
Date Out

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

October 9, 1980

Mr. Stewart B. Oneglia, Director
Office of Coordination and Review
Civil Rights Division
Department of Justice
Washington, D. C. 20530

Dear Mr. Oneglia:

I am writing in response to your August 28, 1980 letter to Ms. Janet O. Hart, Director of the Federal Reserve Board's Division of Consumer and Community Affairs, in which you requested submission of certain information relating to federal agencies' A-11 budgets.

Although the Federal Reserve Board does have enforcement responsibilities and activities relating to the Equal Credit Opportunity Act, the Board is not a government funded or appropriated agency. Therefore, the Board does not submit an A-11 budget to the Office of Management and Budget (OMB). For your information, the Board submits to OMB an abbreviated, administrative budget for inclusion, without review, in the Off-Budget Federal Entities appendix to the United States Budget.

Please call me (452-3766) if you have any further questions on this matter.

Sincerely,

(signed) E. T. Mulrenin

Edward T. Mulrenin
Assistant Staff Director

cc: Mr. Denkler
Mr. Kakalec
Mrs. Mallardi (WH-76)
Miss Hart

ETM:mhw

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

September 22, 1980

RE: #2634
WH-76

Honorable Paul A. Volcker, Chairman
Board of Governors of the
Federal Reserve System
20th & Constitution ave., N.W.
Washington, D. C. 20551

Dear Mr. Chairman:

Please note that this letter supersedes my letter dated September ~~16~~ 15, 1980, due to an inadvertent omission at the end of line 5, paragraph 2.

In October 1979, the Director of the Office of Management and Budget established a Civil Rights Unit within his immediate office and appointed me as its director. My office serves as the Director's principal advisor on civil rights issues and is responsible, in part, for coordinating a systematic review of the Government's expenditures in civil rights. In that regard, OMB Circular No. A-11 has been revised to require Federal Departments and Agencies to prepare and justify their civil rights resource requirements in much greater detail than in the past. This reflects the high priority OMB is attaching to its examination of civil rights programs during the 1982 budget process.

Among the changes included in the revised circular is the designation of the Department of Justice and the Equal Employment Opportunity Commission as lead agencies to compile and provide OMB with their assessment and recommendations on Federal nondiscrimination programs. Specifically, the Department of Justice will collect the data on federally assisted and equal credit opportunity programs; and the Equal Employment Opportunity Commission is responsible for compiling data on equal employment opportunity programs and materials normally submitted by the Civil Rights Commission. These agencies also have been asked to provide technical assistance as needed.

OMB has cleared letters developed by the lead agencies, which provide additional guidance on the timing of the information and data requirements. You will note that the due date has been changed to September 26, 1980, and Section 53.3(c) of Circular No. A-11 has been rescinded. We would appreciate your cooperation and support in assuring that their requirements are met.

Finally, OMB is planning to conduct hearings of selected agencies' budgets to assess their performances in the civil rights area and to review the completeness and accuracy of the information contained in the 1982 budget submissions and the Circular No. A-11 reports.

Thank you for your cooperation.

Sincerely,

Nathaniel Scurry

Nathaniel Scurry
Assistant to the Director
for Civil Rights

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

September 18, 1980

#2634
Re WH-76

Honorable Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
20th and Constitution Avenue, N.W.
Washington, D.C. 20551

Dear Mr. Chairman:

One of my Office's objectives during the coming fiscal year will be to gain further familiarity with the procedures, accomplishments, and needs of the programs we oversee. I am, therefore, requesting that you provide me, as soon as possible, with a schedule of training sessions, public information seminars, and national management meetings planned by the civil rights division in your department/ agencies during fiscal year 1981. I would also appreciate receiving copies of all procedural manuals or handbooks used in the enforcement of civil rights.

Sincerely,

Nathaniel Scurry

Nathaniel Scurry
Assistant to the Director
for Civil Rights

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

SEP 15 1980

WH-16

Honorable Paul A. Volcker
Chairman, Board of Governors
of the Federal Reserve System
20th and Constitution Ave., N.W.
Washington, D. C. 20551

Dear Mr. Chairman:

In October 1979, the Director of the Office of Management and Budget established a Civil Rights Unit within his immediate office and appointed me as its director. My office serves as the Director's principal advisor on civil rights issues and is responsible, in part, for coordinating a systematic review of the government's expenditures in civil rights. In that regard, OME Circular No. A-11 has been revised to require Federal Departments and Agencies to prepare and justify their civil rights resource requirements in much greater detail than in the past. This reflects the high priority OMB is attaching to its examination of civil rights programs during the 1982 budget process.

Among the changes included in the revised circular is the designation of the Department of Justice and the Equal Employment Opportunity Commission as lead agencies to compile and provide OMB with their assessment and recommendations of Federal nondiscrimination programs. Specifically, the Department of Justice will collect the data on federally assisted and equal credit opportunity programs; and the equal employment opportunity programs and materials normally submitted by the Civil Rights Commission. These agencies also have been asked to provide technical assistance as needed.

OMB has cleared letters developed by the lead agencies, which provide additional guidance on the timing of the information and data requirements. You will note that the due date has been changed to September 26, 1980, and Section 53.3(c) of Circular No. A-11 has been rescinded. We would appreciate your cooperation and support in assuring that their requirements are met.

Finally, OMB is planning to conduct hearings of selected agencies' budgets to assess their performances in the civil rights area and to review the completeness and accuracy of the information contained in the 1982 budget submissions and the Circular No. A-11 reports.

Thank you for your cooperation.

Sincerely,

Nathaniel Scurry

Nathaniel Scurry
Assistant to the Director
for Civil Rights

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

WH-84

OFFICE OF FEDERAL
PROCUREMENT POLICY

OCT 9 1980

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
RECEIVED
OFFICE OF THE CHAIRMAN
1980 OCT 15 AM 10:32

M-81-2

MEMORANDUM TO: HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

FROM: Karen Hastie Williams, Administrator

SUBJECT: Directory of Federal Contract Audit Offices - July 1980 (DCAAP 5100.6)

The Defense Contract Audit Agency recently completed the compilation of the first issue of the Directory of Federal Contract Audit Offices. Printing of the Directory should be completed by November 1, 1980. This is one of two directories prescribed by OFPP Policy Letter 78-4 which established an interagency Field Contract Support Cross-Servicing Program.

You will soon be receiving directly from the printer a copy of the 2-volume Directory of Federal Contract Audit Offices. The printer is also sending a copy of the Directory to each OFPP Agency Contact Point. You are requested to ensure that the organizations within your agency engaged in the issuance of contracts and/or grants and the audit of such instruments become acquainted with this Directory.

Those organizations listed in the enclosure have already requested the number of copies indicated. These will be distributed by the printer. Additional copies of the Directory may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

The other directory prescribed by Policy Letter 78-4 concerns field contract support services activities exclusive of audit offices. The "DOD Directory of Contract Administration Services Components" (DOD 4105.59-H) has been expanded to include civilian agencies' capabilities with respect to such services.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

An information copy of this DOD Directory was recently forwarded to civilian agencies and OFPP Agency Contact Points by the Defense Logistics Agency. Additional copies of this Directory may be obtained from the Defense Logistics Agency, ATTN: DLA-XAP, Cameron Station, Alexandria, Virginia 22314.

Enclosure: Distribution List

cc: OFPP Agency Contact Points

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

INITIAL DISTRIBUTION REQUIREMENTS FOR

DIRECTORY OF FEDERAL CONTRACT AUDIT OFFICES

ADDRESS	COPIES
US Department of Agriculture Office of Inspector General - Audit Administration Bldg Rm 403-E 14th and Independence Ave SW Washington DC 20250	7
Agency for International Development Office of Auditor General Area Auditor General/Washington Washington DC 20523	1
US Department of Commerce Office of the Inspector General Administration Office Rm 6881 14th St & Constitution Ave NW Washington DC 20230	100
US Department of Energy Office of Inspector General Forrestal Bldg Rm 5A-228 Washington DC 20585	30
US Environmental Protection Agency Office of Inspector General (A-109C) 401 M St SW Washington DC 20460	1
US Department of Housing and Urban Development Office of Inspector General Office of Audit 451 7th St SW Rm 8176 Washington DC 20410	12
US Department of the Interior Office of Inspector General 18th & C Sts NW Rm 5342 Washington DC 20240	3
US Department of Justice Justice Management Division Property Management and Procurement Staff Procurement Management Section 10th & Constitution Ave NW Rm 6320 Washington DC 20530	136

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

US Department of Labor
Office of Inspector General
200 Constitution Ave NW Rm S-5030
Washington DC 20210 — 10

National Aeronautics and Space Administration
Assistant Inspector General for Auditing
Office of Inspector General (Code W)
NASA Headquarters
Washington DC 20546 — 26

National Science Foundation
Audit Officer
1800 G St NW Rm 245
Washington DC 20550 — 9

Office of Personnel Management
ATTN: W. Stewart
1900 E St NW Rm 7558
Washington DC 20415 — 2

Smithsonian Institution
Office of Audit
Washington DC 20560 — 3

US Department of State
Office of the Inspector General
S/IG/AUD, Rm 6821
Washington DC 20520 — 2

US Department of Transportation
Office of Inspector General
Office of Policy and Standards
400 7th St SW Rm 7130
Washington DC 20590 — 11

Asst Chief Inspector-Audit
US Postal Service
Washington DC 20260 — 25

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

July 3, 1980

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1980 JUL -8 AM 9:28
RECEIVED
OFFICE OF THE CHAIRMAN

WH-60

Dear Chairman Volcker:

Recently your agency participated in an interagency task force that studied thrift institutions. The task force has made several recommendations to Congress concerning usury ceilings, an issue of great concern to consumers.

In seeking advice from your senior-level consumer designee, Ann Marie Bray, I discovered that she was not involved in the development of your agency's policy decisions on this matter.

I recognize, of course, that the task force had begun its work before your consumer program was fully developed. However, most agency plans were in effect before the task force completed its work. It is precisely this sort of policy formulation activity in which we hope your consumer staff will be involved.

It is critical at this early stage of the implementation of the Consumer's Executive Order (Executive Order 12160) that both the skeptics and avid consumer supporters not be given cause to believe that the consumer plans were created for show purposes. They must see that the government's commitment to consumers is strong and unwavering, and that we do indeed intend to "lock the consumer's voice into government" as the President has asked us to do.

Thank you for your help and your support.

Sincerely,

Esther Peterson

Esther Peterson
Special Assistant to the President
for Consumer Affairs

The Honorable Paul A. Volcker
Chairman
Federal Rhserve System
20th Street and Constitution, NW
Washington, D. C. 20051

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Oct 1

Ms. Hart

August 8, 1980

Janet,

This appears to be something that would more appropriately and expertly be handled by your Office. We are prepared to provide you any support that you feel you would require.

Attachment WH[redacted]-72

ETMulrenin:mhw

DCA

/ JANET KAI

TAKEN CARE
OF Phil. She
SENT OUT A
MEMO A while
BACK ACTED

Phil

LO

THE WHITE HOUSE

WASHINGTON

July 25, 1980

WH-72

Dear Mr. Volcker:

President Carter has proclaimed the week of October 5 as National Consumer Education Week (NCEW). We are pleased with the President's support for consumer education and hope that you will join us in this effort by supporting consumer education activities and outreach by your agency.

This week gives the Consumer Affairs Council a challenge in following the mandate of Executive Order 12160 to provide leadership and coordination in a combined effort with agency consumer programs. To assist in the NCEW effort and to provide recommendations on the information requirements of the Executive Order, a Council Committee on Consumer Information has been established.

National and regional activities are being planned and coordinated at this time, and I hope you will give your agency's support to the Council's recommendations which will be forwarded to your Consumer Designee. Not only will these activities benefit consumers, but they will give your agency an opportunity to increase your visibility and consumer outreach efforts. In particular, October 5 would be a good time to announce that the consumer information element of your consumer plan will take effect.

I look forward to working together during National Consumer Education Week to increase the skills and involvement of consumers in the marketplace and in government. Thanks so much for your support.

Sincerely,

Esther Peterson

Esther Peterson
Special Assistant to the President
for Consumer Affairs

The Honorable Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

National Consumer Education Week

By the President of the United States of America

A Proclamation

America's economy is the largest and most complex in the history of the world. It offers an unparalleled choice of goods and services. For our economy to work best for our people, all of us must have the information and knowledge we need to make intelligent decisions as consumers.

Every citizen can benefit from knowing more about consumer laws, rights, and avenues of redress. Many people—including the young, the elderly and the poor—need help in learning about buying skills, financial management, resource conservation methods, and self-help or alternative solutions to economic constraints. In addition, educated consumers can do much to ensure genuine competition, increased productivity, higher quality, and lower prices in the marketplace.

Many good programs for consumer education, public and private, are now in place. But we need a more comprehensive and coordinated approach. Just as our democratic political system needs well-informed citizens, our free economy needs well-informed consumers who can participate effectively in the marketplace partnership among consumers, government, and business.

Schools, governments, consumer organizations, labor unions, and businesses all can play a role in meeting this challenge. I call upon each of these sectors to examine closely how, individually and collectively, they can initiate and support consumer education.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning October 5, 1980, as National Consumer Education Week.

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of April, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fourth.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

1980 OCT -9 AM 11:08

October 8, 1980

WH-83

MEMORANDUM FOR THE HEADS OF

EXECUTIVE DEPARTMENTS AND AGENCIES

Throughout my Administration I have stressed that neighborhoods are the soul of every community. Each opportunity to include neighborhood organizations in the partnership to rebuild America's cities and towns should be taken. All Federal programs should be administered in a manner which complements neighborhood efforts.

Over three years ago I appointed, with Congressional approval, the National Commission on Neighborhoods to conduct a study of the important issues affecting the residents of America's neighborhoods. The Commission membership represented a broad spectrum of American concerns and included members of Congress, local elected officials, leaders of neighborhood organizations, and private citizens from many walks of life.

Following an exhaustive study, the Commission presented over two hundred recommendations to the Administration for consideration. The Secretary of Housing and Urban Development and the Assistant Secretary of HUD for Neighborhoods, Voluntary Associations and Consumer Protection coordinated a review of the Commission's recommendations, most of which were agreed to by the agencies.

To ensure that the Administration continues to make progress in working with the nation's neighborhoods, it is essential that the findings and recommendations made by the Commission and accepted by each agency be carried out as expeditiously as possible.

It is important that Federal officials be sensitive to the needs of neighborhoods and include neighborhood representatives in the planning and implementation of Federal programs whenever neighborhood interests are affected.

A review of Federal programs affecting community and neighborhood based organizations to assess and improve the effectiveness of current efforts is an appropriate step in this process.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

A liaison to neighborhoods is being established in the White House Office of Intergovernmental Affairs to work with your Departments and Agencies and with neighborhood organizations, mayors, county representatives and Governors to accomplish these goals.

Gene Eidenberg, or his designee, will soon be contacting you regarding these important matters.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

October 2, 1980

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS
AND AGENCIES

WH-82

The historically Black colleges and universities of this Nation have played and continue to play a critical role in our country's intellectual, social and economic development. I have repeatedly expressed my intention that these important institutions be stronger when I leave office than when my Administration began.

In January 1979, I sent a memorandum to the Heads of all Executive Departments and Agencies asking for their assistance in increasing the participation of historically Black colleges and universities in Federal programs. We have seen real progress in a few agencies since then, but not enough across government as a whole.

Accordingly, I have taken the additional steps of stating my commitment to these institutions in the form of Executive Order 12232, a copy of which is attached. The Order directs the Secretary of Education to carry out on my behalf a governmentwide initiative to achieve a significant increase in the participation of historically Black institutions in Federal programs.

The Secretary of Education will help you set concrete goals and will report directly to me on the results. The Secretary of Education will be sending to you the procedures for agencies to follow in implementing the Executive Order. I would like to have your full cooperation in this effort.

Please make sure copies of this Executive Order are circulated to all appropriate individuals within your Department or Agency.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

EMBARGOED FOR RELEASE
AFTER SIGNING CFREMONY

AUGUST 8, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

EXECUTIVE ORDER

- - - - - - -

HISTORICALLY BLACK COLLEGES
AND UNIVERSITIES

By the authority vested in me as President by the Constitution of the United States of America, and in order to overcome the effects of discriminatory treatment and to strengthen and expand the capacity of historically Black colleges and universities to provide quality education, it is hereby ordered as follows:

1-101. The Secretary of Education shall implement a Federal initiative designed to achieve a significant increase in the participation by historically Black colleges and universities in Federally sponsored programs. This initiative shall seek to identify, reduce, and eliminate barriers which may have unfairly resulted in reduced participation in, and reduced benefits from, Federally sponsored programs.

1-102. The Secretary of Education shall, in consultation with the Director of the Office of Management and Budget and the heads of the other Executive agencies, establish annual goals for each agency. The purpose of these goals shall be to increase the ability of historically Black colleges and universities to participate in Federally sponsored programs.

1-103. Executive agencies shall review their programs to determine the extent to which historically Black colleges and universities are unfairly precluded from participation in Federally sponsored programs.

1-104. Executive agencies shall identify the statutory authorities under which they can provide relief from specific inequities and disadvantages identified and documented in the agency programs.

1-105. Each Executive agency shall review its current programs and practices and initiate new efforts to increase the participation of historically Black colleges and universities in the programs of the agency. Particular attention should be given to identifying and eliminating unintended regulatory barriers. Procedural barriers, including those which result in such colleges and universities not receiving notice of the availability of Federally sponsored programs, should also be eliminated.

1-106. The head of each Executive agency shall designate an immediate subordinate who will be responsible for implementing the agency responsibilities set forth in this Order. In each Executive agency there shall be an agency liaison to the Secretary of Education for implementing this Order.

1-107. (a) The Secretary of Education shall ensure that an immediate subordinate is responsible for implementing the provisions of this Order.

MORE
(over)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

(b) The Secretary shall ensure that each President of a historically Black college or university is given the opportunity to comment on the implementation of the initiative estbalished by this Order.

1-108. The Secretary of Education shall submit an annual report to the President. The report shall include the levels of participation by historically Black colleges and universities in the programs of each Executive agency. The report will also include any appropriate recommendations for improving the Federal response directed by this Order.

JIMMY CARTER

THE WHITE HOUSE,
August 8, 1980.

# # #

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

October 1, 1980

WH-81

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Guidelines Concerning Official Dealings with Members of the President's Family

The purpose of these guidelines is to caution government employees against dealing with members of the President's family in ways that create either the reality or the appearance of impropriety.

The primary responsibility to avoid impropriety of course rests on the President and the members of his family. The President has cautioned members of his family not only to observe these guidelines, but also not to place government employees in a position where the appearance of impropriety can occur.

There are three situations which need to be distinguished:

First are the cases where a member of the President's family is performing the duties or exercising the rights of any other citizen. The payment of taxes, military service, and entitlements to Social Security, agricultural, or educational benefits are typical examples. In all such cases, members of the President's family are to be treated the same way as anyone else. They are to seek no special favor, nor are they to be granted any.

Second are the cases where the President calls on a member of his family to act as his official representative at a ceremony, function or meeting in the United States or abroad. In such cases, government employees should afford the designated members of the President's family the courtesies and amenities appropriate to his or her official status and to the occasion -- no more, no less.

When members of the President's family take personal trips or where the government has information that their personal security may be threatened, they should be accorded the same treatment and protection as any other public figure.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Third are the cases in which a member of the President's family is seeking to do business with the government on his or her own behalf or to act as an agent for another person, firm or government seeking to do business with our government. Examples are the discretionary award of government contracts and the discretionary granting of valuable licenses.

In this third class of cases, there is a strong presumption against such dealings with a family member. Even though the family member's proposal or request may be entirely meritorious, and the government employee's response is the same as it would be regardless of the family relationship, many will believe, without any other evidence, that the government's response was influenced by the family member's status as such. While it could be argued that members of the President's family have the same right as any other citizen to have the government engage in discretionary dealings with them, this is a right that is best relinquished during the President's incumbency. The President has therefore cautioned family members from making such proposals or requests, and urges all government employees not only to reject all such proposals and requests, but to report their occurrence to the head of the department or agency, who should advise the Counsel for the President. In extraordinary cases where the responsible employee believes the proposal or request should be approved -- for example when the family member's business relationship with the government predates the President's incumbency and the relationship has not been exploited during his incumbency -- the approval of the department or agency head shall first be obtained.

Government employees should also apply a strong presumption against the discretionary disclosure to family members of information of potential economic value about existing or planned government policies or actions that is not generally available to the public.

These guidelines apply only to family members. They do not apply to any business entity with which a family member may be associated, so long as the family member does not participate in any way, and the family member's association is not otherwise exploited, in the entity's dealings with the government.

For purposes of these guidelines, the President's family consists of the President's parents, brothers, sisters and children, and the spouses of his brothers, sisters and children.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

~~WH-79~~

WH-80 NRN-Orig

to Kubalec F/I

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

3. Conduct essential activities to the extent that they protect life and property, including:

   a. Medical care of inpatients and emergency outpatient care;

   b. Activities essential to ensure continued public health and safety, including safe use of food and drugs and safe use of hazardous materials;

   c. The continuance of air traffic control and other transportation safety functions and the protection of transport property;

   d. Border and coastal protection and surveillance;

   e. Protection of Federal lands, buildings, waterways, equipment and other property owned by the United States;

   f. Care of prisoners and other persons in the custody of the United States;

   g. Law enforcement and criminal investigations;

   h. Emergency and disaster assistance;

   i. Activities essential to the preservation of the essential elements of the money and banking system of the United States, including borrowing and tax collection activities of the Treasury;

   j. Activities that ensure production of power and maintenance of the power distribution system; and

   k. Activities necessary to maintain protection of research property.

You should maintain the staff and support services necessary to continue these essential functions.

Questions concerning these matters will be addressed to the Office of Legal Counsel in the Department of Justice and the Office of Management and Budget.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

WH-80

September 30, 1980

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: James T. McIntyre, Jr.
Director

SUBJECT: Agency Operations in the Absence of Appropriations

As of 2:00 p.m. today, the Congress had not completed action on a continuing resolution for fiscal year 1981.

As you know, the Attorney General has determined that the Antideficiency Act requires that in the absence of appropriations no further obligations may be incurred except for the orderly termination of operations or as otherwise authorized by law.

We have informed the Congress of the grave consequences of failure to enact that resolution by midnight, September 30. On several occasions the President has discussed with congressional leaders his serious concern and the need for urgent action on the continuing resolution. While we expect the Congress to complete its action very soon, prudent action requires adequate preparation for the possibility of no continuing resolution, however slight the possibility might be.

Each agency must now have in place a contingency plan, as outlined in OMB Bulletin No. 80-14 dated August 28, 1980, and must be prepared to put that plan into effect. Your General Counsels and budget officials have participated in discussions of this subject.

In the absence of appropriations, all staff should report to work on Wednesday, October 1.

Beginning October 1, agencies may continue activities otherwise authorized by law, those that protect life and property and those necessary to begin phasedown of other activities. Primary examples of activities agencies may continue are those which may be found under applicable statutes to:

1. Provide for the national security, including the conduct of foreign relations essential to the national security or the safety of life and property.

2. Provide for benefit payments and the performance of contract obligations under no-year or multi-year or other funds remaining available for those purposes.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-79 NRN-
Orig. to Anderson

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Department of Energy
Washington, D.C. 20585

September 26, 1980

WH-79

MEMORANDUM FOR: HEADS OF AGENCIES

SUBJECT: DEVELOPMENT OF "KEEPING WARM" FLYER

The General Services Administration (GSA) is developing a flyer entitled "Keeping Warm" for distribution this winter to Federal workers in government offices. The flyer, similar in format to the "Keeping Cool" summer flyer (copy attached), will provide tips for maintaining comfortable working conditions in Federal buildings during the cold months when heat will be kept to a minimum to save energy.

A number of these flyers will be provided by GSA to agencies for distribution to Federal employees in GSA buildings. Those agencies which own or lease their buildings independent of GSA may be interested in providing the flyer to all Federal employees, including those in non-GSA buildings. Additional brochures can be ordered at minimum cost by attaching a rider to GSA's original print order. The cost associated with this printing is approximately $30.00 per thousand copies.

Your agency printing procurement section should complete a Printing and Binding Requisition (Standard Form 1) to identify the additional number of copies needed. GSA's requisition (print order) number GA-1021 should be referenced on the form. The completed requisition should be forwarded to the Superintendent of Planning Services, Government Printing Office, Washington, D.C., 20401, not later than October 23, 1980.

If you need any additional information, call Val Wood on 252-9467.

Paul Brumby, Director
Federal Energy Management Program
Conservation and Solar Energy

Attachment

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Keeping Cool

To help conserve America's precious energy supply, President Carter has urged that the federal government, the nation's largest single energy consumer, use minimum cooling in its buildings this summer.

But, there's no reason to be hot under the collar. Just think twice when you're dressing for work and after you arrive. These hints should be helpful in keeping yourself and your surroundings as comfortable as possible.

Yourself

Wear loose, informal clothing made of fabrics, such as open-weave cottons, that "breathe." The fewer and lighter the clothing layers, the cooler you will feel. For example, taking off a suit jacket or coat can make you feel three degrees cooler. Unbutton your collar and you can subtract a degree; wear a short-sleeve shirt and take away two degrees.

Men: Take off your coat or jacket and necktie and unbutton your collar whenever possible. In an office with little public contact, wear a short-sleeve sports shirt and lightweight slacks.

Women: In an informal office, your best choice for coolness would be a loose dress or skirt and blouse, sandals, and no hose. Next in coolness would be a loose blouse and slacks with sandals and no hose. In a more formal setting, your best choice would be a dress with hose.

Take it easy and stay cool on the way to work and when you go out to lunch. Once you are overheated from rushing, you may be uncomfortable the rest of the day.

Your Office

Keep out sunlight by pulling down blinds and drawing drapes. Sunlight raises room temperature many degrees in a few minutes.

When the air-conditioning is on, keep your windows closed so you cool the office, not the outdoors.

Be sure air vents in your office are open, set for cooling, and free of boxes, books, and papers that could block air flow. Also check that a desk or bookcase isn't in front of a vent hindering air circulation through the room or area. If no air comes through the vents in your office, call the building manager.

Open doors to halls and other offices to encourage air flow. Moving air makes you feel cooler.

Turn off anything you can that gives off heat. Examples are lights, typewriters and calculators, and the office coffee pot.

Your Special Problems

A few spaces may be uncomfortable in the morning or afternoon when they receive direct sunlight.

If you've followed all the cooling hints above and still feel uncomfortable, call the building energy monitor and explain your problem. The monitor's name and telephone number are posted in the lobby. Write them below and save this card so they will be handy if you need them.

Energy monitor:

Name _____

Telephone _____

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

September 22, 1980

RE: ~~#2634~~ WH76

Honorable Paul A. Volcker, Chairman
Board of Governors of the
Federal Reserve System
20th & Constitution ave., N.W.
Washington, D. C. 20551

Dear Mr. Chairman:

Please note that this letter supersedes my letter dated September ~~16~~ 15, 1980, due to an inadvertent omission at the end of line 5, paragraph 2.

In October 1979, the Director of the Office of Management and Budget established a Civil Rights Unit within his immediate office and appointed me as its director. My office serves as the Director's principal advisor on civil rights issues and is responsible, in part, for coordinating a systematic review of the Government's expenditures in civil rights. In that regard, OMB Circular No. A-11 has been revised to require Federal Departments and Agencies to prepare and justify their civil rights resource requirements in much greater detail than in the past. This reflects the high priority OMB is attaching to its examination of civil rights programs during the 1982 budget process.

Among the changes included in the revised circular is the designation of the Department of Justice and the Equal Employment Opportunity Commission as lead agencies to compile and provide OMB with their assessment and recommendations on Federal nondiscrimination programs. Specifically, the Department of Justice will collect the data on federally assisted and equal credit opportunity programs; and the Equal Employment Opportunity Commission is responsible for compiling data on equal employment opportunity programs and materials normally submitted by the Civil Rights Commission. These agencies also have been asked to provide technical assistance as needed.

OMB has cleared letters developed by the lead agencies, which provide additional guidance on the timing of the information and data requirements. You will note that the due date has been changed to September 26, 1980, and Section 53.3(c) of Circular No. A-11 has been rescinded. We would appreciate your cooperation and support in assuring that their requirements are met.

Finally, OMB is planning to conduct hearings of selected agencies' budgets to assess their performances in the civil rights area and to review the completeness and accuracy of the information contained in the 1982 budget submissions and the Circular No. A-11 reports.

Thank you for your cooperation.

Sincerely,

Nathaniel Scurry

Nathaniel Scurry
Assistant to the Director
for Civil Rights

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-78 - NRN
Orig & Kakalec

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-77 Orig to Anderson

NRK

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-73 NRN-
orig & files

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-36 - Sent to Anderson

KRN "If Don doesn't respond, no problem." per etm

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

SEP 19 1980

WH-78

MEMORANDUM TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Controlling Federal Travel and Transportation

Section 112 of Public Law 96-86 reduced the funds available for 1980 travel and transportation by the Executive Branch by $500 million. In accordance with that law, each department or agency was assigned a travel and transportation object class ceiling by the Office of Management and Budget, so that the Executive Branch could comply with the statutory reduction.

It is essential that each department and agency operate within its ceiling so that the Executive Branch as a whole will comply with the law. To do this there must be effective management of travel and transportation costs in your department or agency, as well as all others.

This emphasis appears to be necessary because recent investigations of agency travel management practices indicate that travel is not being managed in the most effective manner. (For example, the investigations indicate that there is excessive travel to conventions and conferences, unnecessary use of first class travel at added Government expense, and other non-essential travel.)

In communications to you in each of the last two years, I have asked that travel be limited to that which is mandatory and essential to your agency's mission and programs. To do this, even some travel that is important may have to be cancelled, and requests for marginally justifiable travel must be denied. This policy must be enforced by every official--from agency heads to the "front-line" managers in every agency.

Travel costs per trip for justifiable trips must be kept to the very minimum. Toward this end, the following restrictions will apply effective immediately:

-- First class air travel will not be provided at Government expense if the cost is in excess of coach or similar class, unless the need is justified in writing under one of the following circumstances:

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

-- AMTRAK Metroliner service will be used for travel between Washington, D. C. and New York City (including intermediate points), unless there is compelling justification for travel by air.

-- GSA has obtained guaranteed low rates at forty-one hotels and motels in 13 major southeastern cities and has published this information in a Federal Travel Directory. This Directory also contains useful information on the availability of public transportation, airport limousine services, GSA motor pool and contract vehicles. A Directory of discount hotel rates available in the San Francisco region was also published. Copies of these Directories have been sent to all agencies and every effort should be made to disseminate this information to all persons who make travel arrangements within your agency. GSA is also developing similar directories for other regions. Maximum use should be made of these special rates, where feasible, or of normal hotel discounts available to Federal travelers.

You should assure that your travel regulations include the above requirements and take whatever additional measures are necessary to ensure that your department or agency operates within the assigned ceiling. OMB Bulletin 78-13 (issued May 11, 1978) provides useful guidance on specific ways to reduce travel costs and should be followed. Because they constitute such a large proportion of the total costs subject to the statutory limitation, special attention should also be given to minimizing the cost of transportation.

The President and I ask that you give these matters your personal attention.

James T. McIntyre, Jr.

James T. McIntyre, Jr.
Director

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

OFFICE OF FEDERAL
PROCUREMENT POLICY

SEP 15 1980

WH-77

MEMORANDUM FOR HEADS OF DESIGNATED DEPARTMENTS AND AGENCIES

SUBJECT: UNIFORM PROCUREMENT SYSTEM

With the enactment of Public Law 96-83 in October 1979, the Office of Federal Procurement Policy was charged with the development of a Uniform Procurement System proposal to be submitted to the Congress this fall. For the last six months, we have been actively engaged in the development of that proposal and have depended heavily on interagency committees and public hearings to identify shortcomings in the current system and desirable features to incorporate in the proposal for a new, comprehensive Uniform Procurement System.

A draft of the proposal, dated September 12, 1980, has evolved from these efforts--a draft which I am enclosing for your formal review and comment. Due to the legislated time contraints associated with submission of a System proposal to the Congress, your comments are required not later than October 6, 1980.

Please be assured that your views, as well as those of the public whose final comments are due by September 30, will be carefully considered and that appropriate modifications will be made to the proposal prior to the submission. To assure that Congress may have the benefit of your agency's views on the document, I will also provide, as a part of the submission to the Congress, a copy of your response to this request for comment.

I want to thank you in advance for your cooperation and assistance in reviewing the enclosed draft.

Karen Hastie Williams
Administrator

Enclosure

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Designated Executive Departments and Agencies

Advisory Commission on Intergovernmental Relations
ACTION
Administrative Conference of the U.S.
American Battle Monuments Commission
Appalachian Regional Commission
Board for International Broadcasting
Board of Governors of the Federal
Reserve System
Civil Aeronautics Board
Commission of Fine Arts
Commission on Civil Rights
Commodity Futures Trading Commission
Community Services Administration
Consumer Product Safety Commission
Federal Election Commission
Delaware River Basin Commission
Equal Employment Opportunity Commission
Export-Import Bank of the United States
Farm Credit Administration
Federal Deposit Insurance Corporation
Federal Election Commission
Federal Home Loan Bank Board
Office of the Federal Inspector for the
Alaska Natural Gas Transportation System
Federal Labor Relations Authority
Federal Maritime Commission
Federal Mediation and Conciliation Service
Federal Mine Safety and Health Review Commission
Federal Trade Commission
Foreign Claims Settlement Commission
Interstate Commerce Commission
Merit Systems Protections Board
National Capital Planning Commission
National Endowment for the Arts
National Labor Relations Board
National Mediation Board
National Credit Union Administration
National Transportation Safety Board
Occupational Safety and Health Review Commission
Overseas Private Investment Corporation
Pennsylvania Avenue Developement Corporation
Pension Benefit Guaranty Corporation
U.S. Postal Service
Postal Rate Commission
Railroad Retirement Board
Securities and Exchange Commission
Selective Service System
Smithsonian Institution
U.S. Arms Control and Disarmament Agency
U.S. International Trade Commission
Water Resources Council
Central Intelligence Agency
Special Representative for Trade Negotiations
Council on Environmental Quality
Federal Communications Commission
Four Corners Regional Commission
New England Regional Commission
Ozarks Regional Commission
Upper Great Lakes Regional Commission

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

SEP 15 1980

WH-16

Honorable Paul A. Volcker
Chairman, Board of Governors
of the Federal Reserve System
20th and Constitution Ave., N.W.
Washington, D. C. 20551

Dear Mr. Chairman:

In October 1979, the Director of the Office of Management and Budget established a Civil Rights Unit within his immediate office and appointed me as its director. My office serves as the Director's principal advisor on civil rights issues and is responsible, in part, for coordinating a systematic review of the government's expenditures in civil rights. In that regard, OMB Circular No. A-11 has been revised to require Federal Departments and Agencies to prepare and justify their civil rights resource requirements in much greater detail than in the past. This reflects the high priority OMB is attaching to its examination of civil rights programs during the 1982 budget process.

Among the changes included in the revised circular is the designation of the Department of Justice and the Equal Employment Opportunity Commission as lead agencies to compile and provide OMB with their assessment and recommendations of Federal nondiscrimination programs. Specifically, the Department of Justice will collect the data on federally assisted and equal credit opportunity programs; and the equal employment opportunity programs and materials normally submitted by the Civil Rights Commission. These agencies also have been asked to provide technical assistance as needed.

OMB has cleared letters developed by the lead agencies, which provide additional guidance on the timing of the information and data requirements. You will note that the due date has been changed to September 26, 1980, and Section 53.3(c) of Circular No. A-11 has been rescinded. We would appreciate your cooperation and support in assuring that their requirements are met.

Finally, OMB is planning to conduct hearings of selected agencies' budgets to assess their performances in the civil rights area and to review the completeness and accuracy of the information contained in the 1982 budget submissions and the Circular No. A-11 reports.

Thank you for your cooperation.

Sincerely,

Nathaniel Scurry

Nathaniel Scurry
Assistant to the Director
for Civil Rights

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

AUG 26 1980

WH-75

Honorable Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Dear Mr. Chairman:

President Carter directed the Reorganization Staff in November 1977 to undertake a comprehensive review of cash management policies and procedures throughout the government. Enclosed is a copy of the final report of that effort which we are releasing this week.

The Federal Cash Management Project that was established to perform the review consisted of both government and private sector representatives. The work of the Project team was highly successful resulting in more than 80 administrative improvements in 20 agencies, saving the government more than $450 million annually. Additional savings of over $695 million annually are expected in subsequent years through more timely collection of tax receipts.

I encourage you to have your staff thoroughly read the report. Those parts of the report applicable to your organization should be monitored carefully to ensure that those initiatives are carried out. Further, the initiatives of other departments and agencies should be viewed for applicability to your operations as well.

We need your continued support of this important achievement of this Administration. I ask that you work with the Treasury and our Financial Priorities Program here in OMB to see that the results are lasting.

This is another example of our commitment to improve government efficiency and to strengthen its management practices.

Sincerely,

James T. McIntyre, Jr.
Director

Enclosure

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

United States of America
Office of Personnel Management

Washington, D.C. 20415

1980 AUG 22 AM 10: 20

In Reply Refer To

Your Reference

AUG 21 1980

MEMORANDUM TO HEADS OF DEPARTMENTS AND INDEPENDENT AGENCIES

Subject: Women's Equality Day

August 26, 1980, Women's Equality Day, marks the 60th Anniversary of the 19th Amendment to the United States Constitution, guaranteeing women the right to vote. As we celebrate this victory for all Americans, we applaud the women and men who struggled for generations to achieve it.

Through persistent and dedicated effort, women have made great strides toward achieving equality. This is evidenced in the Federal service by the efforts of Federal Women's Program Managers in every department and agency who are working to achieve full representation of women.

Today women in the Federal service are represented at all levels and in more occupations than ever before. Federal employment policies have encouraged women from a wide variety of backgrounds to join public service. There are young women entering Government for the first time; women with families taking advantage of flexible work scheduling and part-time employment programs to share time as they want between home and the office; and women returning to the workforce for a second career. The needs of working women will increasingly demand and deserve our attention.

Our commitment to the goal of full employment for women must continue into the 80's. The next decade must bring with it a work environment free from sexual harassment and management accountability for the merit principles of a representative workforce and equal pay.

These are the issues for the 80's. I encourage each of you to support the efforts of the Federal Women's Program in your agency so that together, we can move through the next decade knowing that all individuals in the Federal service will have the opportunity to achieve their full potential in the direction they choose.

Alan K. Campbell
Director

CON 114-24-3
January 1979

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Dave Dodds
Sent to

THE WHITE HOUSE

WASHINGTON

August 14, 1980

Dear Chairman Volcker:

This letter will confirm that arrangements have been made for a special tour of The White House for 35 people with the Center for Latin American Monetary Studies on Wednesday, September 3, 1980 at 8:00 a.m.

The members of the group should plan their arrival at the East Gate on East Executive Avenue. The Officer on duty will be expecting them.

I hope you will express to the group members our warmest wishes for an enjoyable visit to The White House.

With best wishes,

Sincerely,

Nancy A. Willing

Nancy A. Willing
Director
Office of White House Visitors

Chairman Paul Volcker
Federal Reserve
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

OFFICE OF FEDERAL
PROCUREMENT POLICY

WH-74

JUL 2 1980

POLICY LETTER NO. 76-1
SUPPLEMENT NO. 1

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Procurement Policy Concerning Energy Conservation

Public Law 94-163, the Energy Policy and Conservation Act, was enacted December 22, 1975. Section 381.(a)(1) thereof requires the President to promote energy conservation and efficiency through procurement policies and decisions of the Federal Government. Under the authority vested in the Administrator for Federal Procurement Policy by Public Law 93-400, OFPP Policy Letter No. 76-1 (copy attached) was issued August 8, 1976 extending this requirement to the Executive Departments and Establishments. In turn, the General Services Administration and the Department of Defense issued implementing regulations making the requirement a mandatory standard with respect to both advertised and negotiated procurements and underlying procurement and property management documents, such as purchase requests. The applicable regulatory coverage is set forth in the following regulations:

Federal Procurement Regulations 1-1.339-1
Defense Acquisition Regulation 1-339
Federal Property Management Regulation 41 CFR Chapter 101,
Subchapter E, Part 101-25.

The continuing increase in energy costs, both as a percentage of the life cycle costs of facilities, equipment, and systems and total dollar expenditures, dictates that energy conservation, as it relates to acquisition decisions, be made a matter for management emphasis throughout the Executive Branch. As initial steps, (1) I specifically want this Policy Letter and the regulations cited above to be brought to the attention of those personnel involved in acquisition decisions, and (2) I want to reemphasize the need to conform to both the spirit and intent of these directives.

There are numerous acquisition-related energy conservation opportunities that the Government can pursue in carrying out its day-to-day activities. For example: (1) where energy costs constitute a major portion of the life cycle cost of a product, the energy-efficiency of competing products should be considered in deciding which product to procure; (2) existing heating and air conditioning systems in Government buildings can be made more energy-efficient through the addition of energy-saving components or the replacement of inefficient systems; (3) rail and water transportation systems generally consume less energy in terms of the

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

payload hauled and may represent a practicable alternative to other, less energy-efficient, forms of transportation; and (4) products made with recycled materials, which generally require less energy to produce, frequently are adequate for the Government's needs. In addition to making good economic sense, Federal energy-saving strategies can also serve as examples for State and local governments, businesses and the general public.

Innovations aimed at energy conservation are resulting in many new products and the redesign of existing products to make them more energy-efficient. In this vein, the joint development of better product and system standards by Government and the private sector -- standards specifically designed to aid in the conservation of energy -- should result from implementation of OMB Circular A-119, Federal Participation in the Development and Use of Voluntary Standards.

In managing our personal affairs, we have taken steps to cope with escalating energy costs and shortages. We must be equally vigilant where the public interest and tax dollars are involved. We do not have to settle for products which are less energy-efficient, due to either the lack of familiarity with new products which are more energy-efficient, or to outmoded Federal specifications. The policy on Acquisition and Distribution of Commercial Products (ADCoP) (see 45 FR 9267 - Federal Property Management Regulations Temporary Regulation E-69 - 41 CFR Ch. 101), together with life cycle cost considerations, provides a positive means for the Government to take advantage of energy-saving innovations.

The obligation to think and practice energy conservation in shaping acquisition decisions does not rest solely with the contracting function. Rather, this obligation begins with those responsible for levying acquisition requests upon contracting officers. The people who generate such requests are obligated to pursue vigorously energy conservation opportunities and be receptive to the use of acquisition strategies tailored to ensure that energy conservation and efficiency are given due consideration in the procurement process.

Many energy conservation measures have been initiated by the Congress and the President confirming their determination to eliminate the Nation's dependence on foreign energy sources. With respect to Federal procurement policy, I am equally determined to take whatever measures are necessary to ensure that our acquisition programs promote energy conservation. In this regard, if there are conflicting policies, regulations, or procedures which effectively preclude or hamper the acquisition of energy-efficient products or services, they should be made known to me so they can be changed. Also, if we need to strengthen existing policies,

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

regulations or procedures to ensure procurement of energy-efficient products and services, this also will be done.

I wish to be advised within 90 days of the steps taken or planned by your agency to emphasize and ensure compliance with the spirit and intent of this Policy Letter and implementing regulations. I will disseminate for your consideration those responses which demonstrate the kinds of imaginative and creative thinking required to maximize the potential contribution Federal acquisition decisions can make to the Nation's energy conservation efforts.

This Policy Letter Supplement has been concurred in by the Director of OMB.

Karen Hastie Williams

Karen Hastie Williams
Administrator

Attachment

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

OFFICE OF FEDERAL
PROCUREMENT POLICY

POLICY LETTER NO. 76-1 August 6, 1976

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Federal Procurement Policy Concerning Energy Conservation

Public Law 94-163, the Energy Policy and Conservation Act, establishes a number of Federal energy conservation measures, one of which is to promote energy conservation and efficiency through procurement policies and decisions of the Federal Government. Responsibility for this program was delegated to me by Section 3 of Executive Order 11912, April 13, 1976.

In the furtherance of this program, you are requested to ensure that the principles of energy conservation and efficiency are applied in the procurement of property and services whenever the application of such principles would be meaningful and practicable and consistent with agency programs and operational needs. These principles may be appropriate for application, along with price and other relevant factors, in the formulation of purchase requests and solicitations and during the evaluation and selection of bids and proposals. In addition, with respect to procurement of consumer products, as defined under Part B of Title III (42 U.S.C. 6291) of the Energy Policy and Conservation Act, agencies should take cognizance of energy use/efficiency labels (42 U.S.C. 6294) and prescribed energy efficiency standards (42 U.S.C. 6295).

Specific procedural implementation of this policy will be promulgated in the Armed Services Procurement Regulation and the Federal Procurement Regulations.

Hugh E. Witt

Hugh E. Witt
Administrator

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

WH-#73

August 11, 1980

MEMORANDUM FOR HEADS OF AGENCIES

SUBJECT: Prime and Unique Agricultural Lands and the National Environmental Policy Act (NEPA)

The accompanying memorandum on Analysis of Impacts on Prime or Unique Agricultural Lands in Implementing the National Environmental Policy Act was developed in cooperation with the Department of Agriculture. It updates and supersedes the Council's previous memorandum on this subject of August 1976.

In order to review agency progress or problems in implementing this memorandum the Council will request periodic reports from federal agencies as part of our ongoing oversight of agency implementation of NEPA and the Council's regulations. At this time we would appreciate receiving from your agency by November 1, 1980, the following information:

- identification and brief summary of existing or proposed agency policies, regulations and other directives specifically intended to preserve or mitigate the effects of agency actions on prime or unique agricultural lands, including criteria or methodology used in assessing these impacts.

- identification of specific impact statements and, to the extent possible, other documents prepared from October 1, 1979 to October 1, 1980 covering actions deemed likely to have significant direct or indirect effects on prime or unique agricultural lands.

- the name of the policy-level official responsible for agricultural land policies in your agency, and the name of the staff-level official in your agency's NEPA office who will be responsible for carrying out the actions discussed in this memorandum.

Gus Speth

GUS SPETH
Chairman

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

August 11, 1980

MEMORANDUM FOR HEADS OF AGENCIES

SUBJECT: Analysis of Impacts on Prime or Unique Agricultural Lands in Implementing the National Environmental Policy Act

Approximately one million acres of prime or unique agricultural lands* are being converted irreversibly to nonagricultural uses each year. Actions by federal agencies such as construction activities, development grants and loans, and federal land management decisions frequently contribute to the loss of prime and unique agricultural lands directly or indirectly. Often these losses are unintentional and are not necessarily related to accomplishing the agency mission.

On August 30, 1976, CEQ, in cooperation with the Department of Agriculture, issued a memorandum to the heads of federal agencies on the need for analysis of prime or unique farmlands in the preparation and review of environmental impact statements. The memorandum also recommended steps for agencies to take in making such analyses. Since that memorandum was issued, federal agencies' environmental impact statements have begun to include references to the presence of prime or unique farmlands that would be affected by the proposed federal action. Moreover, they have clearly indicated that many federal and federally assisted projects have direct and indirect adverse impacts on prime or unique farmlands.

Recent studies by the Council and the General Accounting Office indicate that federal agencies have not adequately accounted for the impacts of their proposed actions on agricultural land through the environmental assessment process. Furthermore, agency project plans and decisions have frequently not reflected the need and opportunities to protect these lands. The purpose of this memorandum is to alert federal agencies to the need and the opportunities to analyze agricultural land impacts more effectively in the project planning process and under the National Environmental Policy Act (NEPA).

Agencies can substantially improve their analysis of impacts on prime or unique agricultural lands by following closely our recently established NEPA regulations (40 C.F.R. 1500-1508, Nov. 29, 1978). The regulations apply to these lands in several specific respects. Determining the effects of a proposed federal agency action on prime or unique

---

* As used in this memorandum, prime and unique agricultural land is cropland, pastureland, rangeland, forest land or other land, but not urban built-up land, which is capable of being used as prime and unique farmland as defined by the Department of Agriculture (see attachment).

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

agricultural lands must be an integral part of the environmental assessment process, and must be a factor in deciding whether or not to prepare an environmental impact statement. For example, when an agency begins planning any action, it should, in the development of alternative actions, assess whether the alternatives will affect prime or unique agricultural lands. Then, recognizing the importance of these lands and any significant impacts that might affect them, it must study, develop, and describe appropriate alternative uses of available resources. (Sec. 1501.2(c).)

In determining whether to prepare an environmental impact statement, the regulations note that the "Unique characteristics of the geographic area such as ... prime farmlands ..." (Sec. 1508.27(b)(3)) must be considered, among others. If an agency determines that a proposal may significantly affect the quality of the human environment, it must initiate the scoping process (Sec. 1501.7) to identify those issues, including effects on prime or unique agricultural lands, that will be analyzed and considered, along with the alternatives available to avoid or mitigate adverse effects. An environmental impact statement must include a description of the area that will be affected by the proposed action (Sec. 1502.15) and an analysis of the environmental consequences of the proposal, including a discussion of "natural or depletable resource requirements and conservation potential of various alternative and mitigation measures" (Sec. 1502.16(f)). These resource requirements include prime or unique agricultural lands. The effects to be studied encompass indirect effects that may include "growth inducing effects and other effects related to induced changes in the pattern of land use ..." (Sec. 1508.8(b)). The cumulative effects of a proposal must be studied (Secs. 1508.7, 1508.8(b)), as must any mitigation measures that could be taken to lessen the impact on prime or unique agricultural lands (Secs. 1505.2(c), 1508.20). Agencies must also cooperate with state or local governments in their efforts to help retain these lands. (Secs. 1502.16(c), 1506.2(d).)

Federal agencies with technical data on the occurrence, value, or potential impacts of federal actions on these lands will provide the lead agency with data that may be useful in preparing environmental assessments or impact statements. The U.S. Department of Agriculture will cooperate with all agencies in planning projects or developments, in assessing impacts on prime or unique agricultural lands, and in defining alternatives. Technical data and assistance regarding agricultural land may be obtained by contacting the Chairperson of the USDA Land Use Committee (list attached) or any USDA office. In addition to providing technical data and assistance, the USDA will continue to emphasize the review of EISs on federal actions likely to have significant effects on prime and unique farmlands. Under Section 1504 of the regulations, USDA should refer to CEQ those proposed federal actions which it believes will be environmentally unsatisfactory because of unacceptable effects on prime or unique farmlands. CEQ will review such referrals, and take necessary steps in accordance with Section 1504 of our regulations.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Because prime and unique agricultural lands are a limited and valuable resource, the Council urges all agencies to make a particularly careful effort to apply the goals and policies of the National Environmental Policy Act to their actions and to obtain necessary assistance in their planning processes so that these lands will be maintained to meet our current national needs and the needs of future generations of Americans.

GUS SPETH
Chairman

Attachments

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

U.S. Department of Agriculture State Land Use
Committee Chairpersons

Mr. William B. Lingle
State Conservationist
Soil Conservation Service
P.O. Box 311
Auburn, Alabama 36830

Mr. Marvin C. Meier
Director, State and Private Forestry
2221 E. Northern Lights Blvd.
Box 6606
Anchorage, Alaska 99502

Mr. Thomas G. Rockenbaugh
State Conservationist
Soil Conservation Service
Federal Bldg., Rm. 3008
230 N. First Street
Phoenix, Arizona 85025

Mr. M. J. Spears
State Conservationist
Soil Conservation Service
P.O. Box 2323
Little Rock, Arkansas 72203

Mr. James H. Hansen
State Resource Conservationist
Soil Conservation Service
2828 Chiles Road
P.O. Box 1019
Davis, California 95616

Mr. Sheldon G. Boone
State Conservationist
Soil Conservation Service
P.O. Box 17107
Denver, Colorado 80217

Ms. Maria Maiorana Russell
Assistant Director
Community Resource & Staff Dev.
Cooperative Extension Service
University of Connecticut
Storrs, Connecticut 06268

Mr. Otis D. Fincher
State Conservationist
Soil Conservation Service
204 Treadway Towers
9 East Lockerman Street
Dover, Delaware 19901

Mr. William E. Austin
State Conservationist
Soil Conservation Service
P.O. Box 1208
Gainesville, Florida 32601

Mr. Dwight Treadway
State Conservationist
Soil Conservation Service
P.O. Box 832
Athens, Georgia 30601

Mr. Jack P. Kanalz
State Conservationist
Soil Conservation Service
P.O. Box 50004
Honolulu, Hawaii 96850

Mr. Randall Johnson
Farmers Home Administration
U.S. Department of Agriculture
304 North Eighth Street
Boise, Idaho 83702

Mr. Warren J. Fitzgerald
State Conservationist
Soil Conservation Service
P.O. Box 678
Champaign, Illinois 61820

Mr. Robert Bollman
Assistant State Conservationist
Soil Conservation Service
5610 Crawfordsville Road, Suite 2200
Indianapolis, Indiana 46224

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Mr. Rollin Swank
Assistant State Conservationist
Soil Conservation Service
693 Federal Bldg.
210 Walnut Street
Des Moines, Iowa 50309

Mr. John W. Tippie
State Conservationist
760 South Broadway
P.O. Box 600
Salina, Kansas 67401

Mr. Glen E. Murray
State Conservationist
Soil Conservation Service
333 Waller Avenue
Lexington, Kentucky 40504

Dr. Floyd L. Corty
Ag. Econ. & Agribusiness
Louisiana State University
Baton Rouge, Louisiana 70803

Dr. Raleigh Barlowe
323 Natural Resources Bldg.
Michigan State University
East Lansing, Michigan 48824

Mr. Harry M. Major
State Conservationist
Soil Conservation Service
316 North Robert Street
St. Paul, Minnesota 55101

Mr. Billy C. Griffin
Deputy State Conservationist
Soil Conservation Service
P.O. Box 610
Jackson, Mississippi 39205

Mr. Kenneth G. McManus
State Conservationist
Soil Conservation Service
555 Vandiver Drive
P.O. Box 459
Columbia, Missouri 65201

Mr. Eddie L. Wood
State Conservationist
Soil Conservation Service
USDA Bldg., Univ. of Maine
Orono, Maine 04473

Mr. Gerald R. Calhoun
State Conservationist
Soil Conservation Service
Rm. 522, Hartwick Bldg.
4321 Hartwick Road
College Park, Maryland 20740

Dr. Gene McMurtry
Assoc. Dir., Coop. Ext. Service
Stockbirdge Hall, Rm. 211
University of Massachusetts
Amherst, Massachusetts 01003

Mr. Van K. Haderlie
State Conservationist
Soil Conservation Service
Federal Bldg.
P.O. Box 970
Bozeman, Montana 59715

Mr. Russell Schultz
Soil Conservation Service
Federal Bldg.
U.S. Courthouse, Rm. 345
Lincoln, Nebraska 68508

Mr. Gerald C. Thola
State Conservationist
Soil Conservation Service
P.O. Box 4850
Reno, Nevada 89505

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Mr. Roger Leighton
James Hall
University of New Hampshire
Durham, New Hampshire 03824

Mr. Plater T. Campbell
State Conservationist
Soil Conservation Service
1370 Hamilton Street
P.O. Box 219
Somerset, New Jersey 08873

Mr. Thomas G. Schmeckpeper
Deputy Regional Forester
U.S. Forest Service
Rm. 5424, Federal Bldg.
517 Gold Avenue, S.W.
Albuquerque, N.M. 87102

Mr. Robert L. Hilliard
State Conservationist
Soil Conservation Service
U.S. Courthouse & Federal Bldg.
100 South Clinton St., Rm. 771
Syracuse, New York 13260

Mr. Mitchell E. Clary
Assistant State Conservationist
Soil Conservation Service
P.O. Box 27307
Raleigh, North Carolina 27611

Mr. Sylvester C. Ekart
Chairman
North Dakota Land Use Comm.
Federal Bldg.
P.O. Box 1458
Bismarck, North Dakota 58501

Mr. Robert R. Shaw
State Conservationist
Soil Conservation Service
Federal Bldg., Rm. 522
200 N. High Street
Columbus, Ohio 43215

Mr. Bobby T. Birdwell
Soil Conservation Service
Agricultural Center Office Bldg.
Farm Road & Brumley Street
Stillwater, Oklahoma 74074

Mr. Guy Nutt
State Conservationist
Soil Conservation Service
Federal Bldg., 16th Floor
1220 SW Third Avenue
Portland, Oregon 97204

Mr. Thomas B. King
Associate Director
Cooperative Extension Service
The Pennsylvania State University
323 Agricultural Admin. Bldg.
University Park, Pennsylvania 16802

Mr. Richard F. Kenyon
State Executive Director
Agricultural Stabilization and
Conservation Service
222 Quaker Lane
West Warwick, Rhode Island 02893

Mr. K.G. Smith
State Director
Farmers Home Administration
240 Stoneridge Drive
Columbia, South Carolina 29210

Mr. Wayne D. Testerman
State Executive Director
Agricultural Stabilization and
Conservation Service
200 Fourth Street, S.W.
Federal Bldg., Rm. 210
Huron, South Dakota 57350

Dr. M. Lloyd Downen
Director, Agricultural Extension
University of Tennessee
P.O. Box 1071
Knoxville, Tennessee 37901

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Mr. George C. Marks
State Conservationist
Soil Conservation Service
P.O. Box 648
Temple, Texas 76501

Mr. Reed Page
State Director of the
Farmers Home Administration
125 South State St., Rm. 5434
Salt Lake City, Utah 84138

Mr. Coy Garrett
State Conservationist
Soil Conservation Service
One Burlington Square, Suite 205
Burlington, Vermont 05401

Mr. Manly S. Wilder
State Conservationist
Soil Conservation Service
400 North Eighth Street
P.O. Box 10026
Richmond, Virginia 23240

Mr. Lester N. Liebel
Ext. Rural Development Coord.
Cooperation Extension Service
Washington State University
417, Ag. Phase II
Pullman, Washington 99163

Mr. Craig M. Right
State Conservationist
Soil Conservation Service
P.O. Box 865
Morgantown, West Virginia 26505

Mr. Jerome C. Hytry
State Conservationist
Soil Conservation Service
4601 Hammersley Road
Madison, Wisconsin 53711

Mr. Robert W. Cobb
Assistant State Conservationist
Soil Conservation Service
P.O. Box 2440
Casper, Wyoming 82601

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

PART 657 - PRIME AND UNIQUE FARMLANDS
Subpart A - Important Farmlands Inventory

657.5 Identification of important farmlands.
Authority: 16 U.S.C. 590a-f, q; 7 CFR 2.62; Pub. L. 95-87; 42 U.S.C. 4321 et seq.

§ 657.5 Identification of important farmlands.

(a) Prime farmlands.

(1) General. Prime farmland is land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops, and is also available for these uses (the land could be cropland, pastureland, rangeland, forest land, or other land, but not urban built-up land or water). It has the soil quality, growing season, and moisture supply needed to economically produce sustained high yields of crops when treated and managed, including water management, according to acceptable farming methods. In general, prime farmlands have an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, acceptable acidity or alkalinity, acceptable salt and sodium content, and few or no rocks. They are permeable to water and air. Prime farmlands are not excessively erodible or saturated with water for a long period of time, and they either do not flood frequently or are protected from flooding. Examples of soils that qualify as prime farmland are Palouse silt loam, 0 to 7 percent slopes; Brookston silty clay loam, drained; and Tama silty clay loam, 0 to 5 percent slopes.

(2) Specific criteria. Prime farmlands meet all the following criteria: Terms used in this section are defined in USDA publications: "Soil Taxonomy, Agriculture Handbook 436"; "Soil Survey Manual, Agriculture Handbook 18"; "Rainfall-Erosion Losses from Cropland, Agriculture Handbook 282"; "Wind Erosion Forces in the United States and Their Use in Predicting Soil Loss, Agriculture Handbook 346"; and "Saline and Alkali Soils, Agriculture Handbook 60."

(i) The soils have:

Federal Register
Vol. 43 No. 21
January 31, 1978
Pages 4030-4033

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

(A) Aquic, udic, ustic, or xeric moisture regimes and sufficient available water capacity within a depth of 40 inches (1 meter), or in the root zone (root zone is the part of the soil that is penetrated or can be penetrated by plant roots) if the root zone is less than 40 inches deep, to produce the commonly grown cultivated crops (cultivated crops include, but are not limited to, grain, forage, fiber, oilseed, sugar beets, sugarcane, vegetables, tobacco, orchard, vineyard, and bush fruit crops) adapted to the region in 7 or more years out of 10; or

(B) Xeric or ustic moisture regimes in which the available water capacity is limited, but the area has a developed irrigation water supply that is dependable (a dependable water supply is one in which enough water is available for irrigation in 8 out of 10 years for the crops commonly grown) and of adequate quality: or,

(C) Aridic or torric moisture regimes and the area has a developed irrigation water supply that is dependable and of adequate quality; and,

(ii) The soils have a temperature regime that is frigid, mesic, thermic, or hyperthermic (pergelic and cryic regimes are excluded). These are soils that, at a depth of 20 inches (50 cm), have a mean annual temperature higher than 32° F (0° C). In addition, the mean summer temperature at this depth in soils with an O horizon is higher than 47° F (8° C); in soils that have no O horizon, the mean summer temperature is higher than 59° F (15° C); and,

(iii) The soils have a pH between 4.5 and 8.4 in all horizons within a depth of 40 inches (1 meter) or in the root zone if the root zone is less than 40 inches deep; and,

(iv) The soils either have no water table or have a water table that is maintained at a sufficient depth during the cropping season to allow cultivated crops common to the area to be grown; and,

(v) The soils can be managed so that, in all horizons within a depth of 40 inches (1 meter) or in the root zone if the root zone is less than 40 inches deep, during part of each year the conductivity of the saturation extract is less than 4 mmhos/cm and the exchangable sodium percentage (ESP) is less than 15; and,

(vi) The soils are not flooded frequently during the growing season (less often than once in 2 years); and,

(vii) The product of K (erodibility factor) x percent slope is less than 2.0, and the product of I (soils erodibility) x C (climatic factor) does not exceed 60; and

(viii) The soils have a permeability rate of at least 0.06 inch (0.15 cm) per hour in the upper 20 inches (50 cm) and the mean annual soil temperature at a depth of 20 inches (50 cm) is less than 59° F (15° C); the permeability rate is not a limiting factor if the mean annual soil temperature is 59° F (15° C) or higher; and,

(ix) Less than 10 percent of the surface layer (upper 6 inches) in these soils consists of rock fragments coarser than 3 inches (7.6 cm).

(b) Unique farmland.

(1) General. Unique farmland is land other than prime farmland that is used for the production of specific high value food and fiber crops. It has the special combination of soil quality, location, growing season, and moisture supply needed to economically produce sustained high quality and/or high yields of a specific crop when treated and managed according to acceptable farming methods. Examples of such crops are citrus, tree nuts, olives, cranberries, fruit, and vegetables.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

(2) Specific characteristics of unique farmland.

(i) Is used for a specific high-value food or fiber crop.

(ii) Has a moisture supply that is adequate for the specific crop. The supply is from stored moisture, precipitation, or a developed irrigation system.

(iii) Combines favorable factors of soil quality, growing season, temperature, humidity, air drainage, elevation, aspect, or other conditions, such as nearness to market, that favor the growth of a specific food or fiber crop.

(c) Additional farmland of statewide importance. This is land, in addition to prime and unique farmlands, that is of statewide importance for the production of food, feed, fiber, forage, and oilseed crops. Criteria for defining and delineating this land are to be determined by the appropriate State agency or agencies. Generally, additional farmlands of statewide importance include those that are nearly prime farmland and that economically produce high yields of crops when treated and managed according to acceptable farming methods. Some may produce as high a yield as prime farmlands if conditions are favorable. In some States, additional farmlands of statewide importance may include tracts of land that have been designated for agriculture by State law.

(d) Additional farmland of local importance. In some local areas there is concern for certain additional farmlands for the production of food, feed, fiber, forage, and oilseed crops, even though these lands are not identified as having national or statewide importance. Where appropriate, these lands are to be identified by the local agency or agencies concerned. In places, additional farmlands of local importance may include tracts of land that have been designated for agriculture by local ordinance.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM

Date: 7/22/80

To: Governor Schultz

From: JOHN M. DENKLER

I suggest that we send Phyllis Mulcahy, who is our Federal Women's Program Manager. As you know, among other things, she assists and advises management with our Women's Advisory Group. If you wish, I can make the arrangements.

OK - go ahead
FHS

Phyllis Mulcahy called to say she would attend on 7/25/80.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Double
Hart

THE WHITE HOUSE

WASHINGTON

August 11, 1980

WH-
RE: 12

Dear Chairman Volcker:

On October 10, 1980, in conjunction with National Consumer Education Week, the U.S. Office of Consumer Affairs will sponsor an exposition on the Smithsonian Mall entitled, "You and the Federal Government: A Special Consumer Affair." The purpose of this exposition is to make consumers aware of the various materials and programs available from the Federal government to assist them. Your cooperation in our first event of this type, the Constituent Resource Exposition held on Capitol Hill last May, was a key to its overwhelming success.

We are asking over 35 Executive and Independent Agencies to set up exhibition booths. Each booth should have available for distribution approximately 3,000 copies of relevant information on your agency's major programs and should be staffed with personnel that can discuss these programs and answer a wide variety of consumer concerns and inquiries.

Your agency would make a major contribution to this unique consumer education event and we would very much like your participation.

I look forward to receiving an early response to our request that your agency participate in our exposition. If you have any questions regarding this expo, please do not hesitate to call me or Roger Goldblatt at 755-8820.

Sincerely,

Esther Peterson

Esther Peterson
Special Assistant to the President
for Consumer Affairs

The Honorable Paul A. Volcker
Chairman
Board of Governors of the Federal
Reserve System
Washington, D. C. 20551

cc: Ann Marie Bray

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION
Washington, D.C. 20503

July 18, 1980

WH-66

MEMORANDUM FOR: HONORABLE PAUL A. VOLCKER
CHAIRMAN, FEDERAL RESERVE SYSTEM

FROM: EMILY SHEKETOFF

SUBJECT: Interagency Meetings on Women's Initiatives

Over the past few months, representatives of the Office of Administration have worked with the President's Advisory Committee for Women (PACFW) in a joint effort to develop an automated system for storing and retrieving information relative women's initiatives. As a result, a number of projects/programs have been identified and some basic information for each was provided by the Department/Agency having lead responsibility for implementation (reference the attached November 20, 1979 letter).

On July 29 and 30, 1980, our Office will co-sponsor, with the President's Advisory Committee for Women, several meetings for Department and Agency representatives. The purpose is to review the information which was provided in response to the above cited letter, identify new projects and/or initiatives post response, and to identify or recommend available resource material. Printouts of the information previously furnished will be available at the meetings.

As you can see from the attached schedule, the meetings have been arranged to discuss projects by topical areas of interest. I would appreciate your contacting the appropriate person(s) within your Department/Agency who should attend. There should be representation at, at least, one of the meetings, although it is entirely possible that there should be representation at all four meetings. Should you have any questions concerning the meetings or who should attend, I would appreciate your contacting Dr. Schotta at the President's Advisory Committee for Women, telephone 523-6707.

Date, time, schedule, place and other particulars are outlined on enclosure 1.

The names of your Department/Agency representative(s) and the meeting(s) to be attended should be telephoned to Evelyn Hemingway 395-5883 no later than Friday, July 25.

If I can be of any assistance, please contact me at 456-6640.

RECEIVED
OFFICE OF THE CHAIRMAN
1980 JUL 22 AM 10: 16
BOARD OF GOVERNORS
FEDERAL RESERVE SYSTEM

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

July 18, 1980

SUBJECT: Women's Initiatives
Cross Departmental/Agency Meetings

PURPOSE:

- o Review Department and Agency programs targeting women
- o Identification of new projects, programs, initiatives post Departmental/Agency response
- o Identification/recommendation of available resource material
- o Opportunity for Department and Agency personnel to suggest preliminary PACFW recommendations for the 1980 Report to the President
- o Opportunity to strengthen working relationship between PACFW and Federal Departments and Agencies

PLACE: Treaty Room, Old Executive Office Building
(Room 474, 17th & Pennsylvania, 17th Street entrance)

SCHEDULE:

July 29	Tuesday	9:30	a.m.	Social Welfare
		1:30	p.m.	Education
July 30	Wednesday	9:30	a.m.	Health
		1:30	p.m.	Work/Employment

SPONSORS: THE PRESIDENT'S ADVISORY COMMITTEE FOR WOMEN

THE EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF ADMINISTRATION

FOR CLEARANCE: INTO THE OLD EXECUTIVE OFFICE BUILDING
CALL Evelyn Hemingway 395-5883 NO LATER THAN July 25.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The President's Advisory Committee for Women

200 Constitution Avenue, N.W., Washington, D.C. 20210
Room N-3437 (202) 523-6707

November 20, 1979

Dear

HONORARY CHAIR:
Judy Carter

CHAIR:
Lynda Johnson Robb

VICE CHAIRS:
Marjorie Bell Chambers
Elizabeth Koontz

MEMBERS:

Owanah Anderson
Unita Blackwell
Erma Bombeck
Jack T. Conway
Miriam I. Cruz
Laura deHerrera
Donna E. deVarona
Gretta Dewald
Charles Guerrier
Nancy Humphries
Jeffalyn Johnson
Odessa Komer
Esther Landa
Linda J. Lee
Mary Helen Madden
Billie Nave Masters
Alice McDonald
Brenda Parker
Estelle Ramey
Ann S. Ramsay
Ann Richards
Richard Rossie
Jill L. Schropp
Tin Myaing Thein

The President's Advisory Committee for Women voted unanimously to request you to address the specific objectives embodied in the National Plan of Action, the product of the 1977 Houston Conference, which fall within your authority. Some of these objectives have already been met, some may be in the development stages and some have yet to be addressed.

The Committee would appreciate your attention to the attached list of objectives, and ask that you submit a status report on these to the full Committee by January 30, 1980.

It would be most helpful if you would inform the Committee of: (1) those objectives which have been accomplished, (2) those which are now being developed (with a timetable for completion), and (3) submit draft plans for implementation of those objectives which have yet to be initiated.

We have enclosed a listing of each objective, citing the specific plank to which it refers in the National Plan of Action and a copy of The Spirit of Houston which embodies the entire platform and background for each plank, so that your staff can acquaint themselves fully with each plank which requires your attention. These planks were developed around major issues rather than by agency responsibility. Therefore, it is important that we address these issues with an understanding of the entire plank, even if your agency has responsibility for implementing only one or two objectives within it.

It is the desire of the President's Advisory Committee for Women to work cooperatively with the President and your agency in fulfilling the mandate of the Executive Order which established the Committee. With your commitment and assistance we can accomplish a great deal in the months ahead.

Sincerely yours,

Lynda Johnson Robb
Chair

cc: The President
Sarah Weddington

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-66

25 JUL 1980

The Honorable Esther Peterson
Special Assistant to the President
for Consumer Affairs
The White House
Washington, D.C. 20500

Dear Ms. Peterson:

Thank you for letting us know about the two initiatives planned by the Office of the Federal Register to aid consumers in identifying and understanding consumer-related agency proceedings. The Consumer Subject Listing seems especially promising, and the Board's Division of Consumer and Community Affairs will identify items of interest for inclusion in the listing.

Regrettably, the Board's consumer affairs staff will be unable to attend "The Rulemaking Process and the Consumer" workshop. We would appreciate, however, receiving any materials that are distributed at the workshop. Materials may be sent to Janet Hart, Director, Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

Sincerely,

cc: Mr. Richard Claypoole
National Archives and Records Service
Office of the Federal Register
General Services Administration
Washington, D.C. 20408

bcc: Normand Bernard
Wanda Baldwin

AM Bray:flh
7/22/80

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

Date August 4, 1980

To Janet Hart

From Stan Sigel SJS

Subject: Federal paperwork Commission recommendations rerevisited.

The attached is for your information. It does not seem to require any action or response now. Since your Division is the only one affected by the Commission's recommendations and by subsequent OMB monitoring, I thought you might like some advance warning.

Attachment

cc: Mr. Butler

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

NRN Ma Sigal

WH-68

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

JUL 28 1980

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: John P. White
Deputy Director

SUBJECT: Agency Implementation of the Recommendations of the Commission on Federal Paperwork

By law OMB is required to report on actions taken by agencies to implement the Commission on Federal Paperwork recommendations. We are reexamining agency performance in light of a recent GAO report on CFP activities and our continuing belief that Commission recommendations warrant careful and thorough consideration by the agencies.

While previous OMB reports have provided an interim status summary of agency actions, they have not included any documentation of status. Future reports will detail agency action on each recommendation and will also include milestones for future action on recommendations not yet fully implemented.

Both the agency reports on actions taken thus far and the GAO findings indicate that more work lies ahead for both OMB and the agencies. During the next several weeks, OMB staff will ask your staff to assist us in documenting completed actions your agency has taken to implement the CFP recommendations. In those cases where a recommendation has been rejected, the agency must provide solid program policy grounds for the failure to comply with the Commission's recommendations.

We are also identifying recommendations addressed to more than one agency that have not yet been examined. One agency will be designated to lead an interagency task group to consider and implement the recommendation in cooperation with other involved agencies. In addition, we are reevaluating recommendations that the Commission addressed to the Congress. As appropriate, we will ask agencies to develop legislative initiatives to meet the CFP's intent. We plan to write you later this summer about actions your agency must take in each of these situations.

Your agency's cooperation will be appreciated.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

July 25, 1980

WH-72

Dear Mr. Volcker:

President Carter has proclaimed the week of October 5 as National Consumer Education Week (NCEW). We are pleased with the President's support for consumer education and hope that you will join us in this effort by supporting consumer education activities and outreach by your agency.

This week gives the Consumer Affairs Council a challenge in following the mandate of Executive Order 12160 to provide leadership and coordination in a combined effort with agency consumer programs. To assist in the NCEW effort and to provide recommendations on the information requirements of the Executive Order, a Council Committee on Consumer Information has been established.

National and regional activities are being planned and coordinated at this time, and I hope you will give your agency's support to the Council's recommendations which will be forwarded to your Consumer Designee. Not only will these activities benefit consumers, but they will give your agency an opportunity to increase your visibility and consumer outreach efforts. In particular, October 5 would be a good time to announce that the consumer information element of your consumer plan will take effect.

I look forward to working together during National Consumer Education Week to increase the skills and involvement of consumers in the marketplace and in government. Thanks so much for your support.

Sincerely,

Esther Peterson

Esther Peterson
Special Assistant to the President
for Consumer Affairs

The Honorable Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

National Consumer Education Week

By the President of the United States of America

A Proclamation

America's economy is the largest and most complex in the history of the world. It offers an unparalleled choice of goods and services. For our economy to work best for our people, all of us must have the information and knowledge we need to make intelligent decisions as consumers.

Every citizen can benefit from knowing more about consumer laws, rights, and avenues of redress. Many people—including the young, the elderly and the poor—need help in learning about buying skills, financial management, resource conservation methods, and self-help or alternative solutions to economic constraints. In addition, educated consumers can do much to ensure genuine competition, increased productivity, higher quality, and lower prices in the marketplace.

Many good programs for consumer education, public and private, are now in place. But we need a more comprehensive and coordinated approach. Just as our democratic political system needs well-informed citizens, our free economy needs well-informed consumers who can participate effectively in the marketplace partnership among consumers, government, and business.

Schools, governments, consumer organizations, labor unions, and businesses all can play a role in meeting this challenge. I call upon each of these sectors to examine closely how, individually and collectively, they can initiate and support consumer education.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning October 5, 1980, as National Consumer Education Week.

IN WITNESS WHEREOF, I have hereunto set my hand this ninth day of April, in the year of our Lord nineteen hundred and eighty, and of the Independence of the United States of America the two hundred and fourth.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-67 NRN - Orig to Anderson FYI

WH-68 - NRN - Orig to Sigal

WH-69 - NRN - Orig to Winn

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

JUL 31 1980

WH-70

MEMORANDUM TO THE HEADS OF SELECTED AGENCIES

FROM: James T. McIntyre, Jr.
Director

SUBJECT: Government in the Sunshine Act

The Office of Management and Budget has undertaken to monitor agency compliance with the Government in the Sunshine Act. A part of that activity is the observation of "open" meetings held under the Act.

During the past year members of my staff have attended a number of meetings at agencies. While I am pleased with the efforts of agencies to meet both the letter and the intent of the Act, there are a number of areas where further actions could significantly improve public observation and understanding of meetings. These include:

- Assuring easy access to meetings;
- Clearly identifying principals in meetings; and
- Assuring that meeting discussions are audible to observers.

My memorandum of August 28, 1979, provided guidance on notice and meeting procedures. A copy of that guidance is attached, and I urge you to review your current procedures to determine whether changes could be made which would further the purposes of the Act.

Questions regarding this memorandum should be addressed to Mr. William E. Bonsteel, telephone No. 395-5756.

Attachment

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Notice and Meeting Guidelines

Meeting Notices. If a notice of a meeting subject to the Sunshine Act is not made in a timely manner, or in places where those who may wish to attend a meeting may see it, or if a meeting is too often changed, the purposes of the Act are not met.

-- A notice should be published for each meeting. Even though the regulations of an agency may provide that meetings will be held at regular, specified times (e.g., the first and third Thursday of each month), a notice should be given for each of these meetings so that someone who may have missed the publication of those regulations in the Federal Register, and does not have ready access to them, may learn of the meeting.

-- Notices should be published sufficiently in advance of a scheduled meeting to enhance public attendance. During the first six months of fiscal year 1979, although more than 85% of the notices in the Federal Register appeared on or before the date of the meeting, only about 20% were published seven or more days before the meeting.

-- The meeting notice should provide much more information about the matters to be discussed at meetings than is generally now provided. Listing docket numbers, and indicating that the matter to be discussed will concern "personnel", are not adequately informative. Enough information should be provided to permit the public to reasonably understand what the meeting will concern so that an informed decision as to whether to attend can be made.

-- When a meeting is to be closed or partly-closed to public observation, the notice should, in an understandable fashion, refer to and discuss the exemption(s) which permit the meeting to be closed and why the subject of the meeting requires that it be closed. For example, a notice stating that a meeting will be "closed -- personnel matter", is far less informative than one stating that:

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

"This meeting will concern the Board's views of the appropriate United States response to certain offers made by the Republic of China. Premature public disclosure of the options, plans, and opinions of the Board could seriously compromise the interests of the United States. Accordingly, the following Members have voted to bar public observation of this meeting, because the premature disclosure of the matters to be discussed would be likely to frustrate implementation of the proposed agency action. This action is taken within the meaning of the exemption provided under 5 U.S.C. 552b(c)(9)(B) and 14 CFR Section 310b.5(B)...."

-- Once a notice has been given for a meeting, it should not be changed or amended except in the most compelling of situations. During the first six months of this fiscal year 993 meeting notices were published -- and 426 notices of changes. Changes may not be observed by those who are interested in attending meetings and may result in substantial inconveniences. Nonetheless, when it is necessary to issue notices to change meetings notices, such notices should be given as soon as possible, and should refer clearly to all pending notices of the same meeting. We frequently find it difficult to match change notices with the original, or to determine exactly what change is being made.

-- For most agencies, publishing notices in the Federal Register constitutes the sole means of informing the public of upcoming meetings. This publication should not be the sole effort to notify the public. Many agencies now also post notices at their various offices. Additional efforts should be used to inform the public of upcoming meetings, including the publication of notices in newspapers, newsletters and the trade press, and by utilizing mailing lists and "hot lines."

Meeting Procedures. The manner in which "open" meetings are conducted vary widely. The following practices have been used by some agencies and have facilitated public access to, and understanding of, meetings.

-- Identifying the principals. Many agencies have name plates for members and commissioners; one agency distributes a seating chart to observers, and other required speakers (staff, and members or commissioners) to identify themselves.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

-- Providing a meaningful description and detailed explanation of discussion topics. A number of agencies distribute background materials and staff papers which summarize the issues in each agenda item. Some agencies have a staff member, or the chairman, summarize each item, and the issues and options for discussion. Agencies should make every effort to enhance the public's ability to observe meetings. The public should be provided with complete information, including tools (staff memoranda, reports, and other background materials) to enable the public to follow discussions and better understand the decision-making process.

-- Ensuring that the discussions are audible to the public observers.

-- Prominently displaying copies of meeting notices, and directions to meeting rooms, in agency reception areas, elevator lobbies, etc.

-- Indicating public seating areas in the meeting rooms, and providing copies of agendas, background papers, and guidelines for observers.

-- Clearly providing guidelines for the use of cameras, tape recorders, etc. The public should be permitted to use cameras and recorders in a non-obtrusive manner. Agency requirements of prior notice or advance permission with respect to the use of cameras or recorders act as unnecessary barriers to public observation of open meetings.

Agencies should use these and other methods to ensure that the meetings which are open to the public are as meaningful as possible to those who attend. While the business to be conducted at these meetings may often be of an urgent nature, care should be taken to avoid the use of agency jargon and acronyms that could make it meaningless for the public to attend.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

JUL 29 1980

WH-69

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preparation and Submission of Annual Legislative Programs

This memorandum is to remind all agencies of the requirement for the annual preparation and submission of proposed legislative programs. This requirement is set forth in detail in Office of Management and Budget Circular No. A-19, Legislative Coordination and Clearance.

I wish to stress the importance of developing your legislative proposals for the next session of the Congress concurrently and in coordination with your budget request. Each agency must submit to OMB its proposed legislative program for the upcoming year at the same time it submits its annual budget request as required by Circular No. A-11. Timely submission is essential to assist the President in preparing his budget, legislative program, and annual and special messages.

Items that are not included in an agency's legislative program submission and that would have a significant upward impact on the budget will not be considered later unless they result from circumstances not foreseeable at the time the President makes his decisions on the budget.

James T. McIntyre, Jr.

James T. McIntyre, Jr.
Director

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

JUL 28 1980

WH-68

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: John P. White
Deputy Director

SUBJECT: Agency Implementation of the Recommendations of the Commission on Federal Paperwork

By law OMB is required to report on actions taken by agencies to implement the Commission on Federal Paperwork recommendations. We are reexamining agency performance in light of a recent GAO report on CFP activities and our continuing belief that Commission recommendations warrant careful and thorough consideration by the agencies.

While previous OMB reports have provided an interim status summary of agency actions, they have not included any documentation of status. Future reports will detail agency action on each recommendation and will also include milestones for future action on recommendations not yet fully implemented.

Both the agency reports on actions taken thus far and the GAO findings indicate that more work lies ahead for both OMB and the agencies. During the next several weeks, OMB staff will ask your staff to assist us in documenting completed actions your agency has taken to implement the CFP recommendations. In those cases where a recommendation has been rejected, the agency must provide solid program policy grounds for the failure to comply with the Commission's recommendations.

We are also identifying recommendations addressed to more than one agency that have not yet been examined. One agency will be designated to lead an interagency task group to consider and implement the recommendation in cooperation with other involved agencies. In addition, we are reevaluating recommendations that the Commission addressed to the Congress. As appropriate, we will ask agencies to develop legislative initiatives to meet the CFP's intent. We plan to write you later this summer about actions your agency must take in each of these situations.

Your agency's cooperation will be appreciated.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

JUL 29 1980

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Preparation and Submission of Annual Legislative Programs

This memorandum is to remind all agencies of the requirement for the annual preparation and submission of proposed legislative programs. This requirement is set forth in detail in Office of Management and Budget Circular No. A-19, Legislative Coordination and Clearance.

I wish to stress the importance of developing your legislative proposals for the next session of the Congress concurrently and in coordination with your budget request. Each agency must submit to OMB its proposed legislative program for the upcoming year at the same time it submits its annual budget request as required by Circular No. A-11. Timely submission is essential to assist the President in preparing his budget, legislative program, and annual and special messages.

Items that are not included in an agency's legislative program submission and that would have a significant upward impact on the budget will not be considered later unless they result from circumstances not foreseeable at the time the President makes his decisions on the budget.

James T. McIntyre, Jr.

James T. McIntyre, Jr.
Director

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

July 23, 1980

WH-67

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Energy Efficiency in Federal Transportation Activities

It is essential that the nation continue to reduce its consumption of gasoline and other petroleum products. I have asked State and local governments, private employers and others to commit themselves to specific goals for achieving greater efficiency in the use of petroleum fuels. The Federal government must undertake to meet these same goals.

Last April I asked you to reduce your consumption of gasoline by ten percent through April 1 of this year. Most of that saving has been realized, but the Federal government must continue to improve its energy efficiency in the transportation sector. Therefore, I am directing that Executive departments and agencies take the following actions this year:

- Work toward twenty percent participation by employees in ridesharing and transit use, or, if that level has been attained, increase such participation by an additional twenty percent;

- Establish a program based on the Department of Energy's Driver Energy Conservation Awareness Training (DECAT) program, to train all drivers of government vehicles in fuel-efficient driving practices;

- Try to achieve an increase of ten percent in fleet miles per gallon through driver training, maintenance operations, route planning and procurement of fuel efficient vehicles, tires and oils;

- Reprint and distribute materials to employees on fuel-efficient trip planning, vehicle selection, operation and maintenance.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The Under Secretary of Energy and the Administrator of General Services, in their roles as Chairman and Vice Chairman, respectively, of the Interagency Federal Energy Policy Committee (The "656" Committee) and in consultation with the Office of Management and Budget, will coordinate implementation of, and compliance with, this directive. They will report to me on your progress by September first and again at the end of the year.

Jimmy Carter

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION
Washington, D.C. 20503

July 18, 1980

WH-66

MEMORANDUM FOR: HONORABLE PAUL A. VOLCKER
CHAIRMAN, FEDERAL RESERVE SYSTEM

FROM: EMILY SHEKETOFF

SUBJECT: Interagency Meetings on Women's Initiatives

Over the past few months, representatives of the Office of Administration have worked with the President's Advisory Committee for Women (PACFW) in a joint effort to develop an automated system for storing and retrieving information relative women's initiatives. As a result, a number of projects/programs have been identified and some basic information for each was provided by the Department/Agency having lead responsibility for implementation (reference the attached November 20, 1979 letter).

On July 29 and 30, 1980, our Office will co-sponsor, with the President's Advisory Committee for Women, several meetings for Department and Agency representatives. The purpose is to review the information which was provided in response to the above cited letter, identify new projects and/or initiatives post response, and to identify or recommend available resource material. Printouts of the information previously furnished will be available at the meetings.

As you can see from the attached schedule, the meetings have been arranged to discuss projects by topical areas of interest. I would appreciate your contacting the appropriate person(s) within your Department/Agency who should attend. There should be representation at, at least, one of the meetings, although it is entirely possible that there should be representation at all four meetings. Should you have any questions concerning the meetings or who should attend, I would appreciate your contacting Dr. Schotta at the President's Advisory Committee for Women, telephone 523-6707.

Date, time, schedule, place and other particulars are outlined on enclosure 1.

The names of your Department/Agency representative(s) and the meeting(s) to be attended should be telephoned to Evelyn Hemingway 395-5883 no later than Friday, July 25.

If I can be of any assistance, please contact me at 456-6640.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

July 18, 1980

SUBJECT: Women's Initiatives
Cross Departmental/Agency Meetings

PURPOSE:

- o Review Department and Agency programs targeting women
- o Identification of new projects, programs, initiatives post Departmental/Agency response
- o Identification/recommendation of available resource material
- o Opportunity for Department and Agency personnel to suggest preliminary PACFW recommendations for the 1980 Report to the President
- o Opportunity to strengthen working relationship between PACFW and Federal Departments and Agencies

PLACE: Treaty Room, Old Executive Office Building
(Room 474, 17th & Pennsylvania, 17th Street entrance)

SCHEDULE:

July 29	Tuesday	9:30	a.m.	Social Welfare
		1:30	p.m.	Education
July 30	Wednesday	9:30	a.m.	Health
		1:30	p.m.	Work/Employment

SPONSORS: THE PRESIDENT'S ADVISORY COMMITTEE FOR WOMEN

THE EXECUTIVE OFFICE OF THE PRESIDENT - OFFICE OF ADMINISTRATION

FOR CLEARANCE: INTO THE OLD EXECUTIVE OFFICE BUILDING
CALL Evelyn Hemingway 395-5883 NO LATER THAN July 25.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The President's Advisory Committee for Women

200 Constitution Avenue, N.W., Washington, D.C. 20210
Room N-3437 (202) 523-6707

November 20, 1979

Dear

HONORARY CHAIR:
Judy Carter

CHAIR:
Lynda Johnson Robb

VICE CHAIRS:
Marjorie Bell Chambers
Elizabeth Koontz

MEMBERS:

Owanah Anderson
Unita Blackwell
Erma Bombeck
Jack T. Conway
Miriam I. Cruz
Laura deHerrera
Donna E. deVarona
Gretta Dewald
Charles Guerrier
Nancy Humphries
Jeffalyn Johnson
Odessa Komer
Esther Landa
Linda J. Lee
Mary Helen Madden
Billie Nave Masters
Alice McDonald
Brenda Parker
Estelle Ramey
Ann S. Ramsay
Ann Richards
Richard Rossie
Jill L. Schropp
Tin Myaing Thein

The President's Advisory Committee for Women voted unanimously to request you to address the specific objectives embodied in the National Plan of Action, the product of the 1977 Houston Conference, which fall within your authority. Some of these objectives have already been met, some may be in the development stages and some have yet to be addressed.

The Committee would appreciate your attention to the attached list of objectives, and ask that you submit a status report on these to the full Committee by January 30, 1980.

It would be most helpful if you would inform the Committee of: (1) those objectives which have been accomplished, (2) those which are now being developed (with a timetable for completion), and (3) submit draft plans for implementation of those objectives which have yet to be initiated.

We have enclosed a listing of each objective, citing the specific plank to which it refers in the National Plan of Action and a copy of The Spirit of Houston which embodies the entire platform and background for each plank, so that your staff can acquaint themselves fully with each plank which requires your attention. These planks were developed around major issues rather than by agency responsibility. Therefore, it is important that we address these issues with an understanding of the entire plank, even if your agency has responsibility for implementing only one or two objectives within it.

It is the desire of the President's Advisory Committee for Women to work cooperatively with the President and your agency in fulfilling the mandate of the Executive Order which established the Committee. With your commitment and assistance we can accomplish a great deal in the months ahead.

Sincerely yours,

Lynda Johnson Robb
Chair

cc: The President
Sarah Weddington

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Reply to WH-64

July 22, 1980

Mr. Wallace Green
Office of Territorial and
International Affairs
Department of the Interior
Washington, D. C. 20240

Dear Mr. Green:

I am responding to Mr. Stuart E. Eizenstat's July 14, 1980 memorandum on the subject of the proposed comprehensive policy toward the territories of Guam, the Virgin Islands, American Samoa and the Northern Mariana Islands.

Should the need arise, Mr. George B. Henry, Associate Director, Division of International Finance, would serve as the Federal Reserve's staff person to coordinate this program.

Sincerely,

(Signed) John M. Denkler

John M. Denkler

cc: Mr. Henry

ETM:alg

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1980 JUL 15 PM 2:27
RECEIVED
OFFICE OF THE CHAIRMAN

WH-64

THE WHITE HOUSE

WASHINGTON

July 14, 1980

MEMORANDUM FOR THE HEADS OF

DEPARTMENTS AND AGENCIES

Attached is a copy of the President's February 14 Message to the Congress proposing the Nation's first comprehensive policy toward the territories of Guam, the Virgin Islands, American Samoa and the Northern Mariana Islands. The statement reflects decisions which followed the report of a sub-Cabinet task force established at the President's direction to review Federal territorial policy in 1979.

The new policy strengthens our fundamental commitment to the self-determined political, economic and social development of these insular areas through a number of interrelated legislative and administrative initiatives. These initiatives seek to:

- o detail a procedure for the orderly political development of the territories;
- o provide opportunity for and a stimulus to their economic growth;
- o rationalize the existing Federal-territorial financial relationship and improve territorial financial management;
- o enhance territorial treatment under Federal programs; and
- o reorganize the Federal method for dealing with territorial matters.

The reorganization outlined by the President is a crucial element of the policy. He expects all agencies to cooperate with it to the maximum extent permitted by law. Reorganization steps include:

- o the assignment to the Secretary of the Interior of clear responsibility for all matters related to these territories with increased support from other agencies and the White House;

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

- o the replacement of Interior's old office of Territorial Affairs with an office of an Assistant Secretary for Territorial and International Affairs; and

- o the designation of territorial matters as a major responsibility of a senior assistant on my staff.

These assignments apply as well to the Trust Territory of the Pacific Islands pending termination of the trusteeship and the adoption of a new political relationship between the United States and the three Micronesian entities. However, as is the current practice, issues related to Puerto Rico will continue to be dealt with directly by the White House.

Secretary Andrus or his designee will soon be in touch with you regarding the specific assistance which will be required from your agency to implement the new policy. In the meantime, however, I ask that you promptly notify your regional and district personnel who are involved in territorial programs of the Message and your endorsement of its objectives.

Wallace Green, who is heading Interior's Office of Territorial and International Affairs, and Jeffrey Farrow of my staff will be meeting with Region IX Federal Regional Council in San Francisco between July 23 and July 25. Your support of these discussions will assist the implementation of our policy in the Pacific area. Future meetings are also planned with specific agencies and the Federal Regional Councils with programs in the U.S. Virgin Islands.

Finally, will you please notify Mr. Green of your designation of a person on your staff who has access across the board to your agency's programs and will be responsible for territorial matters. Early designation is essential for the establishment of the coordinating mechanisms for territorial policy and program management which the Secretary of the Interior will develop.

Your cooperation with and involvement in these important initiatives will be greatly appreciated.

Stuart E. Eizenstat

Stuart E. Eizenstat
Assistant to the President
for Domestic Affairs and Policy

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

FOR IMMEDIATE RELEASE FEBRUARY 14, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

I am announcing today the framework for a comprehensive Federal territorial policy towards Guam, the United States Virgin Islands, American Samoa and the Northern Mariana Islands. It strengthens our Nation's fundamental commitment to encourage the self-determined political, economic and social development of our territories.

The legislative proposals and executive actions that make up the basic elements of this policy were developed through an intensive Domestic Policy Review of current policy conducted by my Administration in consultation with territorial leaders and Members of Congress.

A number of developments precipitated this review:

-- Congressional leaders and Administration officials have joined territorial residents in concern about inadequate economic development in the territories;

-- Growing deficits have brought both Guam and the Virgin Islands close to insolvency, despite considerable Federal assistance;

-- Territorial income tax revenues, as a percentage of gross territorial product, have dropped substantially;

-- Some territories are having increasing difficulty in providing essential public services. This failure impairs the quality of life of their populations, inhibits economic expansion, and leads to requests for extraordinary Federal support;

-- The territories have been confronted with new social problems which have reached near-crisis proportions in some instances;

-- Federal policies toward the territories are often inconsistent, inappropriate, or confusing, exacerbating problems and frustrating well-intentioned programs; and

-- The government and the administration of the territories have changed considerably over the last decade, creating the need for a reconsideration of organizational arrangements within the Executive Branch and possibly status.

Over the past several years, the Federal government has attempted to rectify many of the pressing problems facing the territories. In many cases, however, the piecemeal solutions devised have failed to clear up the underlying causes of those problems. While some Federal actions have contributed to the development of the territories, others have not promoted the greater self-sufficiency to which they justly aspire.

more

(OVER)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Our new policy is significant not only because of the scope of the individual initiatives it proposes; it is also significant because it is comprehensive. The interrelated elements of this policy seek to improve the full range of the Federal-territorial relationship.

Because the Congress is mandated plenary power for the territories by the Constitution, I ask that you join my Administration in adopting and implementing this comprehensive policy. Through legislation and the exercise of oversight responsibility, the Congress can ensure that the policy goals I outline here are realized. They include:

-- detailing a procedure for the orderly political development of the territories;

-- providing opportunity for and a stimulus to their economic growth;

-- rationalizing the existing Federal-territorial financial relationship and improving local financial management;

-- enhancing territorial treatment under Federal programs; and

-- elevating the Federal organization for dealing with territorial matters.

I especially want to request the involvement of those Members of both Houses and of both parties who have shown consistent leadership and sensitivity on territorial issues: Senators Jackson, Johnston, Matsunaga, McClure, Stevens and Hatfield; Representatives Phillip Burton, Yates, Murphy, Clausen, Lagomarsino, Duncan; and Delegate Won Pat. Their views have been essential to the development of this policy and their help is essential for its implementation.

They know that we in Washington have an obligation to protect and nurture the unique cultures and fragile economies of these islands, which are so distinct from the rest of the Nation in terms of history, geography, economic potential, tradition and ethnic composition. Our goal should be to recognize these distinctions as assets rather than to expect the territories to conform to practices and policies designed for the States and often inapplicable to insular areas.

That is why this policy was not simply adopted in Washington for the territories; it was formulated in conjunction with the elected officials of the territories whose input was obtained at every stage and played a major role in shaping this policy.

Executive Branch Reorganization

To implement the initiatives I announce today, I will continue to rely upon the Department of the Interior, which for some time has had principal responsibility within the Executive Branch for territorial matters. To help it perform this function, I propose the following reorganization steps:

-- the Secretary of the Interior will be given clear responsibility for all matters related to the territories and will be accorded increased support from other agencies and the White House staff;

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

-- the office charged with territorial liaison and assistance responsibility will be enhanced organizationally to help it deliver the services expected of it and will be headed by a new Assistant Secretary of the Interior for Territorial and International Affairs; and

-- to further ensure a coordinated Federal effort, territorial matters will be among the major responsibilities of a senior assistant on my Domestic Policy Staff.

These measures will improve the attention given the territories. They will make explicit Interior's responsibilities for the Northern Mariana Islands but will not change the Department's responsibilities for the Trust Territory of the Pacific Islands prior to the termination of the Trusteeship.

The organizational arrangements for handling United States relations with the freely associated States of Micronesia after termination of the Trusteeship, however, will not be determined until the final character of our responsibilities with regard to those island States is fully defined through the agreements now being negotiated.

The present policy of assigning no one department specific responsibility for liaison and assistance to Puerto Rico will continue until the government of that island requests such an assignment.

Under this reorganization, the Federal Comptrollers will continue to provide the territories with technical assistance and to perform their traditional and essential auditing function.

Political Development

In keeping with our fundamental policy of self-determination, all options for political development should be open to the people of the insular territories so long as their choices are implemented when economically feasible and in a manner that does not compromise the national security of the United States.

If the people of any of the territories wish to modify their current political status, they should express their aspirations to the Secretary of the Interior through their elected leaders, as is the case now. The Secretary, along with representatives of the appropriate Federal agencies, will, in turn, consult with territorial leaders on the issues raised. Following such discussions, a full report will be submitted to the Congress, along with the Secretary's proposals and recommendations.

This procedure will permit an orderly development of the Federal-territorial relationship. To maximize local self-determination, however, I want to encourage the people of Guam and the Virgin Islands to continue in the constitution-drafting process. By doing so, they will in due course replace the Federal laws under which their local governments now function with instruments of their own design.

The Secretary of the Interior will also make recommendations to me on the other proposals for political development considered during the Administration's Domestic Policy Review, including: Federal court reform in Guam and the Virgin Islands, Congressional representation for the Northern Mariana Islands, and other changes in current law.

more

(OVER)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Economic Development

Attainment of the political aspirations of the people of the territories, as well as the quality of their lives, is vitally dependent on the economic viability of these insular areas. Therefore, this policy framework places special emphasis on furthering the economic development of each of these areas. As with other aspects of this policy, the Department of the Interior will be given new responsibilities to accomplish this end. Chief among these will be coordination of the work of the Federal government's economic development agencies with respect to the territories.

So that we may make sense out of the somewhat confused pattern of Federal laws that now apply or fail to apply to the territories, I will propose legislation to establish a Presidential Commission to examine the application of Federal statutes on a case by case basis to Guam, the Virgin Islands and American Samoa. On this Commission, representatives of each of the territories would join Federal legislative and executive representatives in recommending legislation to the President for his submission to Congress.

The Commission would not examine the applicability of Federal laws to the Northern Mariana Islands because our Covenant with that Commonwealth stipulates the appointment of a separate commission for that purpose. I will shortly appoint members to that Commission.

I will also direct the Department of the Interior, with the assistance of Federal economic development agencies, to undertake an analysis of Federal constraints on territorial economic expansion. This study will provide information and policy guidelines for the Commissions on Federal laws and will propose concrete action to remove administratively-imposed constraints.

I have, further, directed the Secretary of the Interior to devise methods of encouraging private sector development in the territories by providing technical training and public and private financing assistance. Again, in this effort the Secretary of the Interior will coordinate the involvement of all relevant agencies, particularly the Economic Development Administration of the Department of Commerce, which I expect to play a major role in fostering the growth of the private sector in the territories.

Capital Development

Federal constraints, the need for technical assistance and training, and the lack of local venture capital are not the only factors inhibiting private sector growth in the territories. There is also a serious need to develop and maintain the basic capital infrastructure to meet business and human requirements. In many of the islands, meaningful economic growth -- as well as a decent standard of living -- will be an unattainable dream unless elementary facilities are constructed.

My 1981 Budget recognizes this fact. In it I have proposed substantial Federal support for several essential capital improvement projects. The funding level proposed would have the Federal government finance 90 percent of the cost of these projects. This method of cost-sharing of capital improvement projects in the territories is a major element of the territorial assistance proposals I announce today. I urge that it be standardized until the territories become sound enough financially to assume a greater portion of the cost of needed projects.

more

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Joint Federal-Territorial Planning

To plan and set priorities for territorial capital development, my Administration will propose a program for joint Federal-territorial, comprehensive, multi-year planning, financed by Federal grants. This planning will serve other purposes as well. It will help to improve the effectiveness of Federal grant programs in the territories and it will assist the territories to better manage their finances.

Federal Grant Programs

Several other initiatives will be undertaken by my Administration to enhance the effectiveness and usefulness of Federal grant programs, including:

-- encouragement to territorial governors to strengthen their grant coordinating units and to participate in joint planning efforts,

-- a directive to all Federal agencies to keep the Department of the Interior informed of all grant applications and decisions affecting the territories and to provide it with data related to the applications and the programs to which they apply,

-- a waiver of matching requirements for programs or projects the Federal government wants to encourage in the territories, and

-- development of a test proposal to provide the territories with block grants replacing the categorical grants-in-aid which the territories find increasingly difficult to administer effectively.

Financial Assistance

The initiatives I propose to ameliorate territorial financial difficulties are part of a major revision of the financial relationship between Washington and the territories. This change is designed to promote greater self-reliance in the territories. It recognizes that somewhat greater levels of assistance are required in the short run to enable the territories to be more self-sufficient in the long run. It focuses on capital improvements, economic development, and gradually increasing territorial contributions to the funding of local programs and projects.

Thus, while my Administration will continue to oppose measures that provide a disincentive to prudent budget practices -- such as the financing of deficit spending -- I will submit legislation designed to enable Guam and the Virgin Islands to alleviate immediate and near-term budgetary pressures while improving their financial management practices.

This proposal is expected to provide an additional $25 million in financial aid to the two territories in Fiscal Year 1981, as well as to provide an incentive toward greater local tax effort. It will be accompanied by assistance designed to improve budget-making and planning in the territories. It will make continued additional Federal support contingent on sound budgeting and accounting practices, including a plan to eliminate accumulated deficits.

My 1981 Budget proposes a continuance of significant Federal support for American Samoa and budgetary support for the Northern Mariana Islands as required by the Covenant. Both will also be able to participate in our program of budget

more

(OVER)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

planning assistance. As an incentive to self-reliance in American Samoa, I propose that in the future our operational assistance to that territory be limited to the previous year's base plus a five percent inflation adjustment.

To increase territorial revenues, I propose that we fully extend the Internal Revenue Code, now limited to the States and the District of Columbia, to the territories. I will submit legislation similar to S. 2017, sponsored by Senator Johnston, that will replace the so-called "mirror" systems of income taxation imposed by Federal law and eliminate restrictions on the local imposition of a local income tax.

This measure would provide the territories with many advantages in addition to according them State-like Federal income tax treatment. Collections by the Internal Revenue Service would be covered over to territorial treasuries for an anticipated significant net gain. Anomalies in current tax laws would be eliminated, encouraging business activity and increasing collections. Employees of territorial tax agencies would be given preference in hiring for Internal Revenue Service positions in their territories. And the legislation would create new incentives for business investment.

As I noted at the outset, the legislative proposals and administrative actions that make up this policy framework seek to reaffirm our fundamental commitment to self-determination. They recognize as well our unique relationships with the territories and our special obligations to their peoples.

This comprehensive territorial policy will enhance the political, economic and social development of those territories to which we owe so much and which need our assistance. Territorial Americans can rest assured that we will pursue this new policy with diligence and perseverance.

JIMMY CARTER

THE WHITE HOUSE,
February 14, 1980.

# # # #

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-63 NRN — orig to Daniels

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

July 14, 1980

WH-66

Dear Mr. Volcker:

I am writing to let you know about two new programs the Office of the Federal Register (OFR) will soon be offering consumers.

As part of its consumer program developed under the Consumer's Executive Order, Executive Order 12160, the General Services Administration has agreed to develop a Federal Register finding aid for consumers, the "Consumer Subject Listing," and a consumer workshop, "The Rulemaking Process and the Consumer."

The "Consumer Subject Listing" will highlight documents of particular interest to consumers and will appear in the daily Federal Register. Since the Federal Register is the Federal government's official newspaper and is frequently the only place agencies notify the public of proposed agency activities, the "Consumer Subject Listing" promises to make it substantially easier for consumers to find out about Federal agency proceedings.

The Federal Register staff will be responsible for developing the "Consumer Subject Listing," but the Register is going to have to rely on the agencies to identify documents dealing with issues of special interest to consumers. For this reason, and in view of the requirement of Executive Order 12160 that agency consumer staffs participate in the development of agency policies, programs, and regulations, I strongly suggest that you rely on your Consumer Affairs staff to coordinate the identification of items of interest to consumers before their publication in the Federal Register. Only in this way can we be certain that your agency's consumer-related documents are properly highlighted in the Federal Register.

The "Consumer Subject Listing" to the Federal Register has already received wide media exposure. In addition, we will be contacting representatives of major consumer organizations to stress the importance of the new finding aid. We plan to meet with consumers in September, one month after the Register begins to publish the listing, to teach them how best to use the Register. At that time, we also expect to ask consumer groups for their assessments of how each of the agencies is doing in identifying documents of interest to consumers for inclusion in the "Consumer Subject Listing."

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

"The Rulemaking Process and the Consumer" workshop the OFR is developing is intended for those members of your professional consumer affairs staff who are responsible for ensuring consideration of the consumer's perspective in the development and review of agency regulations. To make this review process work effectively, it is important that the consumer staff have a comprehensive background in the rulemaking process, the legal requirements for public participation, the techniques to make legal documents more readable, and how to structure documents to encourage public comment. The workshop will familiarize the participants with the Federal Register system and the various elements of the rulemaking process that can be used to enhance consumer participation.

I recommend that your professional consumer affairs staff participate in this workshop. These staff members may also wish to attend the Register's ongoing program on the basic Federal Register structure: "The Federal Register -- What It Is and How to Use It." The first "Rulemaking Process and the Consumer" workshop is scheduled for July 29. The next "Federal Register -- What It Is and How to Use It" workshop is scheduled for July 25. For additional information on the workshops, your staff should contact Richard Claypoole of the Federal Register, at 523-5240.

I am delighted with these Federal Register program initiatives. Their success depends upon the cooperation of all Federal departments and agencies. I particularly want to encourage the involvement of your consumer affairs staff in both of these exciting programs.

Sincerely,

Esther Peterson
Special Assistant to the President
for Consumer Affairs

The Honorable Paul A. Volcker
Chairman
Board of Governors of the
Federal Reserve System
Washington, D.C. 20551

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
1980 JUL -9 AM 9:27
RECEIVED
OFFICE OF THE CHAIRMAN

THE WHITE HOUSE

WASHINGTON

July 7, 1980

WH-61

MEMORANDUM FOR HEADS OF AGENCIES

FROM: ANNE WEXLER
AL McDONALD

SUBJECT: Energy Program

Enclosed for your information and use are fact sheets and talking points covering the progress on a national energy policy:

. Media Backgrounder: National Energy Policy

. Fact Sheet: Energy Programs and Accomplishments

. Fact Sheet: S. 932, Energy Security Act

. Talking Points: Energy Security Act

. Summary of Achievements of the Economic Summit

Please assure that copies of all of the above are circulated to key people throughout your agency.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

NATIONAL ENERGY POLICY

BACKGROUND REPORT
BY
OFFICE OF MEDIA LIAISON
THE WHITE HOUSE PRESS OFFICE

July 1, 1980

A NATIONAL POLICY IN PLACE

"Now, for the first time in our nation's history, we will have a national energy program to put us on the road to energy security. It's more ambitious than the space program, the Marshall plan, and the interstate highway system combined."

—President Carter. Speech in Columbus, Ohio. 5/29/80

On June 30, President Carter signed into law legislation which establishes the Synthetic Fuels Corporation.

This law, proposed by President Carter, *virtually completes the framework for a national energy policy.* This is the first time the United States has ever had a national energy policy. It is the result of more than three years work by the Carter Administration and the Congress. Passage by the Congress of legislation establishing the Energy Mobilization Board will complete the framework. The proposal is currently pending in the present session of Congress.

This progress means the nation will have the guidelines and specific laws and policies that are needed to meet the difficult energy challenges of the 1980s and to achieve energy security.

HOW FAR WE HAD TO COME
A BRIEF REVIEW

"More than three years ago, in April of 1977, I spoke to the American people in a so-called 'fireside chat' and made an address to the joint session of the Congress, and referred to the energy crisis as the moral equivalent of war. It was discounted in much of the press, ridiculed by some. I was accused of exaggerating the problem. But as a matter of fact, instead of having world demand and world supply of energy meet in 1985, or so, it actually occurred in 1979, five or six years earlier than even I had anticipated."

—President Carter. Remarks to community leaders. 5/27/80

When President Carter took office in January of 1977, this was the situation, in broad terms:

—The United States was importing nearly 50% of its oil, with most of these imports controlled by the Organization of Petroleum Exporting Countries (OPEC).

—Billions of American dollars went to foreign countries to pay for imported oil. This drain of American dollars adversely affected our balance of payments, has helped to fuel inflation, and been a factor in causing unemployment.

This Background Report is intended to provide information to assist you in informing the public. Please direct inquiries to Patricia Bario or James Purks, 162 Old Executive Office Building, Washington, D.C. 20500 (202) 456-6623 or 2947.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

—The only energy "policy" this nation had was the continued subsidies for oil and gas. This meant the American consumer was paying less for energy products than his/her counterpart anywhere in the Western world, and in many cases half as much.

This "policy" tended to hinder competition, and efficient production. It was due to a continuation of a policy that had been set during a time—now past—when our energy prices were low and when most of the energy used in this country was produced *in this country.* Subsidies meant that Americans were not paying the true costs of energy. As a result, they used—and wasted—it as if it were cheap.

—OPEC began sharp price increases, with the United States and its allies and Third World nations, having no say-so, or control over these decisions, yet being increasingly dependent on the oil supplied by the foreign cartel.

—The United States not only did not have a national energy policy, it had no specific proposals to establish one.

—On the federal government level, at least eight major government agencies and a score of smaller agencies all made energy policy—independently of one another. Confusion was the rule.

—There were few specific plans dealing with the development of alternative sources of energy, such as solar, synthetic fuels, coal.

There was no gasoline rationing plan the nation could resort to if a severe energy shortage occurred.

The public had no specific guidelines on how to go about achieving individual energy conservation.

WHAT HAS BEEN DONE

"Fortunately, now, after three years, too long a delay, we have nearly completed our nation's first energy policy: to build a solid energy base for the years and decades to come. There are only two ways to cut down oil imports. One is to conserve what we have, to eliminate waste; and the other is to produce more energy in our own country. There are no other ways."

—President Carter. Speech to U.S. Conference of Mayors. 6/10/80

President Carter spoke those words a few days before passage of the Synthetic Fuels Corporation legislation virtually rounded off the major framework for America's first-ever national energy policy. Another key step will be passage of the Energy Mobilization Board legislation.

Now in place are laws and policies which, taken together, give this nation direction in such previously troublesome areas as organization, development of alternative fuels, incentives for individual and corporate energy conservation, coal development and usage, oil industry profits, and gasoline rationing.

Here are some of the basic ingredients of the national energy policy which has evolved since 1977.

(1) Organization

The President proposed and successfully won Congressional approval of a proposal which established the Department of Energy.

Result: For the first time, the American public had a single agency to look to for accountability and responsibility for energy-related matters. The new department meant that *one agency with centralized authority* had taken the place of eight major agencies and several other smaller ones which previously dealt with energy matters and operated totally independent of one another.

(2) Natural gas

The battle over natural gas pricing had been one of the most divisive issues in this nation since the civil rights movement in the 1960s. Gas was not always available to citizens who lived outside of gas-producing states.

Under President Carter's leadership, Congress adopted the National Energy Act, which provided for the decontrol of natural gas, and later the Natural Gas Policy Act of 1978.

Results: Natural gas is now more readily available to all citizens, whether or not they reside in gas-producing states. We no longer have the dual system of national and intra-state markets. The nation has established a single countrywide market and set a course toward gradual decontrol of gas prices in 1985.

(3) Decontrol of crude oil

The President provided that price controls on all domestically produced crude oil will be phased out by September 30, 1981, bringing prices to the true value of the oil. Decontrol began June 1, 1979.

Result: Incentives have now been provided for increased energy conservation. This major reform also is expected to result in additional domestic production of more than 800,000 barrels of oil per day by 1985.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

(4) Windfall profits tax

An important element in the national energy policy is implementation of the windfall profits tax proposed by President Carter. It was approved by Congress, despite very intense lobbying against it by the oil interests.

The windfall profits tax is a tax on the unearned profits—or windfall—that the oil industry will realize from the decontrol of crude oil prices. It has been the President's opinion that the oil industry should share in the national energy policy effort. His proposal, now law, would provide for a tax on the unearned profits, yet leave the industry billions of dollars after taxes to invest in domestic production.

The windfall profits tax has opened up several avenues that fit into an overall national energy policy. For example:

—Even though it does tax windfall profits, it leaves the oil industry a total of more than $91 billion over what they would have without decontrol for *domestic oil exploration and production.*

—Net revenues of $227.3 billion from the windfall profits tax will be earmarked for three basic purposes, all related to our energy needs:

(a) Assistance to low-income households. Aid would be provided to those low-income households which are hardest hit by energy price increases. This would continue a program enacted last year.

(b) Mass transit. Our investment in public transportation systems will more than triple. This will include upgrading of bus and subway systems, new bus purchases, and improved traffic management and auto fuel efficiency.

(c) A massive new investment in alternatives to imported oil. This program will include a Solar Energy and Energy Conservation Bank to subsidize interest rates on loans for investments in residential conservation and solar systems. It also includes incentives to promote the use of gasohol and establishment of the Synthetic Fuels Corporation to assist American business in developing new plants to convert coal and other resources into more usable liquid and gaseous fuels.

The exact allocation of funds under the windfall profits tax to these three purposes is to be set by law.

Results: Increased funds are to be available to seek alternative sources of energy and to conserve our energy, thus moving us further along towards energy security. Increased domestic production is anticipated. Total domestic energy production increased 4.8% from 1976 to 1979, and larger increases are anticipated in the 1980s under the windfall profits tax incentive. Exploratory activities have expanded to the highest level in 25 years with the moves toward free-market pricing of oil and gas. Rotary rigs in operation, for example, increased from 1,656 monthly average in 1976, to 2,614 monthly average for the first three months of 1980.

In addition, we have discontinued the practice of subsidizing foreign production and, at the same time, encouraged conservation.

Revenues from the tax promise to create an entire new industry—the synthetic fuels industry.

(5) Synthetic Fuels Corporation (SFC)

The goal of this corporation, now signed into law by President Carter, is to provide *incentives* to the private sector to produce 500,000 million barrels per day by 1987 of substitutes for foreign oil and 2 million by 1992. The key is development of synthetic fuels.

Results: The corporation will act as a banker to provide financial incentives in the form of loan guarantees for up to 75% of estimated costs for projects that have reached the commercial stage. Congress has authorized the first $20 billion of an $88 billion total for financial assistance to the synthetic fuel industry to develop various technologies.

The Synthetic Fuel Corporation will share the risk of synthetic fuel projects with the private sector through loan guarantees, price guarantees, direct loans, joint ventures, and direct SFC ownership in a limited number of cases.

This means that private enterprise has the backing and support it needs to launch into production of new energy sources, thus taking another step towards achievement of this nation's energy security.

(6) Energy Mobilization Board (EMB)

The EMB is modeled on the War Production Board of World War II.

Its central purpose is to designate as priority energy projects critical, non-nuclear energy facilities and, for each of them, to convert different, sometimes disconnected proceedings and requirements on the local, state and federal levels into a single, coordinated decision process.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Results: Once underway, this board is expected to cut through the red tape and bureaucratic obstacles—but without altering substantive federal, state or local standards—that often have delayed yes or no decisions on energy facilities being considered for siting and construction.

(7) Energy Conservation

President Carter considers energy conservation on a national level—with individual Americans participating—to be the cornerstone of America's effort to achieve energy security.

He has proposed, and implemented, several energy conservation measures on the federal government level and the government has launched a massive outreach program to advise citizens of the many ways they can conserve energy. This has been coupled with a similar outreach program to private industry, promoting energy conservation. In addition, the President has taken steps to encourage government at all levels—federal, state and local—to conserve energy.

Tax incentives to conserve energy, such as tax credits for weatherization efforts in private homes, have been implemented.

Examples of conservation efforts include:

—The Emergency Building Temperature Restriction Program, which requires that thermostats in public buildings be set no lower than 78 degrees Fahrenheit for cooling and no higher than 65 degrees Fahrenheit for heating. Estimates are the program will save from 200,000 to 400,000 barrels of oil daily.

—The Department of Energy demonstrated a heating-cooling system called the Annual Cycle Energy System. In its first year of operation, a model house outside Knoxville used only half as much fuel as a control house next door.

(8) Solar Energy

President Carter announced last year a national solar energy plan which, if fully underway, would assure that by the year 2000, one-fifth of our energy needs—or 20%—would be met with solar and renewable resources.

He committed the federal government to working towards the 20% goal. The President has called upon the Congress to approve additional tax credits which would further encourage private homeowners, agricultural and industry sectors, to invest in solar systems.

The President proposed the establishment of a National Solar Bank as a government corporation to provide a major impetus to solar technologies by increasing the availability of financing for solar investments in residential and commercial buildings. The legislation providing for the Synthetic Fuels Corporation establishes the Solar Energy and Energy Conservation Bank, to provide direct federal subsidies for residential and commercial investments in energy conservation and renewable energy resources.

In three years, President Carter has tripled the federal budget funds earmarked for solar energy.

Results: Solar energy was being used in 100,000 to 120,000 homes by the end of 1979, compared to only 10,000 in 1977. Continued growth is anticipated and it is expected that President Carter's goal of 2.5 million solar homes by 1985 can be met.

The National Solar Heating and Cooling Information Center has responded to more than a half million inquiries and distributed about 15 million documents nationwide since its establishment in 1976, indicating increased interest in solar energy.

A Solar Energy Research Institute has been established, and the Department of Energy has initiated a program to train 11,000 solar equipment installers each year.

(9) Coal

The Carter Administration has given a major impetus to the increased use of coal in the 1980s.

The President has submitted to the Congress a multibillion-dollar plan to help electric utilities burn coal instead of oil. The objective is displacement of a million barrels of oil per day by 1990. Under the plan, 107 coal-capable plants would be converted from oil or gas, and later non-coal-capable plants would be replaced with coal-fired installations.

Results: There has been an increase in coal production. Coal production in the United States has increased from 685 million short tons in 1976 to 776 million short tons in 1979.

Clean, improved methods of burning coal are being developed through research and development. In November of 1979, an Atmospheric Fluidized Bed was put into operation at Georgetown University in Washington, D.C. The clean-burning process is the main source of steam for the campus heating and cooling system. The Department of Energy has issued invitations to contractors to submit proposals to design and build

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

large-scale fluidized bed boilers to pave the way for widespread application of the process.

The Department of Energy is pursuing ways to use coal in liquid form and there are three major variations of coal liquefaction technology now undergoing large-scale development. They are the Exxon Donor Solvent process, the H-Coal process, and the Solvent Refined Coal process.

(10) Gasoline Rationing

Unless Congress disapproves by a joint resolution, the United States by mid-July will have in readiness a standby plan to ration gasoline, only to be implemented if a 20% shortfall in petroleum supplies exists or is likely to exist for at least 30 days. The plan was submitted under requirements of the Emergency Energy Conservation Act (ECCA) of 1979. Prior to this, the nation did not have a standby plan in case of emergencies.

(11) Gasohol

The President has proposed a program which would accelerate America's production and use of gasohol, committing the Administration to providing between $8.5 billion and $12.8 billion in assistance to stimulate production of alcohol fuels over the coming decade.

The Department of Energy has established programs to produce 500 million gallons of alcohol fuels during 1981. If this amount of alcohol were blended to make gasohol, gasohol would then account for almost 10% of anticipated 1981 demand for unleaded gasoline.

(12) Nuclear safety

By acting on the recommendations of the special commission which investigated the accident at Three Mile Island, the Carter Administration moved to further strengthen the emphasis on nuclear safety at plants. Other steps taken included recommending a reorganization of the Nuclear Regulatory Commission to strengthen the role of its chairman—especially in times of emergency—and the placing of resident inspectors at every reactor site and to upgrade the training and evaluation programs for reactor operators.

(13) Other ingredients

There are other aspects of what together represents a national energy policy, with a sense of direction that was non-existent prior to 1977. For example, a strategic petroleum reserve has been established in Louisiana and 91.2 million barrels of oil stored as of June, 1980. The Administration has exempted heavy crude oil production from domestic crude oil price controls—a step expected to increase domestic oil production by 500,000 barrels per day by 1990.

SOME OVERALL RESULTS

"We have clarified issues which have never been adequately debated before. We have a much clearer concept now of the problem and of the possible solutions to that problem. Our nation is highly educated compared to what it was two or three years ago concerning the problems relating to energy and the special blessings which our country has in our energy reserves."

—President Carter. Remarks at energy briefing. 4/29/80

As the national energy policy—covering the many facets of a complex challenge—has evolved, signs of progress on a national scale have begun to appear, indicating a commitment by all levels of government, the private sector, and individual citizens to work together to achieve America's energy security.

Here are examples of significant trends:

(1) The nation's annual rate of growth in energy demand has been reduced from 5.4% in 1976 to 0.05% in 1979.

(2) Overall efficiency in the use of energy has improved from 58,000 BTUs per Gross National Product dollar in 1976 to 54,000 BTUs per Gross National Product dollar in 1979.

(3) The U.S. energy coefficient, which is the ratio of growth rates for energy consumption and Gross National Product, dropped from 0.09 in 1976 to 0.024 in 1979.

(4) Gasoline consumption nationwide has been reduced 8.5% from 1979 to mid-1980.

(5) Oil imports are on the downtrend. They rose from 7.3 million barrels per day in 1976 to 8.8 million barrels per day in 1977. They now have dropped to 8.3 million barrels per day in 1979 and were running at 7.2 million through May 1980.

(6) Total domestic energy production increased 4.8% from 1976 to 1979, from 60 quadrillion BTUs in 1976, to 62.9 quadrillion in 1979.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

FOR IMMEDIATE RELEASE JUNE 30, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET
ENERGY PROGRAMS AND ACCOMPLISHMENTS

I. ENERGY LEGISLATION

In 1978, the United States enacted five strong measures proposed by President Carter to reduce U.S. dependence on imported oil:

--The Natural Gas Policy Act, which will deregulate prices of new natural gas by 1985 and which provides substantial new incentives for natural gas exploration and development.

--The National Energy Conservation Policy Act, which provides grants and other incentives for conservation in schools, hospitals, residences, major home appliances, and automobiles.

--The Powerplant and Industrial Fuel Act, which prohibits use of oil in new powerplants and industrial boilers, and provides authority to require the use of coal in existing coal-capable powerplants which now burn oil.

--The Public Utility Regulatory Policies Act, which encourages changes in state regulatory programs to foster greater utility efficiency and conservation.

--The Energy Tax Act, which established the nation's first tax incentives for residential conservation, use of renewable resources in residential and industrial facilities, and purchase of fuel-efficient automobiles.

Since 1978, the United States has acted vigorously to cut U.S. oil imports in half by 1990 through decontrol of domestic crude oil prices, oil import commitments, passage of the Windfall Profits Tax, and legislation providing billions of dollars in investments in conservation and the development of synthetic fuels and other alternatives.

Major legislation enacted since 1978 includes:

Synthetic Fuels Corporation

The President is today signing into law the Energy Security Act. The lead title includes the Synthetic Fuels Corporation legislation he proposed in July, 1979. This legislation will establish a 12-year program to stimulate commercial production of 2 million barrels per day of synthetic fuels by 1992. The Corporation will provide loans, loan guarantees, price supports, purchase agreements, and a potentially limited number of joint ventures to assist private industry with the development of oil shale, tar sands, and synthetic fuels from coal and peat. With $20 billion to be appropriated this year, and up to $68 billion possible for Phase 2, the Corporation represents the largest energy assistance program ever established. It will provide the necessary commercial experience to reduce oil import dependence substantially beyond the turn of the century.

Solar Energy and Energy Conservation Bank

The Energy Security Act also enacts the President's request for a Solar Energy and Energy Conservation Bank to provide loan subsidies and grants to residential and commercial building owners. The Bank will provide a total of $3 billion to spur much larger private conservation and solar energy investments. Combined with the 40 per cent tax credit for residential solar investmetns, provided in the Windfall Profits Tax Act, the Bank will contribute to the President's goal of meeting 20 per cent of energy needs from solar by the year 2000.

(MORE)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Alcohol Fuels

Through the Windfall Profits Tax Act, the U.S. now provides a 40 cent-per-gallon tax subsidy through 1992 for alcohol used in motor fuels. The Energy Security Act provides $1.45 billion in Federal financial assistance to build biomass fuels production plants, a major portion of which is designated for alcohol fuels. With the tax exemption provided in the Energy Tax Act of 1978, U.S. alcohol fuel production has increased from near zero to well over 100 million gallons per year today. To maintain the momentum, the Preisdent has established a 1981 goal of 500 million gallons per year of alcohol fuel production capacity.

Windfall Profits Tax

In April, 1980, the President signed into law the Windfall Profits Tax, which will recoup for taxpayers a portion of revenues oil companies would otherwise receive as a result of the domestic price decontrol and world oil price increases. The tax is expected to raise at least $227 billion between 1980 and 1990.

The Act also contains a wide range of energy tax credits to assist individuals, households, and businesses to conserve and produce energy, and provides assistance to help low-income households meet rising energy costs. For example, the Act expanded to 40 per cent the residential tax credit for solar and other renewable energy originally enacted in 1978. It also expanded to 25 per cent the investment tax credit for solar installations and included investments for solar process heat.

II. EXECUTIVE ACTIONS

Decontrol of Domestic Crude Oil Prices

On April 5, 1979, the President directed that domestic crude oil price and allocation controls be ended by September 30, 1981. Over 38 per cent of U.S. oil production is already free from price controls. The decontrol schedule is steadily releasing additional volumes; controls will be eliminated by September, 1981. The combined effect of increased supply and reduced demand from oil decontrol could reduce U.S. oil imports by about 2 million barrels per day by 1990.

Heavy Oil Decontrol

The President decontrolled heavy crude oil (less than 16 degrees API) in August, 1979, and broadened the release (to 20 degrees API) in December, 1979. This will add 250,000 barrels per day to domestic supplies in 1982.

Import Targets

At the Tokyo Summit in June, 1979, the United States agreed to limit its net oil imports to 8.5 million barrels per day. In his State of the Union message in January, the President set the 1980 oil import ceiling for the United States at 8.2 million barrels per day, a reduction of 300,000 barrels per day below that ceiling, a goal which we are meeting.

International Energy Cooperation

The Venice Summit participants committed to breaking the link between growth in energy demand and growth in GNP. They pledged to meet a goal of 13-20 million barrels per day production of energy from sources other than oil by 1990, and enumerated specific steps to be taken by the seven Summit nations to meet this objective.

MORE

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Conservation

In the coming year, Federal expenditures and tax credits to promote energy conservation will exceed $1.6 billion, stimulating more than $5 billion in nationwide residential, commercial, and industrial conservation investments.

Federal mandatory temperature controls in non-residential buildings have been extended until January 1, 1981. Since the program went into effect in July, 1979, an estimated 200,000 to 400,000 barrels of oil equivalent have been saved daily.

The President has set a national gasoline target to limit consumption in 1980 to 7 million barrels per day, a 5.5 per cent decrease from the 1979 level. Gasoline consumption in 1980 is now 8.5 per cent below that for the similar period in 1979.

In addition, domestic auto manufacturers exceeded Federal automobile fuel economy standards for model years 1978, 1979, and 1980. Increasingly stringent standards, reaching a fleetwide average of 27.5 miles per gallon by 1985, will save some 500,000 barrels per day by 1985 and potentially over one million barrels per day by 1990.

The President has initiated a nationwide conservation awareness campaign focused on transportation and residential energy conservation.

III. PENDING LEGISLATION

Utility Oil Use Reduction

The President's proposal to reduce utility use of oil and natural gas by 1 million barrels per day in 1990 is now under active consideration in the Congress. That bill would provide $10 billion in grants to utilities, and cost-effective investments in conservation and alternative fuels.

Energy Mobilization Board

Legislation for a new Energy Mobilization Board that will speed decisionmaking on critical energy projects by reducing regulatory red-tape is still pending in Congress.

IV. U.S. ENERGY PERFORMANCE

U.S. Energy and Oil Consumption

Total U.S. energy consumption in 1979 remained at the 1978 level, while the real U.S. GNP grew 2.3 per cent -- a substantial improvement in the relationship between energy use and economic growth. The ratio of energy growth to real economic growth is expected to remain well below .6 over the coming years.

U.S. 1979 oil consumption was 2.4 per cent below that of 1978. During the first five months of 1980, U.S. oil consumption was 9.2 per cent below the comparable 1979 period.

Oil Import Reductions

U.S. net oil imports in 1979 were 7.9 million barrels per day (MMB/D) compared to 8.0 in 1978 and 8.5 MMB/D in 1977. For the first five months of 1980, U.S. net oil imports were 6.8 MMB/D, 12.7 per cent below the comparable 1979 level.

Energy and Oil Consumption by Sector

Transportation: U.S. gasoline consumption in 1979 was 5 per cent below the 1978 level. Gasoline consumption is down by 8.4 per cent for the first five months of 1980.

(MORE)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Residential/Commercial: Oil consumption in this sector dropped by almost 300,000 B/D (8 per cent) between 1972 and 1979. Higher energy prices, government incentives, and direct government investmetn in weatherization assure acceleration of this trend.

Industrial: Since 1972 the ten most energy-intensive industries in the United States have achieved a 14 per cent overall improvement in energy efficiency and are now saving the equivalent of 1.2 MMB/D compared to 1972.

Domestic Energy Production

The United States is strongly committed to increasing indigenous energy production:

--Coal production in 1979 reached a record 775 million short tons, a 15.8 per cent increase over 1978. Coal production will increase as a result of government policy requiring greater coal utilization, the synthetic fuels program, and the Presidential proposed incentives to utility conversion to coal.

--Phased deregulation of natural gas wellhead prices is encouraging comestic gas production. Marketed production of natural gas during 1979 totaled 19.7 trillion cubic feet, only 1.3 per cent less than in 1978, a significant reversal of previous production trends. Drilling rig utilization is now at a 21-year high, indicating a substantial increase in domestic oil and gas exploration activity. The U.S. is proceeding toward construction of the Alaska natural gas pipeline which will increase domestic production by over 700 BCF.

--Domestic crude oil production during 1979 averaged 8.5 MMB/D compared to 8.7 MMB/D in 1978. For the first five months of 1980, production increased to 8.7 MMB/D. Exploratory wells increased by 87 per cent between 1973 and 1979. Over the same period, the number of feet drilled increased by 75 per cent.

--Renewable resources constitute roughly six per cent of U.S. energy supply today, and their use is increasing rapidly. Industrial use of wood and wood wastes has nearly doubled over the past ten years, and residential wood use has skyrocketed. Solar collectors have been installed on over 100,000 homes since 1977, a tenfold increase. With the programs noted above, solar collectors should be on well over a million homes in the next few years. Passive solar buildings are gaining well-deserved popularity. With increasing use of low-head hydroelectricity, wind, and other renewable resources, the nation is well on the way to reaching the President's 20 per cent solar goal.

—The President has reaffirmed the importance of the safe expansion of nuclear power. Nuclear power provided an average of 11.5 per cent of total electricity generation in 1979 compared to 4.5 per cent in 1973.

# # #

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

FOR IMMEDIATE RELEASE JUNE 10, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET
S. 932, THE ENERGY SECURITY ACT

Highlights

The Energy Security Act contains the authorities needed to implement most of the conservation and alternative energy supply programs originally proposed by the President in July of 1979.

Major provisions of the Energy Security Act are:

-- A Synthetic Fuels Corporation with the potential for $88 billion in resources to stimulate the production of 2 million barrels per day of synthetic fuels by 1992.

-- A Solar Energy and Energy Conservation Bank with $3 billion authorized for incentives to spur energy conservation and renewable energy investments.

-- Biomass financial assistance programs designed to assist the production of alcohol fuels and fuel from biomass and municipal waste authorized at $1.45 billion over two years.

-- A policy of 100,000 barrels per day minimum fill rate for the Strategic Petroleum Reserve.

-- Statutory support for electric and gas utility investments in energy conservation.

THE ENERGY SECURITY ACT

The Synthetic Fuels Corporation (SFC)

The Act creates the Synthetic Fuels Corporation as an independent Federal entity with $20 billion immediately authorized, which may be increased to $88 billion, for synthetic fuels development. The SFC will share the risk of commercial-scale synthetic fuels projects with the private sector through loan guarantees, price guarantees, direct loans, purchase agreements, joint ventures, and direct SFC ownership in a very limited number of cases. The SFC will use these tools to help the private sector move rapidly to produce synthetic fuels and achieve the goal of 2 million barrels per day of synthetic fuel production within its twelve year lifetime. The SFC has an interim goal to produce 500,000 barrels per day by 1987. As an independent entity, the Corporation will be free of many of the procedural encumbrances which tend to slow down governmental agencies.

The SFC is authorized to support a broad range of technologies including:

-- The production of synthetic solids, liquids or gas from coal;

-- The production of oil and gas from shale;

-- The production of oil from tar sands or heavy oil deposits;

-- The production of coal/oil mixtures for direct combustion;

-- The production of electricity through magnetohydrodynamic (MHD) topping cycles;

-- The production of hydrogen fuel from water.

MORE
(over)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The SFC will select from this broad range of technologies those projects which will contribute most effectively to attaining the 2 million barrels per day production goal by 1992.

The SFC may provide financial support in cooperation with the host country to two projects located outside of the United States within the Western Hemisphere if certain technical and economic circumstances are met.

The Corporation will have a Board of Directors consisting of a Chairman and six members appointed by the President with the advice and consent of the Senate. The Chairman will serve as the Chief Executive officer of the Corporation.

In order to ensure that synthetic fuel development proceeds without delay, the Energy Security Act also provides for an interim program which will operate until the President certifies that the SFC is operational. Title I, Part A of the Act amends the Defense Production Act (DPA) to allow the President, acting through the Department of Defense and any other Federal department, to purchase synfuels for defense needs, issue loan guarantees and make loans for synfuels projects. Once the SFC is operational, this interim authority ends and the DPA program becomes a standby authority which the President may use only in the event of a national energy supply shortage.

Solar Energy and Energy Conservation Bank

The Act establishes a Solar Energy and Energy Conservation Bank within the U.S. Department of Housing and Urban Development. The Bank will provide direct Federal subsidies for residential and commercial investments in energy conservation and renewable energy resources. The Act authorizes over $3 billion in subsidies within the first four years. The subsidies will be delivered through lending institutions in the form of Federal payments of a specified portion of the amount of the investment.

For energy conservation investments, the Bank is authorized to provide subsidies to various owners and renters. For example, for homeowners below 80 percent of median income, the Federal payment is 50 percent of the residential investment, up to $1,250. Other payment limits are established in the Act.

In addition, the Bank is authorized to provide direct grants up to 50 percent of the cost of the conservation investment to persons with incomes below 80 percent of median income.

Owners or tenants of agricultural or commercial buildings are eligible for Federal payments of 20 percent of the investment up to $5,000 per building; provided that gross annual sales are below $1,000,000.

For solar energy residential investments, the Bank is authorized to provide subsidies of up to 60 percent of the investment cost for persons with incomes below 80 percent of median; 50 percent of the investment cost for persons with incomes between 80 percent and 160 percent of the median; or 40 percent of investment costs for persons with incomes above 160 percent of median. There is a cap of $5,000 on the total Federal payment in all cases.

Multi-family residential buildings are eligible for Federal payments of 40 percent of the solar investment up to $2,500 per dwelling unit. In cases where the majority of tenants have incomes below 80 percent of the median income, the Federal share will be 60 percent of the investment, up to $2,500 per dwelling unit.

(MORE)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

For agricultural and commercial buildings, Federal payments for solar are 40 percent of the investment up to $100,000 per building.

In addition, the Act permits electric and gas utility investments in energy conservation. This is designed to accelerate the trend among U.S. utilities to undertake such investments.

Additional Conservation and Renewable Resources Provisions

The Energy Security Act substantially increases the Federal commitment to conservation and renewable resources by:

-- Expanding the current Federal/State residential conservation program to provide energy audits to many multi-family and commercial buildings;

-- Providing a $25,000,000 Federally funded program to train energy auditors;

-- Easing present requirements in order to accelerate the weatherization of low income residences;

-- Increasing the Federal industrial conservation research, development and demonstration program by $40,000,000; and

-- Authorizing new pilot programs to experiment in two areas: the retrofitting of residential dwellings to achieve energy conservation and the establishment of an energy self-sufficiency program.

In addition, the Act changes the life-cycle costing methodology used to determine Federal investments to stimulate even greater conservation and solar investments in the Federal sector.

Biomass Energy

The Act provides $1.45 billion for new government financial assistance programs at the Department of Energy and the Department of Agriculture to encourage rapid development of biomass energy, including alcohol fuels from traditional crops, agricultural wastes and woods as well as fuel from municipal waste. The program goal will be the production of 900,000,000 gallons of alcohol fuel per year by the end of 1982. In addition, the Departments of Agriculture and Energy are required to develop a comprehensive strategy to achieve, if possible, an alcohol production level equal to at least 10 percent of gasoline consumption in 1990.

The program is carefully designed to give preference to alcohol projects which rely on fuels other than oil or gas in the alcohol production process and to those that use new types of feedstocks.

The Act authorizes support for projects through loans, loan guarantees, price guarantees, purchase agreements and loan insurance.

Strategic Petroleum Reserve (SPR)

The Act requires the President to undertake immediately activities leading to the filling of the SPR at an average fill rate of 100,000 barrels per day for fiscal year 1981 and for each fiscal year thereafter. The Act further requires that effective October 1, 1980, with some exceptions, oil from the Naval Petroleum Reserve (NPR) may not be used except to fill the SPR.

MORE
(over)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The requirement to fill the SPR and to use the NPR for fill purposes would be removed if:

-- There is in effect a Presidential order to draw down and distribute the SPR; or

-- The President finds with the approval of the Congress (by resolution of both Houses within 60 days) that such requirements would significantly impair the Nation's ability to respond to a severe energy supply interruption or meet its obligation under the international energy program.

Energy Targets

The Act establishes a system under which the President will specify national targets for oil imports, domestic energy production and domestic energy consumption through the end of the century. The targets would not be binding, but would be considered by the Congress as part of the DOE authorization process.

Additional Provisions

-- The Act extends and expands the U.S. Government program of support for geothermal energy development; the Act will authorize $90 million in new Federal loan and loan insurance for geothermal reservoir confirmation drilling projects and geothermal feasibility studies.

-- The Act will establish an Acid Precipitation Task Force with a ten-year mandate and a $50,000,000 authorization. The Task Force will develop a comprehensive plan to ameliorate the adverse effects of acid rain. The Act also directs the completion of a comprehensive study on the projected impact of fossil fuel combustion on atmosphere Carbon Dioxide levels and the economic, physical, social and climatic consequences.

# # #

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

ENERGY SECURITY ACT
TALKING POINTS

- On June 30, 1980, President Carter signed the Energy Security Act (S.932) and in so doing has put in place the keystone of this nation's national energy policy. This is an accomplishment in which Congress, the Administration, and our whole country can take great pride.

- The Energy Security Act lays out a framework for this country to move toward a more secure energy future through an agressive program to increase domestic production of alternative fuels and to provide incentives for conservation. This legislation will create at least 70,000 jbos a year in direct employment to design, build, operate, and supply resources for synthetic fuels plants and for production of alcohol and other biomass fuels. Many thousands more will be created by the labor intensive conservation and solar program.

- The legislation establishes a Synthetic Fuels Corporation to stimulate the production of 2 million barrels per day of synthetic fuels by 1992. Projects that produce oil from shale, liquids and gas from coal, and oil from tar sands, will be financially supported through the SFC. A range of tools, including loans, loan guarantees, purchase agreements, price guarantees, and joint ventures, will be used by the SFC to help finance commercial scale synthetic fuels projects.

- A Solar Energy and Energy Conservation Bank is established through this legislation and puts into place the institution proposed by President Carter to direct subsidies to homes and businesses for energy conservation and use of solar. This bank will be a major element in helping the country achieve the President's goal of deriving 20 percent of our energy from the sun by the year 2000. Over $3 billion in Federal assistance will be available through this program.

- In addition to the bank, the Energy Security Act substantially increases the Federal commitment to conservation and renewable energy by: increasing opportunities for the States and Federal government to provide energy audits to many multifamily and commercial buildings; providing a Federal program to train energy auditors; accelerating the weatherization of low income residences; and increasing the Federal research and development program for industrial conservation.

- Energy produced from biomass (alcohol fuels, crops, wood and municipal waste) is given a strong push. $1.45 billion for government assistance to stimulate production of biomass fuels is provided in this bill. A goal of producing 900,000,000 million gallons of alcohol fuel by 1982 is

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

established. The Departments of Agriculture and Energy will administer this program and have authorities to issue loans, loan guarantees, price guarantees, purchase agreements and loan insurance to help private individuals and businesses in this area.

- The Act sets a policy that the nation's Strategic Petroleum Reserve will be filled at a minimum of 100,000 barrels of oil daily, beginning in fiscal year 1981. The President is directed to immediately begin activities to initiate this program.

- Recognizing that this nation's energy problems are not separable from our environmental concerns, the Act establishes an Acid Precipitation Task Force to complete a comprehensive study on the impacts of fossil fuel combustion on our environment, our economy, and our society. A plan to ameliorate the adverse effects of acid rain will be developed as part of this program. We will continue to protect the earth we live on and the air we breathe while pursuing our important goals of more domestic energy production.

- In sum, the Energy Security Act will combine the resources of government with the creativity and productivity of U.S. skill and industry to launch this decade on its path to a more secure energy future. The greatest outpouring of capital investment, the most far-reaching mobilization of a nation's workforce and resources and the most intensive technological innovation will be needed to achieve our goal. Its scope will dwarf both the space program, which led us to the moon, and our efforts which built an Interstate Highway System. The President calls on all of us to welcome this opportunity and this challenge to begin on our path toward energy independence.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Achievements of the Economic Summit

At Venice, President Carter and leaders from the UK, France, Germany, Japan, Italy, Canada, and the European Economic Commission agreed to meet head on the economic challenges facing the world in the 1980's, in particular, the problems of inflation and energy. They expressed confidence in the ability of democratic societies to respond to these challenges, recognizing that there are no quick, easy solutions and that sustained efforts will be necessary to achieve a better future. They said that the key to success will be to achieve and maintain a balance between energy supply and demand at reasonable levels and tolerable prices.

Energy. Summit participants emphasized the need to break the existing link between economic growth and oil consumption. This will require oil conservation and substantially increased production and use of alternate energy sources with maximum reliance on the price mechanism. To this end, they agreed to:

-- Take specific steps to conserve oil through the conversion of oil-fueled generating capacity to other fuels; to accelerate the substitution of oil in industry; to encourage oil-saving investment in residential and commercial buildings; and to introduce increasingly fuel efficient vehicles.

-- Endorse the recent decisions of the International Energy Agency and other multilateral bodies regarding the need for long term structural changes to reduce oil consumption, the possible use of oil ceilings to deal with tight market conditions, and the coordination of stock policies to mitigate the effects of market disruption.

-- Rely on fuels other than oil to meet the energy needs critical to future economic growth. With early, resolute action they estimated that the supply and use of alternate energy sources over the next ten years could increase by the equivalent of 15-20 million barrels per day of oil. To achieve that goal, the Summit countries will:

o Double coal production and use by early 1990.

o Encourage long-term commitments by coal producers and consumers and improve necessary infrastructure in both exporting and importing countries to facilitate increased coal trade.

o Expand nuclear generating capacity, mindful of the need to ensure public health and safety, refine methods to deal with spent fuels and nuclear waste, and minimize the risk of nuclear proliferation.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Implementation of this comprehensive energy strategy will enable Summit countries by the 1990's to: (a) reduce the ratio between increases in collective energy consumption and economic growth to about 0.6 (from the 0.8 target set at the 1978 Bonn Summit); and (b) reduce the share of oil in total energy demand from 53% to about 40% by 1990.

Inflation. The Summit leaders further agreed that the need to combat inflation is our immediate top priority. Fiscal and monetary restraint will be necessary to break inflationary expectations. International coordination is essential to carry out this policy and simultaneously protect against the threat of growing unemployment and worldwide recession. They undertook commitments to encourage investment and innovation, increase productivity, and to foster the movement of resources to expanding sectors in their economies.

Developing Countries. The President and the other leaders expressed deep concern about the impact of oil price increases on oil-importing, developing countries. They called for a major international effort to help these countries increase domestic energy production and asked the World Bank to consider establishing a new affiliate to improve and increase energy-related assistance programs. They also agreed to join in efforts with developing countr and international agencies to increase food production and reduce costly dependency on food imports. They will also support and supplement initiatives to improve grain handling and food storage facilities in those countries. The Summit countries stressed that oil-exporting and industrialized Communist countries should share equitably the responsibility for aid and other contributions to developing countries.

Trade. The Summit participants will continue to resist protectionist pressures and will implement early and effectively agreements concluded during the Multilateral Trade Negotiations. They acknowledged the need to end harmful export credit competition among themselves and to work in the UN on an agreement to prohibit illicit payments to foreign government officials.

Monetary Affairs. The Summit leaders reaffirmed their commitment to exchange market stability and pledged to continue close cooperatio to avoid disorderly exchange rate fluctuations. They emphasized that the situation created by large oil-generated import bills will require determined efforts by all countries to promote external adjustment to the resulting imbalances and the improvement of existing mechanisms for balance of payments financing. They called upon institutions, especially the International Monetary Fund, and oil-exporting countries to supplement private lending.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-62 - NRN -
orig to Kabalec FYI

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

July 14, 1980

WH-64

MEMORANDUM FOR THE HEADS OF

DEPARTMENTS AND AGENCIES

Attached is a copy of the President's February 14 Message to the Congress proposing the Nation's first comprehensive policy toward the territories of Guam, the Virgin Islands, American Samoa and the Northern Mariana Islands. The statement reflects decisions which followed the report of a sub-Cabinet task force established at the President's direction to review Federal territorial policy in 1979.

The new policy strengthens our fundamental commitment to the self-determined political, economic and social development of these insular areas through a number of interrelated legislative and administrative initiatives. These initiatives seek to:

- o detail a procedure for the orderly political development of the territories;
- o provide opportunity for and a stimulus to their economic growth;
- o rationalize the existing Federal-territorial financial relationship and improve territorial financial management;
- o enhance territorial treatment under Federal programs; and
- o reorganize the Federal method for dealing with territorial matters.

The reorganization outlined by the President is a crucial element of the policy. He expects all agencies to cooperate with it to the maximum extent permitted by law. Reorganization steps include:

- o the assignment to the Secretary of the Interior of clear responsibility for all matters related to these territories with increased support from other agencies and the White House;

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

- the replacement of Interior's old office of Territorial Affairs with an office of an Assistant Secretary for Territorial and International Affairs; and

- the designation of territorial matters as a major responsibility of a senior assistant on my staff.

These assignments apply as well to the Trust Territory of the Pacific Islands pending termination of the trusteeship and the adoption of a new political relationship between the United States and the three Micronesian entities. However, as is the current practice, issues related to Puerto Rico will continue to be dealt with directly by the White House.

Secretary Andrus or his designee will soon be in touch with you regarding the specific assistance which will be required from your agency to implement the new policy. In the meantime, however, I ask that you promptly notify your regional and district personnel who are involved in territorial programs of the Message and your endorsement of its objectives.

Wallace Green, who is heading Interior's Office of Territorial and International Affairs, and Jeffrey Farrow of my staff will be meeting with Region IX Federal Regional Council in San Francisco between July 23 and July 25. Your support of these discussions will assist the implementation of our policy in the Pacific area. Future meetings are also planned with specific agencies and the Federal Regional Councils with programs in the U.S. Virgin Islands.

Finally, will you please notify Mr. Green of your designation of a person on your staff who has access across the board to your agency's programs and will be responsible for territorial matters. Early designation is essential for the establishment of the coordinating mechanisms for territorial policy and program management which the Secretary of the Interior will develop.

Your cooperation with and involvement in these important initiatives will be greatly appreciated.

Stuart E. Eizenstat

Stuart E. Eizenstat
Assistant to the President
for Domestic Affairs and Policy

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

FOR IMMEDIATE RELEASE FEBRUARY 14, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

TO THE CONGRESS OF THE UNITED STATES:

I am announcing today the framework for a comprehensive Federal territorial policy towards Guam, the United States Virgin Islands, American Samoa and the Northern Mariana Islands. It strengthens our Nation's fundamental commitment to encourage the self-determined political, economic and social development of our territories.

The legislative proposals and executive actions that make up the basic elements of this policy were developed through an intensive Domestic Policy Review of current policy conducted by my Administration in consultation with territorial leaders and Members of Congress.

A number of developments precipitated this review:

-- Congressional leaders and Administration officials have joined territorial residents in concern about inadequate economic development in the territories;

-- Growing deficits have brought both Guam and the Virgin Islands close to insolvency, despite considerable Federal assistance;

-- Territorial income tax revenues, as a percentage of gross territorial product, have dropped substantially;

-- Some territories are having increasing difficulty in providing essential public services. This failure impairs the quality of life of their populations, inhibits economic expansion, and leads to requests for extraordinary Federal support;

-- The territories have been confronted with new social problems which have reached near-crisis proportions in some instances;

-- Federal policies toward the territories are often inconsistent, inappropriate, or confusing, exacerbating problems and frustrating well-intentioned programs; and

-- The government and the administration of the territories have changed considerably over the last decade, creating the need for a reconsideration of organizational arrangements within the Executive Branch and possibly status.

Over the past several years, the Federal government has attempted to rectify many of the pressing problems facing the territories. In many cases, however, the piecemeal solutions devised have failed to clear up the underlying causes of those problems. While some Federal actions have contributed to the development of the territories, others have not promoted the greater self-sufficiency to which they justly aspire.

more

(OVER)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Our new policy is significant not only because of the scope of the individual initiatives it proposes; it is also significant because it is comprehensive. The interrelated elements of this policy seek to improve the full range of the Federal-territorial relationship.

Because the Congress is mandated plenary power for the territories by the Constitution, I ask that you join my Administration in adopting and implementing this comprehensive policy. Through legislation and the exercise of oversight responsibility, the Congress can ensure that the policy goals I outline here are realized. They include:

-- detailing a procedure for the orderly political development of the territories;

-- providing opportunity for and a stimulus to their economic growth;

-- rationalizing the existing Federal-territorial financial relationship and improving local financial management;

-- enhancing territorial treatment under Federal programs; and

-- elevating the Federal organization for dealing with territorial matters.

I especially want to request the involvement of those Members of both Houses and of both parties who have shown consistent leadership and sensitivity on territorial issues: Senators Jackson, Johnston, Matsunaga, McClure, Stevens and Hatfield; Representatives Phillip Burton, Yates, Murphy, Clausen, Lagomarsino, Duncan; and Delegate Won Pat. Their views have been essential to the development of this policy and their help is essential for its implementation.

They know that we in Washington have an obligation to protect and nurture the unique cultures and fragile economies of these islands, which are so distinct from the rest of the Nation in terms of history, geography, economic potential, tradition and ethnic composition. Our goal should be to recognize these distinctions as assets rather than to expect the territories to conform to practices and policies designed for the States and often inapplicable to insular areas.

That is why this policy was not simply adopted in Washington for the territories; it was formulated in conjunction with the elected officials of the territories whose input was obtained at every stage and played a major role in shaping this policy.

Executive Branch Reorganization

To implement the initiatives I announce today, I will continue to rely upon the Department of the Interior, which for some time has had principal responsibility within the Executive Branch for territorial matters. To help it perform this function, I propose the following reorganization steps:

-- the Secretary of the Interior will be given clear responsibility for all matters related to the territories and will be accorded increased support from other agencies and the White House staff;

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

-- the office charged with territorial liaison and assistance responsibility will be enhanced organizationally to help it deliver the services expected of it and will be headed by a new Assistant Secretary of the Interior for Territorial and International Affairs; and

-- to further ensure a coordinated Federal effort, territorial matters will be among the major responsibilities of a senior assistant on my Domestic Policy Staff.

These measures will improve the attention given the territories. They will make explicit Interior's responsibilities for the Northern Mariana Islands but will not change the Department's responsibilities for the Trust Territory of the Pacific Islands prior to the termination of the Trusteeship.

The organizational arrangements for handling United States relations with the freely associated States of Micronesia after termination of the Trusteeship, however, will not be determined until the final character of our responsibilities with regard to those island States is fully defined through the agreements now being negotiated.

The present policy of assigning no one department specific responsibility for liaison and assistance to Puerto Rico will continue until the government of that island requests such an assignment.

Under this reorganization, the Federal Comptrollers will continue to provide the territories with technical assistance and to perform their traditional and essential auditing function.

Political Development

In keeping with our fundamental policy of self-determination, all options for political development should be open to the people of the insular territories so long as their choices are implemented when economically feasible and in a manner that does not compromise the national security of the United States.

If the people of any of the territories wish to modify their current political status, they should express their aspirations to the Secretary of the Interior through their elected leaders, as is the case now. The Secretary, along with representatives of the appropriate Federal agencies, will, in turn, consult with territorial leaders on the issues raised. Following such discussions, a full report will be submitted to the Congress, along with the Secretary's proposals and recommendations.

This procedure will permit an orderly development of the Federal-territorial relationship. To maximize local self-determination, however, I want to encourage the people of Guam and the Virgin Islands to continue in the constitution-drafting process. By doing so, they will in due course replace the Federal laws under which their local governments now function with instruments of their own design.

The Secretary of the Interior will also make recommendations to me on the other proposals for political development considered during the Administration's Domestic Policy Review, including: Federal court reform in Guam and the Virgin Islands, Congressional representation for the Northern Mariana Islands, and other changes in current law.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Economic Development

Attainment of the political aspirations of the people of the territories, as well as the quality of their lives, is vitally dependent on the economic viability of these insular areas. Therefore, this policy framework places special emphasis on furthering the economic development of each of these areas. As with other aspects of this policy, the Department of the Interior will be given new responsibilities to accomplish this end. Chief among these will be coordination of the work of the Federal government's economic development agencies with respect to the territories.

So that we may make sense out of the somewhat confused pattern of Federal laws that now apply or fail to apply to the territories, I will propose legislation to establish a Presidential Commission to examine the application of Federal statutes on a case by case basis to Guam, the Virgin Islands and American Samoa. On this Commission, representatives of each of the territories would join Federal legislative and executive representatives in recommending legislation to the President for his submission to Congress.

The Commission would not examine the applicability of Federal laws to the Northern Mariana Islands because our Covenant with that Commonwealth stipulates the appointment of a separate commission for that purpose. I will shortly appoint members to that Commission.

I will also direct the Department of the Interior, with the assistance of Federal economic development agencies, to undertake an analysis of Federal constraints on territorial economic expansion. This study will provide information and policy guidelines for the Commissions on Federal laws and will propose concrete action to remove administratively-imposed constraints.

I have, further, directed the Secretary of the Interior to devise methods of encouraging private sector development in the territories by providing technical training and public and private financing assistance. Again, in this effort the Secretary of the Interior will coordinate the involvement of all relevant agencies, particularly the Economic Development Administration of the Department of Commerce, which I expect to play a major role in fostering the growth of the private sector in the territories.

Capital Development

Federal constraints, the need for technical assistance and training, and the lack of local venture capital are not the only factors inhibiting private sector growth in the territories. There is also a serious need to develop and maintain the basic capital infrastructure to meet business and human requirements. In many of the islands, meaningful economic growth -- as well as a decent standard of living -- will be an unattainable dream unless elementary facilities are constructed.

My 1981 Budget recognizes this fact. In it I have proposed substantial Federal support for several essential capital improvement projects. The funding level proposed would have the Federal government finance 90 percent of the cost of these projects. This method of cost-sharing of capital improvement projects in the territories is a major element of the territorial assistance proposals I announce today. I urge that it be standardized until the territories become sound enough financially to assume a greater portion of the cost of needed projects.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Joint Federal-Territorial Planning

To plan and set priorities for territorial capital development, my Administration will propose a program for joint Federal-territorial, comprehensive, multi-year planning, financed by Federal grants. This planning will serve other purposes as well. It will help to improve the effectiveness of Federal grant programs in the territories and it will assist the territories to better manage their finances.

Federal Grant Programs

Several other initiatives will be undertaken by my Administration to enhance the effectiveness and usefulness of Federal grant programs, including:

-- encouragement to territorial governors to strengthen their grant coordinating units and to participate in joint planning efforts,

-- a directive to all Federal agencies to keep the Department of the Interior informed of all grant applications and decisions affecting the territories and to provide it with data related to the applications and the programs to which they apply,

-- a waiver of matching requirements for programs or projects the Federal government wants to encourage in the territories, and

-- development of a test proposal to provide the territories with block grants replacing the categorical grants-in-aid which the territories find increasingly difficult to administer effectively.

Financial Assistance

The initiatives I propose to ameliorate territorial financial difficulties are part of a major revision of the financial relationship between Washington and the territories. This change is designed to promote greater self-reliance in the territories. It recognizes that somewhat greater levels of assistance are required in the short run to enable the territories to be more self-sufficient in the long run. It focuses on capital improvements, economic development, and gradually increasing territorial contributions to the funding of local programs and projects.

Thus, while my Administration will continue to oppose measures that provide a disincentive to prudent budget practices -- such as the financing of deficit spending -- I will submit legislation designed to enable Guam and the Virgin Islands to alleviate immediate and near-term budgetary pressures while improving their financial management practices.

This proposal is expected to provide an additional $25 million in financial aid to the two territories in Fiscal Year 1981, as well as to provide an incentive toward greater local tax effort. It will be accompanied by assistance designed to improve budget-making and planning in the territories. It will make continued additional Federal support contingent on sound budgeting and accounting practices, including a plan to eliminate accumulated deficits.

My 1981 Budget proposes a continuance of significant Federal support for American Samoa and budgetary support for the Northern Mariana Islands as required by the Covenant. Both will also be able to participate in our program of budget

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

planning assistance. As an incentive to self-reliance in American Samoa, I propose that in the future our operational assistance to that territory be limited to the previous year's base plus a five percent inflation adjustment.

To increase territorial revenues, I propose that we fully extend the Internal Revenue Code, now limited to the States and the District of Columbia, to the territories. I will submit legislation similar to S. 2017, sponsored by Senator Johnston, that will replace the so-called "mirror" systems of income taxation imposed by Federal law and eliminate restrictions on the local imposition of a local income tax.

This measure would provide the territories with many advantages in addition to according them State-like Federal income tax treatment. Collections by the Internal Revenue Service would be covered over to territorial treasuries for an anticipated significant net gain. Anomalies in current tax laws would be eliminated, encouraging business activity and increasing collections. Employees of territorial tax agencies would be given preference in hiring for Internal Revenue Service positions in their territories. And the legislation would create new incentives for business investment.

As I noted at the outset, the legislative proposals and administrative actions that make up this policy framework seek to reaffirm our fundamental commitment to self-determination. They recognize as well our unique relationships with the territories and our special obligations to their peoples.

This comprehensive territorial policy will enhance the political, economic and social development of those territories to which we owe so much and which need our assistance. Territorial Americans can rest assured that we will pursue this new policy with diligence and perseverance.

JIMMY CARTER

THE WHITE HOUSE,
February 14, 1980.

# # # #

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION
WASHINGTON, D.C. 20506

1980 JUL 14 PM 10:00

OFFICE OF THE CHAIR

July 11, 1980

WH-63

MEMORANDUM

TO: Heads of All Federal Agencies

FROM: Eleanor Holmes Norton
Chair, Equal Employment Opportunity Commission

SUBJECT: Interim Affirmative Action Accomplishment Reports MD 705 and MD 706

Enclosed are copies of EEOC's Management Directives 705 and 706. These Directives announce extensions of the Transition Year for agency affirmative action plans developed pursuant to both Section 717 of Title VII of the Civil Rights Act of 1964, as amended and Section 501 of the Rehabilitation Act of 1973, as amended. Instructions for agency multi-year plans will be issued subsequently.

We are aware that agencies have raised several policy and practical issues based on experience with EEOC's Transition Year Instructions. Because of our EEO coordination and programmatic responsibilities, we are anxious to discuss these issues with you, and to explore mutual concerns prior to the development of final EEOC multi-year Instructions.

Agencies should be assured that the EEOC will provide ample opportunities for structured government-wide consultation on both the Transition Year and the multi-year program plans. Details about planned consultation activities will follow.

In the interim, please do not hesitate to call Alfredo Mathew, Director of EEOC's Office of Government Employment or Fran Farmer, Director of EEOC's Office of Interagency Coordination, to raise any questions about these Management Directives.

cc: EEO Directors

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

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

JUL 2 1980

WH-62

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Management Control of Consulting Service Contracts and Improvement of Agency Procurement Practices

Today I sent a memorandum to the heads of the Cabinet Departments plus EPA, GSA, NASA, and VA indicating that the President has directed immediate action to correct the lack of adequate agency management controls over procurement practices. I stated that while we are confident that most Federal procurements are conducted properly, we must assure the integrity of the procurement process by eliminating the possibility for abuse. I have asked each of those specific agencies to submit a plan to OMB detailing their proposals for addressing this issue.

Although we are not requiring similar plans from each of the other Executive Branch agencies, I did want to emphasize to you the importance of effective management controls over procurement practices. The policy, guidelines, and standards contained in OMB Circular A-120 apply with equal force to all Executive departments and agencies. You should take whatever steps are needed within your agencies to assure yourselves that your management control systems in this area are effective.

James T. McIntyre, Jr.

James T. McIntyre, Jr.
Director

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

July 7, 1980

WH-61

MEMORANDUM FOR HEADS OF AGENCIES

FROM: ANNE WEXLER
AL McDONALD

SUBJECT: Energy Program

Enclosed for your information and use are fact sheets and talking points covering the progress on a national energy policy:

. Media Backgrounder: National Energy Policy

. Fact Sheet: Energy Programs and Accomplishments

. Fact Sheet: S. 932, Energy Security Act

. Talking Points: Energy Security Act

. Summary of Achievements of the Economic Summit

Please assure that copies of all of the above are circulated to key people throughout your agency.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

NATIONAL ENERGY POLICY

BACKGROUND REPORT
BY
OFFICE OF MEDIA LIAISON
THE WHITE HOUSE PRESS OFFICE

July 1, 1980

A NATIONAL POLICY IN PLACE

"Now, for the first time in our nation's history, we will have a national energy program to put us on the road to energy security. It's more ambitious than the space program, the Marshall plan, and the interstate highway system combined."

—President Carter. Speech in Columbus, Ohio. 5/29/80

On June 30, President Carter signed into law legislation which establishes the Synthetic Fuels Corporation.

This law, proposed by President Carter, *virtually completes the framework for a national energy policy*. This is the first time the United States has ever had a national energy policy. It is the result of more than three years work by the Carter Administration and the Congress. Passage by the Congress of legislation establishing the Energy Mobilization Board will complete the framework. The proposal is currently pending in the present session of Congress.

This progress means the nation will have the guidelines and specific laws and policies that are needed to meet the difficult energy challenges of the 1980s and to achieve energy security.

HOW FAR WE HAD TO COME
A BRIEF REVIEW

"More than three years ago, in April of 1977, I spoke to the American people in a so-called 'fireside chat' and made an address to the joint session of the Congress, and referred to the energy crisis as the moral equivalent of war. It was discounted in much of the press, ridiculed by some. I was accused of exaggerating the problem. But as a matter of fact, instead of having world demand and world supply of energy meet in 1985, or so, it actually occurred in 1979, five or six years earlier than even I had anticipated."

—President Carter. Remarks to community leaders. 5/27/80

When President Carter took office in January of 1977, this was the situation, in broad terms:

—The United States was importing nearly 50% of its oil, with most of these imports controlled by the Organization of Petroleum Exporting Countries (OPEC).

—Billions of American dollars went to foreign countries to pay for imported oil. This drain of American dollars adversely affected our balance of payments, has helped to fuel inflation, and been a factor in causing unemployment.

This Background Report is intended to provide information to assist you in informing the public. Please direct inquiries to Patricia Bario or James Purks, 162 Old Executive Office Building, Washington, D.C. 20500 (202) 456-6623 or 2947.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

—The only energy "policy" this nation had was the continued subsidies for oil and gas. This meant the American consumer was paying less for energy products than his/her counterpart anywhere in the Western world, and in many cases half as much.

This "policy" tended to hinder competition, and efficient production. It was due to a continuation of a policy that had been set during a time—now past—when our energy prices were low and when most of the energy used in this country was produced *in this country.* Subsidies meant that Americans were not paying the true costs of energy. As a result, they used—and wasted—it as if it were cheap.

—OPEC began sharp price increases, with the United States and its allies and Third World nations, having no say-so, or control over these decisions, yet being increasingly dependent on the oil supplied by the foreign cartel.

—The United States not only did not have a national energy policy, it had no specific proposals to establish one.

—On the federal government level, at least eight major government agencies and a score of smaller agencies all made energy policy—independently of one another. Confusion was the rule.

—There were few specific plans dealing with the development of alternative sources of energy, such as solar, synthetic fuels, coal.

There was no gasoline rationing plan the nation could resort to if a severe energy shortage occurred.

The public had no specific guidelines on how to go about achieving individual energy conservation.

WHAT HAS BEEN DONE

"Fortunately, now, after three years, too long a delay, we have nearly completed our nation's first energy policy: to build a solid energy base for the years and decades to come. There are only two ways to cut down oil imports. One is to conserve what we have, to eliminate waste; and the other is to produce more energy in our own country. There are no other ways."

—President Carter. Speech to U.S. Conference of Mayors. 6/10/80

President Carter spoke those words a few days before passage of the Synthetic Fuels Corporation legislation virtually rounded off the major framework for America's first-ever national energy policy. Another key step will be passage of the Energy Mobilization Board legislation.

Now in place are laws and policies which, taken together, give this nation direction in such previously troublesome areas as organization, development of alternative fuels, incentives for individual and corporate energy conservation, coal development and usage, oil industry profits, and gasoline rationing.

Here are some of the basic ingredients of the national energy policy which has evolved since 1977.

(1) Organization

The President proposed and successfully won Congressional approval of a proposal which established the Department of Energy.

Result: For the first time, the American public had a single agency to look to for accountability and responsibility for energy-related matters. The new department meant that *one agency with centralized authority* had taken the place of eight major agencies and several other smaller ones which previously dealt with energy matters and operated totally independent of one another.

(2) Natural gas

The battle over natural gas pricing had been one of the most divisive issues in this nation since the civil rights movement in the 1960s. Gas was not always available to citizens who lived outside of gas-producing states.

Under President Carter's leadership, Congress adopted the National Energy Act, which provided for the decontrol of natural gas, and later the Natural Gas Policy Act of 1978.

Results: Natural gas is now more readily available to all citizens, whether or not they reside in gas-producing states. We no longer have the dual system of national and intra-state markets. The nation has established a single countrywide market and set a course toward gradual decontrol of gas prices in 1985.

(3) Decontrol of crude oil

The President provided that price controls on all domestically produced crude oil will be phased out by September 30, 1981, bringing prices to the true value of the oil. Decontrol began June 1, 1979.

Result: Incentives have now been provided for increased energy conservation. This major reform also is expected to result in additional domestic production of more than 800,000 barrels of oil per day by 1985.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

(4) Windfall profits tax

An important element in the national energy policy is implementation of the windfall profits tax proposed by President Carter. It was approved by Congress, despite very intense lobbying against it by the oil interests.

The windfall profits tax is a tax on the unearned profits—or windfall—that the oil industry will realize from the decontrol of crude oil prices. It has been the President's opinion that the oil industry should share in the national energy policy effort. His proposal, now law, would provide for a tax on the unearned profits, yet leave the industry billions of dollars after taxes to invest in domestic production.

The windfall profits tax has opened up several avenues that fit into an overall national energy policy. For example:

—Even though it does tax windfall profits, it leaves the oil industry a total of more than $91 billion over what they would have without decontrol for *domestic oil exploration and production.*

—Net revenues of $227.3 billion from the windfall profits tax will be earmarked for three basic purposes, all related to our energy needs:

(a) Assistance to low-income households. Aid would be provided to those low-income households which are hardest hit by energy price increases. This would continue a program enacted last year.

(b) Mass transit. Our investment in public transportation systems will more than triple. This will include upgrading of bus and subway systems, new bus purchases, and improved traffic management and auto fuel efficiency.

(c) A massive new investment in alternatives to imported oil. This program will include a Solar Energy and Energy Conservation Bank to subsidize interest rates on loans for investments in residential conservation and solar systems. It also includes incentives to promote the use of gasohol and establishment of the Synthetic Fuels Corporation to assist American business in developing new plants to convert coal and other resources into more usable liquid and gaseous fuels.

The exact allocation of funds under the windfall profits tax to these three purposes is to be set by law.

Results: Increased funds are to be available to seek alternative sources of energy and to conserve our energy, thus moving us further along towards energy security. Increased domestic production is anticipated. Total domestic energy production increased 4.8% from 1976 to 1979, and larger increases are anticipated in the 1980s under the windfall profits tax incentive. Exploratory activities have expanded to the highest level in 25 years with the moves toward free-market pricing of oil and gas. Rotary rigs in operation, for example, increased from 1,656 monthly average in 1976, to 2,614 monthly average for the first three months of 1980.

In addition, we have discontinued the practice of subsidizing foreign production and, at the same time, encouraged conservation.

Revenues from the tax promise to create an entire new industry—the synthetic fuels industry.

(5) Synthetic Fuels Corporation (SFC)

The goal of this corporation, now signed into law by President Carter, is to provide *incentives* to the private sector to produce 500,000 million barrels per day by 1987 of substitutes for foreign oil and 2 million by 1992. The key is development of synthetic fuels.

Results: The corporation will act as a banker to provide financial incentives in the form of loan guarantees for up to 75% of estimated costs for projects that have reached the commercial stage. Congress has authorized the first $20 billion of an $88 billion total for financial assistance to the synthetic fuel industry to develop various technologies.

The Synthetic Fuel Corporation will share the risk of synthetic fuel projects with the private sector through loan guarantees, price guarantees, direct loans, joint ventures, and direct SFC ownership in a limited number of cases.

This means that private enterprise has the backing and support it needs to launch into production of new energy sources, thus taking another step towards achievement of this nation's energy security.

(6) Energy Mobilization Board (EMB)

The EMB is modeled on the War Production Board of World War II.

Its central purpose is to designate as priority energy projects critical, non-nuclear energy facilities and, for each of them, to convert different, sometimes disconnected proceedings and requirements on the local, state and federal levels into a single, coordinated decision process.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Results: Once underway, this board is expected to cut through the red tape and bureaucratic obstacles--but without altering substantive federal, state or local standards—that often have delayed yes or no decisions on energy facilities being considered for siting and construction.

(7) Energy Conservation

President Carter considers energy conservation on a national level—with individual Americans participating—to be the cornerstone of America's effort to achieve energy security.

He has proposed, and implemented, several energy conservation measures on the federal government level and the government has launched a massive outreach program to advise citizens of the many ways they can conserve energy. This has been coupled with a similar outreach program to private industry, promoting energy conservation. In addition, the President has taken steps to encourage government at all levels—federal, state and local—to conserve energy.

Tax incentives to conserve energy, such as tax credits for weatherization efforts in private homes, have been implemented.

Examples of conservation efforts include:

—The Emergency Building Temperature Restriction Program, which requires that thermostats in public buildings be set no lower than 78 degrees Fahrenheit for cooling and no higher than 65 degrees Fahrenheit for heating. Estimates are the program will save from 200,000 to 400,000 barrels of oil daily.

—The Department of Energy demonstrated a heating-cooling system called the Annual Cycle Energy System. In its first year of operation, a model house outside Knoxville used only half as much fuel as a control house next door.

(8) Solar Energy

President Carter announced last year a national solar energy plan which, if fully underway, would assure that by the year 2000, one-fifth of our energy needs—or 20%—would be met with solar and renewable resources.

He committed the federal government to working towards the 20% goal. The President has called upon the Congress to approve additional tax credits which would further encourage private homeowners, agricultural and industry sectors, to invest in solar systems.

The President proposed the establishment of a National Solar Bank as a government corporation to provide a major impetus to solar technologies by increasing the availability of financing for solar investments in residential and commercial buildings. The legislation providing for the Synthetic Fuels Corporation establishes the Solar Energy and Energy Conservation Bank, to provide direct federal subsidies for residential and commercial investments in energy conservation and renewable energy resources.

In three years, President Carter has tripled the federal budget funds earmarked for solar energy.

Results: Solar energy was being used in 100,000 to 120,000 homes by the end of 1979, compared to only 10,000 in 1977. Continued growth is anticipated and it is expected that President Carter's goal of 2.5 million solar homes by 1985 can be met.

The National Solar Heating and Cooling Information Center has responded to more than a half million inquiries and distributed about 15 million documents nationwide since its establishment in 1976, indicating increased interest in solar energy.

A Solar Energy Research Institute has been established, and the Department of Energy has initiated a program to train 11,000 solar equipment installers each year.

(9) Coal

The Carter Administration has given a major impetus to the increased use of coal in the 1980s.

The President has submitted to the Congress a multibillion-dollar plan to help electric utilities burn coal instead of oil. The objective is displacement of a million barrels of oil per day by 1990. Under the plan, 107 coal-capable plants would be converted from oil or gas, and later non-coal-capable plants would be replaced with coal-fired installations.

Results: There has been an increase in coal production. Coal production in the United States has increased from 685 million short tons in 1976 to 776 million short tons in 1979.

Clean, improved methods of burning coal are being developed through research and development. In November of 1979, an Atmospheric Fluidized Bed was put into operation at Georgetown University in Washington, D.C. The clean-burning process is the main source of steam for the campus heating and cooling system. The Department of Energy has issued invitations to contractors to submit proposals to design and build

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

large-scale fluidized bed boilers to pave the way for widespread application of the process.

The Department of Energy is pursuing ways to use coal in liquid form and there are three major variations of coal liquefaction technology now undergoing large-scale development. They are the Exxon Donor Solvent process, the H-Coal process, and the Solvent Refined Coal process.

(10) Gasoline Rationing

Unless Congress disapproves by a joint resolution, the United States by mid-July will have in readiness a standby plan to ration gasoline, only to be implemented if a 20% shortfall in petroleum supplies exists or is likely to exist for at least 30 days. The plan was submitted under requirements of the Emergency Energy Conservation Act (ECCA) of 1979. Prior to this, the nation did not have a standby plan in case of emergencies.

(11) Gasohol

The President has proposed a program which would accelerate America's production and use of gasohol, committing the Administration to providing between $8.5 billion and $12.8 billion in assistance to stimulate production of alcohol fuels over the coming decade.

The Department of Energy has established programs to produce 500 million gallons of alcohol fuels during 1981. If this amount of alcohol were blended to make gasohol, gasohol would then account for almost 10% of anticipated 1981 demand for unleaded gasoline.

(12) Nuclear safety

By acting on the recommendations of the special commission which investigated the accident at Three Mile Island, the Carter Administration moved to further strengthen the emphasis on nuclear safety at plants. Other steps taken included recommending a reorganization of the Nuclear Regulatory Commission to strengthen the role of its chairman—especially in times of emergency—and the placing of resident inspectors at every reactor site and to upgrade the training and evaluation programs for reactor operators.

(13) Other ingredients

There are other aspects of what together represents a national energy policy, with a sense of direction that was non-existent prior to 1977. For example, a strategic petroleum reserve has been established in Louisiana and 91.2 million barrels of oil stored as of June, 1980. The Administration has exempted heavy crude oil production from domestic crude oil price controls—a step expected to increase domestic oil production by 500,000 barrels per day by 1990.

SOME OVERALL RESULTS

"We have clarified issues which have never been adequately debated before. We have a much clearer concept now of the problem and of the possible solutions to that problem. Our nation is highly educated compared to what it was two or three years ago concerning the problems relating to energy and the special blessings which our country has in our energy reserves."

—President Carter. Remarks at energy briefing. 4/29/80

As the national energy policy—covering the many facets of a complex challenge—has evolved, signs of progress on a national scale have begun to appear, indicating a commitment by all levels of government, the private sector, and individual citizens to work together to achieve America's energy security.

Here are examples of significant trends:

(1) The nation's annual rate of growth in energy demand has been reduced from 5.4% in 1976 to 0.05% in 1979.

(2) Overall efficiency in the use of energy has improved from 58,000 BTUs per Gross National Product dollar in 1976 to 54,000 BTUs per Gross National Product dollar in 1979.

(3) The U.S. energy coefficient, which is the ratio of growth rates for energy consumption and Gross National Product, dropped from 0.09 in 1976 to 0.024 in 1979.

(4) Gasoline consumption nationwide has been reduced 8.5% from 1979 to mid-1980.

(5) Oil imports are on the downtrend. They rose from 7.3 million barrels per day in 1976 to 8.8 million barrels per day in 1977. They now have dropped to 8.3 million barrels per day in 1979 and were running at 7.2 million through May 1980.

(6) Total domestic energy production increased 4.8% from 1976 to 1979, from 60 quadrillion BTUs in 1976, to 62.9 quadrillion in 1979.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

FOR IMMEDIATE RELEASE JUNE 30, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET
ENERGY PROGRAMS AND ACCOMPLISHMENTS

I. ENERGY LEGISLATION

In 1978, the United States enacted five strong measures proposed by President Carter to reduce U.S. dependence on imported oil:

--The Natural Gas Policy Act, which will deregulate prices of new natural gas by 1985 and which provides substantial new incentives for natural gas exploration and development.

--The National Energy Conservation Policy Act, which provides grants and other incentives for conservation in schools, hospitals, residences, major home appliances, and automobiles.

--The Powerplant and Industrial Fuel Act, which prohibits use of oil in new powerplants and industrial boilers, and provides authority to require the use of coal in existing coal-capable powerplants which now burn oil.

--The Public Utility Regulatory Policies Act, which encourages changes in state regulatory programs to foster greater utility efficiency and conservation.

--The Energy Tax Act, which established the nation's first tax incentives for residential conservation, use of renewable resources in residential and industrial facilities, and purchase of fuel-efficient automobiles.

Since 1978, the United States has acted vigorously to cut U.S. oil imports in half by 1990 through decontrol of domestic crude oil prices, oil import commitments, passage of the Windfall Profits Tax, and legislation providing billions of dollars in investments in conservation and the development of synthetic fuels and other alternatives.

Major legislation enacted since 1978 includes:

Synthetic Fuels Corporation

The President is today signing into law the Energy Security Act. The lead title includes the Synthetic Fuels Corporation legislation he proposed in July, 1979. This legislation will establish a 12-year program to stimulate commercial production of 2 million barrels per day of synthetic fuels by 1992. The Corporation will provide loans, loan guarantees, price supports, purchase agreements, and a potentially limited number of joint ventures to assist private industry with the development of oil shale, tar sands, and synthetic fuels from coal and peat. With $20 billion to be appropriated this year, and up to $68 billion possible for Phase 2, the Corporation represents the largest energy assistance program ever established. It will provide the necessary commercial experience to reduce oil import dependence substantially beyond the turn of the century.

Solar Energy and Energy Conservation Bank

The Energy Security Act also enacts the President's request for a Solar Energy and Energy Conservation Bank to provide loan subsidies and grants to residential and commercial building owners. The Bank will provide a total of $3 billion to spur much larger private conservation and solar energy investments. Combined with the 40 per cent tax credit for residential solar investmetns, provided in the Windfall Profits Tax Act, the Bank will contribute to the President's goal of meeting 20 per cent of energy needs from solar by the year 2000.

(MORE)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Alcohol Fuels

Through the Windfall Profits Tax Act, the U.S. now provides a 40 cent-per-gallon tax subsidy through 1992 for alcohol used in motor fuels. The Energy Security Act provides $1.45 billion in Federal financial assistance to build biomass fuels production plants, a major portion of which is designated for alcohol fuels. With the tax exemption provided in the Energy Tax Act of 1978, U.S. alcohol fuel production has increased from near zero to well over 100 million gallons per year today. To maintain the momentum, the President has established a 1981 goal of 500 million gallons per year of alcohol fuel production capacity.

Windfall Profits Tax

In April, 1980, the President signed into law the Windfall Profits Tax, which will recoup for taxpayers a portion of revenues oil companies would otherwise receive as a result of the domestic price decontrol and world oil price increases. The tax is expected to raise at least $227 billion between 1980 and 1990.

The Act also contains a wide range of energy tax credits to assist individuals, households, and businesses to conserve and produce energy, and provides assistance to help low-income households meet rising energy costs. For example, the Act expanded to 40 per cent the residential tax credit for solar and other renewable energy originally enacted in 1978. It also expanded to 25 per cent the investment tax credit for solar installations and included investments for solar process heat.

II. EXECUTIVE ACTIONS

Decontrol of Domestic Crude Oil Prices

On April 5, 1979, the President directed that domestic crude oil price and allocation controls be ended by September 30, 1981. Over 38 per cent of U.S. oil production is already free from price controls. The decontrol schedule is steadily releasing additional volumes; controls will be eliminated by September, 1981. The combined effect of increased supply and reduced demand from oil decontrol could reduce U.S. oil imports by about 2 million barrels per day by 1990.

Heavy Oil Decontrol

The President decontrolled heavy crude oil (less than 16 degrees API) in August, 1979, and broadened the release (to 20 degrees API) in December, 1979. This will add 250,000 barrels per day to domestic supplies in 1980.

Import Targets

At the Tokyo Summit in June, 1979, the United States agreed to limit its net oil imports to 8.5 million barrels per day. In his State of the Union message in January, the President set the 1980 oil import ceiling for the United States at 8.2 million barrels per day, a reduction of 300,000 barrels per day below that ceiling, a goal which we are meeting.

International Energy Cooperation

The Venice Summit participants committed to breaking the link between growth in energy demand and growth in GNP. They pledged to meet a goal of 13-20 million barrels per day production of energy from sources other than oil by 1990, and enumerated specific steps to be taken by the seven Summit nations to meet this objective.

MORE

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Conservation

In the coming year, Federal expenditures and tax credits to promote energy conservation will exceed $1.6 billion, stimulating more than $5 billion in nationwide residential, commercial, and industrial conservation investments.

Federal mandatory temperature controls in non-residential buildings have been extended until January 1, 1981. Since the program went into effect in July, 1979, an estimated 200,000 to 400,000 barrels of oil equivalent have been saved daily.

The President has set a national gasoline target to limit consumption in 1980 to 7 million barrels per day, a 5.5 per cent decrease from the 1979 level. Gasoline consumption in 1980 is now 8.5 per cent below that for the similar period in 1979.

In addition, domestic auto manufacturers exceeded Federal automobile fuel economy standards for model years 1978, 1979, and 1980. Increasingly stringent standards, reaching a fleetwide average of 27.5 miles per gallon by 1985, will save some 500,000 barrels per day by 1985 and potentially over one million barrels per day by 1990.

The President has initiated a nationwide conservation awareness campaign focused on transportation and residential energy conservation.

III. PENDING LEGISLATION

Utility Oil Use Reduction

The President's proposal to reduce utility use of oil and natural gas by 1 million barrels per day in 1990 is now under active consideration in the Congress. That bill would provide $10 billion in grants to utilities, and cost-effective investments in conservation and alternative fuels.

Energy Mobilization Board

Legislation for a new Energy Mobilization Board that will speed decisionmaking on critical energy projects by reducing regulatory red-tape is still pending in Congress.

IV. U.S. ENERGY PERFORMANCE

U.S. Energy and Oil Consumption

Total U.S. energy consumption in 1979 remained at the 1978 level, while the real U.S. GNP grew 2.3 per cent -- a substantial improvement in the relationship between energy use and economic growth. The ratio of energy growth to real economic growth is expected to remain well below .6 over the coming years.

U.S. 1979 oil consumption was 2.4 per cent below that of 1978. During the first five months of 1980, U.S. oil consumption was 9.2 per cent below the comparable 1979 period.

Oil Import Reductions

U.S. net oil imports in 1979 were 7.9 million barrels per day (MMB/D) compared to 8.8 in 1978 and 8.8 MMB/D in 1977. For the first five months of 1980, U.S. net oil imports were 6.8 MMB/D, 12.7 per cent below the comparable 1979 level.

Energy and Oil Consumption by Sector

Transportation: U.S. gasoline consumption in 1979 was 5 per cent below the 1978 level. Gasoline consumption is down by 8.4 per cent for the first five months of 1980.

MORE

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Residential Commercial: Oil consumption in this sector dropped by almost 100,000 B/D (3 per cent) between 1972 and 1979. Higher energy prices, government incentives, and direct government investment in weatherization assure acceleration of this trend.

Industrial: Since 1972 the ten most energy-intensive industries in the United States have achieved a 14 per cent overall improvement in energy efficiency and are now saving the equivalent of 1.2 MMB/D compared to 1972.

Domestic Energy Production

The United States is strongly committed to increasing indigenous energy production:

--Coal production in 1979 reached a record 775 million short tons, a 13.3 per cent increase over 1978. Coal production will increase as a result of government policy requiring greater coal utilization, the synthetic fuels program, and the Presidential proposed incentives to utility conversion to coal.

--Phased deregulation of natural gas wellhead prices is encouraging domestic gas production. Marketed production of natural gas during 1979 totaled 19.7 trillion cubic feet, only 1.3 per cent less than in 1978, a significant reversal of previous production trends. Drilling rig utilization is now at a 31-year high, indicating a substantial increase in domestic oil and gas exploration activity. The U.S. is proceeding toward construction of the Alaska natural gas pipeline which will increase domestic production by over 700 BCF.

--Domestic crude oil production during 1979 averaged 8.6 MMB/D compared to 8.7 MMB/D in 1978. For the first five months of 1980, production increased to 8.7 MMB/D. Exploratory wells increased by 87 per cent between 1978 and 1979. Over the same period, the number of feet drilled increased by 75 per cent.

--Renewable resources constitute roughly six per cent of U.S. energy supply today, and their use is increasing rapidly. Industrial use of wood and wood wastes has nearly doubled over the past ten years, and residential wood use has skyrocketed. Solar collectors have been installed on over 100,000 homes since 1977, a tenfold increase. With the programs noted above, solar collectors should be on well over a million homes in the next few years. Passive solar buildings are gaining well-deserved popularity. With increasing use of low-head hydroelectricity, wind, and other renewable resources, the nation is well on the way to reaching the President's 20 per cent solar goal.

—The President has reaffirmed the importance of the safe expansion of nuclear power. Nuclear power provided an average of 11.5 per cent of total electricity generation in 1979 compared to 4.5 per cent in 1973.

# # #

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

FOR IMMEDIATE RELEASE JUNE 11, 1980

Office of the White House Press Secretary

THE WHITE HOUSE

FACT SHEET
S. 932, THE ENERGY SECURITY ACT

Highlights

The Energy Security Act contains the authorities needed to implement most of the conservation and alternative energy supply programs originally proposed by the President in July of 1979.

Major provisions of the Energy Security Act are:

-- A Synthetic Fuels Corporation with the potential for $88 billion in resources to stimulate the production of 2 million barrels per day of synthetic fuels by 1992.

-- A Solar Energy and Energy Conservation Bank with $3 billion authorized for incentives to spur energy conservation and renewable energy investments.

-- Biomass financial assistance programs designed to assist the production of alcohol fuels and fuel from biomass and municipal waste authorized at $1.45 billion over two years.

-- A policy of 100,000 barrels per day minimum fill rate for the Strategic Petroleum Reserve.

-- Statutory support for electric and gas utility investments in energy conservation.

THE ENERGY SECURITY ACT

The Synthetic Fuels Corporation (SFC)

The Act creates the Synthetic Fuels Corporation as an independent Federal entity with $20 billion immediately authorized, which may be increased to $88 billion, for synthetic fuels development. The SFC will share the risk of commercial-scale synthetic fuels projects with the private sector through loan guarantees, price guarantees, direct loans, purchase agreements, joint ventures, and direct SFC ownership in a very limited number of cases. The SFC will use these tools to help the private sector move rapidly to produce synthetic fuels and achieve the goal of 2 million barrels per day of synthetic fuel production within its twelve year lifetime. The SFC has an interim goal to produce 500,000 barrels per day by 1987. As an independent entity, the Corporation will be free of many of the procedural encumbrances which tend to slow down governmental agencies.

The SFC is authorized to support a broad range of technologies including:

-- The production of synthetic solids, liquids or gas from coal;

-- The production of oil and gas from shale;

-- The production of oil from tar sands or heavy oil deposits;

-- The production of coal/oil mixtures for direct combustion;

-- The production of electricity through magnetohydrodynamic (MHD) topping cycles;

-- The production of hydrogen fuel from water.

MORE
(over)

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The SFC will select from this broad range of technologies those projects which will contribute most effectively to attaining the 2 million barrels per day production goal by 1992.

The SFC may provide financial support in cooperation with the host country to two projects located outside of the United States within the Western Hemisphere if certain technical and economic circumstances are met.

The Corporation will have a Board of Directors consisting of a Chairman and six members appointed by the President with the advice and consent of the Senate. The Chairman will serve as the Chief Executive officer of the Corporation.

In order to ensure that synthetic fuel development proceeds without delay, the Energy Security Act also provides for an interim program which will operate until the President certifies that the SFC is operational. Title I, Part A of the Act amends the Defense Production Act (DPA) to allow the President, acting through the Department of Defense and any other Federal department, to purchase synfuels for defense needs, issue loan guarantees and make loans for synfuels projects. Once the SFC is operational, this interim authority ends and the DPA program becomes a standby authority which the President may use only in the event of a national energy supply shortage.

Solar Energy and Energy Conservation Bank

The Act establishes a Solar Energy and Energy Conservation Bank within the U.S. Department of Housing and Urban Development. The Bank will provide direct Federal subsidies for residential and commercial investments in energy conservation and renewable energy resources. The Act authorizes over $3 billion in subsidies within the first four years. The subsidies will be delivered through lending institutions in the form of Federal payments of a specified portion of the amount of the investment.

For energy conservation investments, the Bank is authorized to provide subsidies to various owners and renters. For example, for homeowners below 80 percent of median income, the Federal payment is 50 percent of the residential investment, up to $1,250. Other payment limits are established in the Act.

In addition, the Bank is authorized to provide direct grants up to 50 percent of the cost of the conservation investment to persons with incomes below 80 percent of median income.

Owners or tenants of agricultural or commercial buildings are eligible for Federal payments of 20 percent of the investment up to $5,000 per building; provided that gross annual sales are below $1,000,000.

For solar energy residential investments, the Bank is authorized to provide subsidies of up to 60 percent of the investment cost for persons with incomes below 80 percent of median; 50 percent of the investment cost for persons with incomes between 80 percent and 160 percent of the median; or 40 percent of investment costs for persons with incomes above 160 percent of median. There is a cap of $5,000 on the total Federal payment in all cases.

Multi-family residential buildings are eligible for Federal payments of 40 percent of the solar investment up to $1,800 per dwelling unit. In cases where the majority of tenants have incomes below 80 percent of the median income, the Federal share will be 60 percent of the investment, up to $2,500 per dwelling unit.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

For agricultural and commercial buildings, Federal payments for solar are 40 percent of the investment up to $100,000 per building.

In addition, the Act permits electric and gas utility investments in energy conservation. This is designed to accelerate the trend among U.S. utilities to undertake such investments.

Additional Conservation and Renewable Resources Provisions

The Energy Security Act substantially increases the Federal commitment to conservation and renewable resources by:

-- Expanding the current Federal/State residential conservation program to provide energy audits to many multi-family and commercial buildings;

-- Providing a $25,000,000 Federally funded program to train energy auditors;

-- Easing present requirements in order to accelerate the weatherization of low income residences;

-- Increasing the Federal industrial conservation research, development and demonstration program by $40,000,000; and

-- Authorizing new pilot programs to experiment in two areas: the retrofitting of residential dwellings to achieve energy conservation and the establishment of an energy self-sufficiency program.

In addition, the Act changes the life-cycle costing methodology used to determine Federal investments to stimulate even greater conservation and solar investments in the Federal sector.

Biomass Energy

The Act provides $1.45 billion for new government financial assistance programs at the Department of Energy and the Department of Agriculture to encourage rapid development of biomass energy, including alcohol fuels from traditional crops, agricultural wastes and woodas well as fuel from municipal waste. The program goal will be the production of 900,000,000 gallons of alcohol fuel per year by the end of 1982. In addition, the Departments of Agriculture and Energy are required to develop a comprehensive strategy to achieve, if possible, an alcohol production level equal to at least 10 percent of gasoline consumption in 1990.

The program is carefully designed to give preference to alcohol projects which rely on fuels other than oil or gas in the alcohol production process and to those that use new types of feedstocks.

The Act authorizes support for projects through loans, loan guarantees, price guarantees, purchase agreements and loan insurance.

Strategic Petroleum Reserve (SPR)

The Act requires the President to undertake immediately activities leading to the filling of the SPR at an average fill rate of 100,000 barrels per day for fiscal year 1981 and for each fiscal year thereafter. The Act further requires that effective October 1, 1980, with some exceptions, oil from the Naval Petroleum Reserve (NPR) may not be used except to fill the SPR.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

The requirement to fill the SPR and to use the NPR for fill purposes would be removed if:

-- There is in effect a Presidential order to draw down and distribute the SPR; or

-- The President finds with the approval of the Congress (by resolution of both Houses within 60 days) that such requirements would significantly impair the Nation's ability to respond to a severe energy supply interruption or meet its obligation under the international energy program.

Energy Targets

The Act establishes a system under which the President will specify national targets for oil imports, domestic energy production and domestic energy consumption through the end of the century. The targets would not be binding, but would be considered by the Congress as part of the DOE authorization process.

Additional Provisions

-- The Act extends and expands the U.S. Government program of support for geothermal energy development; the Act will authorize $90 million in new Federal loan and loan insurance for geothermal reservoir confirmation drilling projects and geothermal feasibility studies.

-- The Act will establish an Acid Precipitation Task Force with a ten-year mandate and a $50,000,000 authorization. The Task Force will develop a comprehensive plan to ameliorate the adverse effects of acid rain. The Act also directs the completion of a comprehensive study on the projected impact of fossil fuel combustion on atmosphere Carbon Dioxide levels and the economic, physical, social and climatic consequences.

# # #

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

ENERGY SECURITY ACT
TALKING POINTS

- On June 30, 1980, President Carter signed the Energy Security Act (S.932) and in so doing has put in place the keystone of this nation's national energy policy. This is an accomplishment in which Congress, the Administration, and our whole country can take great pride.

- The Energy Security Act lays out a framework for this country to move toward a more secure energy future through an agressive program to increase domestic production of alternative fuels and to provide incentives for conservation. This legislation will create at least 70,000 jbcs a year in direct employment to design, build, operate, and supply resources for synthetic fuels plants and for production of alcohol and other biomass fuels. Many thousands more will be created by the labor intensive conservation and solar program.

- The legislation establishes a Synthetic Fuels Corporation to stimulate the production of 2 million barrels per day of synthetic fuels by 1992. Projects that produce oil from shale, liquids and gas from coal, and oil from tar sands, will be financially supported through the SFC. A range of tools, including loans, loan guarantees, purchase agreements, price guarantees, and joint ventures, will be used by the SFC to help finance commercial scale synthetic fuels projects.

- A Solar Energy and Energy Conservation Bank is established through this legislation and puts into place the institution proposed by President Carter to direct subsidies to homes and businesses for energy conservation and use of solar. This bank will be a major element in helping the country achieve the President's goal of deriving 20 percent of our energy from the sun by the year 2000. Over $3 billion in Federal assistance will be available through this program.

- In addition to the bank, the Energy Security Act substantially increases the Federal commitment to conservation and renewable energy by: increasing opportunities for the States and Federal government to provide energy audits to many multifamily and commercial buildings; providing a Federal program to train energy auditors; accelerating the weatherization of low income residences; and increasing the Federal research and development program for industrial conservation.

- Energy produced from biomass (alcohol fuels, crops, wood and municipal waste) is given a strong push. $1.45 billion for government assistance to stimulate production of biomass fuels is provided in this bill. A goal of producing 900,000,000 million gallons of alcohol fuel by 1982 is

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

established. The Departments of Agriculture and Energy will administer this program and have authorities to issue loans, loan guarantees, price guarantees, purchase agreements and loan insurance to help private individuals and businesses in this area.

- The Act sets a policy that the nation's Strategic Petroleum Reserve will be filled at a minimum of 100,000 barrels of oil daily, beginning in fiscal year 1981. The President is directed to immediately begin activities to initiate this program.

- Recognizing that this nation's energy problems are not separable from our environmental concerns, the Act establishes an Acid Precipitation Task Force to complete a comprehensive study on the impacts of fossil fuel combustion on our environment, our economy, and our society. A plan to ameliorate the adverse effects of acid rain will be developed as part of this program. We will continue to protect the earth we live on and the air we breathe while pursuing our important goals of more domestic energy production.

- In sum, the Energy Security Act will combine the resources of government with the creativity and productivity of U.S. skill and industry to launch this decade on its path to a more secure energy future. The greatest outpouring of capital investment, the most far-reaching mobilization of a nation's workforce and resources and the most intensive technological innovation will be needed to achieve our goal. Its scope will dwarf both the space program, which led us to the moon, and our efforts which built an Interstate Highway System. The President calls on all of us to welcome this opportunity and this challenge to begin on our path toward energy independence.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Achievements of the Economic Summit

At Venice, President Carter and leaders from the UK, France, Germany, Japan, Italy, Canada, and the European Economic Commission agreed to meet head on the economic challenges facing the world in the 1980's, in particular, the problems of inflation and energy. They expressed confidence in the ability of democratic societies to respond to these challenges, recognizing that there are no quick, easy solutions and that sustained efforts will be necessary to achieve a better future. They said that the key to success will be to achieve and maintain a balance between energy supply and demand at reasonable levels and tolerable prices.

Energy. Summit participants emphasized the need to break the existing link between economic growth and oil consumption. This will require oil conservation and substantially increased production and use of alternate energy sources with maximum reliance on the price mechanism. To this end, they agreed to:

-- Take specific steps to conserve oil through the conversion of oil-fueled generating capacity to other fuels; to accelerate the substitution of oil in industry; to encourage oil-saving investment in residential and commercial buildings; and to introduce increasingly fuel efficient vehicles.

-- Endorse the recent decisions of the International Energy Agency and other multilateral bodies regarding the need for long term structural changes to reduce oil consumption, the possible use of oil ceilings to deal with tight market conditions, and the coordination of stock policies to mitigate the effects of market disruption.

-- Rely on fuels other than oil to meet the energy needs critical to future economic growth. With early, resolute action they estimated that the supply and use of alternate energy sources over the next ten years could increase by the equivalent of 15-20 million barrels per day of oil. To achieve that goal, the Summit countries will:

o Double coal production and use by early 1990.

o Encourage long-term commitments by coal producers and consumers and improve necessary infrastructure in both exporting and importing countries to facilitate increased coal trade.

o Expand nuclear generating capacity, mindful of the need to ensure public health and safety, refine methods to deal with spent fuels and nuclear waste, and minimize the risk of nuclear proliferation.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Implementation of this comprehensive energy strategy will enable Summit countries by the 1990's to: (a) reduce the ratio between increases in collective energy consumption and economic growth to about 0.6 (from the 0.8 target set at the 1978 Bonn Summit); and (b) reduce the share of oil in total energy demand from 53% to about 40% by 1990.

Inflation. The Summit leaders further agreed that the need to combat inflation is our immediate top priority. Fiscal and monetary restraint will be necessary to break inflationary expectations. International coordination is essential to carry out this policy and simultaneously protect against the threat of growing unemployment and worldwide recession. They undertook commitments to encourage investment and innovation, increase productivity, and to foster the movement of resources to expanding sectors in their economies.

Developing Countries. The President and the other leaders expressed deep concern about the impact of oil price increases on oil-importing, developing countries. They called for a major international effort to help these countries increase domestic energy production and asked the World Bank to consider establishing a new affiliate to improve and increase energy-related assistance programs. They also agreed to join in efforts with developing coun and international agencies to increase food production and reduce costly dependency on food imports. They will also support and supplement initiatives to improve grain handling and food storage facilities in those countries. The Summit countries stressed that oil-exporting and industrialized Communist countries should share equitably the responsibility for aid and other contributions to developing countries.

Trade. The Summit participants will continue to resist protectioni pressures and will implement early and effectively agreements concluded during the Multilateral Trade Negotiations. They acknowledged the need to end harmful export credit competition among themselves and to work in the UN on an agreement to prohibit illicit payments to foreign government officials.

Monetary Affairs. The Summit leaders reaffirmed their commitment to exchange market stability and pledged to continue close cooperat to avoid disorderly exchange rate fluctuations. They emphasized that the situation created by large oil-generated import bills will require determined efforts by all countries to promote external adjustment to the resulting imbalances and the improvement of existing mechanisms for balance of payments financing. They called upon institutions, especially the International Monetary Fund, and oil-exporting countries to supplement private lending.

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

THE WHITE HOUSE

WASHINGTON

1980 JUL -8 AM 9:28

July 3, 1980

WH-60

Dear Chairman Volcker:

Recently your agency participated in an interagency task force that studied thrift institutions. The task force has made several recommendations to Congress concerning usury ceilings, an issue of great concern to consumers.

In seeking advice from your senior-level consumer designee, Ann Marie Bray, I discovered that she was not involved in the development of your agency's policy decisions on this matter.

I recognize, of course, that the task force had begun its work before your consumer program was fully developed. However, most agency plans were in effect before the task force completed its work. It is precisely this sort of policy formulation activity in which we hope your consumer staff will be involved.

It is critical at this early stage of the implementation of the Consumer's Executive Order (Executive Order 12160) that both the skeptics and avid consumer supporters not be given cause to believe that the consumer plans were created for show purposes. They must see that the government's commitment to consumers is strong and unwavering, and that we do indeed intend to "lock the consumer's voice into government" as the President has asked us to do.

Thank you for your help and your support.

Sincerely,

Esther Peterson

Esther Peterson
Special Assistant to the President
for Consumer Affairs

The Honorable Paul A. Volcker
Chairman
Federal Rhserve System
20th Street and Constitution, NW
Washington, D. C. 20051

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH - 82 - Orig to Daniels

cc: Dunkel "to distribute as warranted" - ETM

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH - 72 - orig to Anne
Marie Bray - CCA

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-81 - Orig to Anderson

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH - 84 - NRN -

Orig to Kabalec

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-83-NRN-Orig
to Kluckman

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH - 86 - Orig to Kakalec - FYI

NR

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

WH-88 Orig to
Carolyn Dorjing
She may or may not
answer this — my
personal opinion is
that it doesn't need an
answer! Does my personal
opinion count?

PW

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-89-NR-Orig &
Takolec

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-90 - NR - Orig to Anderson

WH-91 - NR - in our file under WH

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis

Sandy

WH-93 - Orig in our file under WH

NR

WH-94 - NR - Orig to Kokales

Re: WH-91 + 93 - NR
Orig in our file

Digitized for FRASER
https://fraser.stlouisfed.org
Federal Reserve Bank of St. Louis