



THE VICE PRESIDENT  
WASHINGTON

May 20, 1965

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Suppl Only

Dear Glenn,

Thanks for your letter giving me the details of the issuance of a provisional construction permit to the Niagara Mohawk Power Corporation. I have written Mr. Rachlin of the Congress of Racial Equality a followup letter based on the data you have supplied me. I appreciate your help.

Sincerely,

*Hubert H. Humphrey*  
Hubert H. Humphrey

Honorable Glenn T. Seaborg  
Chairman  
Atomic Energy Commission  
Washington, D.C.

J. S. ATOMIC ENERGY COMM.  
REGULATORY  
MAIL SECTION

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UNITED STATES  
ATOMIC ENERGY COMMISSION  
WASHINGTON, D.C. 20545

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*50-220 not applicable*

Dear Mr. Vice President:

Thank you for your letter of April 21, 1965, concerning the construction permit which was recently issued to Niagara Mohawk Power Corporation. You enclosed with your letter copies of two letters from Mr. Carl Rachlin, General Counsel for the Congress of Racial Equality, each dated April 9, 1965. One of those letters, addressed to you, refers to the employment practices of Niagara Mohawk and states that this corporation has been provisionally awarded "a contract" to build a plant in Scriba, New York. The other letter from Mr. Rachlin, addressed to me, has been answered by a letter, dated April 23, 1965, from our General Counsel, Mr. Joseph Hennessey. A copy is attached.

In his letter, Mr. Hennessey pointed out that the proceeding in question involves only the regulatory functions of the Atomic Energy Commission; that the Commission's jurisdiction in regulatory matters is limited by statute to questions of public health and safety and common defense and security; and that the Commission does not have authority in its regulatory proceedings to take other considerations of social policy into account, no matter how worthy their purpose. It was also pointed out that the entire Niagara Mohawk project is privately financed and will receive no financial assistance from the Commission. As was indicated to Mr. Rachlin, the Commission is, of course, making every effort to comply scrupulously with both the spirit and letter of the 1964 Civil Rights Act in all programs to which that act applies.

Since then another letter has been received from Mr. Rachlin. In his letter of April 26, 1965, to Mr. Hennessey, Mr. Rachlin again refers to a tentative "contract". A copy of that letter is also enclosed.

The document to which Mr. Rachlin refers is a provisional construction permit which has been issued pursuant to Section 185 of the Atomic Energy Act of 1954. It provides authority to Niagara Mohawk to build a nuclear reactor. It is not a contract. It is not subject to Title VI of the 1964 Civil Rights Act. No contract whatever has been awarded by the Commission to Niagara Mohawk. The only contractual relationship between the Commission and Niagara Mohawk which is presently envisaged is an indemnity agreement under Section 170.c. of the Atomic Energy Act. That indemnity agreement, which will be

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APRIL 24, 1913

ALBANY:

THE UNIVERSITY OF THE STATE OF NEW YORK  
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PRINTED BY THE STATE EDUCATION DEPARTMENT

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Honorable Hubert H. Humphrey

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executed some time before Niagara Mohawk is licensed to bring nuclear fuel onto the reactor site, is considered to be a "contract of insurance or guaranty" to which Title VI of the 1964 Civil Rights Act does not apply.

Our General Counsel is available to discuss these matters with Mr. Rachlin. We will, of course, be happy to provide any other information that may be requested.

Cordially,

Signed  
and  
Dispatched

Chairman

Honorable Hubert H. Humphrey  
The Vice President  
United States Senate

Enclosures:

1. By letter, Hennessey to Rachlin, 4/23/65
2. By letter, Rachlin to Hennessey, 4/26/65

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