

Energy Legislation

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ENERGY CALENDAR

ANTICIPATED
CONGRESSIONAL ACTIONS

.....

WEEKS	CONSERVATION	TAX	PUBLIC OPPORTUNITIES	MEETINGS: GROUPS/PEOPLE
<u>Week 1</u>	Preliminary informal sessions begin between House and Senate conferees. Begins Wednesday of this week.	Finance Committee staff will draft bill to be reported out to the Senate from the Committee.	*President's trip to <u>Michigan, Iowa, Colorado, and California</u> *Schlesinger on "Face the Nation" *Vance on "Meet the Press" -Vice-President Mondale on morning talk show(s)	-Private meeting with Senator Long -Private meeting with Senator Kennedy -Private meeting with Senator Bentsen -Private meeting with George Meany (ALF-CIO) -Private meeting with Doug Fraser (UAW) -Meeting with leaders of consumer groups *Regular leadership breakfast *Meeting with House conferees
10/17- 10/23				

Code: An asterik (*) beside an event or meeting means that it is already scheduled while a dash (-) means that it is recommended for your consideration and approval.

ENERGY CALENDAR

ANTICIPATED
CONGRESSIONAL ACTIONS

WEEKS	CONSERVATION	TAX	PUBLIC OPPORTUNITIES	MEETINGS: GROUPS/PEOPLE
	Informal conference committee continues to work on portions of bill on which there appears to be some basis of agreement. No final decisions will be made until tax bill is under active discussion by other conferees.	Senate floor debate on tax measures begins - possible final action on tax portions this week.	*Regular bimonthly news conference -Vice-President on major Sunday program -Cabinet activities in full swing -Schlesinger on major morning news program	*Regular meeting with newspaper editors -Private meetings with key Senators continue -Vice-President continues to meet with key Senators -Schlesinger holds "leadership briefings" at White House for business leaders, black and Hispanic leaders, environmentalists and labor leaders. Possible drop in by President or Vice-President *Regular Congressional leadership breakfast *Possible meeting with Senate conferees
<u>Week 2</u>				
10/24 - 10/30				

Code: An asterik (*) beside an event or meeting means that it is already scheduled while a dash (-) means that it is recommended for your consideration and approval.

ENERGY CALENDAR

ANTICIPATED
CONGRESSIONAL ACTIONS

WEEKS	CONSERVATION	TAX	PUBLIC OPPORTUNITIES	MEETINGS: GROUPS/PEOPLE
<p>.....</p> <p>Week 3</p> <p>10/31 -</p> <p>11/6</p>	<p>Continued informal conference on conservation issues which can be most easily resolved. Once conference on tax measures begins, this conference will begin to work on major problems and differences - including dererulation.</p>	<p>If tax bill was not passed by the Senate in the previous week, final action this week. Conference committee begins work on tax portions of energy plan. Chance that at least several days will be taken getting conference committee's work organized.</p>	<p>-Address to nation by the President, possibly on the day that the conference committee begins its work**</p> <p>-Cabinet activities continue</p> <p>-If necessary, Vice-President makes trip into targeted states on behalf of energy plan</p>	<p>*Regional editors briefing</p> <p>*Congressional leadership breakfast</p> <p>-Private meetings with Senators continue</p> <p>-Private meetings between Vice-President and Senators continue</p>

**It is the collective judgment of the people that we have talked with that we should save our "Address to the Nation" until the formal conference committee begins. This will have a public effect and will also create some sense of urgency among the members of the conference committee and among their colleagues who will be sitting around waiting for them to act. This should result in tremendous peer pressurs for them to "do something and do it fast".

ENERGY CALENDAR

ANTICIPATED
CONGRESSIONAL ACTIONS

WEEKS	CONSERVATION	TAX	PUBLIC OPPORTUNITIES	MEETINGS: GROUPS/PEOPLE
Week 4 ** 11/7 - 11/13	Both "tax" and "conservation" conferences will be going on simultaneously. Chance that conference committees could finish their work this week. If finished early in the week, there could be critical votes in both houses this same week. If finished late in the week, debate and/or filibuster could take us into next week. Also, there is the possibility of a deadlocked conference.		*Regular Presidential news conference -Cabinet activities continue	-Private meetings with President and individual Senators -Private meetings with Vice-President and individuals Senators -Private meetings with Schlesinger and individual Senators

**It is almost impossible to anticipate and/or schedule this far in advance. We will ask Tim to keep schedule very loose, anticipating a lot of private meetings with individual members of Congress as Conference continues with chance of final action in each house on energy bill.

PERSONAL AND ~~CONFIDENTIAL~~

TO: PRESIDENT CARTER AND VICE-PRESIDENT MONDALE
FROM: HAMILTON JORDAN *H.J.*
RE: POLITICAL STRATEGY FOR PASSAGE OF ENERGY BILL

It was suggested by Stu and Jim Schlesinger in a memorandum to you that I be responsible for coordinating a "crash effort" to pass our energy legislation through the Congress. In this memorandum, I will attempt to do several things.

First, I have attempted to state the political premise for our efforts. Secondly, I have tried to define realistic objectives for our effort. Thirdly, I have attempted to present a calendar which reconciles our objectives, activities and resources with what Frank Moore thinks will be the likely timetable for Congressional action.

**"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12958, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1989"**

Bob Strauss and Jack Watson will be jointly responsible for the effective involvement and use of the Cabinet members.

Les Goldman will represent Dr. Schlesinger and the Department of Energy in the meetings and decisions of the Task Force.

Dick Moe will represent the Vice-President in the meetings and decisions of the Task Force.

Eliot Cutler will represent OMB in the meetings and decisions of the Task Force.

A "Task Force Daily Report" will be prepared each day and distributed to the principals. It will summarize the progress and problems of that day and report on any decisions and/or recommendations of the Task Force.

the master list of Senators for private meetings with the President, Vice-President and Schlesinger; and also for arranging special emergency meetings with conferees and others with the President. All political decisions should be cleared by Frank's staff, and all major public statements on the energy bill should be reviewed by Frank's staff in advance for their political input.

Stu Eizenstat and/or Kitty Schirmer will represent the Domestic Council in the meetings of the Task Force and in all decisions made by the group.

Jody Powell will represent the press office. He will be responsible for developing a coordinated media plan involving the President, the Vice-President, Dr. Schlesinger and the members of the Cabinet. Also, Jody's office will furnish suggested speech language and information to the persons who will be publicly representing the Administration. All media appearances by Administration spokespersons should be cleared in advance by Powell.

STAFF ASSIGNMENTS AND COORDINATION

To implement the plan presented here and coordinate our activities during the weeks ahead, it will be necessary to create a Department of Energy-White House Task Force which will meet every day to review progress and problems. This group will include the following persons and their areas of focus:

Hamilton Jordan will be responsible for convening the daily meeting of the Task Force and for overall coordination and execution of the plan. Frank Moore will be responsible for all political decisions as relates to Congress.

Frank Moore will be the principal contact with the Congress. Frank and his office will be responsible for drawing up

Ask Cabinet members to develop "media plan" for support
of Energy Bill and also conduct "political inventory"
for our use at the White House.

_____ Approve

_____ Disapprove

Ask Bob Strauss to serve as "cabinet whip" in this effort.

_____ Approve

_____ Disapprove

3. Tell them that you will expect a report at the next meeting on what they have each done to help you pass the energy bill.

Because it is difficult to get the Cabinet together and the matters that you are discussing are so sensitive, I would suggest that you ask to meet with the Cabinet members alone tomorrow for a few minutes - no White House staff or anyone present. I would present these ideas and ask them to all stay after the regular Cabinet meeting for 15-20 minutes to talk with Strauss, Schlesinger, Jody and Frank about what they can do to help us pass our energy plan.

In summary, I am suggesting that you:

Make a strong private pitch to the Cabinet tomorrow.

_____ Approve

_____ Disapprove

member should be encouraged to discern any special impact the energy crisis will have on its own constituent groups and users and incorporate that in all public statements.

Second, each Cabinet officer should be encouraged to conduct a "political inventory" of their relationships with members of the Senate. Special attention should be paid to personal friends they have in the Senate as well as pending projects and programs which are of interest to individual Senators. This should be done quietly and reported back to us as soon as possible.

To accomplish these steps and involve the Cabinet members in this effort in a meaningful way, the following things should be done:

1. Make a strong pitch at the Cabinet meeting Monday.
2. Ask Bob Strauss to be the "Cabinet Whip" in this effort. Tell the Cabinet that Bob Strauss will be working directly with them and reporting to you regularly on the activities of the Cabinet members. Ask them to cooperate with all of his requests. Jack Watson should work closely with Bob in this effort.

CABINET ACTIVITIES

It is important that the Cabinet members understand the political stake they each have in the passage of our energy legislation. I would strongly recommend that you outline to them at the Cabinet meeting Monday our plans for the next several weeks and the high significance that you attach to the passage of the energy legislation.

It is also important that they help us in this fight over the next few weeks in several ways.

First, they should incorporate in all of their public statements a strong pitch for our energy bill. To accomplish this and insure that we are all using the same information and themes, Jody's office will be responsible for providing them with standard information that can be tailored to fit each department and secretary. Each cabinet

Development of Media Plan for Secretary Schlesinger.

Working in coordination with Jody's office, Secretary Schlesinger will develop a media plan that will be compatible with the President's public appearances and statements and with the Vice-President's activities. This will include appearances on major morning talk shows as well as a possible appearance on a Sunday news program. This will be coordinated with Jody's office.

_____ Approve of concept. Will ask Schlesinger to develop plan with Jody.

_____ Disapprove/Modify.

Briefings for Leadership Groups. Working closely with Frank Moore and Hamilton Jordan, Secretary Schlesinger will arrange to brief the leadership of several key groups of people on the need for the Congress to pass our energy plan. Groups to be briefed include: business leaders, environmentalists, minority leadership, labor leaders and consumer groups. These briefings will begin immediately.

_____ Approve of plan. Will ask Schlesinger to work with Moore and Jordan.

_____ Disapprove/Modify.

ACTIVITIES OF THE SECRETARY OF ENERGY

Obviously, Jim Schlesinger should play a central and key role in this effort to mobilize public and political support for our energy plan. He can make a contribution in a number of areas. They include:

Private Meetings with Senators. Working with Frank Moore, Jim should develop a list of key Senators that he will agree to meet with personally over the next several weeks. This list should be prioritized and reconciled with the list of Senators that the President and Vice-President will be seeing.

_____ Approve of concept. Will ask Jim to meet with Frank Moore to develop working list of Senators to see.

_____ Disapprove/Modify.

Development of a Vice-Presidential Media Plan. Working in coordination with Jody's office, the Vice-President will develop a media plan that will be compatible with the President's own schedule and public appearances and statements. This will include possible appearances on major morning talk shows as well as an appearance on a Sunday news program. This will be coordinated with Jody's office.

_____ Approve of concept. Will ask the Vice-President to develop plan with Jody.

_____ Disapprove/Modify.

VICE-PRESIDENTIAL ACTIVITIES

It is important that the Vice-President take a visible and active role in this effort.

Private Meetings with Senators. Working with Frank Moore and Jim Schlesinger, the Vice-President should develop a list of individual Senators that he will agree to meet with personally on the next several weeks. This list should be prioritized and reconciled with the list of Senators that the President and Schlesinger will be seeing.

_____ Approve of concept. Will ask the Vice-President to develop working list with the help of Frank Moore's office.

_____ Disapprove/Modify.

Time Summary for Week 1

I have asked Tim Kraft to keep your schedule very flexible and loose for the next several weeks. He has built in a lot of time anticipating the necessity for a lot of private meetings with Senators and groups.

If you approve the meetings we suggested for this first week, it would require the following amounts of time:

Russell Long Meeting	1 hour
Ted Kennedy Meeting	.5 hour
Lloyd Bentsen Meeting	.5 hour
George Meaney Meeting	.5 hour
Doug Fraser Meeting	.5 hour
Consumer Leaders Meeting	.5 hour
	<hr/>
	3.5 hours

Consequently, it would add 3.5 hours to this week's schedule for you to do all of these meetings that we have recommended. Your regular Congressional leadership breakfast and the meeting with House conferees is already a part of your approved schedule.

2. Meeting with Doug Fraser. The UAW continues to have one of the best and most professional lobbying efforts on the Hill. And despite our differences on specific issues that affect the automobile industry, we have a good continuing relationship with them and a mutual need to work together.

I don't know if you have ever met Doug Fraser privately or asked him to help you, but believe that they would like to help us on our energy plan aside from our differences on specific issues. I believe that a meeting with you would be productive.

_____ Approve meeting with Fraser.

_____ Disapprove meeting with Fraser.

_____ Other

3. Meeting with consumer leaders. We believe that a briefing by Schlesinger followed by a short meeting with you might neutralize the opposition of most consumer groups to our energy plan. Their opposition is not enlightened and is obviously short-sighted. I believe that this could be effectively pointed out to them by you. Also, you could point out the quality of your appointments to them as well as your support for the CPA and other measures that are important to them. I believe that they would respond well to your personal request.

_____ Approve meeting with consumer leaders.

_____ Disapprove meeting with consumer leaders.

_____ Other

Meetings with key groups and leaders. It is politically difficult for a Senator to support legislation that lacks public understanding and support and is also opposed by business, labor and consumer groups.

We can anticipate trouble with some liberal Senators in the Conference Committee and certainly on the floor with the final bill. This same group tells our people that, "nobody is for this bill - labor and the consumers are against it as well as the oil industry".

It is important that we take steps to at least neutralize and hopefully convert consumer groups and labor. To accomplish this, I recommend the following meetings to you:

1. Meeting with George Meaney. With the recent agreement on minimum wage and the House passage of the labor law reform package, our working relations with the labor movement generally is good. At your request, the AFL-CIO leadership endorsed the Panama treaties and they have been generally appreciative of our help on labor law reform.

I believe a personal request from you to Mr. Meaney would have a great impact and could result in their support of our energy plan. This can only be accomplished by your meeting with him privately and making such a request.

_____ Approve of Meaney meeting.

_____ Disapprove of Meaney meeting.

_____ Other

PRESIDENTIAL ACTIVITIES

Meeting with Russell Long. Frank Moore recommends that you meet with Russell Long alone on Monday afternoon (10/17) to discuss our energy bill. Frank believes that it is important that you have a personal understanding of Long's own attitude, his plans and strategy. Also, you need to reinforce with him your strong desire to see the Congress produce an energy bill this year. In the last several days, he has told several people that there, "just might not be an energy bill this year". He needs to know from you how strongly you feel about it.

_____ Approve meeting Monday afternoon with Long.

_____ Disapprove meeting with Long.

_____ Other

Meeting with Ted Kennedy. We are continuing to have trouble with liberal Democrats in the Senate. This is going to be a problem for us in the Conference Committee and also on the floor when the Committee reports a bill out. Frank Moore recommends that you meet with Kennedy and try to get his active help and support for our energy

bill and our legislative strategy. Kennedy is understandably skeptical of Russell Long's motives. We will need his active help if we are to have the support of Senate liberals for the final bill.

_____ Approve meeting with Kennedy.

_____ Disapprove meeting with Kennedy.

_____ Other

Meeting with Senator Bentsen. Bentsen, as the leader of the deregulation fight and as a Senator from the biggest oil producing state, will be a key person in both the Conference Committee and on the Senate floor when the bill returns from conference. Because of the leadership role he has taken in fighting us and protecting the oil interests, Frank Moore reports that he is anxious to cooperate with us on the final shape of the bill. He would like to balance the image he has developed of being a friend of the oil industry by helping us get an energy bill. Frank and his staff think it is important that we begin a dialogue with him.

_____ Approve meeting with Bentsen.

_____ Disapprove meeting with Bentsen.

_____ Other

find my suggested mechanism for the overall coordination of these activities. Your reaction to these specific suggestions is needed as we will have to begin to schedule them right away.

MAJOR ACTIVITIES AND POLITICAL COORDINATION

The "Energy Calendar" contained many specific activities and events which have not yet been approved or scheduled. For that reason, I thought it would be helpful to outline my recommendations for each of the following person(s):

- President
- Vice-President
- Secretary of Energy
- Cabinet members

Also, at the conclusion of these summaries you will

ENERGY BILL CALENDAR

Working closely with Frank Moore and his staff, I have developed an "Energy Calendar" which attempts to reconcile the likely timetable for Congressional action with our own public statements and related activities.

The activities which are scheduled and recommended on this "calendar" are described and justified in the section which follows. We obviously have some flexibility.

OBJECTIVES

Although we have vast political resources available to us, we have a limited period of time in which to act. Consequently, the challenge is to define realistic objectives which can be accomplished in a short period of time which will result in positive Congressional action on our energy legislation. These objectives are:

1. To refocus public attention on the energy crisis.

From all accounts, the sense of urgency which was created in the country when our energy proposal was announced faded with the warm Summer weather. We cannot create an atmosphere of

sacrifice that is politically meaningful if the American people persist in thinking the crisis is not real.

2. To report that since your original "Fireside Chat", things have gotten worse instead of better. This should make our entire effort more creditable and possibly restore some of the sense of urgency which was lost over the Summer months.
3. To create a public understanding of the fact that we have the mechanism now (DOE) to deal with the energy crisis but do not have the policy because of the Senate.
4. To create a public and political atmosphere that will make it difficult for the Conference Committee and the Senate to do anything that would substantially weaken the bill passed by the House.

5. To reinforce the position of the House and
the House conferees through our public state-
ments and activities.

THE PREMISE FOR OUR EFFORTS

It should be recognized by all involved that the news media and the American people are going to judge Jimmy Carter's first year as President based on his ability to get a meaningful energy bill through the Congress.

While making such a judgment based on an exclusive criteria may seem unfair, we should recognize that this is, in fact, the case. If a meaningful bill is passed by the Congress, it will be said that Carter had a very good first year. If we fail to get a good bill through, successes in other areas will go unnoticed and unappreciated by the news media and the American people.

Therefore, the consequences are great and demand a total effort on the part of this Administration to see that a meaningful energy bill is passed by the Congress. If we succeed, we will begin 1978 with considerable political momentum in the Congress. If we fail, we will be in a weakened position as we undertake to pass the Panama Canal treaty, welfare reform legislation and other political priorities of this Administration.

Fourthly, in accordance with the timetable, I have developed a plan for realizing our objectives. And finally, I have suggested a mechanism for the coordination and execution of this plan and defined the staff responsibilities.

Your immediate reaction and comments are needed for us to proceed.

THE WHITE HOUSE

WASHINGTON

done J

MEMORANDUM TO THE PRESIDENT

FROM: HAMILTON JORDAN *H.J.*

DATE: SEPTEMBER 1, 1978

SUBJECT: NATURAL GAS TELEPHONE CALLS

MR. PRESIDENT: IF YOU CAN MAKE THESE CALLS AND ACTIVATE THESE PEOPLE WHO ARE NEUTRAL OR SUPPORTIVE, IT WILL GREATLY MAGNIFY OUR LOBBYING EFFORTS.

THANKS. H.J.

This is in lieu of meeting Tuesday I recommended.

I recommend that you make the following telephone calls to persons who can be helpful on the natural gas vote:

--David Rockefeller, Chairman of the Board, Chase Manhattan Bank. Although Chase has not officially taken a position on the natural gas compromise, they are perceived by the Senate as being opposed to the bill. A mid-level officer of the bank sent a letter to the Business Roundtable which doubted the impact of the natural gas bill on inflation and the decline of the dollar; this letter has been sent by our opponents to every Senator, and it is being used effectively to counter Bill Miller's arguments in favor of the legislation.

Chief Energy Economist -> Work to meet & Schlesinger - Will report to Chase

Willard Butcher, President of Chase, attended the luncheon on Wednesday with Strauss, Schlesinger, and Miller; and a group of Chase executives is spending three hours at the Department of Energy this afternoon to get further information on the legislation. At the present time, Chase maintains that it has no position; you should urge Rockefeller instead to move aggressively to support the legislation and to counter the impression that Chase is currently working against us.

also Bill Miller - done

--Robert Wingerter, Chairman, Libby-Owens-Ford Company. Mr. Wingerter attended the Wednesday afternoon briefing by Strauss, Schlesinger, and Miller for glass, textile and paper companies. Although the glass industry had been actively working against the legislation before this meeting, they were genuinely impressed by the presentation, and are now reconsidering their position.

State of reassessment - want to help -

Mr. Wingerter is also reconsidering his position, but he is the most "hard-line" of the glass company executives at the meeting. If he decides to support the legislation, we will be assured of the active help of the glass industry.

not encouraging

The glass company officials have some concerns about the legislation which might be possible to satisfy with colloquies on the floor during the debate. You should thank Mr. Wingerter for approaching this subject with an open mind, assure him that Secretary Schlesinger will work with the industry to clarify any matters which can be addressed at this

late date, and urge that he consider actively supporting our position. The glass company officials were particularly impressed with the argument that a better bill is highly unlikely in the foreseeable future.

--William A. Klopman, Chairman, Burlington Industries.

Mr. Klopman also attended the Wednesday afternoon briefing. Like the other members of the textile industry, his formal position before the meeting was opposition to the bill because it does not deregulate gas rapidly enough. Our follow-up phone calls, however, indicate that we made a strong impression on the textile executives, and that there is now a chance for their support. Klopman is particularly important because of Burlington's position in the industry.

You should thank Klopman for attending the briefing, acknowledge that the bill is not perfect but that it is the only realistic possibility in the foreseeable future, and ask for Mr. Klopman's active support.

--George Stinson, Chairman, National Steel. Stinson attended the briefing for steel executives a week ago, and has privately told Bob Strauss that he will help. You should thank Stinson for his offer to help, and ask him to give specific attention Senators Heinz and Schweiker.

--Irving Shapiro. DuPont's management generally feels that this bill will hurt their company far more than it would help. Nevertheless, Shapiro has refused to take a position, largely because of his personal relationship with you. As you know, he is no longer President of the Business Roundtable.

In the last few days, Irving has told Strauss that he is privately willing to help where he can, and he has, in fact, called Joe Biden. Although the bill will probably have an adverse affect on his company, he believes it should nevertheless be passed for the good of the country. You should thank him for his help, and urge him to do as much as he can with other influential chief executives around the country.

--Robert O. Anderson, Chairman, Atlantic Richfield Company. ARCO is going all out to help, and Thornton Bradshaw, ARCO's President, has taken a highly visible position in support. You should thank Mr. Anderson and acknowledge Mr. Bradshaw's help.

Attached for your information is an information sheet put out by ARCO urging support of the natural gas compromise.

100% Support

Will call Hallings - needs other names +

Will do - others? +

+ done willing to help

concern re #

+

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY B/S DATE 2-9-83

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CONFIDENTIAL

October 18, 1977

TO: PRESIDENT CARTER
VICE-PRESIDENT MONDALE
SECRETARY SCHLESINGER

FROM: HAMILTON JORDAN *H.J.*

RE: DAILY REPORT FROM ENERGY TASK FORCE

First daily report. Starting today, the joint White House-Department of Energy Task Force will provide an early evening report of the day's major events and activities. Also, we will report scheduled events and the actions and suggestions of the Energy Task Force.

President meets with members of Congress on energy. The President had an hour meeting Monday afternoon with Senator Russell Long. He had private meetings Tuesday with Congressman Lud Ashley and Senators Ribicoff and Bentsen. He felt all the meetings were positive and productive.

Scheduled meetings with Senators. Meetings are scheduled this week with Senator Kennedy and Senator Muskie.

Labor meeting scheduled. Mr. Meany was scheduled to meet with the President on Wednesday on our energy bill. He cancelled late in the afternoon today because of an illness. We decided that it was better to proceed and meet with Lane Kirkland tomorrow in place of Mr. Meany than to risk waiting several days or a week until Mr. Meany is well. There is a good chance that the subject of U.S. participation in the ILO will come up in response to our request that they help us on our energy bill.

Consumer meeting arranged. Kitty Schirmer of the Domestic Council staff is arranging a meeting of consumer leaders for Thursday. As opposed to trying to bring in a large group, we have opted for bringing in a small group of the top leaders for a briefing by Schlesinger followed by a meeting with the President.

Follow-up meeting with Cabinet. The Vice-President will chair a meeting of the Cabinet Thursday for the purpose of making plans for the members to help with our bill and also to receive a briefing from Dr. Schlesinger. Bob Strauss and Jack Watson will present specific things for the Cabinet to do. A sample speech will be distributed, and Frank Moore will make assignments of Senators for each Cabinet officer to contact based on the lists submitted to us by each member of the Cabinet.

Vice-President on TODAY SHOW. The Vice-President will appear on the TODAY SHOW Friday of this week to talk about the energy bill.

Comments of Senator Culver. Dan Tate had lunch with Senator John Culver today, and the Senator indicated that he would not challenge the Finance Committee's bill on the floor of the Senate. Also, that he did not know of any Senator who would or planned to take that action.

Briefing papers and model speech near completion. Domestic Council staff and Jim Fallows are expected to complete by Wednesday the standard speech material to be used by Administration spokespersons as well as briefing paper on our energy program.

Strauss meeting with Long. Bob Strauss reports that he had an hour long meeting with Senator Long today and that Long was "very pleased" with his meeting Monday with the President. Long told Strauss and has told others that he would not sign his name to a conference report that the President had not approved.

Frank Moore and DOE report on initial conference committee meeting. Chairman Staggers elected Chairman of Conference Committee. The first session started with what was described as a "good feeling". Senator Johnston made the point that "we are all going to have to compromise, and the important thing is to get this country an energy bill". Utility insulation was the only issue discussed today.

Schedule for President to remain flexible. Tim Kraft has made a special effort to keep the President's schedule loose for the next few weeks to accommodate the demands on his time we anticipate from Frank Moore for telephone calls and private meetings with Congressmen.

THE WHITE HOUSE

WASHINGTON

October 14, 1977

MEMORANDUM FOR: THE SECRETARY OF ENERGY
JAMES SCHLESINGER

HAMILTON JORDAN ✓
JODY POWELL
FRANK MOORE
JACK WATSON

FROM: STU EIZENSTAT

SUBJECT: Strategy for the Energy Legislation

Attached is a copy of the approved memorandum on strategy for the energy legislation. I understand Ham is drafting a more detailed strategy.

It appears that the President wants a "review memo" regarding Congressional strategy as noted on page 3 of the memo.

cc: Tim Kraft

MR. PRESIDENT -

4 COPIES ARE
DISTRIBUTED: P, VP, SCHLESINGER
AND FRANK MOORE. ILL
BE MORE CAREFUL ON THE
WORDING.

*Ham - Control
distribution of this & word
Carefully - C*

-HJ.

October 19, 1977

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY BB

DATE 2-9-83

TO: PRESIDENT CARTER
VICE-PRESIDENT MONDALE
SECRETARY SCHLESINGER

FROM: HAMILTON JORDAN AND ENERGY TASK FORCE *H.J.*

Report on Senate Strategy. Dan Tate reports that the Senate leadership has contacted all the "liberal" members and they expect no major problems from this group of Senators in carrying the Finance Committee bill straight to the Conference without a long delay. It still looks, however, like it will be late next week before the Senate is able to vote on the Finance Committee bill. This makes our initial projected schedule valid - with the Conference Committee beginning its serious work on the bill the first week in November.

Frank Moore's office reports good reaction to President's statement about cancelling his world trip. This was helpful in two ways. First, it was a clear indication of the high priority that he places on getting an energy bill this year. Secondly, it made it clear that Carter was not going to be in such a hurry to leave the country that he would accept a mediocre bill.

Conference committee work today. The conferees settled some minor issues today which had been worked out by the staff. They are at an impasse on some of the major utility/conservation issues which they hope to resolve tomorrow.

Conference Committee schedule. The Committee will not be meeting on Friday. They will reconvene on Monday and take up the gas-guzzler.

Briefing paper and speech material ready for Cabinet and Administration spokespersons. Final drafts signed-off by OMB, DOE and Domestic Council. These materials will be distributed Thursday morning at the special Cabinet meeting which will be convened by the Vice-President and Bob Strauss.

Labor indicates support. In a meeting with the President today, Lane Kirkland indicated to the President that the AFL-CIO would support the final bill which is reported out by the Conference Committee. Landon Butler is going to arrange a meeting between Frank Moore's office and the labor leadership so we can nail down their support and coordinate our lobbying effort.

Congressional meetings good. Frank Moore reports that the President's meetings today with the House conferees and Senator Muskie went well.

Metzenbaum and Abourezk meeting set for Thursday. Frank Moore reports that he has a meeting arranged for the President with Metzenbaum and Abourezk. There will be tremendous press interest in this meeting and everyone stresses that the President be careful not to say anything that will allow them to say that we "apologized" for our role in cutting off the filibuster. This would imply that we were somehow involved despite the fact and the claim that we were not.

Tate to survey Senate attitudes. It was agreed that Dan Tate would quietly survey all Democratic Senators to see what amendments they would offer to the Finance Committee's report so that we can make early decisions about our strategy and position on these amendments.

THE WHITE HOUSE
WASHINGTON

Mr. President--

Please see Ham's
note,

-- SSC

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

October 25, 1977

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *JC*

SUBJECT: Remarks on Energy in Los Angeles

My recent remarks on your energy plan -- and the adverse impact of the Senate plan on health, education and welfare -- indicate that there is significant media interest in the Cabinet's campaign for the Administration's legislation.

A five-minute statement preceding a press conference at Los Angeles' University of Judaism stimulated the following press response:

- Radio. Thirteen reports were broadcast on the seven leading California stations that in turn have local feeds, including two all news stations that broadcast throughout the Friday afternoon rush hour. Reports were also broadcast nationwide on both ABC and CBS network radio news.
- TV. Reports were broadcast on six local Los Angeles television news shows, including the affiliates of the major networks. There was also a story on the ABC evening network news.
- Print. Both UPI and AP put stories out. Several local papers, most notably the L.A. Herald Examiner and the Santa Monica Clarion, published accounts. And the New York Times and Time both had references to the remarks.

cc: Hamilton Jordan ✓
Jody Powell
Robert Strauss

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY B/S DATE 2-9-83

*Have -
Encourage cabinet
to keep up good
work - Don't
slack off -
J*

October 25, 1977

CONFIDENTIAL

TO: PRESIDENT CARTER
VICE-PRESIDENT MONDALE
SECRETARY SCHLESINGER

FROM: HAMILTON JORDAN AND ENERGY TASK FORCE *HJ*

RE: DAILY REPORT

Senate Action. Today, on the floor of the Senate, Senator Long struck from the Finance Committee bill all provisions that appeared to encroach on the prerogatives of Senator Jackson's committee and Senator Proxmire's committee. Long intends to offer a floor substitute which will reinstate the provisions he struck. This will allow him to have the same bill if he succeeds without being vulnerable to the charge that he has overstepped the prerogatives of his committee.

Metzenbaum Flap. After getting different signals from White House and DOE staff people, Metzenbaum indicated that he might cause trouble. After being assured by Frank Moore's staff that we would not oppose an amendment he plans to introduce to the NEP on the gas guzzler, Senator Metzenbaum heard from a DOE staff person that we would oppose his amendment. Bob Thompson has a meeting with the Senator tomorrow morning to smooth things over. This points up the continuing need we have to be consistent in our communications with the members of the Congress.

Jackson-Bellmon-Muskie substitute. Jackson is drafting overnight, and will probably introduce tomorrow, a substitute for the Finance Committee bill. It will, according to Jackson, reduce the price tag for tax credits from \$40 billion to \$6 billion, and strips away a lot of the ridiculous aspects of the "Long bill". Long thinks he has the votes to table it. The danger is that there might be enough votes to pass the Jackson substitute (Republicans joining liberal/moderate Democrats), but not enough votes to then get the bill to conference. Dan Tate says that this is a "real possibility". Jackson's bill, would take away all of the "sweeteners". As there ~~are~~ only a small group in the Senate who want an energy bill at any cost, the absence of these "sweeteners" could cost votes on getting the bill to conference. Frank Moore's staff is closely watching these developments.

Strauss memo to Cabinet. The Strauss memo which is attached shows that Cabinet activities are in full swing and are producing good results. We are already getting back good reports from all areas of the country on statements and speeches the Cabinet members have made.

Meeting with House liberals. Frank Moore has arranged for a meeting Wednesday for the President and House liberals who are concerned about the impact of the NEP on consumers. The group that is coming is inclined to support us and try to help actively. Frank Moore says they are looking for "ammunition" to help us.

AFL-CIO statement forthcoming. Landon Butler met today with Lane Kirkland and the AFL-CIO leadership. A public statement of support for the NEP is forthcoming - may be released Wednesday.

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY AS **DATE** 2-9-83

CONFIDENTIAL

October 26, 1977

TO: PRESIDENT CARTER
VICE-PRESIDENT MONDALE
SECRETARY SCHLESINGER

FROM: HAMILTON JORDAN ^{HJ.} AND THE ENERGY TASK FORCE

RE: DAILY ENERGY REPORT

Progress in conference committee on conservation measures. Some progress was made today on the conservation sections of the bill. Several positive votes and a negative vote on the federal van-pooling provision of the bill.

Problem with Metzenbaum worked out. Bob Thompson met with Senator Metzenbaum this morning and resolved the differences that surfaced yesterday.

Major votes on conservation measures expected tomorrow. Several of the major issues will be addressed by the conference committee tomorrow and DOE thinks that they might even complete action on conservation portion of the bill tomorrow.

Vice-President active in support of energy plan. The Vice-President will be campaigning tomorrow in Buffalo and will be talking about energy. Also, he will be on "Meet the Press" Sunday and the main scheduled topic will be energy - a special one hour program.

Good meeting with House liberals. Frank Moore reports that the President's meeting with House liberals was very positive and will be helpful.

Energy statement being prepared by Domestic Council for possible use at press conference tomorrow. Stu is preparing a statement that he hopes you will use for an opener at your press conference tomorrow.

Senate activities and strategy. Jackson dropped his idea of a substitute for the Finance Committee bill as he had only about 25 votes. Instead, Jackson will propose tomorrow a floor amendment to strike the section of the bill containing the financial incentives for the oil industry. If Jackson's amendment passes, both the oil industry and Senator Long will lose interest in getting an energy bill this year. Both Long and Jackson are doing some posturing for this showdown. Long says that he will "give up" on the energy bill if this amendment is passed. Jackson says that if he loses he will move to recommit the bill to the Finance Committee. Dan Tate reports that Long should win, but that the vote is getting close. Also, Dan raises the question as to whether or not the Administration should be able to lobby on the motion to recommit the bill (if it should come) as it will determine whether or not we get a bill to conference and consequently will determine whether or not there is a chance for an energy bill this session.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20506

PERSONAL AND ~~CONFIDENTIAL~~

October 27, 1977

MEMORANDUM FOR

Honorable Michael Blumenthal, Secretary of the Treasury
Honorable Juanita Kreps, Secretary of Commerce

FROM: Ambassador Robert S. Strauss *signed*

The President has signed off on a program that would involve our inviting to Washington about 400 business and professional men and women in groups of approximately 40 each, staged over a several month period at two-week intervals.

It is the thought that we would look for a broad cross section of participation across the country -- not just those of Business Roundtable and Business Council stature. My thought is the President of the Chamber of Commerce from Abilene, Texas, the manufacturer from Indianapolis, the farmer from Iowa, and the investment banker from Wall Street would be the sort of mix we would be looking for.

We are going forward with the accumulation of names and I am sure each of you will have numerous suggestions that you might be pulling together and, upon Mike's return, we'll get together to think through the implementation of the program.

My original thought and the President's tentative agreement, was that we would use about an hour and a half of Cabinet time and one half hour of the President's time with each group. We can reach the final conclusions when we get together.

CC: H. Jordan, Jack Watson, S. Eizenstat

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY WJE DATE 6/30/87

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY DP DATE 2-4-83

C
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CONFIDENTIAL

TO: PRESIDENT CARTER
VICE-PRESIDENT MONDALE
SECRETARY SCHLESINGER

FROM: HAMILTON JORDAN ^{HJP} AND ENERGY TASK FORCE

RE: DAILY REPORT/OCTOBER 27TH

Metzenbaum Amendment on User Tax. Passed the Senate today by a vote of 57-31. Senator Byrd and Long voted against the Metzenbaum amendment. Byrd did not even bring up a tabling motion which suggests that he knew Metzenbaum had the votes to pass his amendment. The winning coalition included several loose groups that we have been trying to bring together - the Zorinsky/DiConcini types, some of the moderate Republicans and a few Southern Democrats. Frank Moore's assessment is that a number of Senators, smarting from bad publicity that the Senate was not doing anything, were determined to show that they could do something constructive on energy.

Defeat of Jackson Amendment. Jackson's amendment was defeated 38-56. Long was obviously happy over this development and Jackson is sulking according to several people although he anticipated the vote his amendment received.

ELECTROSTATIC REPRODUCTION MADE FOR
FEDERAL GOVERNMENT

Other Senate action. The Senate dumped the Finance Committee's tax credit for Trailways and Greyhound, but overwhelmingly passed a tax credit for the elderly which automatically goes into effect in times of bad weather.

Senate action tomorrow. More amendments for consideration. The most difficult will be some oil pricing and conservation amendments from Bartlett-Hansen-Bellmon. Kennedy has threatened to raise the divestiture issue if any of the Bartlett amendments pass.

Conference Committee action. Spent the entire day debating an issue relating to the governors' jurisdiction over EPA clean air standards. They reached a compromise which favors the House position.

Agreement to postpone Governors' Conference. Jack Watson, Jim Schlesinger and Hamilton Jordan agreed today to postpone the conference scheduled for late next week because of the potentially negative effect it would have on the Congress. Also, the good possibility that certain Governors might use the conference as a forum to criticize the President's energy program. Speaker O'Neil and Senator Byrd strongly favored the postponement. Jack is handling the re-scheduling of the conference.

Good feedback from Senators. Frank Moore reports that two Senators - Durkin and Church - report dramatic shifts in their mail in support of the President's energy plan. Durkin says that they can't explain their support but that the shift is real and also dramatic.

Ham
Let my
previous
statement
stand -
Read it
J

PERSONAL AND ~~CONFIDENTIAL~~

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN *HJ.*

I have been drafted by my colleagues to broach with you a subject that is near and dear to your own heart - the possible postponement and/or cancellation of your foreign trip.

With total disregard for myself, I submit the attached memorandum on this subject. Frank Moore, Jody, Stu and Jim Schlesinger agree with this analysis and my recommendation.

"Electrostatic reproduction made for preservation purposes."

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

November 1, 1977

Relationship of Foreign Trip to Energy Bill

As has been frequently stated in the press and accepted by you publicly, the first year of your Presidency will be measured - to a large extent - by our success or failure in getting a good energy bill. If we win this battle, we will have tremendous political momentum in January when the Congress convenes ^{on} ~~in~~ ratification of the Panama Canal treaty and SALT II and welfare reform. If we lose the energy bill, all of these things become even more difficult.

Politically, we have been given a great opportunity to exceed expectations because the media publicly buried our energy bill two months ago. If we can resurrect it in conference and pass a good bill through both houses, we will be given credit not only for having a good year, but also given political credit for working well with

the Congress.

Several weeks ago, you underlined the high personal and political significance you attached to this bill by stating your willingness to cancel your foreign trip if necessary to work on the energy bill. Despite your caveat "if necessary", the media and the American people have taken that to mean that you would not leave the country if you didn't have an energy bill. I think realistically that is the perception that we are dealing with on the subject of the trip.

That statement, our activities and your attitude of not being in a hurry have had much to do with the considerable strategic progress we have made on the bill to date. It now comes time for you to reconcile that statement, the importance you attach to the bill and our political strategy for passing it with the foreign trip.

We feel basically that you have two options:

1. Go on the trip as scheduled. Due to the long schedule for acting on the bill which is anticipated by the leadership, you feel comfortable proceeding with your trip. You will stay in touch by phone every day to check on the progress of the conference, and Jim Schlesinger has your complete confidence to make decisions on your behalf. If at any point you are needed back in Washington, you will gladly return.
2. Postpone trip to date uncertain. The energy bill is the most "important domestic crisis facing our country". You cannot leave on a long and extended foreign trip while it is being debated in the Congress. You plan to stay here and work for the passage of a good bill which will meet the goals described to the American people in April and in November. The trip will be rescheduled at a time convenient for the countries you had planned to visit.

We do not recommend as a third option the possibility of postponing the trip to a date certain. Let me explain why.

The prognosis for quick Congressional action is highly unlikely. No one - including the leadership and Frank Moore's staff - thinks that there is any way for the Congress to complete action on the bill before the 21st. In fact, the collective best guess of these same people is that it will be well into December before final action is likely. They point to the problems already evident in getting the conferees to act quickly on even the non-controversial parts of the bill (conservation) and the fact that the Senate will have to vote on five separate bills and the Speaker's strategy of not bringing the final bill to a vote in the House until the Senate has acted.

If you postponed your trip to a date certain (let's say the 5th of December), there would be several disadvantages. First, you would have given away our greatest single advantage - the image of a President who is not anxious to get just any bill and is willing to wait until the Congress comes up with a strong energy bill. If your trip was rescheduled for the 5th,

then the opponents of the bill would probably try to wait until the last minute to make their deals, figuring that you would make greater sacrifices in order to meet the schedule of your trip. And while I know that you would react adversely to such a strategy on their part, the perception in the Congress would be that your trip represents potential leverage on you. So, the probable strategy of the opponents of the bill would be to wait until the week of your trip to try to force unacceptable compromises on you. If you balked - as I know you would - then we would have simply lost more time in the negotiating process. More importantly, we would have lost the great advantage we have of not seeming to be in a hurry. Also, if the trip were rescheduled for the 5th, there is a good chance that it would come in a critical time of the negotiations when your presence here might really be pivotal in getting a good energy bill or having no bill at all. For all of these reasons, we believe that the worst decision would be to postpone your trip to a certain date.

We should review the advantages and disadvantages of the other two options.

GO ON TRIP AS SCHEDULED

Pros

- Prevents delay
- Avoids problems of rescheduling with possibility of having to drop countries from planned visit
- Will please the countries which have been preparing for your visit

Cons

- Takes the public focus off of energy.
- Your departure while bill is still being considered appears to contradict earlier statement that you would cancel foreign trip if necessary.
- Unable to be personally involved in critical negotiations on the bill.
- Diminishes chance that trip will be covered fairly by the press. Stories will be that while the Congress is debating bill Carter called "most important bill of my Administration", the President is in some obscure place for some unexplained reason.

-Will open President to partisan attacks that he is more interested in foreign affairs than domestic problems.

-Assures negative press stories on trip and energy bill.

POSTPONE TRIP TO DATE UNCERTAIN

Pros

- Underscores in a dramatic way the high priority this Administration places on passage of the energy bill.
- Results in increased public attention being focused on the Congress with the probable result that they will act more quickly.
- President available to resolve major disputes which might arise.
- Insures that trip at a later date will receive better coverage and treatment in this country.

Cons

- Disappoints countries on trip who have to cancel plans.
- To take same trip later presents considerable problems, particularly if you want to be in France, but not too close to their elections.

-Trip might have to be modified when taken later.

Between the two options, there is a strong consensus that the second option is much preferred. Frank Moore, Jody, Jim Schlesinger and Stu all agree that it would be bad for you to leave the country while the energy bill is being debated and bad to give away the advantage of time by postponing the trip to a date certain.

By simply postponing trip to a date uncertain, I believe that you underscore your commitment to the energy bill, maintain the public and political advantage of not seeming to be in a hurry and expedite final action on the bill.

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY BB DATE 2-4-83

C

October 31, 1977

~~CONFIDENTIAL~~

TO: PRESIDENT CARTER
VICE-PRESIDENT MONDALE
SECRETARY SCHLESINGER

FROM: HAMILTON JORDAN ⁴⁹ AND THE ENERGY TASK FORCE

Senate action. Frank Moore reports the obvious news that the Senate finally completed action today on the tax portions of the energy bill. Despite his initial temptation to have a run at Senator Percy's gas guzzler bill, Senator Long decided instead to table it after it became apparent that the large number of absentees made passage of it highly improbable if not impossible. Frank reports a mixed bag of votes on the final passage of the bill which shows no clear pattern or coalition. For example, Jackson and Bumpers voted against final passage although they will both support our efforts to get a energy bill out of conference and through the Senate.

Post mortem on strategy to date. Everyone agrees that our strategy to date has been correct and successful. We have shown restraint when it has been very tempting to get involved in the Senate's deliberations. Through it all we have maintained the credibility of the Administration and the President. Everyone in the informal energy task force gives Frank Moore and his people high marks for their good work in helping us all tip-toe through the political mine fields. Everyone agrees that the fact that we have not been too eager or anxious to have just any energy bill has been a tremendous negotiating advantage for us.

ELECTROSTATIC REPRODUCTION MADE FOR

Everyone agrees that we should use our influence in a timely fashion and in an appropriate way. The collective feeling of our energy group is that the conference committee should be forced to grapple with the tough issues for a while on their own before we step in to express the views of the Administration. As has been said before, they should be forced to dig themselves out of the hole that they are in.

For us to begin to take "Administration positions" at the outset of the debate will jeopardize the fragile political coalition that has developed in support of the bill. We need to make decisions and state positions at critical times in these negotiations - not at the outset. Time has been on our side and will continue to be on our side. If we appear too anxious to make the foreign trip, we sacrifice our greatest advantage and possibly jeopardize passage of an acceptable energy bill. A strategy memorandum is being prepared for your review. You will receive it Tuesday morning. After you have had a chance to review it, Frank, Jim, Jody, Stu and myself would like to talk with you about it.

Governors' conference on energy postponed. Jack Watson has notified the governors of your decision to postpone the energy conference. Some bickering from oil state governors (Boren in particular), but generally the reaction has been good and all agree it was the correct decision.

Energy speech redrafting begun. Stu and Charlies Schultze have met with Fallows and they are redrafting speech for Thursday night.

Doug Fraser scheduled to see you Tuesday. UAW President Doug Fraser has appointment for Tuesday afternoon. You will receive joint briefing paper from Frank Moore, Schlesinger and Stu. Their support is important. Now that AFL-CIO has taken formal public position, the UAW will not want to be left out although they have obvious interests at stake. With any luck, you should be able to get support from Fraser.

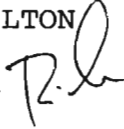
Deadlock in conference continues on gas guzzler. The conferees remained deadlocked on the question of the gas guzzler vs. the Metzenbaum minimum standards proposal. They recessed at noon to give the staff time to try for a compromise - as a result, as of now we have no action on conservation and none on the guzzler vs. minimum standards. They will try again tomorrow.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

INFORMATION

3 November 1977

TO: HAMILTON
FROM: RICK 
SUBJECT: 6:00 PM Energy Meeting (11/2/77)

CONFERENCE COMMITTEE

Basically, nothing happened. The chief issue relating to coal conversion has to do with impact assistance. The Senate would give the President condemnation authority, and a \$1.2 billion authorization for impact assistance. The House so far has made no provision for this, but Congressman Staggers, obviously, is interested, as expansion of coal production in West Virginia will create "boom town" problems. The Administration agrees that this is a serious problem. This issue may be the first expensive bargaining chip the conference deals with.

TWO-TRACK CONFERENCE

The House Conferees will meet with the Energy Committee and Finance Committee Conferees from the Senate simultaneously -- one in the morning and one in the afternoon. This will complicate trade-offs, but may be in our favor.


The order for consideration of the energy taxes is good for us: first: gas guzzler; then oil and gas user tax; and finally COET.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

INFORMATION

4 November 1977

TO: HAMILTON
FROM: RICK 
SUBJECT: 6:00 PM Energy Meeting - 11/3/77

CONFERENCE COMMITTEE

The Conference continues to work, and make little progress, on coal conversion. There is some speculation that they may be stalling deliberately, to see what happens on the tax portions of the energy program.

Senate Finance Committee conferees have yet to be appointed.

DUAL TRACK CONFERENCE

The tax portion of the Conference may proceed rapidly. Apparently, Ullman, Ashley and Long will sit down together, with Ashley holding 13 proxies. (There is some question as to whether these meetings will be informal, or will in fact be the tax conference.)

Larry Woodworth made the point, and Stu agreed, that there appears to be a lot more concern in behalf of independent oil companies by congressmen from producing state, than for the majors. The reason is that the independents are frequently personally owned (and hence able to contribute). Thus, some people are looking at a compromise in which the decline rate would be applied to independents, but not to the majors.



*P/E
TV Talk
MIDE*

*All Can
Non Profit*

*Doc Lee 83-40
Cab visit
Lab/Hew approp*

Department of Energy
Washington, D.C. 20585

November 1, 1977

C

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER *JLS*
STU EIZENSTAT *Stu*
JIM MCINTYRE *JIM*

SUBJECT:

Overview of Congressional Action on the
National Energy Plan to date

For purposes of the Conference, The National Energy Act
has been divided into the following five parts:

1. Conservation
2. Coal Conversion
3. Utility Rate Reform
4. Natural Gas
5. Taxes

Attachment A summarizes the overall budget impacts and energy savings of our original proposal, the House passed bill and preliminary estimates of the Senate passed bill. You should note that the Senate bill would result in a FY 78-85 budget deficit impact of \$63 billion, while the NEP shows a moderate surplus and the House bill shows a similar surplus if the crude oil tax receipts are not rebated. Attachment B includes a detailed side-by-side analysis of the Administration's original proposals, House action, Senate action, Conference action (if already taken), and the Administration's position where one has been established. Since the Senate completed action only yesterday evening, savings and revenue estimates of the Senate provisions are still preliminary.

The balance of this memorandum contains a summary overview of the major Congressional Actions to date on each of the five parts.

I. Conservation.

The Conference has completed its work on the conservation bill with the exception of one issue -- whether increased automobile fuel economy will be achieved by the Senate passed prohibition on the construction of gas guzzlers (Senator Metzenbaum's amendment) or by the house passed Gas Guzzler Tax. Yesterday the Conferees were deadlocked on this issue, with the House insisting upon the Gas Guzzler Tax and the Senate insisting upon minimum standards. The Conferees recessed at noon to try and work out a compromise and will be meeting on this matter again today. We would not object to a combination of the two approaches, but have remained neutral due to Congressman Ashley's vehement opposition to the minimum standards because of his concern that American Motors cannot meet them.

The rest of the Conservation Bill has been agreed to without any major controversy. A watered-down version of the utility insulation program has been adopted, as well as a weatherization program for homes, Federal Buildings, and schools and hospitals.

II. Coal Conversion.

Both the House and the Senate bills provided for the blanket prohibition of any new major industrial boilers that burn oil or gas. They also provide a case by case authority to order existing facilities to convert to alternate fuels. Exemptions are allowed if coal cannot be used for either environmental or economic reasons. Utilities are required to be off gas for base load purposes by 1990.

The major differences between the Administration, House and Senate bills are (1) the size of the facilities to which prohibitions on new oil use apply, and (2) the provisions in the Senate bill which would establish a \$13 billion energy impact assistance program of loans and grants to states and municipalities. The National Energy Act and the House Bill cover new units of 10 megawatts or greater. The Senate bill prohibits use in units larger than 30 megawatts. We clearly prefer the House bill because of the greater coverage, greater savings, and lower cost. Our recommended position is to support the House Bill on all major points.

The Conference should be getting to coal conversion within the next several days as the Gas Guzzler Tax issue is either resolved or passed over.

III. Utility Rate Reform.

The House Bill establishes new minimum ratemaking standards for the nation's utilities and goes beyond the Administration's original proposals in several respects. The NEP proposed that rates be based on actual costs, and that declining block rates be phased out unless they are cost-justified. The bill also required utilities to provide time of day pricing and to undertake various load management initiatives. The Federal Energy Regulatory Commission of the Department of Energy would be given the authority to order interconnections to take advantage of regional efficiencies. The bill prohibited master metering in new apartments, and rate discrimination against those who produce electricity by solar or wind power or by cogeneration.

Additions to the House Bill include funding of intervenors before State Utility Commissions, creation of a public council's office in DOE, a tightening of the rules governing interlocking directorates and strict limitations on automatic fuel adjustment clauses. Finally, \$300 million is provided for the development of small hydroelectric projects.

The Senate Bill is greatly watered-down and provides only the authority to intervene in State Utility Commission proceedings and minimal new authority for gathering data on utility rate structures throughout the country. The only major initiative in the Senate Bill is a requirement that lifeline rates be established by every State Public Utility Commission.

The recommended position is to support the House Bill in Conference, realizing that a less ambitious version closely resembling our original proposal is the most likely Conference product. The Senate, which tends to be more sensitive to the utilities, will adamantly oppose the House Bill because it pre-empts State authorities in several areas. The House Conferees, on the other hand,

believe that their strong provisions represent one of the few pro-consumer parts of the Bill, and are determined to hold firm. A strong provision here would help hold liberals in line for compromises which may have to be made in other areas by the conferees.

Recent Conference staff meetings with key utility industry representatives on a confidential basis may hold the key to an eventual compromise.

IV. Natural Gas

The House Bill puts interstate and intrastate pricing of natural gas on the same basis. It adopts a new commodity value pricing approach that establishes a price for new natural gas at the Btu equivalent of the average price of all domestic oil -- or approximately \$1.75 per mcf by the beginning of next year. High cost new production is given a special incentive price. An incremental pricing provision passes the cost of higher priced new gas on to the industrial sector first.

There are only two differences of note between the House Bill and the Administration's original proposal. First, under the NEP, expiring intrastate contracts could automatically increase to \$1.75 per mcf. Under the House Bill, upon the expiration of old intra and interstate contracts, the contract price remains the same unless a higher price is needed to maintain production. Second, new gas in the House Bill is defined as gas from any newly discovered reservoir, while the Administration's bill established a 2 1/2 mile, 1,000 foot deep requirement.

The Senate passed Pearson-Bentsen Bill deregulates new onshore gas after a two year very high ceiling price (about \$2.60 in 1977 dollars), and sets up a new regulatory standard based on commodity value pricing for the next five years for new offshore gas. New gas is loosely defined as any gas from a new reservoir or an extension of an existing reservoir.

It is critical that the Administration's position continue strongly in favor of the House-passed bill. An eventual compromise holding to the \$1.75 price with a new reservoir, broader definition of new gas and outright deregulation of special high cost production (geopressurized methane, deep drilling, Devonian Shale) may be possible if our House supporters are the ones that first propose that kind of formula to the Administration. A premature reversal of those roles could prove politically disastrous.

V. Taxes

The critical taxes in this most complicated part of the bill are the:

1. Oil and Gas Users Tax
2. Gas Guzzler Tax
3. Crude Oil Equilization Tax (COET)

With passage of the Metzenbaum oil and gas users tax in the Senate, we are assured of getting some form of this tax out of Conference. Our preference is the House tax, since it covers all old and new industrial and utility facilities (subject to certain environmental and process exemptions) whether or not they are actually capable of burning coal. In addition, the net receipts to the Treasury from the House-passed tax would total \$4.7 billion (FY 78-85) compared to only \$.8 billion in the Senate bill. Metzenbaum's tax applies only to existing coal capable facilities and to new plants, thus building an incentive to run old oil and gas boilers for a longer period to avoid the tax. While the NEP and House-passed version would accelerate replacement of old oil and gas fired units, the Senate's distinction between new and existing units could retard replacement. The Metzenbaum proposal would save approximately 700,000 barrels per day compared to the 1.2 million barrels per day savings of the House-passed bill. The positive significance of the Senate vote in favor of such a tax, however, cannot be overestimated.

As noted earlier, the House Conferees will be very firm on the Gas Guzzler Tax, and it can be expected to survive.

The most critical debate will develop over the COET in the House Bill. Pursuant to provisions in the Senate Bill requiring that COET funds be used for energy saving or producing enterprises, Senator Long will insist that some of the COET revenues be returned to the producers through a variety of schemes. Our recommended position is to favor the House Bill which rebates directly all revenues in the first year and thereafter returns the funds to the Treasury for tax reform or other general purposes.

Long will insist that major portions of the monies be returned to producers, either through an accelerated decline curve for old oil fields (the old oil is released from controls more quickly resulting in more "new", higher priced oil over the life of a field), readjustment of the stripper well definition thereby deregulating additional oil, or an energy trust fund for financing producers.

Long is also interested in a tax credit for curtailed Louisiana gas users equal to the difference between their current contract price and higher priced alternate fuels. This tax credit, plus a more liberal definition of marginal stripper well production may be enough to secure COET without resorting to an accelerated decline curve. Again, however, it is essential that for now we give our full support to the House Bill until the Conferees indicate to us they are ready to compromise.

Variations in other tax provisions establishing residential insulation, solar and wind energy credits should be relatively easy to resolve.

With final Senate floor action reducing the 40 percent investment tax credit for approved energy investments to a 15 percent credit, the percentage amount of the credit should be relatively easily resolved since the Senate provision is only 5 percent more than what we originally proposed and the House accepted.

A series of other production credits such as the \$3.00 per barrel credit for oil shale and the \$.50 per mcf credit for geopressurized methane and other exotic gases, will be used as bargaining chips by Long to increase the COET revenues returned to producers.

The long list of credits added by the Senate would cost the Treasury \$34 billion more than the House bill, without inducing substantial additional fuel savings.

Preliminary Estimates
Oil Import Savings Comparison
of NEP/House/Senate Bills

	NEP	House	Senate ^{1/}
<u>CONSERVATION</u>			
1. Residential Buildings & Appliances (Tax credits & Regulatory Programs)	660	690	710
2. Transportation			
Gas Guzzler/Truck Standards			
Minimum Auto Efficiency Standards	290	280	175
Other	-	-	25
3. Electric Utility Regulatory Policies	70	70	-
Subtotal	1,020	1,040	910
<u>PRICING POLICIES</u>			
4. COET	230	230	
5. Natural Gas Pricing/Deregulation	180	325	695
Subtotal	410	555	695
<u>PRODUCTION AND CONVERSION</u>			
6. Incentives for Alternate Fuels Production	-	-	135
7. Business Energy Tax Credits	200	210	560
8. Oil and Gas User Taxes	2,465	760	445
9. (Coal Conversion Regulatory Program) ^{2/}	(340-400)	(340-400)	(170-220)
Subtotal	2,665	970	1,140
Allocated Oil Savings	4,095	2,565	2,745
Unallocated Oil Savings	445	85	330
Total Oil Savings	4,540	2,650	3,075

1/ Estimates are preliminary and subject to change.

2/ Included in user tax estimate.

Preliminary Estimates

Comparison of Budget Impacts

of NEP/House/Senate Bills

Cumulative Budget Impacts
1978-1985 Millions of Current \$

NEP House Senate

A. Revenue Impacts

1. Residential Tax Credits	-4,484	-4,827	-7,099
2. \$75 Tax Credit for Elderly	-	-	-10,051
3. \$150 Credit for Home Heating Oil	-	-	-7,500
4. Gas Guzzler	0 ^{1/2} / ₂	+915	-
5. Crude Oil Equalization Tax	0 ² / ₂	+27,452	-
6. Incentives for Alternative Fuels Production	-552	-546	-2,107
7. Business Energy Tax Credit	-3,064	-2,471	-15,060
8. Oil and Gas Users Tax	+34,400	+4,698	+774
9. Extension of 4 cents Gas Tax to 1985	-	-	-
	3/	--	--
10. Other	+423	+7,348	-522
Subtotal	<u>+26,723</u>	<u>+32,569</u>	<u>-41,565</u>

B. Outlays

1. Conservation	-5,850	-9,779	-9,250
2. Oil and Gas Pricing	-3,270	-3,270	-1,713
3. Energy R&D	+2,130	+2,130	+2,130
4. Coal Conversion	-	-	-2,914
5. Strategic Petroleum Reserve	-12,429	-12,429	-10,868
6. Other	-	-	-
Subtotal	<u>-19,919</u>	<u>-23,348</u>	<u>-22,615</u>

C. Net Budget Effects

TOTAL REVENUE	+26,723	32,569	-41,565
TOTAL OUTLAYS	<u>-19,419</u>	<u>23,348</u>	<u>-22,615</u>
NET BUDGET EFFECTS	+7,304	+9,221 ^{4/}	-64,180

^{1/} \$7,700 would be collected and fully rebated.

^{2/} \$13,500 would be collected and fully rebated.

^{3/} The 4 cent gas tax would be extended by both the Senate and House bills. However, its impact has been included in the base budget estimates.

^{4/} If COET were fully rebated, as is proposed, the net budget effect would become - \$18,231.

C

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY BB DATE 2-4-83

~~CONFIDENTIAL~~

November 1, 1977

TO: PRESIDENT CARTER
VICE-PRESIDENT MONDALE
SECRETARY SCHLESINGER

FROM: HAMILTON JORDAN AND THE ENERGY TASK FORCE ^{HP}

RE: DAILY REPORT - NOVEMBER 1ST

Fraser endorses energy plan. Doug Fraser, President of the UAW, publicly endorsed the NEP today following his meeting with the President. Jody took him to the briefing room where he made a public statement of support which unfortunately was undermined by his response to a question about the ILO. At any rate, we now have the UAW on record in support of the energy bill which will be helpful.

Conference Committee activities. The Senate deferred to the House in allowing the conference committee to consider the coal-conversion bill before taking up the gas-guzzler tax.

Definition of Woodworth role. Stu, Frank, Jim Schlesinger and I met with Larry Woodworth to define more precisely his role during the conference. On one hand, he is a valuable resource, but he can not let his traditional

"Electrostatic reproduction made for preservation purposes."

relationship with Long and particularly Ullman undermine the position of Ashley and the House. The Speaker has made it plain to Senator Long and others that Ashley represented the House and we clarified that with Larry. Also, we agreed that Larry would not be a "spokesman" for the Administration as much as a messenger between the conferees and the White House. It was agreed that Larry and Les Goldman of DOE would write a daily summary at the end of each day's activities.

Strategy and background memos prepared for President.

A joint memorandum on strategy and background analysis was submitted to you today for your review. Your reaction to these items is needed.

*We'll pay
low for
about a week*

Decision on speech to nation pending. A decision will have to be made Wednesday morning as to whether or not the President should address the nation on Thursday night or Tuesday. The growing feeling among the energy group is that Tuesday is probably better. This will give you more time to work on the speech and will allow for more advance publicity. Also, as the timetable seems to have been lengthened, we need to stretch out our shots.

Tues

PERSONAL AND ~~CONFIDENTIAL~~

TO: PRESIDENT CARTER

FROM: HAMILTON JORDAN

I have been drafted by my colleagues to broach with you a subject that is near and dear to your own heart - the possible postponement and/or cancellation of your foreign trip.

With total disregard for myself, I submit the attached memorandum on this subject. Frank Moore, Jody, Stu and Jim Schlesinger agree with this analysis and my recommendation.

**"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1989"**

November 1, 1977

Relationship of Foreign Trip to Energy Bill

As has been frequently stated in the press and accepted by you publicly, the first year of your Presidency will be measured - to a large extent - by our success or failure in getting a good energy bill. If we win this battle, we will have tremendous political momentum in January when the Congress convenes ^{ON} ratification of the Panama Canal treaty and SALT II and welfare reform. If we lose the energy bill, all of these things become even more difficult.

Politically, we have been given a great opportunity to exceed expectations because the media publicly buried our energy bill two months ago. If we can resurrect it in conference and pass a good bill through both houses, we will be given credit not only for having a good year, but also given political credit for working well with

the Congress.

Several weeks ago, you underlined the high personal and political significance you attached to this bill by stating your willingness to cancel your foreign trip if necessary to work on the energy bill. Despite your caveat "if necessary", the media and the American people have taken that to mean that you would not leave the country if you didn't have an energy bill. I think realistically that is the perception that we are dealing with on the subject of the trip.

That statement, our activities and your attitude of not being in a hurry have had much to do with the considerable strategic progress we have made on the bill to date. It now comes time for you to reconcile that statement, the importance you attach to the bill and our political strategy for passing it with the foreign trip.

We feel basically that you have two options:

1. Go on the trip as scheduled. Due to the long schedule for acting on the bill which is anticipated by the leadership, you feel comfortable proceeding with your trip. You will stay in touch by phone every day to check on the progress of the conference, and Jim Schlesinger has your complete confidence to make decisions on your behalf. If at any point you are needed back in Washington, you will gladly return.
2. Postpone trip to date uncertain. The energy bill is the most "important domestic crisis facing our country". You cannot leave on a long and extended foreign trip while it is being debated in the Congress. You plan to stay here and work for the passage of a good bill which will meet the goals described to the American people in April and in November. The trip will be rescheduled at a time convenient for the countries you had planned to visit.

We do not recommend as a third option the possibility of postponing the trip to a date certain. Let me explain why.

We should review the advantages and disadvantages of the other two options.

GO ON TRIP AS SCHEDULED

Pros

- Prevents delay
- Avoids problems of rescheduling with possibility of having to drop countries from planned visit
- Will please the countries which have been preparing for your visit

Cons

- Takes the public focus off of energy.
- Your departure while bill is still being considered appears to contradict earlier statement that you would cancel foreign trip if necessary.
- Unable to be personally involved in critical negotiations on the bill.
- Diminishes chance that trip will be covered fairly by the press. Stories will be that while the Congress is debating bill Carter called "most important bill of my Administration", the President is in some obscure place for some unexplained reason.

- Will open President to partisan attacks that he is more interested in foreign affairs than domestic problems.
- Assures negative press stories on trip and energy bill.

POSTPONE TRIP TO DATE UNCERTAIN

Pros

- Underscores in a dramatic way the high priority this Administration places on passage of the energy bill.
- Results in increased public attention being focused on the Congress with the probable result that they will act more quickly.
- President available to resolve major disputes which might arise.
- Insures that trip at a later date will receive better coverage and treatment in this country.

Cons

- Disappoints countries on trip who have to cancel plans.
- To take same trip later presents considerable problems, particularly if you want to be in France, but not too close to their elections.

-Trip might have to be modified when taken later.

Between the two options, there is a strong consensus that the second option is much preferred. Frank Moore, Jody, Jim Schlesinger and Stu all agree that it would be bad for you to leave the country while the energy bill is being debated and bad to give away the advantage of time by postponing the trip to a date certain.

By simply postponing trip to a date uncertain, I believe that you underscore your commitment to the energy bill, maintain the public and political advantage of not seeming to be in a hurry and expedite final action on the bill.

THE WHITE HOUSE

WASHINGTON

October 12, 1977

MEMORANDUM FOR THE PRESIDENT

FROM JIM SCHLESINGER
STU EIZENSTAT



SUBJECT STRATEGY FOR ENERGY LEGISLATION

As we have discussed, we believe that the Administration must make an all-out effort over the next four to six weeks to arouse public support for our energy plan as adopted by the House. The Senate does not appear to be willing to deal with the tax related portions of your plan, and several key parts of your program (well head, gas guzzler and oil and gas user taxes) will be left for the Conference to resolve. Without strong support from the Administration, it will be difficult for the House to stand firm on these issues.

Two particular concerns must be addressed in any conference strategy we follow:

- correction of the Congressional perception that the public does not take the energy problem, and the equity questions involved, seriously; *sk*
- reassurance to our House (and Senate) supporters that the Administration is not going to compromise too early or too far to get a bill this year. A strong public stance in favor of the entire House bill at the outset of the conference is critical. *not only at outset*

The Administration's performance in the first year will be measured in large part by the outcome of your national energy plan. This factor alone makes a major effort worth the price. *True*

To be effective, such a strategy must:

- be centrally coordinated in much the same way as the Panama Canal effort has been;
- receive top priority among those who will be responsible for carrying it out.

We propose that we take the following steps:

1. Establish a White House/Department of Energy Task Force, chaired by Hamilton, to outline and implement a detailed plan for marshalling public opinion for the National Energy Act. Once the plan receives your approval, all activities should be coordinated through this Task Force.

ok - me

Elements of this strategy should include:

- *ok* Use of the White House as a forum for briefings by you and Dr. Schlesinger on the major parts of the energy plan, including meetings with labor and business leaders, state and local government officials, and major citizen group leaders. Wide press coverage would be provided.
- *ok* Intensive speaking efforts by Cabinet officers and other senior Administration officials to carry our energy message to their constituencies. The principal officers involved should be the Secretaries of Labor, Treasury, Agriculture, Commerce, HUD, and Transportation, the CEA Chairman and the Special Trade Representative. The Department of Energy has agreed to provide drafts of appropriate speeches for each of these individuals. Full briefings on the Act and its Congressional status for Senior officials will also be scheduled. Jack should help coordinate out-of-town speeches. This could be announced at the next Cabinet meeting.
- *ok - see Schultz* A major Presidential speech or other public presentation could rekindle the public sense of urgency which was so widely felt after your April 20 speech. Such a speech should focus on the larger picture -- why we need an energy program and what its basic elements must be. It could also serve to remind the public that the energy problem is getting worse, not better.

2. Develop a press plan to ensure that the rationale for and the Congressional progress on energy legislation stays in the news. Jody is working on this now. This could include having editors of major newspapers around the country in for a Presidential-Schlesinger briefing. A rough draft of Jody's plan is attached.

*I need a review
memo*

3. A series of meetings should be scheduled with you and members of Congress, particularly the Conferees and key members of the House and Senate leadership. To reassure the House of our support and willingness to stick by them during the Conference, an early meeting with the House conferees just as soon as they have been appointed would be in order. Frank is working on this. Individual meetings may also become necessary.

Meetings with members of the Senate Finance Committee and other key Senators should also be scheduled. Some of these Senators profess not to understand the plan as well as they should.

Before implementation of this plan, you should meet with the Speaker, Senator Byrd, and any other members Frank suggests to inform them of this overall strategy. We would also recommend delaying visible implementation of this strategy until the Finance Committee action is completed. Frank should develop the details of this part of the plan and coordinate Congressional contacts. *ok*

While there are some risks inherent in this strategy -- including arousing Congressional sensitivity to "going over their heads" -- we believe that it is the only wise course. The conference gives us, for the first time, an opportunity to focus public attention on one discrete effort rather than a hodge-podge of Congressional activity. We believe that a strong Administration push will be welcomed by most of our Congressional supporters. An all-out effort will also give you a measure of insurance on the outcome of the legislation. If it is a good bill, you will get the credit. If the Conference cannot agree on acceptable legislation, you cannot be criticized for not trying to provide leadership.

Ham could be asked to develop an overall plan by this Friday with your schedule being appropriately coordinated. Frank (Congress), Jack (Cabinet schedule), Jody (press), Tim (scheduling) and others should report their proposals to Ham for coordinated handling.

4. We should avoid attacking lobbyists and the Senate, and should keep this push on a high level.

The key people involved, including the Vice President, agree with this program. We also all agree that at this point you should not outline the details of this plan in public statements.