Energy

MEMORANDUM

TO: MARY SMITH

FROM: RAVEN MONTGOMERY

RE: PROPOSALS FOR THE FUTURE OF THE DEPT. OF INTERIOR AND THE DEPT. OF ENERGY

DATE: JUNE 24,1997

FDCH Federal Department and Agency Documents January 29,1997

- Sen. Rod Grams reintroduced legislation that was not successful in Congress to abolish the Department of Energy. He measure would save $19 billion -$23 billion over 5 years, and $5 billion -$7 billion a year after that.

Proposal:

- Wants to transfer most functions to the Defense Department where the Army Corps. of Engineers would take over the nuclear waste program, Power Marketing Authorities.
- All defense related activities at DOE would go to a new Defense Nuclear Programs Agency at the Pentagon.
- The Federal Regulatory Commission would become an independent agency. Energy Regulatory Administration cases would be transferred to the Justice Department. The Energy Information Administration would go to the Interior Department, and other research labs and functions would go to the National Science Foundation to be reviewed by the Lab Commission.

Reuter's North American Wire May 8, 1997

Reps. Todd Tiahrt and Ed Royce Proposal:

- Would transfer the Energy Department's nuclear weapons program to the Defense Department.
- Would also transfer other Energy Department functions to the Interior Department and the Army Corp. Engineers.

Heritage Foundation: **Mandate For Leadership IV**
Pg. 79

Proposal:

- They propose to close the Department of Energy, transfer its defense related work to the Dept. of Defense, and its primary research work to universities or the National Science Foundation.
- Commercially oriented research work would be offered to private sector, along with transition assistance to help in the formation of industry-supported laboratories modeled along the lines of privately run

and sponsored Gas Research Institute or Electric Power Research Institute.

- Other commercial energy functions would be privatized.

LEVEL 1 - 11 OF 39 STORIES

Gannett News Service

April 23, 1997, FINAL EDITION

LENGTH: 722 words

HEADLINE: Many Republicans want to trim Education Dept., give money to schools

BYLINE: BRIAN TUMULTY; Gannett News Service

DATELINE: WASHINGTON

BODY:

WASHINGTON -- Congressional Republicans, who two years ago were talking about eliminating the federal Education Department, now are looking at a plan to instead reduce its bureaucracy, with the savings going to local school districts as grants.

And the GOP's much-ballyhooed 1995 plans to wipe out the Commerce and Energy departments have moved to a back burner.

It's a barometer of how the policy debate in Washington has moved to the center. President Clinton's move to the right has been well documented, from his signing of welfare legislation to his support for a balanced budget. But congressional Republicans have shifted too.

A group of Senate Republicans, for instance, are championing legislation that would increase federal spending on special education by $ 1 billion in 1998. They want the federal government to increase to 40 percent its share of special education costs mandated by the Individuals with Disabilities Act.

Even senators leading the push for eliminating the Commerce and Energy departments don't support efforts to do away with Education.

Sen. Rod Grams, R-Minn., leading the effort to shut down the Energy Department, said Republicans "shouldn't take a cookie-cutter approach" to eliminating federal agencies.

As for the idea of trimming the Education Department bureaucracy, Grams said, "There's good justification for putting any savings back into the classroom."

Sen. Spencer Abraham, R-Mich., chief sponsor of a proposal to abolish the Commerce Department, said he's always opposed efforts to end a federal commitment to education.

Education Secretary Richard Riley says he welcomes the GOP shift, which began last year.

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"I don't see any radical thing happening out there that's moving things off center," he said. "I think we're on an education center. I believe the American people want us to be there. And I hope that's where we stay."

Toward that end, the Clinton administration has proposed a $ 10.1 billion increase in federal education spending for 1998 to $ 39.5 billion.

Congressional Republicans, who might have blasted the White House proposal two years ago, have been careful to concentrate on their own educational initiatives.

In the House, Republican members of the Budget Committee are discussing ways to reduce the size of the Education Department and transfer those savings to local schools.

One of those members is Rep. Nick Smith, R-Mich., who has been involved in closed-door talks about increasing federal aid to local schools.

"It'll be earmarked to go directly to school districts," Smith said of the strategy, adding that some Republican colleagues remain wary of the new tactic. "There are some that still think we shouldn't give the impression we are backing off."

But Republicans like Smith say they haven't changed their philosophical goal -- just their strategy.

"We've never been under any illusion that any department or cabinet agency will be eliminated in one budget cycle," Stuart Butler of the Heritage Foundation, an influential conservative think tank, said recently.

In 1995, the Heritage Foundation offered a model federal budget that would have eliminated five cabinet agencies -- Education, Commerce, **Energy,** Labor and Transportation. In addition, it would have significantly trimmed the **Departments of Interior,** Agriculture and Veterans Affairs.

In the wake of the 1996 election, which left House Republicans with a thinner majority after the defeat of some key conservatives, the folks at Heritage read the tea leaves. "Look at where that got them," Butler observed.

Heritage's 1997 budget recommendation still advocates eliminating or privatizing numerous smaller agencies, such as the Corporation for Public Broadcasting.

But gone is the budget hatchet. Instead, the foundation is talking about surgically excising inefficient programs, a "cantaloupe" approach that leaves behind a hollow shell.

Said Abraham, whose proposal for eliminating the Commerce Department

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is in limbo: "I think every program area in the government should rise or fall based on its effectiveness.

"Whether we do, or don't, have a bill to abolish the Department of Commerce," I would hope we would look at the effectiveness of agencies."

LANGUAGE: ENGLISH

LOAD-DATE: April 29, 1997

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LEVEL 1 - 29 OF 33 STORIES

The Washington Post

January 20, 1997, Monday, Final Edition

SECTION: A SECTION; Pg. A25; THE FEDERAL PAGE

LENGTH: 1132 words

HEADLINE: Think Tanks Pour Out Proposals for Second-Term Agenda

BYLINE: Stephen Barr, Washington Post Staff Writer

BODY:

It is time again for big ideas and lots of advice. Washington's think tanks, ready for a second Clinton term and a new Congress, have been busy holding policy forums, chatting up the issues and publishing prescriptions.

The libertarian Cato Institute and the conservative Heritage Foundation, which frequently work with congressional Republicans, continue to press an abolition agenda that would get rid of Cabinet departments or rein in the government. The Progressive Policy Institute, a research arm for centrist Democrats, urges President Clinton to move past liberal-conservative political choices and establish a new philosophy for governing.

Given that this is a second go-round on many issues, there may be questions about whether any of these policy guides have any weight or whether anyone pays attention to sequels. More important, no president could enact the ambitious agendas devised by the think tanks, but that has not deterred them.

Heritage's 760-page volume is called "Mandate for Leadership IV," a reminder of the splash the foundation made when it helped set the agenda for President Ronald Reagan's first term. The Progressive Policy Institute's new book is called "Building the Bridge," a nod to Clinton's campaign theme, and follows the 1992 book "Mandate for Change" that became mandatory bedtime reading for first-term Clinton appointees.

As a branch of the Democratic Leadership Council, a centrist group that has helped staff parts of the administration, the Progressive Policy Institute features in its new book a foreword by Vice President Gore, who probably will seek the presidency in four years.

But even as Gore praises the book's essays, he includes a disclaimer. "Some of the ideas in this book are so much in line with the policies of the first term that it will not be surprising to see them adopted in a second term. Others are sharply at odds with our approach and with my own views," Gore wrote.

The institute recommends, however, that Clinton try to "institutionalize New Democrat innovations" within the Democratic Party. In the first term, "too many key posts went to liberal activists who often didn't understand and sometimes were even hostile to many of the New Democrat ideas that helped elect Clinton. . . . This time around, the administration should make innovation and reform, rather than a single-minded quest for diversity, the touchstone of its staffing decisions," the book recommends.

The book offers a new philosophy to governing, built around what the authors see as a need for major structural changes to school, legal and entitlement systems. Progressive Democrats need to find ways to manage the transition from the old industrial order to the Information Age, a shift that is rocking economic and social foundations, the book says.

Across the city at the Cato Institute, editors are preparing a new edition of the "Handbook for Congress." It gets right to the point: "According to President Clinton, the era of big government is over. Oddly enough, it is, everywhere but in his policy proposals."

The Handbook's draft version calls on Congress to foster a "civil society" that has been diminished by government edicts and mandates. The Handbook estimates intervention by the federal government into voluntary economic enterprises costs the public $ 500 billion a year and promotes lobbying and influence-seeking in Washington.

"As political society's redistributive powers have grown, more and more trade associations have relocated to Washington, D.C. -- where wealth is redistributed rather than created -- and more and more business firms have invested in Washington lawyers and lobbyists rather than in engineers and factory workers," the draft says.

The Cato Handbook also makes a case for dismantling the Commerce, Education, **Energy** and Labor **departments** and suggests that Agriculture, **Interior,** Transportation and Veterans Affairs should be placed on the chopping block, too.

In Cato's view, "many vitally important things in American society are not the province of the federal government." The work of many departments can be streamlined, or turned over to states or the private sector, the Handbook contends.

Heritage's book also recommends the elimination of large parts of the bureaucracy, but its narrative includes strategy tips and "lessons learned" from previous battles. As an example, the book looks at the GOP effort to abolish the Housing and Urban Development Department and the role of the "Iron Triangle" -- the coalition of industry, congressional and bureaucratic interests that unite to defeat such efforts.

The Republican freshmen "were no match for an industry that risked losing billions of dollars in annual subsidies, or for the members of congressional committees who allocated those dollars and wanted their influence and prestige maintained," Heritage says.

Two of the older think tanks here, the Brookings Institution and the American Enterprise Institute, have held policy forums to discuss and debate Social Security, Medicare, Medicaid and the federal budget. The Brookings conference last week was entitled "Setting National Priorities: Budget Choices for the Next Century," while the American Enterprise Institute forum last month asked, "Which Bridges to What Future?"

In an interview, Brookings senior fellow Charles L. Schultze, an economist, said he thought Clinton should focus on Social Security and Medicare in his second term. Given the demographic changes facing the nation, "the combination of the two gets to be a serious, sizable problem," Schultze said, but one where a president can make a difference "if he wants to make his mark in history."

Dave Mason, Heritage's vice president for government relations, said he thought Clinton would have little choice but to focus on the budget. "It remains the most important and most limiting factor in having the government do anything, particularly if Congress sends a balanced budget amendment to the states, which I would say is about a 50-50 proposition."

At Cato, fiscal policy director Stephen Moore said the president should keep the economy growing. The stock market boom and low unemployment helped Clinton win reelection, so Clinton's second term should "create a climate of prosperity.

That's a broad answer," Moore said, "but overall growth is the answer to almost every public policy problem that we have."

Cato's Handbook offers one tough pill for Congress -- the notion that often there is no good reason for House and Senate members to act.

That may seem negative and critics will object, "do you want the government just to stand there and do nothing while this problem continues? Sometimes," the Handbook says, "that is exactly the best thing for Congress to do."

LANGUAGE: ENGLISH

LOAD-DATE: January 20, 1997

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LEVEL 1 - 36 OF 39 STORIES

FDCH Federal Department and Agency Documents

January 29, 1997; Wednesday

LENGTH: 450 words

AGENCY: ENERGY

SIC-MAJOR-GROUP: 05 - Environment

HEADLINE: BILL TO ABOLISH ENERGY DEPARTMENT REINTRODUCED

BODY:

Title: Bill to Abolish Energy Department Reintroduced

By: Tom Bryan

Event: Press Conference by Sen. Rod Grams, R-Minn.

Date: January 29, 1997

Energy Secretary-designate Federico Pena faces a challenge, Sen. Rod Grams, R-Minn., during his confirmation hearing Thursday in the Senate Energy and Natural Resources Committee to justify the continued existence of the Energy Department.

Grams reintroduced Wednesday legislation, which died in the last Congress, to abolish the department which he said has a bloated bureaucracy and budget and failed to fulfill its mission to make the United States energy self-sufficient, following the 1970s oil crises.

The department also failed to carry out its mandate to provide storage facilities for spent nuclear fuel by 1998, while 34 states, including Minnesota, are in danger of running out of space and having to shut down nuclear power facilities, Grams said.

Grams said he is not challenging Pena and expects his confirmation to be approved by the Energy and Natural Resources Committee and the Senate. If his bill is approved, the secretary would oversee the creation of a three-year resolution agency and the transfer of DOE functions to other federal agencies.

The GOP senator expects Pena to defend the Clifton administration proposal submitted by Energy Secretary Hazel O'Leary last year to reorganize and downside DOE.This is not enough to justify continuation of the agency, he said.

Grams said DOE is costing taxpayers more than $16 billion a year and his measure would save $19 billion-$23 billion over five years and $5 billion-$7 billion a year after that.

The proposal would transfer most functions to the Defense Department where the Army Corps of Engineers would take over the nuclear waste program, Power Marketing Authorities. Strategic petroleum reserves and Sandia, Los Alamos and Lawrence Livermore defense labs. All defense related activities at DOE would go to a new Defense Nuclear Programs Agency at the Pentagon.

The Federal Regulatory Commission would become an independent agency. Energy Regulatory Administration cases would be transferred to the Justice Department. The **Energy** Information Administration would go to the **Interior Department** and other research labs and functions would go to the National Science Foundation to be reviewed by the Lab Commission.

Grams said he would meet with Sen. Pete Dominici, R-N.M., to review differences with his plan to reduce DOE to a sub-cabinet agency.

REGION: 4th U.S. Circuit Court of Appeals - Virginia, West Virginia, North Carolina, South Carolina, Washington, D.C.

INDUSTRY-CODE: Executive, legislative, and general government, except finance

LANGUAGE: ENGLISH

LOAD-DATE: January 30, 1997

LEVEL 1 - 8 OF 39 STORIES

Reuters North American Wire

May 8, 1997, Thursday, BC cycle

LENGTH: 282 words

HEADLINE: House Republicans push bill to close Energy Dept

DATELINE: WASHINGTON

BODY:

House Republicans Thursday introduced legislation to eliminate the Energy Department and farm out some of its programs to other agencies.

Reps. Todd Tiahrt of Kansas and Ed Royce of California proposed the bill which they said would save about $ 5 billion a year and would abolish an unnecessary bureaucracy.

"The Department of Energy has outlived its purpose. It was founded in 1976 on a dubious idea- that this country needed a national energy policy coordinated by Washington bureaucrats--and his since grown into a multi-billion dollar bureaucracy with numerous missions and questionable priorities," Royce said at a news conference.

The bill, which would transfer the Energy Department's nuclear weapons program to the Defense Department, is a companion to one introduced earlier in the Senate by Minnesota Republican Rod Grams.

The bill would transfer other **Energy Department** functions to the **Interior Department** and the Army Corp of Engineers.

Similar legislation died last year because of stiff opposition from the White House.

Critics contend the legislation would merely shuffle expenses around instead of producing actual savings, and argue that nuclear weapons programs should be under a civilian agency instead of the Defense Department.

Tiahrt and Grams, who also spoke at the news conference, said they thought the legislation had a better chance this year because the balanced budget deal will force Congress and the White House to look for spending cuts.

Grams said he hoped to move the bill through the Senate Energy Committee this month, and to the Senate floor in June or July.

Tiarht said he hoped for House committee hearings on his bill this summer.

LANGUAGE: ENGLISH

LOAD-DATE: May 09, 1997