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**Record Group/Collection:** George H.W. Bush Presidential Records  
**Collection/Office of Origin:** Speechwriting, White House Office of  
**Series:** Speech File Backup Files  
**Subseries:** Chron File, 1989-1993

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**OA/ID Number:** 13660  
**Folder ID Number:** 13660-003

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**Folder Title:**  
Admiral James D. Watkins Swearing-In Ceremony 3/9/89 [OA 6343]

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<b>G</b>	<b>26</b>	<b>18</b>	<b>7</b>	<b>1</b>

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U.S. Department of Energy  
Assistant Secretary for  
Congressional, Intergovernmental  
and Public Affairs  
Office of Public Liaison  
Washington, D.C. 20585  
202/586-4292

# BIOGRAPHY

JAMES D. WATKINS  
ADMIRAL, U.S. NAVY (RETIRED)  
SECRETARY DESIGNATE

James David Watkins was born in California on March 7, 1927, and claims the city of Pasadena as his home. A 1949 graduate of the U.S. Naval Academy, he served on destroyers, cruisers and submarines, as well as in various shore assignments, including three in personnel management. Admiral Watkins' tours as a flag officer include Commander of the Sixth Fleet; Vice Chief of Naval Operations; and Commander-in-Chief of the Pacific Fleet. Admiral Watkins was selected by President Reagan to become the 22nd Chief of Naval Operations on June 30, 1982. He retired from that post June 30, 1986, and entered civilian life.

Admiral Watkins received his master's degree in mechanical engineering in 1958, and is a graduate of the reactor engineering course at the Oak Ridge National Laboratory. He was selected by Admiral Hyman G. Rickover to enter the Navy's nuclear-powered submarine program in 1959, and subsequently completed his qualification as an Engineering Officer of the Watch at the Navy's land-based reactor plant near Schenectady, New York. Thereafter, he had many years of experience in nuclear propulsion, including all aspects of bringing a new reactor plant on line as commissioning Executive Officer of a nuclear-powered submarine; Commanding Officer of a nuclear-powered submarine; and Executive Officer of the world's first nuclear-powered cruiser, the USS Long Beach.

In addition to assignments at sea aboard nuclear-powered vessels, Admiral Watkins served ashore in a variety of assignments associated directly with the selection, education and training of personnel as well as the maintenance and operations of naval nuclear propulsion plants.

The first of these was as assistant to Admiral Rickover for these same matters for three and one-half years at his headquarters in Washington, D.C., in the early 1960's. The second was as Director, Nuclear Power Distribution Branch of the Office of the Chief of Naval Personnel. In this capacity, Admiral Watkins was responsible to both the Navy and the then Atomic Energy Commission for proper execution of the stringent Navy personnel standards for maintenance of their qualifications. Later, as Chief of Naval Personnel and Vice Chief of Naval Operations, Admiral Watkins continued his leadership role as principal advisor to the Chief of Naval Operations and Secretary of the Navy on safe and efficient operations of the Navy's nuclearpowered fleet.

Finally, just prior to his assuming duties as Chief of Naval Operations, Admiral Watkins developed and effected implementation of the leadership transitional strategy from Admiral Rickover to his successor. This included documentation of all proven policies and

procedures employed so successfully over the years and conversion of them into Presidential Executive Order, and later into law. Extensive coordination with selected House, Senate and Department of Energy leaders was required.

While Chief of Naval Operations, Admiral Watkins spoke out about various national issues including the growth of international terrorism, technology transfer, and the evolution of nuclear deterrence from an offensive to a defensive strategy. For his leadership efforts in these and other areas, Admiral Watkins was awarded an honorary Doctor of Humane Letters from Marymount College in Arlington, Virginia, in August 1982; an honorary Doctor of Science degree in June 1983 from Dowling College, Long Island, New York; an honorary Doctor of Laws degree from Catholic University, Washington, D.C., in May 1985; and, in recognition of his technical expertise and for fostering technological growth while Chief of Naval Operations, Admiral Watkins received the Award for Creative Technology from Polytechnic Institute of New York in May 1985.

Admiral Watkins' military decorations include several Distinguished Service and Legion of Merit medals, the Bronze Star with combat "V" and other medals, and campaign and service ribbons. He has been decorated by many foreign nations, including Brazil, Korea, Italy, France, Spain, Japan, Pakistan and Sweden. He also was inducted as a Knight of Malta, an international order of leading Catholic laymen dedicated to humanitarian service, in June 1983.

Since retiring from naval service, Admiral Watkins has remained actively involved in issues regarding America's youth, working for the establishment of a national program for personal excellence. He has served as a member of the Carnegie Council on Adolescent Development, the Math/Science Advisory Council of the National Executive Service Corps, the Board of Directors of the National Center for Health Education, the Board of Visitors of the New York Medical College, and as consultant to both the Exxon Education Foundation and the Education Commission of the States.

Admiral Watkins' energy-related board service has included membership on the Board of Directors or Advisors of several firms: the Philadelphia Electric Company; a biopharmaceutical company, VESTAR, Inc.; SYNTEK Engineering & Computer Systems, Inc.; and the Ford Aerospace Corporation. He has also served as a Trustee on the Committee for Economic Development.

In October 1987, Admiral Watkins was appointed Chairman of the Presidential Commission on the Human Immunodeficiency Virus (AIDS) Epidemic, and submitted the Commission's final report to the President on June 24, 1988. For his work on this commission, he was awarded an honorary Doctor of Humane Letters from the New York Medical College in June 1988.

Admiral Watkins married Sheila Jo McKinney of San Diego, California, in 1950. They have six children: Katherine Watkins Coopersmith, Laura Jo Watkins Kauffman, Susan, Charles, James Jr., and Edward. Admiral and Mrs. Watkins have eight grandchildren.

**REMARKS: SWEARING-IN OF SECRETARY WATKINS  
DEPARTMENT OF ENERGY  
THURSDAY, MARCH 9, 1989**

**THANK YOU VERY MUCH. IT IS A PLEASURE TO BE HERE FOR THE SWEARING-IN OF ADMIRAL JAMES WATKINS AS THE SECRETARY OF ENERGY. THE RESPONSIBILITIES BEFORE THIS DEPARTMENT HAVE NEVER BEEN GREATER THAN TODAY, AND I HAVE TREMENDOUS CONFIDENCE THAT JIM WATKINS IS THE PERSON BEST ABLE TO MEET THE CHALLENGES AHEAD.**

**2**

**FOR OVER FOUR DECADES, ADMIRAL WATKINS HAS DEMONSTRATED AN UNSWERVING COMMITMENT TO OUR COUNTRY AND TO THE CALL OF SERVICE. A GRADUATE OF ANNAPOLIS, HE WENT ON IN HIS DISTINGUISHED NAVAL CAREER TO SERVE IN SUCH KEY POSTS AS COMMANDER OF THE SIXTH FLEET, COMMANDER-IN-CHIEF OF THE PACIFIC FLEET, VICE CHIEF AND, LATER, CHIEF OF NAVAL OPERATIONS. AND MOST RECENTLY, THE ADMIRAL TOOK ON A DIFFICULT AND IMPORTANT ASSIGNMENT AS CHAIRMAN OF THE AIDS COMMISSION, PERFORMING BRILLIANTLY IN THAT CAPACITY.**

3

THROUGHOUT HIS LONG CAREER, JIM WATKINS HAS SHOWN A MASTERY OF COMPLEX ORGANIZATIONS AND ISSUES, AND HE HAS DEMONSTRATED AN OUTSTANDING CONCERN FOR THE PEOPLE WHO HAVE SERVED UNDER HIM.

TO THE 16,000 MEN AND WOMEN OF THE DEPARTMENT OF ENERGY FROM JUNEAU TO GEORGIA, AND YOUR 130,000 CONTRACT CO-WORKERS, I WANT TO TELL YOU HOW MUCH I ADMIRE YOU -- YOUR PROFESSIONALISM, YOUR LOYALTY, AND YOUR TREMENDOUS TECHNICAL EXPERTISE.

4

THERE HAS BEEN TALK IN THE PAST THAT WE DIDN'T NEED A DEPARTMENT OF ENERGY, THAT MAYBE IT SHOULD BE DISMANTLED. LET ME JUST SAY, LADIES AND GENTLEMEN, YOU HAVE IMPORTANT WORK TO DO, AND THIS DEPARTMENT IS HERE TO STAY.

IT HAS BROAD RESPONSIBILITIES. AND THE MOST PRESSING CHALLENGE YOU FACE IS TO MANAGE THE MODERNIZATION OF AMERICA'S NUCLEAR WEAPONS PRODUCTION PLANTS. THIS TASK IS CRITICAL TO MAINTAINING OUR DETERRENT FORCE WHICH ENSURES OUR SECURITY AND A SAFE AND STABLE WORLD.

5

**BUT WE ALSO HAVE A MAJOR ENVIRONMENTAL CHALLENGE; WE NEED TO CLEAN UP THE POLLUTION THAT HAS BEEN CREATED AT THESE PLANTS. THESE PROBLEMS DEVELOPED OVER TIME AND THEY WILL BE FULLY SOLVED ONLY OVER TIME, BUT WE WILL WASTE NO TIME IN GETTING STARTED ON FIXING THESE PROBLEMS.**

**ADMIRAL WATKINS IS WELL-QUALIFIED TO TAKE ON THESE COMPLEX ISSUES. HE IS AN EXTREMELY CAPABLE MANAGER, HIGHLY RESPECTED IN THIS CITY AND AROUND THE COUNTRY.**

6

**HE IS KNOWLEDGEABLE ABOUT NUCLEAR ENERGY, WITH CONSIDERABLE EXPERIENCE IN THE NAVY'S NUCLEAR-POWERED SUBMARINE PROGRAM, FROM BRINGING A NEW REACTOR PLANT ON-LINE, TO COMMANDING A NUCLEAR-POWERED SUBMARINE, TO MANAGING NUCLEAR PROGRAMS HERE IN WASHINGTON.**

**THE ADMIRAL AND I HAVE ALSO SPOKEN ABOUT OUR COMMITMENT TO PROTECTING THE ENVIRONMENT WHILE ASSURING THAT OUR ENERGY REQUIREMENTS AND NATIONAL SECURITY REQUIREMENTS ARE FULLY MET.**

7

WE NEED NUCLEAR POWER, HYDROPOWER, OIL, GAS, AND COAL TO MEET OUR ENERGY NEEDS. WE NEED TO IMPROVE ENERGY EFFICIENCY AS WELL AS DEVELOP COMPETITIVE RENEWABLE TECHNOLOGIES. NO ONE OR TWO SOURCES WOULD BE SUFFICIENT ALONE, NOR WOULD THEY PROVIDE US WITH THE FLEXIBILITY THAT IS NECESSARY. FOR REASONS OF NATIONAL SECURITY, WE NEED TO HAVE DOMESTIC PRODUCTION IN EACH AREA. AND WE WILL INSTITUTE POLICIES TO PROMOTE THAT BY RESTORING INCENTIVES AND THROUGH DEREGULATION.

8

I WANT TO SEE A RECOVERY IN DOMESTIC OIL AND GAS PRODUCTION; OUR GREAT ECONOMIC EXPANSION WILL NOT BE COMPLETE UNTIL EVERY AREA OF OUR COUNTRY IS REAPING ITS BENEFITS. I ALSO WANT TO SEE CONTINUED DEVELOPMENT OF CLEAN COAL TECHNOLOGY, THE GENERATION OF SAFE NUCLEAR ENERGY, AND ALSO RESEARCH AND DEVELOPMENT OF ALTERNATIVE FUELS, NEW TECHNOLOGIES, AND CONSERVATION METHODS. ENERGY IS THE MOST BASIC INGREDIENT IN EVERYTHING WE PRODUCE, CONSUME, IMPORT, OR EXPORT.

**FOR AMERICA'S ECONOMY TO BE COMPETITIVE, WE NEED SOUND ENERGY POLICIES AND COMPETITIVE ENERGY INDUSTRIES.**

**THE ENERGY DEPARTMENT HAS BIG CHALLENGES AHEAD. ISSUES OF NATIONAL SECURITY, ECONOMIC COMPETITIVENESS, AND ENVIRONMENTAL QUALITY ARE ALL ON THE AGENDA. SO, JIM, WE BETTER SWEAR YOU IN -- YOU'VE GOT A BIG JOB AHEAD OF YOU.**

**[WITNESS SWEARING-IN OF SEC. WATKINS]**

**# # #**

(Klugmann/CW)  
February 8, 1989  
3:00 p.m.

PRESIDENTIAL REMARKS: SWEARING-IN OF SECRETARY WATKINS  
U.S. DEPARTMENT OF ENERGY  
THURSDAY, FEBRUARY 16, 1989

Thank you very much. It is a pleasure to be here for the swearing-in of Admiral James Watkins as the Secretary of Energy. The responsibilities before this department have never been greater than today, and I have tremendous confidence that Jim Watkins is the person best able to meet the challenges ahead.

*graduated in 1949* → For over four decades, Admiral Watkins has demonstrated an unswerving commitment to our country and to the call of service. A graduate of Annapolis, he went on in his distinguished Naval career to serve in such key posts as Commander of the Sixth Fleet, Commander-in-Chief of the Pacific Fleet, Vice Chief and, later, Chief of Naval Operations. And most recently, the Admiral took on a difficult and important assignment as Chairman of the AIDS Commission, performing brilliantly in that capacity.

*bio* Throughout his long career, Jim Watkins has shown a mastery of complex organizations and issues, and he has demonstrated an outstanding concern for the people who have served under him.

*bio*  
*announcement 1/12/89* To the men and women of the Department of Energy, I want to tell you how much I admire you and your professionalism, your loyalty, and your tremendous technical expertise.

*announcement 1/12/89* This Department has broad responsibilities. And the most pressing challenge you face is to manage the modernization of America's nuclear weapons production plants. This task is critical to maintaining our deterrent force which ensures our security and a safe and stable world. But we also have a major

*Announcements*

environmental challenge; we need to clean up the pollution that has been created at these plants. These problems developed over time and they will be fully solved only over time, but we will waste no time in getting started on fixing these problems.

*Announcement*

Admiral Watkins is well-qualified to take on these complex issues. He is an extremely capable manager, highly respected in this city and around the country. He is knowledgeable about nuclear energy, with considerable experience in the Navy's nuclear-powered submarine program, from bringing a new reactor plant on-line, to commanding a nuclear-powered submarine, to managing nuclear programs here in Washington.

*Bio*

The Admiral and I have also spoken about our commitment to protecting the environment while assuring that our energy requirements and national security requirements are fully met.

*Announcement 11/2/89*

We need nuclear power, oil, gas, and coal to meet our energy needs. No one or two sources would be sufficient alone, nor would they provide us with the flexibility that is necessary. For reasons of national security, we need to have domestic production in each area. And we will institute policies to promote that by restoring incentives and through deregulation.

*Announcement 11/2/89*

I want to see a recovery in domestic oil and gas production; our great economic expansion will not be complete until every area of our country is reaping its benefits. I also want to see continued development of clean coal technology, the generation of safe nuclear energy, and also research and development of alternative fuels and new technologies. Energy is the most basic ingredient in everything we produce, consume, import, or export.

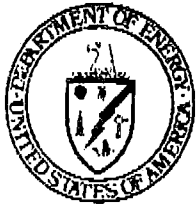
*Announcement 11/2/89*

*G.B. (signature) (Announcement)*

For America's economy to be competitive, we need our energy policies and energy industries to be competitive.

The Energy Department has big challenges ahead. Issues of national security, economic competitiveness, and environmental quality are all on the agenda. So, Jim, we better swear you in -- you've got a big job ahead of you.

[Witness swearing-in of Sec. Watkins]



Department of Energy  
Washington, DC 20585

M E M O R A N D U M

Date: March 6, 1989

To: Stephanie Blessey  
Research Office, Rm. 111  
White House  
456-7750

From: Peggy Dufour  
Office of the Secretary  
Department of Energy  
586-5966

Re: President's statement at swearing-in  
of Secretary Watkins, Thursday, March 9

-----  
Attached are some talking points for the President's address to the Department of Energy on Thursday.

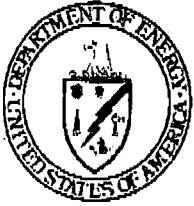
The Department feels that among the most important things the President can say is that the Department is here to stay (will not be broken up).

A tape of the President's remarks will be circulated to each and every DOE field office for viewing the following day, so it would also raise morale if the President could mention a couple of those locations by name.

Since the President's and the Secretary's statements will be back to back, I would like to coordinate closely with you so that they don't repeat or contradict. I have a meeting with Secretary Watkins today at 3:00 and will call you following that to give you his ideas for content of his speech.

Thanks for your help. It was good to talk with you. If I can help in any way with your end, let me know.

A handwritten signature in black ink, appearing to be "Peggy Dufour".



**Department of Energy**  
Washington, DC 20585

**TALKING POINTS FOR PRESIDENT BUSH**

Swearing-in of Secretary Watkins

- > The President is "speaking to" the Department of Energy's 16,000 employees and its 130,000 contract employees. These men and women work in DOE labs and field offices across the country, from Savannah River, Georgia, to Juneau, Alaska, and in locations like Oak Ridge, Tennessee; Richland, Washington; and Los Alamos, New Mexico, that represent American milestones in energy history.
- > The President has outlined key mileposts for the a national energy policy in Building a Better America (see attached).
- > Secretary Watkins will buttress the President and support these national energy programs.
- > In Building a Better America, the President has affirmed the importance of energy security, safety and environmental protection as a top national priority.
- > Primary to this policy is the concept that the Department is here to stay (previously, it has been thought of as something to be dismantled).
- > Secretary Watkins and the President share a strong interest in research and education, and will promote the role of our (the Department of Energy's) National Laboratories, home to some of this country's brightest and most innovative researchers, so that they can better train the scientists America will need tomorrow.
- > The President's selection of Admiral Watkins as Energy Secretary indicates his confidence that Admiral Watkins can lead the nation to a new balance of energy and the environment through his extraordinary management skills, his understanding of nuclear energy and national security, and his commitment to the highest professional and ethical standards.

ENERGY-RELATED INITIATIVES IN PRESIDENT BUSH'S  
PROPOSED 1990 BUDGET

Increasing Investment in Basic Research

- > Continue progress toward doubling the budget of the National Science Foundation by 1993, including increased support for the Science and Technology Centers established in 1989 to assist in swiftly transferring technology from government labs to the marketplace.
- > Increase DOE general science programs, for existing nuclear and particle physics accelerators, and for major upgrade of linear accelerator at Fermilab, the world's foremost experimental high-energy physics facility.
- > Create a permanent tax credit for research and experimentation (R&E), and the adoption of permanent R&E expense allocation rules.

Enhancing Energy Security: Oil and Gas

- > 10 Percent credit for exploratory intangible drilling costs (IDCs);
- > 10 Percent credit for new tertiary enhanced recovery;
- > Eliminate 80 percent of exploratory IDC tax preferences from minimum tax for independent producers;
- > Modify oil and gas depletion rules to discourage premature abandonment of marginal wells.

The Superconducting Super Collider (SSC)

- > Complete site designs for technical systems and construction facilities;
- > Design, build and test superconducting magnets (U.S. industry);
- > Procure long-lead items, such as power stations and superconducting materials;
- > Initiation of construction will depend on details of non-Federal cost sharing commitments to be obtained in 1990.

BUSH 1990 BUDGET  
ENERGY INITIATIVES

Energy and the Environment

**Global Warming:** Work toward worldwide ratification of Montreal Protocol limiting production and use of chlorofluorocarbons (CFCs) and halons. Charge market value for CFC production rights.

**Clean Coal:** Honor the commitment to Canadians to spend \$2.5 billion over five years for the Clean Coal Technology Program;

**Developing Offshore Oil and Gas:** [Dept. of Interior] Leasing or sale in areas #91, 95, and 116 (in Northern California, Southern California, and the Everglades region of Southern Florida, respectively) should be postponed pending satisfactory resolution of environmental concerns.

**International and Intragovernment:** An Executive Order will outline each Department and Agency's role in cleaning and maintaining the environment; International cooperation will be sought in all areas of government.

Power Marketing Administration Payment Reform

- > PMAs should pay interest rates similar to those non-Federal utilities pay (i.e., higher), and be required to repay (\$12 billion) principal on a fixed, straight line amortization schedule.

Nuclear Weapons Plants

- > 23% increase in budget authority for environment, safety, and health (ES&H) and defense waste management activities (includes \$150 million toward restart of Savannah River).
- > 150% budget increase for cleaning up environmental problems resulting from past operations.
- > 56% increase for modernization of facilities.

Transfer of Rights and Resources

- > Open the Arctic National Wildlife Refuge (ANWR) for oil and gas exploration as environmentally safe.
- > Sell exploration leases on the Outer Continental Shelf under appropriate environmental safeguards.

BUSH 1990 BUDGET  
ENERGY INITIATIVES

Transfer of Energy Assets to Private Sector

- > **Alaska Power Administration:** sell dams and power lines to utilities serving Juneau and Anchorage.
- > **Southeastern Power Marketing Administration:** (1991) sell certain assets to local groups on terms that would protect interests of customers.
- > **Other PMAs:** assets to be offered for sale in future.
- > **Naval Petroleum Reserves:** sell the two commercial oil fields Teapot Dome and Elk Hills; sell oil for the strategic petroleum reserve (SPR) and refill at lower cost.

###

Finorsy fax  
586-7573  
Pussy Difor

7/22/88

## GEORGE BUSH ON A NATIONAL POLICY FOR ENERGY SECURITY FACT SHEET

- GOALS:
- o Abundant energy supplies at reasonable prices.
  - o Reduced reliance on unstable foreign energy by encouraging greater domestic energy production and conservation through continued deregulation, tax incentives, and R & D, in order to:
    - Increase competitiveness.
    - Strengthen national security.
    - Reduce the trade deficit by cutting oil imports and increasing U.S. energy exports.
    - Improve environmental quality.
  - o Stimulate Domestic Production:
    - Tax incentives for returning non-producing, temporarily abandoned stripper wells to production.
    - Encourage discovery of new energy sources with a 10% tax credit for oil and gas exploration. The exploration credit would be equal to 10% of the first \$10 million of costs and 5% of costs exceeding \$10 million. This tax credit would be fully creditable against alternative minimum tax liability to the extent of 80% of such minimum tax. The credit would be non-refundable and would be phased out as the domestic energy industry recovers.
    - Encourage research and development, in particular enhanced recovery of oil and gas, by expanding the R&D tax credit to include enhanced recovery techniques.
    - For independent producers, exempt intangible drilling costs as a preference item under the alternative minimum tax to the extent of 80% of such costs.
    - Repeal the "Transfer Rule" prohibiting independent producers from using percentage depletion on acquired properties.
  - o Deregulation:
    - Repeal the Windfall Profits Tax.
    - Continue Outer Continental Shelf leasing for oil drilling, contingent on environmental safeguards. Certain environmentally or aesthetically sensitive blocks, such as #91 off California, should not be leased. We should consider the whole economy and environment when deciding on leasing contracts.

- Encourage competition wherever feasible within the electric utility industry, allowing all users to benefit from rates that are as low as possible without sacrificing reliable service.

- o Alternative Fuels/Conservation

- Encourage R&D for conservation and renewable energy resources such as geo-thermal, solar and wind-power. Pursue continued basic research in fusion, superconductivity, and particle acceleration with the Superconducting Supercollider.
- Greater emphasis on alternative fuels including removing regulatory barriers to use of compressed natural gas, methanol from natural gas and ethanol from grain.

- o Strategic Petroleum Reserve

- Increase the fill rate of the Strategic Petroleum Reserve with a goal of 750 million barrels by 1993.
- Encourage U.S. allies to create comparable strategic reserves.

- o Environment

- Strengthen international efforts to develop solutions to the global problems associated with energy use, including acid rain and increased CO2 levels.

- o Natural Gas

- Comprehensive deregulation of natural gas including decontrol of natural gas prices and more competitive transportation of natural gas.
- Encourage the development and use of compressed natural gas and methanol from natural gas (along with ethanol from grain) as alternative fuels at competitive prices to meet pollution standards.
- Complete current deregulatory initiatives to encourage use of natural gas and deployment of clean coal technology to improve environmental quality and enhance energy security.

o Coal

- Support administration's \$2.5 billion Clean Coal demonstration project and deregulatory initiatives to encourage deployment of clean coal technologies.
- Achieve a cleaner environment through greater implementation of clean coal technology as opposed to more stringent regulations on power plants.
- Encourage coal exports by tough negotiating with our trading partners who subsidize coal and by promoting long-term contracts with U.S. suppliers.
- Coordinate clean coal technology program with natural gas development under repeal of the Fuel Use Act to permit full competitive opportunity for combined cycle coal gasification projects.

o Nuclear Energy

- Support a uniform national approach to safe development and operation of facilities through the NRC working with state and local governments. As long as the highest safety standards are maintained, nuclear power must be a part of our energy mix.

o Oppose An Oil Import Tax

- Bogs the domestic industry down in endless red tape.
- Costs jobs, causes inflation and hurts economic growth.
- Amounts to a tax on all energy users.
- Tax incentives give us the energy security benefits of an oil import tax without its extreme costs.

# # #

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January 12, 1989, Thursday, PM cycle

→ cleaning up + modernizing  
nuclear  
plants

LENGTH: 306 words

HEADLINE: BUSH SAID READY TO NAME ADMIRAL AS ENERGY SECRETARY

BYLINE: By Michael Gelb

DATELINE: WASHINGTON, Jan 12

KEYWORD: BUSH-CABINET

## BODY:

President-elect George Bush will complete his cabinet of top advisers by naming Admiral James Watkins as energy secretary, according to a source involved in planning the transition to Bush's administration.

A second source said Bush would make an announcement on Thursday before a dinner with his prospective cabinet secretaries.

Watkins, 61, is a former nuclear submarine commander who was chairman of President Reagan's AIDS task force and applied his military command style to end its political squabbles and produce a comprehensive report on the disease.

Watkins publicly accused Reagan of reacting too slowly and committing too little money to fight Acquired Immune Deficiency Syndrome which kills by attacking the body's immune system.

As energy secretary, one of Watkins' challenges will be to win congressional approval for money to modernize ageing and, in some cases, closed nuclear weapons production plants and to clean up damage they have caused to the environment. Costs have been estimated at 128 billion dollars over decades.

Other sources close to Bush made clear they expected Watkins to be named energy secretary although they said they did not know if the decision had been made.

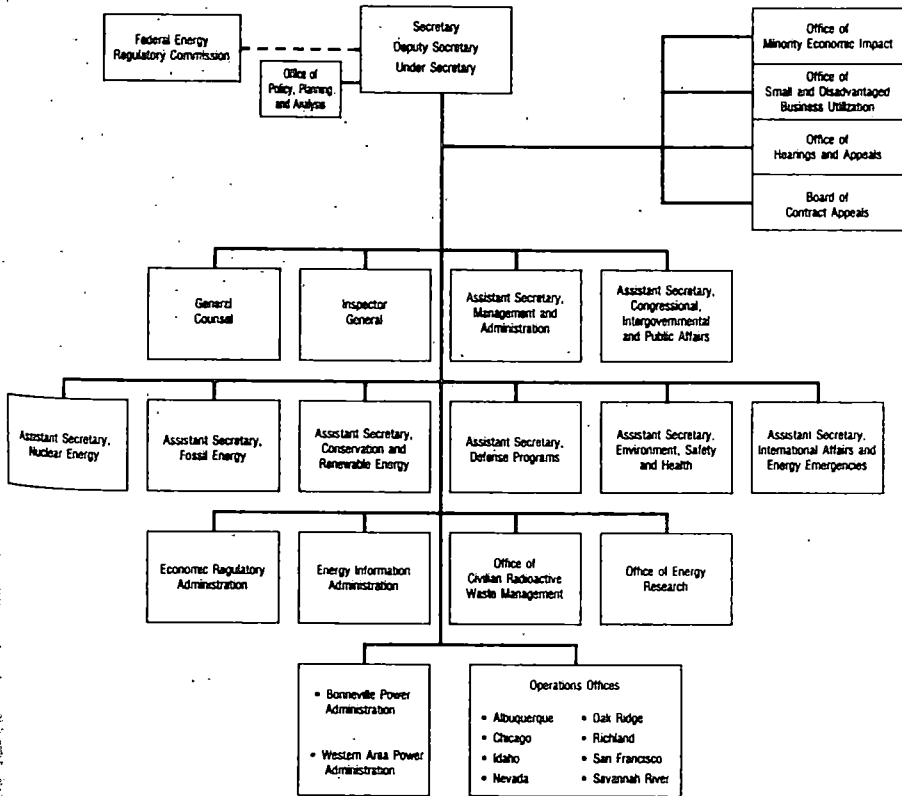
"Bush likes him. He is a respected former chief of naval operations with a background in nuclear energy," said another official involved in planning the transition to the Bush administration.

The official said late on Wednesday that Watkins was on Bush's short list for energy secretary but could not confirm that Watkins had been selected for the job.

Another political source said energy industry officials believed Watkins would be named.

Watkins was an early nuclear submarine skipper. He later commanded a nuclear cruiser and rose to become commander of the U.S. Pacific Fleet and in 1982, chief of naval operations.

DEPARTMENT OF ENERGY



## DEPARTMENT OF ENERGY

1000 Independence Avenue SW., Washington, DC 20585  
Phone, 202-586-5000

### SECRETARY OF ENERGY

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Under Secretary  
General Counsel  
Inspector General  
Assistant Secretary, Management and Administration  
Assistant Secretary, Congressional, Intergovernmental, and Public Affairs  
Assistant Secretary, International Affairs and Energy Emergencies  
Assistant Secretary, Environment, Safety and Health  
Administrator, Economic Regulatory Administration  
Administrator, Energy Information Administration  
Assistant Secretary, Nuclear Energy  
Assistant Secretary, Fossil Energy  
Assistant Secretary, Conservation and Renewable Energy  
Assistant Secretary, Defense Programs  
Director, Office of Energy Research  
Director, Office of Civilian Radioactive Waste Management  
Director, Office of Policy, Planning and Analysis  
Director, Office of Minority Economic Impact  
Director, Office of Hearings and Appeals  
Chairman, Board of Contract Appeals  
Director, Office of Small and Disadvantaged Business Utilization

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ANTHONY G. SOUSA

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*The Department of Energy provides the framework for a comprehensive and balanced national energy plan through the coordination and administration of the*

related programs. In addition, the Under Secretary bears primary responsibility for energy conservation programs.

### Staff Offices

**General Counsel** The General Counsel provides diverse legal services to the Secretary and the Department, including legal support and counseling for all Department activities, except for the Federal Energy Regulatory Commission; conducts the Department's patent and standards of conduct programs; and carries out traditional legal functions such as certain aspects of litigation and the development of legislative proposals.

**Policy, Planning and Analysis** The Office of Policy, Planning and Analysis formulates and recommends the overall national energy policy; coordinates the analysis and evaluation of policies and programs, and conducts a continuing assessment of the national energy situation.

The Office develops legislative proposals to support policy objectives and reviews program and management plans and budgets to ensure integration of new policy proposals. The Office also prepares the Department's proposed biennial National Energy Policy Plan to be transmitted by the President to the Congress.

**Environment, Safety and Health** The Office of the Assistant Secretary for Environment, Safety and Health ensures that departmental programs are in compliance with environmental safety and health regulations and that environmental and safety impacts of Department programs receive managerial review.

**Management and Administration** The Office of the Assistant Secretary, Management and Administration, provides a wide range of institutional support services to the headquarters' organizations and to the Department as a whole. The major areas of responsibility include overall management and control of financial resources; administrative management, including personnel, organization and management systems, and the provision of administrative services; procurement, contracting,

Federal assistance agreements, and real and personal property management; equal employment opportunity and civil rights activities; and scientific and technical information management. In addition, the Assistant Secretary provides support services in the area of document control and action assignment, coordination, and followup.

**Congressional, Intergovernmental, and Public Affairs** The Assistant Secretary for Congressional, Intergovernmental, and Public Affairs establishes public affairs policy and manages the overall public affairs program, establishes policy and procedures for the conduct of relations with Congress, and serves as the principal point of departmental contact with the Congress and provides guidance to Department staff on congressional matters and interests. The Assistant Secretary also advises the Secretary on departmental relations with State, local, Indian, and territorial governments and labor organizations; provides policy direction for oversight of the consumer activities of the Department and responds to citizen-oriented energy initiatives; and ensures that all DOE policies and programs promote competition in the energy industry and that consumer impact is considered in decisionmaking.

**Minority Economic Policy** The Director of Minority Economic Impact advises the Secretary on the effects of energy policies, regulations, and other actions of the Department and its components on minorities, minority business enterprises, and minority educational institutions; and advises the Secretary on ways to ensure that minorities are afforded an opportunity to participate in energy programs of the Department.

**Inspector General** The Office of Inspector General coordinates, supervises, and conducts inspections, investigations, and audits of all departmental internal activities, including those of the Federal Energy Regulatory Commission, to ensure honesty and efficiency. When necessary, these activities are coordinated with other Federal, State, and local agencies and

*energy functions of the Federal Government. The Department is responsible for long-term, high-risk research and development of energy technology; the marketing of Federal power; energy conservation; the nuclear weapons program; energy regulatory programs; and a central energy data collection and analysis program.*

The Department of Energy (DOE) was established by the Department of Energy Organization Act (42 U.S.C. 7131), effective October 1, 1977, pursuant to Executive Order 12009 of September 13, 1977. The act consolidated the major Federal energy functions into one Cabinet-level Department, transferring to DOE all the responsibilities of the Energy Research and Development Administration; the Federal Energy Administration; the Federal Power Commission; and the Alaska, Bonneville, Southeastern, and Southwestern Power Administrations, formerly components of the Department of the Interior, as well as the power-marketing functions of the Department of the Interior's Bureau of Reclamation. Also transferred to DOE were certain functions of the Interstate Commerce Commission and the Departments of Commerce, Housing and Urban Development, the Navy, and the Interior.

The Secretary and Deputy Secretary are the principal officers of the Department. They are responsible for the overall planning, direction, and control of departmental activities. The Under Secretary has the primary responsibility for developing the Department's overall policies regarding energy conservation and renewable energy technology and for encouraging non-Federal entities to engage in imaginative and progressive utilization of conservation and renewable forms of energy.

Supporting DOE in matters of departmentwide scope are support offices, including the Offices of the Assistant Secretaries for Management and Administration; Environment, Safety and Health; International Affairs and Energy Emergencies; Congressional, Intergovernmental, and Public Affairs; the Director of Policy, Planning and Analysis; the General Counsel; the Inspector General; the Director of Minority Economic Impact; the Director of Small and Disadvantaged Business Utilization;

the Director of Hearings and Appeals; and the Chairman of the Board of Contract Appeals.

Programs requiring large budget outlays are the responsibility of the Director of Energy Research, the Director of the Office of Civilian Radioactive Waste Management, and four program Assistant Secretaries (Fossil Energy; Nuclear Energy; Conservation and Renewable Energy; and Defense Programs).

The Department's organization also includes the Economic Regulatory Administration, the Energy Information Administration, and the Federal Energy Regulatory Commission, which is an independent regulatory organization within the Department.

In addition to headquarters' components, the Department has an extensive field structure that plays an integral part in the implementation and management of departmental projects and programs.

### Office of the Secretary

**Secretary** The Secretary directs and supervises the administration of the Department, decides major energy policy and planning issues, and acts as the principal spokesman for the Department. The Secretary is the principal adviser to the President on energy policies, plans, and programs.

In the absence of the Secretary, the Deputy Secretary acts for the Secretary and oversees energy policy development and related policy analysis activities. As chief operating officer for the Department, the Under Secretary assists the Secretary in overall departmental program management through oversight of headquarters and field activities involving research, development, testing, production, operations, environmental protection, safety, health, emergency preparedness, international affairs, regulation, energy information; and

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with nongovernment entities. The Office also recommends corrective actions and identifies and refers for prosecution participants in fraud and abuse cases.

**Hearings and Appeals** The Office of Hearings and Appeals reviews and issues all final DOE orders of an adjudicatory nature, other than those involving matters over which the Federal Energy Regulatory Commission or the Energy Board of Contract Appeals exercises final jurisdiction. The Office is responsible for considering and issuing decisions on appeals from orders of a regulatory nature issued by DOE components and requests for exception or exemption from any regulatory or mandatory requirements.

**Contract Appeals** The Board of Contract Appeals hears and resolves appeals pertaining to contract-related matters. The Board may act as the Department's Contract Adjustment Board, the Financial Assistance Appeal Board, or the Invention Licensing Appeal Board.

**Small and Disadvantaged Business Utilization** The Office of Small and Disadvantaged Business Utilization is responsible for the policy, plans, and oversight of Department functions under sections 8 and 15 of the Small Business Act (15 U.S.C. 637, 644) relating to preferred programs for small businesses, disadvantaged businesses, labor surplus area concerns, and women-owned businesses. The Office also provides functional direction and oversight to headquarters and field personnel regarding implementation of these programs.

### Programs

**Energy Research** The Office of Energy Research advises the Secretary on the physical and energy research and development programs of the Department, the use of multipurpose laboratories, education, and training for basic and applied research, and financial assistance and budgetary priorities for these activities.

The Office manages the basic energy sciences, high energy physics, and fusion energy research programs; administers

DOE programs supporting university researchers; funds research in mathematical and computational sciences critical to the use and development of supercomputers; and administers a financial support program for research and development projects not funded elsewhere in the Department. The Office also manages a research program directed at determining the generic environmental, health, and safety aspects of energy technologies and programs.

The Office monitors DOE research and development programs for deficiencies or duplication of effort and, in conjunction with the Assistant Secretary for International Affairs and Energy Emergencies, monitors the international exchange of scientific and technical personnel.

For further information, contact the Deputy Director of Management. Phone, 301-353-4944.

**Fossil Energy** The Assistant Secretary for Fossil Energy is responsible for research and development programs involving fossil fuels—coal, petroleum, and gas. The fossil energy program involves applied research, exploratory development, and limited proof-of-concept testing targeted to high-risk and high-payoff endeavors. The objective of the program is to provide the general technology and knowledge base that the private sector can use to complete development and initiate commercialization of advanced processes and energy systems. The program is principally executed through two Energy Technology Centers located in the field.

The Assistant Secretary also manages the Clean Coal Technology Program, the Great Plains Gasification Plant, the Strategic Petroleum Reserve, the Naval Petroleum and Oil Shale Reserves, and the Liquefied Gaseous Fuels Spill Test Facility.

For further information, contact the Deputy Assistant Secretary for Management, Fundamental Research and Cooperative Development. Phone, 301-353-2617.

**Conservation and Renewable Energy** The Assistant Secretary for Conservation and Renewable Energy is responsible for

formulating and directing programs designed to increase the production and utilization of renewable energy (solar, biomass, wind, geothermal, alcohol fuels, etc.) and improving the energy efficiency of transportation, buildings, industrial systems, and related processes through support of long-term, high-risk research and development activities. The Assistant Secretary also has responsibility for administering statutorily mandated assistance programs that provide financial assistance for State energy planning, weatherization of housing owned by the poor and disadvantaged, and the implementation of energy conservation measures by schools and hospitals, local units of government, and public care institutions. In addition, the Office coordinates and oversees the operations of three power-marketing administrations.

For further information, contact the Director of Management and Review. Phone, 202-586-6768.

**International Affairs and Energy Emergencies** The Assistant Secretary for International Affairs and Energy Emergencies develops, manages, and directs programs and activities relating to the international aspects of overall energy policy; ensures that U.S. international energy policies and programs conform to national goals, legislation, and treaty obligations; advises the Secretary on international energy negotiations; assesses world price and supply trends; and coordinates cooperative international energy programs with foreign governments and international organizations such as the International Energy Agency and the International Atomic Energy Agency.

The Assistant Secretary also directs and coordinates the Department's energy emergency preparedness and energy emergency operations efforts; develops contingency plans and tests and evaluates response plans; develops and maintains continuity of government and national emergency plans.

For further information, contact the Director of Management Services. Phone, 202-586-5924.

**Defense Programs** The Assistant Secretary for Defense Programs directs the Nation's nuclear weapons research,

development, testing, production, and surveillance program, as well as the production of the special nuclear materials used by the weapons program within the Department, and management of defense nuclear waste and byproducts.

The Office also manages research in inertial fusion; the safeguards and security program; classification, declassification, and reclassification of documents; unclassified controlled nuclear information; departmental intelligence; export control; test ban treaty verification and monitoring technology; defense- and energy-related intelligence activities; and coordinates the Department's emergency management activities.

For further information, contact the Deputy Assistant Secretary for Planning and Resource Management. Phone, 301-353-4245.

**Nuclear Energy** The Assistant Secretary for Nuclear Energy administers the Department's research and development programs associated with fission energy. This includes programs relating to nuclear reactor development, both civilian and naval; nuclear fuel cycle; space nuclear applications; and uranium enrichment. The Assistant Secretary also manages the Department's Remedial Action Program to treat or stabilize radioactive wastes and perform decontamination and decommissioning at DOE surplus sites. In addition, the Assistant Secretary conducts technical analyses and provides advice concerning nonproliferation; assesses alternative nuclear systems and new reactor and fuel cycle concepts; and evaluates proposed advanced nuclear fission energy concepts and technical improvements for possible application to nuclear powerplant systems.

For further information, contact the Director of Program Support. Phone, 202-586-6452.

**Civilian Radioactive Waste Management** The Office of Civilian Radioactive Waste Management was established by the Nuclear Waste Policy Act of 1982 (42 U.S.C. 10224). The Office has responsibility for the Nuclear Waste Fund and for the management of

Federal programs for recommending, constructing, and operating repositories for disposal of high-level radioactive waste and spent nuclear fuel; interim storage of spent nuclear fuel; monitored retrievable storage; and research, development, and demonstration regarding disposal of high-level radioactive waste and spent nuclear fuel.

For further information, contact the Associate Director for Program Administration and Resources Management. Phone, 202-586-9116.

### **Energy Information Administration**

The Energy Information Administration (EIA) is responsible for the timely and accurate collection, processing, and publication of data in the areas of energy resource reserves, energy production, demand, consumption, distribution, and technology.

EIA also performs analyses of energy data to assist government and nongovernment users in understanding energy trends. Analyses are prepared on complex, long-term energy trends and the microeconomic and macroeconomic impacts of energy trends on regional and industrial sectors. Special purpose analyses are prepared involving competition within the energy industries, the capital/financial structure of energy companies, and interfuel substitution. Audits are conducted to ensure the validity of regulatory and other energy data.

The Energy Information Administration provides data publication and distribution services within DOE, throughout the

### **Field Structure**

#### **Operations Offices and Contractor-Operated Field Installations**

The vast majority of the Department's energy research and development, uranium enrichment and nuclear weapons research and development, and testing and production activities are carried out by contractors who operate Government-owned facilities.

Government, and for the public. It is a clearinghouse for general information on energy and coordinates its activities with the Department's Technical Information Center.

For further information, contact the Director, National Energy Information Center. Phone, 202-586-2363.

### **Economic Regulatory Administration**

The Economic Regulatory Administration (ERA) administers the Department's regulatory programs other than those assigned to the Federal Energy Regulatory Commission.

For further information, contact the Director of Management and Information Systems. Phone, 202-586-4241.

### **Federal Energy Regulatory Commission**

An independent, five-member commission within the Department of Energy, the Federal Energy Regulatory Commission has retained many of the functions of the Federal Power Commission, such as setting rates and charges for the transportation and sale of natural gas and for the transmission and sale of electricity and the licensing of hydroelectric power projects. In addition, the Commission establishes rates or charges for the transportation of oil by pipeline, as well as the valuation of such pipelines.

For further information, contact the Executive Director. Phone, 202-357-8300.

Management and administration of Government-owned, contractor-operated facility contracts are the major responsibility of the Department's eight Operations Offices.

The Operations Offices provide a formal link between Department headquarters and the field laboratories and other operating facilities. They also manage programs and projects as

assigned from headquarters. The Operations Offices report directly to the Office of the Secretary. Day-to-day, specific program direction for the Operations Offices is provided by the cognizant Assistant Secretaries and the Director or program officer.

#### Operations Offices—Department of Energy

Office/Address	Telephone
Albuquerque, NM (P.O. Box 5400, Albuquerque, NM 87115)	505-846-7231
Chicago, IL (9800 S. Cass Ave., Argonne, IL 60439)	312-972-2110
Idaho, ID (550 2d St., Idaho Falls, ID 83401)	208-526-0111
Nevada, NV (P.O. Box 14100, Las Vegas, NV 89114-4100)	702-295-1212
Oak Ridge, TN (P.O. Box E, Oak Ridge, TN 37831)	615-576-4444
Richland, WA (P.O. Box 550, 825 Jadwin Ave., Richland, WA 99352)	509-376-7395
San Francisco, CA (1333 Broadway, Oakland, CA 94612)	415-273-7111
Savannah River, SC (P.O. Box A, Aiken, SC 29801)	803-725-2277

**Other Field Offices** The Department also has several field offices concerned primarily with specific programs, such as the Strategic Petroleum Reserve Project Office, two offices involved with the development of nuclear reactors for the Navy, and several offices devoted to the management of the Naval Petroleum and Oil Shale Reserves.

#### Regulatory Programs

The Department of Energy's enforcement program is conducted by the field staff under the supervision and direction of the Administrator of the Economic Regulatory Administration.

#### Power Administrations

**Bonneville Power Administration** The Administration was created pursuant to act of August 20, 1937, as amended (16 U.S.C. 832 et seq.). Through a regionwide, interconnecting transmission system it markets electric power and energy from Federal hydroelectric projects in the Pacific Northwest constructed and operated by the Army Corps of Engineers and the Department of the Interior's Bureau of Reclamation. Through interregional connections, it sells

surplus power to areas outside the Pacific Northwest region and participates in exchanges of power.

The Administration markets power produced by the Federal Columbia River Power System at the lowest rates, consistent with sound business practices. Preference is given to public entities.

Power is sold at wholesale to utilities and directly to electroprocess industries and other Federal agencies. The Administration also exchanges electric power; prepares wholesale rates and repayment schedules; and constructs, operates, and maintains a transmission system that integrates Federal power projects and interconnects with non-Federal utility systems.

In addition, the Administration is responsible for energy conservation, renewable resource development, and fish and wildlife enhancement under the provisions of the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (16 U.S.C. 839 note).

The Administration, in cooperation with the Corps of Engineers, represents the United States in implementing the provisions of the Columbia River Treaty with Canada.

By act of October 18, 1974 (16 U.S.C. 838), the Bonneville Power Administration has the authority, in lieu of appropriations, to use its revenues and to sell revenue bonds to the U.S. Treasury to finance its programs.

For further information, contact the Bonneville Power Administration, 1002 NE Holladay Street, P.O. Box 3621, Portland, OR 97208. Phone, 503-230-5101.

#### Southeastern Power Administration

The Administration was created by the Secretary of the Interior in 1950 to carry out functions assigned to the Secretary by the Flood Control Act of 1944 (58 Stat. 890), which pertain to the transmission and disposition of surplus electric power and energy generated at reservoir projects that are or may be under the control of the Department of the Army in the States of West Virginia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi,

Tennessee, and Kentucky. The Southeastern Power Administration was transferred from the Department of the Interior to the Department of Energy by the Department of Energy Organization Act (42 U.S.C. 7152), effective October 1, 1977.

The Administration transmits and disposes of the surplus electric power and energy generated at the Federal reservoir projects in such manner as to encourage the most widespread use. The Administration sets the lowest possible rates to consumers, consistent with sound business principles, and gives preference in the sale of such power and energy to public bodies and cooperatives.

The program of the Administration includes the negotiation, preparation, execution, and administration of contracts for the disposition of electric power; the preparation of wholesale rates and repayment schedules; the provision by construction, contract, or otherwise, of transmission and related facilities to interconnect reservoir projects and to serve contractual loads; and activities pertaining to the planning and operation of power facilities.

For further information, contact the Southeastern Power Administration, Elberton, GA 30635. Phone, 404-283-9917.

**Alaska Power Administration** The Administration is responsible for operating and marketing power for two Federal hydroelectric projects in Alaska. Legislative authorities for this work include the Eklutna Project Act (64 Stat. 382); the Snettisham Project authorization in the Flood Control Act of 1962 (76 Stat. 1193); the power-marketing provision of the Flood Control Act of 1944 (58 Stat. 890); the act of August 9, 1955, Investigation of Water Resources, Alaska; and section 201 of the Water Resources Development Act of 1976 (90 Stat. 2944).

Power operations and marketing functions involving the Eklutna and Snettisham Hydroelectric Projects include

the projects' transmission systems serving the Anchorage and Juneau areas.

For further information, contact the Alaska Power Administration, Federal Building, P.O. Box 50, Juneau, AK 99802. Phone, 907-586-7405.

#### **Southwestern Power Administration**

The Administration was created by the Secretary of the Interior in 1943 to carry out the Secretary's responsibility for the sale and disposition of electric power and energy generated at certain projects constructed and operated by the Department of the Army. For these projects, the Administration carries out the functions assigned to the Secretary by the Flood Control Act of 1944 (58 Stat. 890; 16 U.S.C. 825s) in the States of Arkansas, Kansas, Louisiana, Missouri, Oklahoma, and Texas. Since October 1, 1977, the Southwestern Power Administration has been functioning under the direction of the Secretary of Energy, pursuant to section 302(a)(1) of the Department of Energy Organization Act (42 U.S.C. 7152).

The headquarters office is located at Tulsa, OK, and there are three area offices—Springfield, MO; Muskogee, OK; and Jonesboro, AR—four maintenance units, and two dispatching offices.

The Southwestern Power Administration transmits and disposes of the electric power and energy generated at Federal reservoir projects, supplemented by power purchased from public and private utilities, in such a manner as to encourage the most widespread and economical use. The Administration sets the lowest possible rates to consumers, consistent with sound business principles, and gives preference in the sale of power and energy to public bodies and cooperatives.

The Administration:

- develops, negotiates, and administers contracts for the sale and interchange of electric power and energy on a wholesale basis;
- prepares rate and repayment studies;
- designs and constructs transmission lines and related facilities to interconnect hydroelectric projects of the

Administration's system and other systems, both public and private;

—operates and maintains the high-voltage transmission system to serve contractual loads, maintain reliable interconnections, and utilize excess capacity to provide transmission service to others;

—develops long-range marketing programs for maximum utilization of power from existing and proposed hydroelectric projects; and

—conducts and participates in the comprehensive planning of water-resource development in the Southwest.

For further information, contact the Southwestern Power Administration, P.O. Box 1619, Tulsa, OK 74101. Phone, 918-581-7474.

#### **Western Area Power Administration**

The Administration was established on December 21, 1977, pursuant to section 302 of the Department of Energy Organization Act (42 U.S.C. 7152). The

Administration is responsible for the Federal electric power-marketing and transmission functions in 15 central and western States, encompassing a

geographic area of 1.3 million square miles. The Administration sells power to 532 customers, consisting of cooperatives, municipalities, public utility districts, private utilities, Federal and State agencies, and irrigation districts.

The wholesale power customers, in turn, provide service to millions of retail consumers in the States of Arizona,

California, Colorado, Iowa, Kansas, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, South Dakota, Texas, Utah, and Wyoming.

The Administration is responsible for the operation and maintenance of 16,178 miles of transmission lines, 228 substations, and various auxiliary power facilities in the aforementioned geographic areas and also for planning, construction, and operation and maintenance of additional Federal transmission facilities that may be authorized in the future. Electric power marketed by the Administration is generated by the Bureau of Reclamation, the U.S. Army Corps of Engineers, and the International Boundary and Water Commission, which operates 47 hydropower generating plants in its service area. In addition, it markets the United States entitlement from the Navajo coal-fired plant near Page, AZ. The Administration's current installed generating capacity is 8,321 megawatts.

In carrying out the Federal power-marketing program, the Administration's organization consists of the Headquarters Office located in Golden, CO, five Area Offices—Billings, MT; Boulder City, NV; Loveland, CO; Sacramento, CA; and Salt Lake City, UT—five District Offices, and one power systems operations office.

For further information, contact the Western Area Power Administration, P.O. Box 3402, Golden, CO 80401. Phone, 303-231-1513.

WATKINS, JAMES DAVID, naval officer; b. Alhambra, Calif., Mar. 7, 1927; s. Edward Francis and Louise Whipple (Ward) W.; m. Sheila Jo McKinney, Aug. 19, 1950; children: Katharine Marie, Laura Jo, Charles Lancaster, Susan Elizabeth, James David, Edward Francis. B.S., U.S. Naval Acad., 1949; M.S., Naval Postgrad. Sch., 1958; L.H.D. (hon.), Marymount Coll., 1982; D.Sc. (hon.), Dowling Coll., 1983; LL.D. (hon.), Cath. U., 1985. Commd. ensign U.S. Navy, 1949, advanced through grades to adm., 1979; comdg. officer (U.S.S. Snook), 1964-66; exec. officer (U.S.S. Long Beach), 1967-69; head submarine/nuclear power distbn. control br. Bur. Naval Personnel, Dept. Navy, Washington, 1969-71; dir. enlisted personnel div. Bur. Naval Personnel, Dept. Navy, 1971-72, asst. chief of naval personnel for enlisted personnel control, 1972-73; comdr. (Cruiser-Destroyer Group 1), 1973-75; dep. chief naval ops. (manpower) Navy Dept., Washington, 1975-78; chief of naval personnel Navy Dept., 1975-78, chief Bur. Naval Personnel, 1975-78; comdr. (U.S. Sixth Fleet), 1978-79; vice chief naval ops. Navy Dept., 1979-81, comdr.-in-chief U.S. Pacific Fleet, 1981-82, chief naval ops., 1982-86. Decorated D.S.M. with 1 gold star, Legion of Merit with 2 gold stars, Bronze Star medal with Combat V; recipient Disting. Alumni award Naval Postgrad. Sch., 1958. Mem. U.S. Naval Acad. Alumni Assn. Roman Catholic. Lodge: Knights of Malta. Home: 3225 Grace St NW Apt #107 Washington DC 20007 Office: USN 444 N Capitol St Hall of States Suite 248 Washington DC 20001

Watkins  
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What notable figures?  
how many attending?  
who else is speaking?  
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GB Energy statement

Govt Manual on Energy

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U.S. Department of Energy  
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Congressional, Intergovernmental  
and Public Affairs  
Office of Public Liaison  
Washington, D.C. 20585  
202/586-4292

# BIOGRAPHY

JAMES D. WATKINS  
ADMIRAL, U.S. NAVY (RETIRED)  
SECRETARY DESIGNATE

James David Watkins was born in California on March 7, 1927, and claims the city of Pasadena as his home. A 1949 graduate of the U.S. Naval Academy, he served on destroyers, cruisers and submarines, as well as in various shore assignments, including three in personnel management. Admiral Watkins' tours as a flag officer include Commander of the Sixth Fleet; Vice Chief of Naval Operations; and Commander-in-Chief of the Pacific Fleet. Admiral Watkins was selected by President Reagan to become the 22nd Chief of Naval Operations on June 30, 1982. He retired from that post June 30, 1986, and entered civilian life.

Admiral Watkins received his master's degree in mechanical engineering in 1958, and is a graduate of the reactor engineering course at the Oak Ridge National Laboratory. He was selected by Admiral Hyman G. Rickover to enter the Navy's nuclear-powered submarine program in 1959, and subsequently completed his qualification as an Engineering Officer of the Watch at the Navy's land-based reactor plant near Schenectady, New York. Thereafter, he had many years of experience in nuclear propulsion, including all aspects of bringing a new reactor plant on line as commissioning Executive Officer of a nuclear-powered submarine; Commanding Officer of a nuclear-powered submarine; and Executive Officer of the world's first nuclear-powered cruiser, the USS Long Beach.

In addition to assignments at sea aboard nuclear-powered vessels, Admiral Watkins served ashore in a variety of assignments associated directly with the selection, education and training of personnel as well as the maintenance and operations of naval nuclear propulsion plants.

The first of these was as assistant to Admiral Rickover for these same matters for three and one-half years at his headquarters in Washington, D.C., in the early 1960's. The second was as Director, Nuclear Power Distribution Branch of the Office of the Chief of Naval Personnel. In this capacity, Admiral Watkins was responsible to both the Navy and the then Atomic Energy Commission for proper execution of the stringent Navy personnel standards for maintenance of their qualifications. Later, as Chief of Naval Personnel and Vice Chief of Naval Operations, Admiral Watkins continued his leadership role as principal advisor to the Chief of Naval Operations and Secretary of the Navy on safe and efficient operations of the Navy's nuclear-powered fleet.

Finally, just prior to his assuming duties as Chief of Naval Operations, Admiral Watkins developed and effected implementation of the leadership transitional strategy from Admiral Rickover to his successor. This included documentation of all proven policies and

procedures employed so successfully over the years and conversion of them into Presidential Executive Order, and later into law. Extensive coordination with selected House, Senate and Department of Energy leaders was required.

While Chief of Naval Operations, Admiral Watkins spoke out about various national issues including the growth of international terrorism, technology transfer, and the evolution of nuclear deterrence from an offensive to a defensive strategy. For his leadership efforts in these and other areas, Admiral Watkins was awarded an honorary Doctor of Humane Letters from Marymount College in Arlington, Virginia, in August 1982; an honorary Doctor of Science degree in June 1983 from Dowling College, Long Island, New York; an honorary Doctor of Laws degree from Catholic University, Washington, D.C., in May 1985; and, in recognition of his technical expertise and for fostering technological growth while Chief of Naval Operations, Admiral Watkins received the Award for Creative Technology from Polytechnic Institute of New York in May 1985.

Admiral Watkins' military decorations include several Distinguished Service and Legion of Merit medals, the Bronze Star with combat "V" and other medals, and campaign and service ribbons. He has been decorated by many foreign nations, including Brazil, Korea, Italy, France, Spain, Japan, Pakistan and Sweden. He also was inducted as a Knight of Malta, an international order of leading Catholic laymen dedicated to humanitarian service, in June 1983.

Since retiring from naval service, Admiral Watkins has remained actively involved in issues regarding America's youth, working for the establishment of a national program for personal excellence. He has served as a member of the Carnegie Council on Adolescent Development, the Math/Science Advisory Council of the National Executive Service Corps, the Board of Directors of the National Center for Health Education, the Board of Visitors of the New York Medical College, and as consultant to both the Exxon Education Foundation and the Education Commission of the States.

Admiral Watkins' energy-related board service has included membership on the Board of Directors or Advisors of several firms: the Philadelphia Electric Company; a biopharmaceutical company, VESTAR, Inc.; SYNTEK Engineering & Computer Systems, Inc.; and the Ford Aerospace Corporation. He has also served as a Trustee on the Committee for Economic Development.

In October 1987, Admiral Watkins was appointed Chairman of the Presidential Commission on the Human Immunodeficiency Virus (AIDS) Epidemic, and submitted the Commission's final report to the President on June 24, 1988. For his work on this commission, he was awarded an honorary Doctor of Humane Letters from the New York Medical College in June 1988.

Admiral Watkins married Sheila Jo McKinney of San Diego, California, in 1950. They have six children: Katherine Watkins Coopersmith, Laura Jo Watkins Kauffman, Susan, Charles, James Jr., and Edward. Admiral and Mrs. Watkins have eight grandchildren.

(Klugmann/CW)  
March 3, 1989  
4:00 p.m.

PRESIDENTIAL REMARKS: SWEARING-IN OF SECRETARY WATKINS  
U.S. DEPARTMENT OF ENERGY  
THURSDAY, MARCH 9, 1989

Thank you very much. It is a pleasure to be here for the swearing-in of Admiral James Watkins as the Secretary of Energy. The responsibilities before this department have never been greater than today, and I have tremendous confidence that Jim Watkins is the person best able to meet the challenges ahead.

For over four decades, Admiral Watkins has demonstrated an unswerving commitment to our country and to the call of service. A graduate of Annapolis, he went on in his distinguished Naval career to serve in such key posts as Commander of the Sixth Fleet, Commander-in-Chief of the Pacific Fleet, Vice Chief and, later, Chief of Naval Operations. And most recently, the Admiral took on a difficult and important assignment as Chairman of the AIDS Commission, performing brilliantly in that capacity.

Throughout his long career, Jim Watkins has shown a mastery of complex organizations and issues, and he has demonstrated an outstanding concern for the people who have served under him.

To the men and women of the Department of Energy, I want to tell you how much I admire you and your professionalism, your loyalty, and your tremendous technical expertise.

This Department has broad responsibilities. And the most pressing challenge you face is to manage the modernization of America's nuclear weapons production plants. This task is critical to maintaining our deterrent force which ensures our security and a safe and stable world. But we also have a major

environmental challenge; we need to clean up the pollution that has been created at these plants. These problems developed over time and they will be fully solved only over time, but we will waste no time in getting started on fixing these problems.

Admiral Watkins is well-qualified to take on these complex issues. He is an extremely capable manager, highly respected in this city and around the country. He is knowledgeable about nuclear energy, with considerable experience in the Navy's nuclear-powered submarine program, from bringing a new reactor plant on-line, to commanding a nuclear-powered submarine, to managing nuclear programs here in Washington.

The Admiral and I have also spoken about our commitment to protecting the environment while assuring that our energy requirements and national security requirements are fully met. We need nuclear power, hydropower, oil, gas, and coal to meet our energy needs. No one or two sources would be sufficient alone, nor would they provide us with the flexibility that is necessary. For reasons of national security, we need to have domestic production in each area. And we will institute policies to promote that by restoring incentives and through deregulation.

I want to see a recovery in domestic oil and gas production; our great economic expansion will not be complete until every area of our country is reaping its benefits. I also want to see continued development of clean coal technology, the generation of safe nuclear energy, and also research and development of alternative fuels, new technologies, and conservation methods. Energy is the most basic ingredient in everything we produce, consume, import, or export.

For America's economy to be competitive, we need sound energy policies and competirive energy industries. X

The Energy Department has big challenges ahead. Issues of national security, economic competitiveness, and environmental quality are all on the agenda. So, Jim, we better swear you in -- you've got a big job ahead of you.

[Witness swearing-in of Sec. Watkins]

DATE 3/6/89

TRANSMITTAL SHEET

OFFICE OF THE SECRETARY  
U.S. DEPARTMENT OF ENERGY

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MESSAGE: PLEASE RUSH - DEADLINE

(5 pages + cover)

1ST STORY of Level 1 printed in FULL format.

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January 27, 1989, Friday, BC cycle

SECTION: Domestic News

LENGTH: 350 words

HEADLINE: Report: Energy department may relax rules to speed plant reopening

DATELINE: NEW YORK

KEYWORD: Nukeplant

BODY:

The Department of Energy has been urged to relax safety rules at South Carolina's Savannah River nuclear plant so it can hasten the reopening of the facility, The New York Times reported Friday.

John Ahearne, chairman of the department's Advisory Committee on Nuclear Facility Safety, told a Senate hearing Thursday that a proposal to ease safety rules has been put forth by Savannah River's operator, E.I. du Pont de Nemours & Co. The plant was closed last year for safety violations.

Du Pont is maintaining that the present definition of the worst possible accident at the Aiken, S.C. plant, the prospect of the sudden break of a major cooling water pipe, imposes an unlikely and unrealistic standard.

Instead, du Pont proposes that safety standards be based on a less catastrophic possibility, the rupture of a minor leak in a major cooling water pipe. This type of accident, unlike a sudden major break, would allow sufficient warning time for operators to cut off power to the reactor.

If the easier standard were adopted, the department could immediately reopen Savannah River, the Times said. The plant is the nation's only source of tritium, a radioactive form of hydrogen used in producing nuclear warheads.

The plant was closed by the department last year after discovery of assorted safety problems.

Ahearne told the Senate hearing that Energy Department officials do not support du Pont's push to substitute an easier safety standard at the plant, and that du Pont's proposal is not being given serious consideration by department members.

Richard Starostecki, the department's chief safety official, agreed with Ahearne, telling the Times that he had a "violent reaction to the proposal."

The disagreement is symptomatic of the differences of opinion between those responsible for safety and those in charge of weapons production at the nuclear plant, the Times said.

Admiral James Watkins, President Bush's nominee to replace John Herrington as energy secretary, said he would not comment on the dispute before his confirmation is discussed at a Feb. 2 Senate hearing.

2ND STORY of Level 1 printed in FULL format.

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January 23, 1989, U.S. Edition

SECTION: NATION; American Notes; Pg. 29

LENGTH: 189 words

HEADLINE: THE ADMINISTRATION;  
At Last, a Full Cabinet-to-Be

BODY:

George Bush seems to have found the position of Secretary of Energy the hardest to fill in the entire top rank of his Administration. Not until last week did he announce the last of his 14 Cabinet appointments, but then his choice drew much praise. His selection: retired Admiral James Watkins, 60, an expert on nuclear power, former Chief of Naval Operations and once a long-shot prospect to become father-in-law of Britain's Prince Charles (Watkins' daughter Laura Jo had a romance with the Prince before marrying an American actor). Watkins' last Government job was as head of Ronald Reagan's AIDS commission; he showed a gift for drawing agreement from people with very diverse views by coaxing a surprisingly compassionate report out of a sometimes quarrelsome group. Watkins' flexibility will be sorely tested in his new job. His biggest task will be to develop a strategy for resuming nuclear-weapons-fuel production and simultaneously cleaning up the fearsome pollution caused by now closed weapons plants -- so far without access to anything like the tens of billions of dollars in funding that will eventually be required.

GRAPHIC: Picture, James Watkins descColor., CYNTHIA JOHNSON

5TH STORY of Level 1 printed in FULL format.

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January 15, 1989, Sunday, ALL EDITIONS

SECTION: IDEAS; Pg. 3

LENGTH: 437 words

HEADLINE: Watkins Has His Work Cut Out For Him at Energy

KEYWORD: EDITORIAL; JAMES WATKINS; CABINET; ENERGY

BODY:

Eight years ago, President Ronald Reagan vowed to abolish the Department of Energy. Now that same department confronts one of the most enormous, expensive and difficult tasks Washington faces: Cleaning up the mess at the government's nuclear installations while ensuring the nation has the materials it needs to maintain a nuclear deterrent.

And retired Admiral James Watkins might just be the right man for that job.

Last week, President-elect George Bush rounded out his Cabinet by naming Watkins to be his energy secretary. Watkins gained national attention - and respect - last year as chairman of a presidential commission to study ways of combatting AIDS. Following its disastrous and disorganized beginning, Watkins pulled the commission together and produced a thoughtful set of recommendations.

Watkins retired in 1986 following four years as chief of naval operations and is a veteran of the Navy's nuclear propulsion program. He has little experience in other energy matters. But, as Bush noted, other appointees can fill those gaps. Right now, the priority is DOE's troubled nuclear program.

Almost at the very moment that Bush made Watkins' nomination official, Reagan released a report calling for spending \$ 81 billion over 20 years on that program - some of it for the wrong things. To his credit, Bush said he is not committed to the report, which envisions at least \$ 52 billion in new or upgraded facilities and only about \$ 29 billion for cleaning up the radioactive and chemical pollution.

That's backwards. Among other things, the report calls for the construction of not one but two new reactors - at a cost of about \$ 7 billion - to produce tritium, a radioactive gas that increases the power of nuclear warheads.

With a reduction in nuclear weapons through arms control treaties a real possibility, it's sheer, expensive folly to embark on a program to construct two new reactors.

In other respects the report is on target, however, including phasing out and cleaning up badly contaminated nuclear weapons facilities in Ohio and near Denver, Colo.

While nuclear matters will require much of Watkins' own energy, the nation cannot afford to have other energy matters overlooked. Oil consumption is way up, burning fossil fuels threaten the planet and the whole business of

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generating and distributing electricity is in a state of flux. Conservation and renewable energy have been sorely neglected during the Reagan administration. What the nation needs - and what we hope Watkins can help the new administration and Congress formulate - is a real national energy policy.

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JANUARY 12, 1989, THURSDAY

SECTION: CANDIDATE &amp; ELECTION RELATED INTERVIEWS &amp; DEBATES

LENGTH: 8274 words

HEADLINE: PRESIDENT-ELECT BUSH

ANNOUNCES ADMIRAL JAMES WATKINS AS SECRETARY OF ENERGY; AND  
WILLIAM BENNETT AS DIRECTOR OF THE WHITE HOUSE OFFICE OF NATIONAL  
DRUG CONTROL POLICY  
ROOM 450, OLD EXECUTIVE OFFICE BUILDING, WASHINGTON, D.C.

KEYWORD: BUSH-01/12/89 WATKINS,BENNETT

Announcement

BODY:

PRESIDENT-ELECT BUSH: Well, good afternoon. Today I'm announcing two appointments that will complete one level of the process that began right after the election: that of finding the most talented, diverse and energetic group of people to serve at the Cabinet level. We're now starting very actively, full speed ahead on the level just beneath this. But, knowing of the interest, I wanted to get these announcements made.

I'd like to announce my intention to nominate Admiral James Watkins, the former Chief of Naval Operations, to serve as the US Secretary of Energy. As you know, the Department of Energy has as part of its mission responsibility, for matters that are of the most importance to the future and security of the nation, not only the development of energy policies -- which will insure an adequate supply of energy for a growing nation, reduce our dependence on foreign oil, and protect and preserve our environment -- but also the design and production of nuclear weapons that are vital to our national defense.

Admiral Watkins is uniquely suited to carry out these important tasks. And I am confident that he will do so with the great skill he has brought to every single mission in his long and distinguished career. The Admiral served his country in the Navy for 37 years after his graduation from the Naval Academy in such key posts as the Commander of the Sixth Fleet, Commander-in-Chief of the Pacific Fleet, Vice Chief, and later Chief of Naval Operations. And since then, of course, the Admiral served as Chairman of the AIDS Commission, and did what can only be described as a brilliant job. He has long experience in the Navy's nuclear-powered submarine program, from bringing a new reactor plant online, to commanding a nuclear-powered submarine, to managing nuclear programs here in Washington. This experience will indeed serve him well as he assumes his new responsibilities, and I'm committed to solving the problems which exist within our atomic energy defense complex. And I'm sure that with Jim Watkins at my side, we're going to do just exactly that.

I'd like to add two more personal observations about Jim. First, I've been impressed, during his long and varied career, with his concern for the people in the Navy. As Vice President, I had a chance to witness this from a very good vantage point. Concern about people. Not just for taking care of our military personnel and their families, but especially for inspiring young people towards excellence, ethical standards and ultimately success. And I know he's going to bring that same commitment to the DOE. Certainly his taking on the vital task that he has demonstrates anew his commitment to serving his country.

And secondly, we spoke in our meeting about his commitment to protecting the

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environment. And his view, which I share, that it is not at all inconsistent with advancing both energy security and national security needs. Both Jim and I feel that a domestic oil and gas industry is vital to our national security interests. And we can have both a safer and more secure nation, but we cannot rely on only one energy source -- nuclear power, oil, gas, coal, other sources, all will be needed to meet the energy requirements and the security requirements of the United States in the years ahead.

My second announcement today concerns the federal government's response to a serious national problem, as serious as any that we face today. I think if you took a poll, the American people would say it is the most important problem we face. Certainly it's as serious as any problem we're likely to face in the years to come, and I'm talking, of course, about drugs and drug abuse. I'm talking about drug interdiction of narcotics coming into this country. I'm talking about education, so that we can cut down on the demand for drugs in this country.

And so let me tell you where I think we stand. It's an often-used metaphor, but it's really the only one that really serves. We are at war. Drugs are a terrifying, insidious enemy. They challenge almost every aspect of American public policy -- the law, our national security, our public health. And the threat they pose reaches deep into our nation's soul. It touches our very character as a people. And it touches our future, our next generation, the nurture and protection of our children.

Defeatism and despair about drugs simply will not do. We have one formidable weapon in our arsenal: American opinion. The nation has turned a hard eye now on drugs. Zero tolerance is becoming a national attitude, and one I mean to encourage. And this new consensus gives us an opportunity we can't afford to miss. We can use it to develop a meaningful, tough, consolidated national strategy against drug trafficking and drug abuse, against both supply and demand. And as President, I am committed to lead that effort, and I plan to be personally involved.

Now the Congress has authorized creation of a White House Office of National Drug Control Policy at Cabinet level. And I am especially pleased to announce my intention to nominate my friend, Bill Bennett, former Secretary William Bennett, to head that office as its director.

As you know, Bill has already had two -- at least, two distinguished careers: First, in academic life as a teacher and philosopher; and then too, in public life, most recently as President Reagan's Secretary of Education from February '85 until just last fall. And in that office, he served on the White House Drug Enforcement Policy Board, and he was the leader of anti-drug efforts in our nation's schools.

It's coincidental. As Jim Watkins was heading this AIDS Commission and putting emphasis on the education -- the importance of education there, Bill Bennett, right along the same track, fighting that problem -- the problem of better education, encouraging better education -- in our nation's schools.

And in his new job, Bill will be responsible for establishing and organizing a new and much-needed office in the White House, he will take the lead in developing a coordinated national drug policy, and I'll ask him to implement that policy working with the Congress and with all relevant federal state and local agencies and programs. It is a tremendous undertaking.

And the bottom-line is this. We need, fully and completely, to marshal the nation's energy and intelligence in a true all out war against drugs. We can and must win that war. And I'm delighted that Bill Bennett will be here to help me lead that campaign. So, Bill and Jim, welcome aboard.

Let me say a final word about both of these men. They bring to our administration valuable experience, rich insight from a broad array of areas,

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experience in tackling very difficult assignments and doing them well. And I'm going to value their counsel on a wide-range of issues that go beyond their specific responsibilities.

As in the past, I'm going to ask each one of them to say a word. And then, I'll be glad to take some questions, and then, courageously leave and leave the questioning to Bill Bennett and to Jim Watkins. Jim.

**ADM. WATKINS:** Thank you, Mr. President-elect, for giving me this special opportunity to serve you and to serve the nation again in government service. As you mentioned in your introductory remarks, I've had many years of educational and practical experience in the military, and more recently in the private sector, in matters related to safe and efficient operation of nuclear reactors.

This experience has confirmed my long-standing conviction that environmental and energy objectives can be made mutually compatible. Consequently, I reject the stamp of mutual exclusivity that some would arbitrarily assign to them. I have confidence that after I've had a chance to get my feet on the ground in the position of Secretary of Energy, I can help find that desired and balanced formula wherein safety is never subverted, environmentally -- environment is adequately protected, and national security and other energy objectives are achieved in harmony with each other.

This is my commitment to you, Mr. President-elect; to the members of Congress with whom I'll be working closely on these issues; and to all Americans who are concerned about the many complex energy issues facing our nation today. Thank you very much.

**SEC. BENNETT:** I very much admire the President-elect, and I wish to thank him today for his confidence in me. I am honored by it, I am buoyed by it. And I shall reciprocate his confidence in me by loyal service to him.

I look forward to working closely and cooperatively with my colleagues in the Cabinet, in the agencies, and in the Congress, and with the many groups of citizens all around the United States united by their opposition to illegal drugs.

Finally, I would say this. This business, this drug business, is a serious business; and this government, this administration, intends to take it seriously. I accept this nomination with humility, conscious of the enormity -- conscious of the enormous task that lies before us, and I accept it with a firm resolve to do my best to make things better. Thank you very much, Mr. President.

**PRESIDENT-ELECT BUSH (to the press):** Fire away!

**Q** Mr. President-elect, how would you explain to the Texas oil and gas men how Mr. Watkins' background suits him to address their problems?

**PRESIDENT-ELECT BUSH:** I'll put it this way. They've got a President of the United States that came out of the oil and gas industry, that knows it and knows it well. Admiral Watkins shares my views, as expressed in my opening statement, about the need for a strong oil and gas industry in terms of our own national security, among other things -- leave the economy aside for moment, in terms of our national security. So, we're compatible there. I expect in the Department of Energy we will see people in high levels who are experts in the hydrocarbon business, in oil and gas. I have long been convinced, and the Admiral agrees, that deregulation in natural gas, for example, is very, very important. And I hope, with his help, we can make headway on that in the Congress.

The Department of Energy has many areas of responsibility. One that is crying out now for a solution -- one problem area -- is this whole nuclear field. And Texans have a big stake in seeing that handled very well, as do the rest of the 49 states. So, we have, in Jim, a man who has been a tremendous success. His area of energy expertise happens to be in the nuclear end, but his knowledge

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of the world as a former chief of naval operations has him understand as well as any of his predecessors, if not better, the need for a strong domestic oil and gas industry. Right down here.

Q You have handed these two men some pretty difficult tasks. How are they going to manage them without a major infusion of new cash?

PRESIDENT-ELECT BUSH: Well, I'll let them answer those questions. But you could ask that same question of every one of the Cabinet designees before them. And these are tough times, because I am committed to getting that budget deficit down. But we are going to have to find ways to solve the problems of nuclear energy, or certainly of fighting drugs, within perhaps existing resources or maybe slightly higher increases for spending in those areas. But look, if the question -- if I could paraphrase it and say, "Would it be a lot easier for them if they had unlimited funds to spend?" the answer would clearly be yes. But regrettably, we're not living in that kind of a time. Yes?

Q Mr. President-elect, Bill Bennett's friends say that he has been a heavy smoker for many years; he's tried to quit and has not been able to quit. The Surgeon General has said that tobacco should be classified as a drug and has killed 50 times as many people as cocaine and heroin addiction. Are you aware that Mr. Bennett has been addicted to nicotine? (Laughter.) And do you think that he's going to be able to educate the public about quitting drugs if he's had this problem with his addiction?

PRESIDENT-ELECT BUSH: I would let him refer to anything on his personal habits, and I'll give equal time to all the smokers in the room here. But I would simply say that he knows his mandate. He will do a superb job in fighting drugs. Yes, Dave?

Q Mr. Vice President, the nuclear issue that you've raised today is likely to be very expensive; some people talk about \$100 billion over several years. Another big item that may be confronting you in your first year is the savings and loan industry crisis, also in many billions. Do you plan to ask Congress for money to address these two problems? And can you also, at the same time, under the flexible freeze, fulfill your other priorities if these two things absorb a lot of that money?

PRESIDENT-ELECT BUSH: Dave, you could have kept the list going in terms of what I read about how much a lot of other things are going to cost. But that's one of the things we're grappling with right now is how to solve these problems within the confines, the parameters, of the commitment I made to the American people. And we will be able to do that.

Yes, John?

Q Mr. Vice President, you offered the drug post to Senator DeConcini, obviously, or apparently, with bipartisan interests involved. Bill Bennett hasn't concealed his interest in partisan politics. Have you asked him to renounce his interest in politics? And can you demonstrate that this is truly going to be a bipartisan position?

PRESIDENT-ELECT BUSH: It has to work with both sides of the Hill. But I'm not going to ask him to renounce that vim and that vigor and that determination that made a howling success in President Reagan's administration as the Secretary of Education. I don't like to think that fighting drugs is a Republican problem or a Democrat problem. And I think the members of the Congress that I've talked to would agree with that. And he will approach this as a national problem. He's not going in there to ask some guy in the police department if he's a Republican or a Democrat, or some interdiction officer what their politics are, or somebody on the Hill whether we ought to have a Republican or a Democratic policy. We are going to formulate, under his leadership, a national drug policy. We've been handed legislation that I am determined to enforce. Some know here that I might have handled that slightly differently because of what I said in the

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campaign. It's the law of the land; we're going to make it work. And we've gotten the best man available to make it work.

Yes?

Q Mr. President --

Q Yes, Mr. Vice President --

PRESIDENT-ELECT BUSH: The gentleman here, and then we'll try to get right back there.

Q Thank you. On the issue of energy and national security, in Mexico workers for the state-owned Pemex oil company are holding a major demonstration today and planned strikes in protest of the arrest of the leader of their union, which they say is actually related to an effort to privatize Pemex by the government there. In the event these workers were to take over Pemex somehow, do we have contingency plans here, given that that would threaten our strategic oil reserves?

PRESIDENT-ELECT BUSH: One, I don't believe it would threaten, our strategic oil reserves. There is oil available to fill the strategic reserve. Two, that is an internal matter for the state of -- for the country of Mexico. And the action taken by Mr. Salinas doesn't need anything from us in terms of criticism or applause, except I think I will editorialize to this extent and say that it appears he took a very bold action, and courageous action. That some allege it has to do with the privatization of the energy industry in Mexico comes as a surprise to me, because I have had no indication that that is what's at stake in Mexico at all, and I'm one who has -- years ago, did business down there. Yes?

Q Mr. President, last year there were over 3,000 leveraged buyouts, mergers and acquisitions, both friendly and unfriendly. There's very few publicly owned corporations left. What are you going to do to stop this alarming trend?

PRESIDENT-ELECT BUSH: First place, you're talking to one who would, as much as possible, rely on market forces. Secondly, if there are abuses of our tax laws, they will be seriously -- the whole tax law will be reviewed to see how they can be eliminated. For example, if people say that equity is debt and has to be treated as debt, and, indeed, it really is equity, there are things you can do in the tax laws to correct that. But I am not against bigness. I am not in favor of the government picking winners and losers. I am in favor of the government seeing that there is no abuse through the tax system.

Q This position of so-called drug czar is a new one. This is a first. Operationally, how do you see this proceeding? Do you see Secretary Bennett's primary set of attentions to be toward coordinating or using a bully pulpit? Do you envision a Drug Policy Board anew? How do you see this working?

PRESIDENT-ELECT BUSH: We have a board that's mandated. We have a coordinating work, in that each secretary will have some bite of the apple in interdiction. Obviously, the Department of Defense has major control of those resources, although Treasury, with its fantastic Coast Guard interdiction, has a lot to say about that. It has an international component that the State Department has a major hand in. There -- it has, as I mentioned in my remarks, an intelligence component.

And I see Bill coordinating, working -- and he and I have talked about this -- working with these secretaries. Now he's got to lead. He's got this portfolio. He's got on his hands the mandate to beat back the drug problem. And so it is a coordinative role. It is one where he is going to have to be out front leading the way in a lot of areas. He's already demonstrated a wonderful ability to do that in education. My view, I think, is in accord with his, and you could ask him, that both of us feel that the problem cannot be solved by interdiction alone, and that throws us into the major approach on the demand side.

He's got to work very cooperatively with Dick Thornburgh, the Attorney General, and the actual law enforcement, and so it is an anomaly in a sense. There's

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nothing like it. There hasn't been anything like it. But nobody's faced -- no administration has had to really face this national problem in these dimensions before, and yet nobody's had the -- a guy like Bill Bennett willing to take it on before. So it'll work. It'll work.

Yeah, Norm?

Q The White House today released a report to Congress that outlines a plan that over 20 years is estimated to cost \$81 billion to clean up, to upgrade and modernize the nation's nuclear weapons production facilities. Are you committed to the findings and recommendations of that report? And also, how do you intend to act on that immediately after the 20th of January?

PRESIDENT-ELECT BUSH: I'm not committed to any report. I'm committed to asking Jim Watkins to immediately take a look at that and everything else that's around and formulate a national energy policy that clearly will include the safety and the cleanup aspects that I talked about --

Q But isn't there a risk there of further delays that could cause additional national security concerns?

PRESIDENT-ELECT BUSH: I think there's a risk, if we imprudently go forward, until he and I have had a chance to take a hard look.

Yes, Jerry?

Q (Off-mike.)

Q Mr. President-elect, I wanted to ask you about --

PRESIDENT-ELECT BUSH: Yes. (Answering off-mike question.)

Q Thank you.

Q -- chemical weapons, an issue that's attracting a lot of attention right now, especially --

PRESIDENT-ELECT BUSH: Chemical? Yeah.

Q -- chemical weapons. What is your own reaction to these steps the Soviets announced last week about reducing their own stockpile of chemical arms? And secondly, if we're going to try to convince the Libyans not to build a chemical arms plant, would our position be enhanced if we had some kind of a moratorium of our own on our own production of binary chemical weapons?

PRESIDENT-ELECT BUSH: On the first part of your question, I'm glad that the Soviets have joined us in that. We've been doing that for some time. Secondly, I'd have to think about the second part. I think we're in a stage of starting on this problem, the solution of which I am strongly committed to, by non-proliferation. It seems to me that has to be the first step. And that is why there has been this understandable concern here and abroad about Libya. But, whether our program can be used as an escape from further proliferation by others, I'd have to think a little more about that. But my view is, I will press as President the follow-on to what our administration has been doing, press as President to try to find verifiable ways of eliminating these things. Yes, ma'am?

Q Yes. Two international questions. Your first international trip will be to Emperor Hirohito's funeral. Can you say anything to allay the concerns of criticism of some of the allied leaders?

PRESIDENT-ELECT BUSH: Well, I haven't seen criticism -- well, which -- if you'd refer -- maybe I will refresh my mind if you could tell me which criticism.

Q There's been pretty harsh statements made about Emperor Hirohito by the New Zealand's Defense Minister, for example, and Australia --

PRESIDENT-ELECT BUSH: Yes. Yes. I didn't know there were others. I know I'm doing the right thing to represent the United States of America at this funeral. Obviously, as one who served in the Pacific theater long ago in that war, if you'd have suggested to me on September 2nd -- get this date now -- September 2nd -- (laughter) -- 1944, that I would be representing the United States at this event, why, I would have found that a little hard to believe. But we

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have a strong relationship with Japan. The Emperor has conducted himself in that job with tremendous dignity from the day he went to see MacArthur there in Tokyo when the war ended. That set a tone for a recovery that built into friendship. And our relationship is strong. And what I am symbolizing is not the past, but the present and the future by going there.

Q And also, on your letter to Jonas Savimbi, can you tell us, have you written any other such letters of commitment to other leaders or --

PRESIDENT-ELECT BUSH: I probably have, but I can't give you an inventory. And if I could, I'm not sure I would, because some of these communications are understandably private. But clearly, in expressing my determination to support UNITA and urge at the same time reconciliation between dos Santos and Savimbi, I'm for that policy and I want to try to enhance it. Yeah?

Q Mr. President-elect, can you tell us or give us an idea as to why it took so long to choose an Energy secretary?

PRESIDENT-ELECT BUSH: I don't think it's taken so long. Please look at history -- average everything out. I think we've done very, very well. I have viewed this -- I've gone back and forth a little bit on it between the question that Will asked here, oil and gas and nuclear, or nuclear and oil and gas. But, I think I have properly concluded, because of the problems that I'm being asked about here today, that the top of that agency be in the hands of somebody with considerable experience in the nuclear field.

So, that took a little longer than perhaps -- if I'd been able to sort that out in my mind a little earlier, maybe we'd have moved a little more quickly. I'm not sure if I'd have said to Jim Watkins a month ago, would he do this, that -- because I just talked to him about his wonderful ambitions about doing more in the field of helping kids. He'd just come out of the success of this AIDS report a few months before that. And so maybe I, in waiting and trying to solve this problem after some of the other Cabinet, maybe I just lucked into something good.

Q Do you anticipate that on the choice of Admiral Watkins that there will be a resurgence of civilian nuclear energy research and development and promotion in this country?

PRESIDENT-ELECT BUSH: I hope so. But again, as he said, prudence, environmentally sound, but I don't think there's a person in the world that followed this campaign that doesn't know that I am convinced we are not going to solve the national energy needs of this country through hydrocarbons alone or through wind and thermal or coal alone. We must safely use nuclear power. And in appointing a man to head the Energy Department who has lived with the safe use of nuclear power and understands it, I think we've taken a very good step. Yeah?

Q Mr. President-elect, did you have any discussions with the Admiral about making sure that the Deputy Secretary you wind up nominating has oil and gas experience?

PRESIDENT-ELECT BUSH: I told Jim that that might be a possibility, but as in every other -- I would like him to consider that possibility, but as in all these other jobs, I am not going to saddle our Cabinet officers with deputies with whom they might or might not be compatible. But as -- the way it's worked, Norm, is that we've tried to work with our Transition Office ginning up a lot of good names, sitting with the Secretary. And I think that Admiral Watkins will do, as others are, work with the Transition people to find a deputy that's satisfactory to him. If it proves to be somebody from, with knowledge of, the oil and gas business, that would be very agreeable to me, because I am -- I don't want to send any signals that indicate less than a continuing interest in a strong, independent, domestic oil and gas business.

Yes?

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Q Mr. President-elect, the modernization of the defense nuclear facilities is estimated to cost \$81 billion, which is nothing compared to the estimated cost of cleaning up these sites. You said you're not committed to the report, but are you committed to a full cleanup of the radio-active sites around the country?

PRESIDENT-ELECT BUSH: Sure, absolutely.

Way back there.

Q Mr. Vice President --

PRESIDENT-ELECT BUSH: Two more after this. Once, twice, and one on this side, so we're fair -- this lady back here.

Yes?

Q We're told that you're going to be meeting with your full Cabinet later this afternoon to give them their marching orders. What are you going to tell them?

PRESIDENT-ELECT BUSH: Just a minute. (Laughter.)

Q Good afternoon.

PRESIDENT-ELECT BUSH: (Laughing.) Yeah -- I would leave it, "good afternoon." I'm going to tell them to think big. (Laughter.) I'm going to tell them to challenge the system. I'm going to tell them to, as each one of them has demonstrated, to adhere to the highest ethical standards. I'm going to tell them I don't like "kiss and tell" books. (Laughter.) I'm not going to censor, but I'm going to tell them what I think. This will come as a surprise to some -- I'd rather see their name on the record than insidiously leaked to somebody; be on the record as much as possible. It's better for your profession, and it's certainly better for mine.

I don't mind differences being aired. I want them to be frank, I want them to fight hard for their -- their position. And then after I make the call, I'd like to have the feeling that they'd be able to support the President. [I'll] talk to them a little about personnel.

(Jokingly to Watkins and Bennett.) You guys don't have to come to the meetings, now. (Laughter.)

I'll tell them to work with Congress. We're going to have some fights with Congress, but we're not going to approach it as though we're dealing with the enemy, whatever party they're from, whatever philosophical bent the member of Congress adheres to. I'm going to ask -- tell them that I welcome their suggestions as to how Barbara and I can enhance their work. Have a nice house over there, and a lot of ways to hopefully be helpful in that side, from the East Wing side of things.

I'm going to tell them I want to see some strong representation of minority faces in these jobs. I'm going to tell them I'd like to see us represent the United States with dignity, but I don't believe that means we need any imperialism in the way we approach spending on these matters. I don't think we'll see a lot of my sons, my daughters, or their sons and daughters on the payroll. And I might think of something else before we get through. Let's see, there was one on the end back here, and then one, and then I'm going.

Q What can you tell us about the ethics advisory group you're going to appoint? And will they be looking at ethics not only for elected officials, but at the Pentagon as well?

PRESIDENT-ELECT BUSH: I think that the ethics -- I am committed to sending up an ethics bill, and under the auspices of our Chief of Staff obviously, but then general counsel. We will do what I indicated in the campaign I'd do in terms of formulating ethics programs. And it will apply government-wide, and hopefully will be of some help to all branches of government. And I hope that the recommendations I make will be realistic and will not be -- not prevent government from attracting men and women of integrity, but -- by over-regulating, over-legislating in this field.

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Q There's a report that you're going to appoint an advisory group which will get back to you within 30 days. Is that what you're going to do?

PRESIDENT-ELECT BUSH: Well, I've got to read tomorrow's paper, because I didn't know we'd even announced an advisory group yet. So I'll have to reserve on that until I understand how accurate what I'm going to do is. (Laughter.) Yeah, last one.

Q Your inaugural is reported to cost somewhere in the vicinity of \$25 million. And given the social problems that abound, and granted that most of that money is private, are you comfortable with the kind of signals that spending sends?

PRESIDENT-ELECT BUSH: Not entirely. But I'm comfortable with the concept that this inauguration has more events that are free and open to the people, I'm told, than any of our predecessors'. But I think it'll be -- I think it'll have some glamor to it, but I also think it'll have a lot of history, a lot of patriotism, a lot of unity. And so, it's -- I can understand why you asked the question, but I do think the fact that it is private funding is a very good thing, and so it's -- for the most part; there's some military support for this inauguration, as others in the past -- but I think that a country should have, every four years, something as unifying, with the pageantry and the drama, of an inauguration. And so, I have no apologies for the way we're doing it at all.

Q I have one last follow-up which is --

PRESIDENT-ELECT BUSH: Is it along the same lines?

Q It's very short.

PRESIDENT-ELECT BUSH: Oh, good.

Q (Inaudible.)

PRESIDENT-ELECT BUSH: (Laughs.) I've said all I can about that.

Q Is the tone and theme --

PRESIDENT-ELECT BUSH: Sure, it is.

Q Is your tone and theme of your inaugural address --

PRESIDENT-ELECT BUSH: Haven't gotten into that yet. We're just beginning to work on it. But it's not going to be a 20-point program for solving the nuclear waste program, I'll tell you that. Last one.

Q Mr. President-elect, are you planning to continue the practice of annual summits with Canada? And if so, when are you planning to meet the Canadian Prime Minister?

PRESIDENT-ELECT BUSH: Well, very early, on the second part of your question. And I'm not -- I'm thinking quickly here about annual summits. I think it's worked home and home arrangements, you know, and I certainly would want to continue that. We're not going to take for granted our neighbors to the north or to the south. And I think it should continue. I was thinking here as to whether to suggest to, by way of this medium, some changes to Prime Minister Brian Mulroney. But I think that the idea of every other year, home and home, is a good thing, and certainly at a minimum, would be what I'd want to recommend and talk to them about.

Now, thank you all very much, and Jim and Bill, you want to take over? Good luck. Thank you.

Q Admiral Watkins --

ADM. WATKINS: Yes?

Q The word is out on the 2010 report on how to modernize the defense facilities around the country -- the nuclear facilities. Have you seen the report? And what are your thoughts on it?

ADM. WATKINS: No, I have not seen the report. I understand it's out. Some of the figures were reported here today. I have read some of the articles in the various -- Congressional Review, the General Accounting Office letter to Senator Glenn and others. So I have a general feel for the order of magnitude. Obviously I'm going to have review this, the first order of business before

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the confirmation hearings.

Q A follow up, please. The balance has to be reached between production of these nuclear facilities and safeguarding the environment.

ADM. WATKINS: Absolutely.

Q As a former military man, what can you tell people about your desires on (the environment ??)?

ADM. WATKINS: We had -- I have 25 years of experience in that very area. I'll tell you one thing that Admiral Rickover did, he inculcated into us an intense feeling about protecting the environment. So much so that we stripped out our own regulatory authority and kept it within the Navy, because his prediction in 1962 to me, when I worked for him on his staff for four years, that within 20 years we would have a serious accident in the private sector because there were corners being cut. And it was only 17 years later that Three Mile Island took place.

Since that time, the nuclear power industry and the private sector has gotten their act together through the Institute of Nuclear Power Operations. They put \$65 million a year into 400 people that do nothing but come in and tell them what they're doing wrong. And they share that information industry-wide. And we're beginning to pull out of it. And it's taken ten years now, and it's about time to demonstrate to the American people we can do it sensibly, responsibly. We can get rid of that waste. We can control it right. We can put the research into waste management, which is not a very exciting issue, but a very critical issue.

And I believe that same expertise that we applied there, that had safe nuclear operation for over 30 years, can be applied to all aspects -- not just in the nuclear power industry, but in weapons development plants which actually are operating nuclear reactors.

Q (Are you an ?) environmentalist?

ADM. WATKINS: I don't know what that means. I am very conscious about the environment.

Q Secretary Bennett, do you feel that the military should have an expanded role in the war on drugs?

SEC. BENNETT: Well, I'm not going to comment on that, obviously, until I have a chance to talk to the Senate of the United States at confirmation, but there'll be more to say about that later.

Q Secretary Bennett, the President-elect described your performance at the Department of Education as a howling success; your critics might describe it simply as howling, that your combative attitude may, in fact, make it more difficult for you to do your job in coordinating with all these agencies and working with the Hill and taking on the drug issue.

SEC. BENNETT: Well, I will leave to the historians the ultimate determination of my legacy and my work at the Department. In terms of critics, everybody has critics, particularly people who try to do something. Ronald Reagan taught many lessons. One of the great lessons he taught was the difference between critics and box office. And that's a very important, very important distinction.

I plan to approach this job with great seriousness, with humility, as I've said, given the enormity of the task and with resolve to make things better. But it's a different kind of job than being Secretary of Education. It's going to mean more time on the Hill, I expect, more time meeting with colleagues in the other departments and agencies. It's more of a coordinating role. But it certainly has its aspects of -- if not howling -- but I wouldn't call that the right word -- of talking to the American people, having a conversation with the American people, because I think public opinion, public feeling, public attitude matters so much.

Q Secretary is there any way that you would want to harness the Reagans -- for

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example, Mrs. Reagan, who's been so vocal in this -- (inaudible)?

SEC. BENNETT: I certainly would. You can't be a good citizen alone, and, indeed, one would want to take advantage of any interested and involved person in this war against drugs. It's going to need -- require the efforts of many of us. A person as notable and who has made as notable a contribution as Nancy Reagan, obviously, would be someone you'd want to have involved. And as far as President Reagan, he -- when he lends his weight to any cause, there are better chances for its success.

(Mixed voices from the press.)

SEC. BENNETT: I have a call into the First Lady. I called her late this morning, and I expect I'll talk with her soon.

Q Admiral, Senator --

STAFF: Any more questions for the -- (inaudible)?

Q Yes. Mr. Bennett, with the profit motive so high, how much impact can be made, aiming at the demand side of the drug problem, and how would you go about that?

SEC. BENNETT: Well, again, there will be more to be said about that later. And I think it's proper to let the Senate hear my views on this once I've done my homework, but, as you heard the President-elect say, this is a problem of supply and demand. The Congress' view is -- was to put in a Deputy Director for Demand and a Deputy Director for Supply. You got to work all sides of this problem, all ends of this problem. If you just work one side, all the problems will flow to the other side. So, that's what we plan to take a look at.

Q Secretary Bennett, some of your critics have said that you're great at raising an issue, being a -- using the bully pulpit, but that you do not follow through. And if your task now is more coordinating and more on the follow-through side, how do you respond to those complaints?

SEC. BENNETT: Well, I respond by saying, I think I follow through fine, and I think I followed through fine at the Department of Education. But what is meant by follow-through? At the Department of Education, the real follow-through, the ultimate follow-through, obviously had to be in America's classrooms by America's teachers, principals, and so on. In the war against drugs, you don't, I guess, expect me to be walking a beat or patrolling in people's houses. It's going to have to be followed through by all of us, by a clear determination on the part of the American people, both those who have official responsibility and all of us in our private capacities to say that the stuff is wrong. That's where the real follow-through is.

Q When Congress was deciding the legislation on this new drug czar position, one of the House members during the debate said that he wanted "a real stud" in that position. (Mild laughter.) Are you a real stud? Can you take this and do something with it?

SEC. BENNETT: Am I a real stud? Well, I was asked whether I would give up smoking, whether I would give up politics. Now you ask -- (laughter) -- no, if there were ever any aspire-to-stud days, I left them back in high school or college -- (mild laughter) -- at the latest. But let me comment on that, since it's been raised, the smoking thing, you will not have a Director of National Drug Control Policy who smokes. I've been scolded about it and I deserve to be scolded about it. I don't deserve to be arrested for it, however. But you won't have that problem on this issue on the job.

Q Are you giving up smoking?

SEC. BENNETT: By the time I'm the National Director -- (laughter) --

Q (Inaudible.)

SEC. BENNETT: It's an honest answer. It's hard.

Q When you were the Secretary of Education, you took on a lot of sacred cows. You called school administration, "the great blob that eats education

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dollars." Do you see any sacred cows in the drug war that you're going to take on?

SEC. BENNETT: It's not the same thing. It's not the same universe. It's very different.

Q Mr. Secretary, was it your position, while you were Secretary of Education that kids in schools using drugs should be thrown out of the classrooms and is that still your position and what do you think that would accomplish?

SEC. BENNETT: We often referred at the Department and in our publication "Schools without Drugs," which I think is one of the very best publications on the subject and I think which the field appreciates as a very good publication -- we said in there that we admired certain school systems and we pointed to, specifically, the Anne Arundel system -- which I notice The Washington Post just editorialized about their position -- and I'm glad to see that the Post came to that view recently. The position at Anne Arundel is this: If you are drug pusher, you are expelled or you are suspended for a very long time or expelled. If you are drug-user, you are suspended for a few days.

You have to enter a counseling program. If you err and make a mistake and do it again, then you are suspended -- for a long period of time, or expelled. It's a very effective program. The most interesting thing about it is the fact that very few students end up getting expelled once they realize that the school authorities are serious. A lot of school systems around the country are emulating that.

The point, of course, is to be tough on this issue, but we certainly can't be tougher on our children than we are going to be on ourselves. Thank you.

Q Secretary Bennett, do you anticipate the need for new restrictions on transportation systems to inhibit drugs?

Q Admiral Watkins, there are some critics who are concerned that your military background will mean that you will put production of nuclear weapons ahead of concerns about safety, health, environment. Is that a legitimate concern?

ADM. WATKINS: No, it's not. It's no more a legitimate concern than it was that I was unqualified for the AIDS Commission, in my opinion.

Q Admiral Watkins, what do you think of that? The President-elect went out of his way to mention this. Both you and Secretary Bennett have been involved in the AIDS issue. Of course, in truth, you've been on very different sides of some issues. In particular, your strongest recommendation, the Commission's, was for anti-discrimination legislation at the federal level. Since the President-elect mentioned he feels very strongly about your role in that Commission, have you any assurance from him that he will put that anywhere near the top of his legislative agenda?

ADM. WATKINS: I have not spoken to the President-elect about that. But as you know, on the 28th of June he supported the anti-discrimination features of our recommendation, which were the most controversial. And I testified in support of the Americans With Disabilities Act before the 100th Congress. It is my personal feeling that that is key to getting on with control of the epidemic.

Q Do you have any fear that he might leave it on the back burner?

ADM. WATKINS: I do not have any -- I have not had any communications with the Vice President since he made this supporting statement. And at that time I called him, and I said, "You've done a very courageous thing, Mr. Vice President. You've supported the most controversial element of this report, and only a day after we met in the Oval Office." And I said, "You're going to lose a lot of right-wing votes." He said, "I know it, Jim, but it was the right thing to do." That gave me a tremendous feeling of optimism that we're going to move aggressively on a range of other issues contained in our report.

Q Admiral, what kind of an emphasis are you going to give on the development

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of "clean" nuclear energy, namely nuclear fusion? And do you see that there's any prospect for it?

ADM. WATKINS: I think it's very premature for me to get into that kind of detail right now. I understand the fusion process, I understand the technology. I do not understand, at this point in time, what the budget ramifications are, the programmatic ramifications of what's now in the budget. And I'll be studying those in great detail between now and the time I go up for Senate hearings.

Q Admiral, (inaudible) that that 1.8 billion in DOE cleanup for nuclear wastes -- nuclear or non-nuclear -- is woefully inadequate, and he recommended \$6 [billion] or \$7 billion a year. Have you any plans to sit down with the President-Elect and reconfigure in a major way DOE's budget to achieve --

ADM. WATKINS: You heard the President-Elect a few minutes ago talk about this report. He expects me to grab a hold of that report, to review it, to take all of the near-term actions necessary to work with the Hill, to find the reconciliation necessary, certainly in the '90 budget, and then, whatever has to be done to the '91 budget. It's going to take time for me to look at all of those ramifications to see where dollars need to be put in priority in order to achieve the mutually important objectives, which I mentioned in my statement, can be brought together.

Q Admiral Watkins --

ADM. WATKINS: Yes, right down here.

Q What mechanisms do you favor for shoring up oil prices, if any?

ADM. WATKINS: Well, you're -- you're touching me in Achilles' heel. I am not an expert in this area. I plan to work with the transition office and bring in oil and gas leadership that can work with me and give me that kind of initial strength I need before I can get up to speed. I am a fast learner, but I do not have the answer to those kinds of things. And they'll be at the focal point of my attention as I move through this early period prior to the hearings on the floor.

Q The Savannah River plant is engaged in a massive repair program. The Pentagon says it needs all three reactors operating by the fall. It's almost certain that all three reactors won't be operating by the fall. Do you anticipate ordering the reactors to be restarted before this repair program?

ADM. WATKINS: I do not have the whole picture on the lifetime of the tritium resources we have in the country at this point, and how they relate to national defense. I do not have that detail -- that's classified information that would not be discussed anywhere publicly, but I have to get into that. Those are the kinds of things I'm going to be briefed on in the next couple of weeks, and get up to speed, so I can put into my own context, the sense of urgency and the timing that's critical. And I think that will drive a lot -- it'll drive resources because I don't think there's many alternatives except that it will not be done at the expense of safety.

Q Admiral Watkins, do you favor policies to encourage energy conservation among drivers such as an increase in the gasoline tax to what it is in other countries or ordering or requiring that Detroit raises its mileage MPG standards?

ADM. WATKINS: Well, I'm not going to touch those kinds of things. I'm very anxious to find out exactly what DOE is doing in conservation of energy. There's a whole mission requirement. There's a whole section of DOE that is devoted to energy conservation, and I plan to get in it and find out exactly what that means; what are we really doing with the teeth in the program. And yes, I believe there should be teeth in the program. But I don't believe, at this point in time, it would be sensible for me to get into the specifics of that kind of thing.

Q Thank you.

10TH STORY of Level 1 printed in FULL format.

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January 12, 1989, Thursday, AM cycle

LENGTH: 796 words

HEADLINE: BUSH COMPLETES CABINET, NAMES ENERGY SECRETARY, DRUG CZAR

DATELINE: WASHINGTON, Jan 12

KEYWORD: BUSH

BODY:

President-elect Bush completed his Cabinet on Thursday by naming retired Admiral James Watkins as energy secretary and former Education Secretary William Bennett to head the government's fight against drugs.

Bush said Watkins, who will have to wrestle with the country's deteriorating nuclear weapons production facilities, "has long experience in the Navy's nuclear submarine programme" that would be critical in his new job.

(may be bylined Michael Gelb)

In introducing Bennett, Bush said that "we are at war. Drugs are a terrifying and insidious enemy."

Bush, who succeeds President Reagan on January 20, said most Americans would rate drug abuse as the country's number one problem and declared:

"The nation has turned a hard eye on drugs. Zero tolerance is becoming a national attitude and one I mean to encourage."

Bennett, who served as Reagan's education secretary from 1985 until last summer, said: "This drug business is a serious business and this government, this administration intends to take it seriously."

Watkins, a former chief of naval operations who once commanded a nuclear submarine, said national energy security was compatible with a clean environment.

The former naval commander, 61, was chairman of President Reagan's AIDS task force, which produced a comprehensive report on the magnitude of the killer disease in the United States.

Watkins had publicly accused Reagan of reacting too slowly and committing too little money to combat Acquired Immune Deficiency Syndrome.

Bennett, 45, will be filling a post created by Congress last year.

A favourite of the Republican Party's hard right wing, he became a subject of controversy during his tenure as education secretary for his sharp criticism of much of the U.S. education establishment and his advocacy of conservative positions on such matters as abortion and sexual behaviour.

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A Washington Post columnist once described him as "a pseudo-tough guy who caters to the darkest resentments of the frustrated right."

Before joining the Reagan cabinet, Bennett was chairman of the National Endowment for the Humanities in Washington. He also taught at the University of North Carolina and North Carolina State University.

Bush defended his choice of Watkins, who has no experience in either the oil or gas industry, by citing his own experience in running an oil drilling company in Texas in the 1950s.

"They've got a president of the United States that came out of the oil and gas industry, that knows it and knows it well," he said in addressing oil industry concerns.

He has previously said he wants to emphasise the importance of modernising the nuclear weapons facilities.

A White House report released just prior to the news conference estimated it would cost 81 billion dollars over the next 20 years to update the nuclear plants, which are administered by the Department of Energy.

Other estimates say clean-up and repair costs will exceed 100 billion dollars.

Bush said he was not committed to any specific plan and would ask Watkins for recommendations.

Bush confirmed a Washington Post report that he would continue U.S. support for Angolan rebel leader Jonas Savimbi, and he defended his decision to attend the funeral of Japanese Emperor Hirohito.

Bush's fighter plane was shot down in World War Two combat against Japan, and he referred to that in dismissing criticism of himself and other leaders for honouring Hirohito, who led Japan during that war.

"Obviously, as one who served in the Pacific theatre long ago in that war, if it was suggested to me on September 2, 1944 (the day he was shot down) that I would be representing the United States at this event, why, I would have found that hard to believe.

"What I am symbolising is not the past, but the present and the future," he added.

Bush's cabinet, which was to meet as a group for the first time on Thursday night, is one of the most ethnically diverse in American history.

Although the group is predominantly white male, two Hispanics, one woman and one black are included among the 14 cabinet secretaries. Bush also named a woman to the cabinet-level position of trade representative.

The group is heavily laden with veterans of the Reagan administration. Six of the 14 cabinet secretaries held cabinet or cabinet-level posts under Reagan.

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Asked what instructions he would give his cabinet at their initial session, Bush said:

"I'm going to tell them to think big. I'm going to tell them to challenge the system."

He also said he would stress the importance of high ethical standards.

In reference to a number of embarrassing books written by former members of the Reagan administration, he added: "I'm going to tell them I don't like kiss-and-tell books."

SUBJECT: POLITICS

12TH STORY of Level 1 printed in FULL format.

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January 12, 1989, Thursday, AM cycle

LENGTH: 412 words

HEADLINE: BUSH ENERGY SECRETARY A NUCLEAR WEAPONS EXPERT

BYLINE: By Robert Kearns

DATELINE: WASHINGTON, Jan 12

KEYWORD: BUSH-WATKINS

BODY:

President-elect Bush named retired Admiral James Watkins as energy secretary on Thursday, handing him a mission to sell Congress on the costly overhaul of the nation's troubled nuclear weapons industry.

Watkins, 61, best known for leading President Reagan's AIDS commission and credited with persuading Reagan to support the controversial "Star Wars" programme, will be taking over one of the most difficult cabinet posts.

The Energy Department spends two-thirds of its 15 billion dollar annual budget on the nuclear bomb programme, now at a standstill because of environmental and technical problems.

Senate sources said Watkins should be confirmed in the post in two to three weeks.

In choosing Watkins, Bush ignored the advice of supporters and Texas business friends to name someone to the post with closer ties to the oil business. But Bush strongly suggested that Watkins pick a deputy familiar with oil and gas issues.

All U.S. nuclear weapons plants are now shut down and Energy Department officials have cited formidable obstacles to restarting them anytime soon without quick infusions of funding from Congress.

The department has estimated it would cost up to 92 billion dollars alone to clean up radioactive and chemical pollution at the 17 plants that manufacture or test nuclear weapons material, an estimate that may be conservative.

A report to Congress made public by the White House on Thursday said about 81 billion dollars would be needed through 2010 for modernisation and environmental restoration.

Watkins knows the nuclear weapons business first hand.

Like former President Jimmy Carter, he served under Admiral Hyman Rickover, the "father of the nuclear navy." He commanded the first nuclear attack submarine in the mid-1960s.

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Watkins, named by President Reagan to run the Navy in 1982, was the first nuclear submarine commander to rise to that rank.

Watkins, a devout Catholic, won praise from AIDS activists last year for chairing a presidential commission on Acquired Immune Deficiency Syndrome that issued a hard-hitting report criticising government lethargy in dealing with the disease.

Watkins, who was born March 7, 1927, graduated from the U.S. Naval Academy in 1949, has a masters degree in mechanical engineering and studied nuclear reactors at the Oak Ridge National Laboratory.

His mother, Louise Ward Watkins, sought the Republican nomination for a U.S. Senate seat in 1938, an unusual move for a woman at the time.

SUBJECT: NUCLEAR