SEP 19 1972

Docket No. 50-346

Ms. Sharon D. Mitch
2250 Perryburg-Holland
Maumee, Ohio 43537

Dear Ms. Mitch:

Your letter of July 6, 1972 to the President of the United States urging a halt to the construction of all nuclear plants, including the Davis-Besse plant near Port Clinton, Ohio, and suggesting a curb on the use of energy has been referred to the Atomic Energy Commission.

The Atomic Energy Commission and other Federal agencies share your concern about the near term and long term solution to the projected electrical energy shortage. We appreciate the concern of the public in this matter, both with regard to the consequences of an electrical shortage and the impact of its alternate solutions on other human values. We assure you that many alternate solutions have been studied by the Federal agencies and the President's scientific advisors. Some of the complex considerations involved in these studies are health and safety of the public, protection of environmental values, preservation of natural resources, cost benefits, and technical feasibility.

With regard to the construction of nuclear power plants all of the above considerations are carefully weighed and the Atomic Energy Commission provides a means whereby the general public may be kept informed and may participate in public hearings involving nuclear power plants.

Upon completion of an extensive pre-construction review of the Davis-Besse plant by the AEC, the public was afforded the opportunity to participate in the mandatory hearings which were held during the three months prior to issuance of an AEC construction permit (March 1971). Public hearings were held on environmental matters in the first half of this year and results of additional reviews of safety and environmental matters now underway by the AEC will be made available to the

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public when they are completed next year. In advance of the next mandatory hearings and in advance of issuance of any operating license by the AEC, notices will be published in the FEDERAL REGISTER providing further opportunity for the public to participate in the AEC's licensing procedure. The AEC's safety review with respect to licensing the plant for operation will be initiated upon submission by the applicant of a final safety analysis report late in 1972. A draft of the AEC's final environmental statement is expected to be available to the public late in 1972 also.

Enclosed is a copy of the President's Energy Message to Congress of June 4, 1971 which explains some of your government's programs related to energy.

Thank you for your interest in this important national issue.

Sincerely,

Original Signed by
E. J. Bloch

E. J. Bloch
Deputy Director of Regulation

Enclosure:
President's Energy Message
to Congress

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Thank you for your interest in this important national issue.

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Edward J. Bloch
Deputy Director of Regulation

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President's Energy Message
to Congress

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Enclosed is a copy of the President's Energy Message to Congress of June 4, 1971 which explains some of your government's programs related to energy. Also enclosed is a copy of the Code of Federal Regulations Rules governing public participation in nuclear power plant construction and licensing.

Thank you for your interest in this important national issue.

Sincerely,

Edward J. Bloch
Deputy Director of Regulation

Enclosures:
1. President's Energy Resources Message to Congress
2. Rules and Regulations

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Energy Resources

The President's Remarks at a News Briefing on His Message to the Congress. June 4, 1971

Ladies and gentlemen, I am sending to the Congress today a message on energy. This is the first time that a message on energy of a comprehensive nature has been sent to the Congress by a President of the United States.

The reason it is essential, and I consider the program urgent, is that in all great industrial societies we face two challenges: one, to find new sources of energy to fuel the economy; and two, to find sources of energy that will not pollute the environment.

We have learned in our own country, and in countries abroad as well—they have the same experience—that usually these two goals come in conflict; that while new sources of energy may provide what the needs of the economy are, that inevitably there is the polluting of the environment.

This message points the way for America—at considerable cost in money, but an investment that is urgent and, therefore, justified—points the way for finding new sources of energy and, at the same time, clean energy that will not pollute the air and will not pollute the environment.

For that reason, we have a briefing team that covers the various departments that will be implementing this program, the Secretary of the Interior, the Chairman of AEC, and the President's Science Adviser, Dr. David, who will brief you on the elements of the message.

NOTE: The President spoke at 11:10 a.m. in the Briefing Room at the White House. As printed above, this item follows the text of the White House press release. For the text of the message, see the following item.

ENERGY RESOURCES

The President's Message to the Congress. June 4, 1971

To the Congress of the United States:

For most of our history, a plentiful supply of energy is something the American people have taken very much for granted. In the past twenty years alone, we have been able to double our consumption of energy without exhausting the supply. But the assumption that sufficient energy will always be readily available has been brought sharply into question within the last year. The brownouts that have affected some areas of our country, the possible shortages of fuel that were threatened last fall, the sharp increases in certain fuel prices and our growing awareness of the environmental consequences of energy production have all demonstrated that we cannot take our energy supply for granted any longer.

A sufficient supply of clean energy is essential if we are to sustain healthy economic growth and improve the quality of our national life. I am therefore announcing today a broad range of actions to ensure an adequate supply of clean energy for the years ahead. Private industry, of course, will still play the major role in providing our energy, but government can do a great deal to help in meeting this challenge.

My program includes the following elements:

To Facilitate Research and Development for Clean Energy:

—A commitment to complete the successful demonstration of the liquid metal fast breeder reactor by 1980.

—More than twice as much Federal support for sulfur oxide control demonstration projects in Fiscal Year 1972.

—An expanded program to convert coal into a clean gaseous fuel.

—Support for a variety of other energy research projects in fields such as fusion power, magnetohydrodynamic power cycles, and underground electric transmission.

To Make Available the Energy Resources on Federal Lands:

—Acceleration of oil and gas lease sales on the Outer Continental Shelf, along with stringent controls to protect the environment.

—A leasing program to develop our vast oil shale resources, provided that environmental questions can be satisfactorily resolved.

—Development of a geothermal leasing program beginning this fall.

To Assure a Timely Supply of Nuclear Fuels:

—Begin work to modernize and expand our uranium enrichment capacity.

To Use Our Energy More Wisely:

—A New Federal Housing Administration standard requiring additional insulation in new federally insured homes.

—Development and publication of additional information on how consumers can use energy more efficiently.

—Other efforts to encourage energy conservation.

To Balance Environmental and Energy Needs:

—A system of long-range open planning of electric power plant sites and transmission line routes with approval by a State or regional agency before construction.

—An incentive charge to reduce sulfur oxide emissions and to support further research.

To Organize Federal Efforts More Effectively:

—A single structure within the Department of Natural Resources uniting all important energy resource development programs.

The Nature of the Current Problem

A major cause of our recent energy problems has been the sharp increase in demand that began about 1967. For decades, energy consumption had generally grown at a slower rate than the national output of goods and services. But in the last four years it has been growing at a faster pace and forecasts of energy demand a decade from now have been undergoing significant upward revisions.

This accelerated growth in demand results partly from the fact that energy has been relatively inexpensive in this country. During the last decade, the prices of oil, coal, natural gas and electricity have increased at a much slower rate than consumer prices as a whole. Energy has been an attractive bargain in this country—and demand has responded accordingly.

In the years ahead, the needs of a growing economy will further stimulate this demand. And the new emphasis on environmental protection means that the demand for cleaner fuels will be especially acute. The primary cause of air pollution, for example, is the burning of fossil fuels in homes, in cars, in factories and in power plants. If we are to meet our new national air quality standards, it will be essential for us to use

stack gas cleaning systems in our large power and other industrial plants and to use cleaner fuels in virtually all of our new residential, commercial and industrial facilities, and in some of our older facilities as well.

Together, these two factors—growing demand for energy and growing emphasis on cleaner fuels—will create an extraordinary pressure on our fuel supplies.

The task of providing sufficient clean energy is made especially difficult by the long lead times required to increase energy supply. To move from geological exploration to oil and gas well production now takes from 3 to 7 years. New coal mines typically require 3 to 5 years to reach the production stage and it takes 5 to 7 years to complete a large steam power plant. The development of the new technology required to minimize environmental damage can further delay the provision of additional energy. If we are to take full advantage of our enormous coal resources, for example, we will need mining systems that do not impair the health and safety of miners or degrade the landscape and combustion systems that do not emit harmful quantities of sulfur oxides, other noxious gases, and particulates into the atmosphere. But such systems may take several years to reach satisfactory performance. That is why our efforts to expand the supply of clean energy in America must immediately be stepped up.

1. *Research and Development Goals for Clean Energy*

Our past research in this critical field has produced many promising leads. Now we must move quickly to demonstrate the best of these new concepts on a commercial scale. Industry should play the major role in this area, but government can help by providing technical leadership and by sharing a portion of the risk for costly demonstration plants. The time has now come for government and industry to commit themselves to a joint effort to achieve commercial scale demonstrations in the most crucial and most promising clean energy development areas—the fast breeder reactor, sulfur oxide control technology and coal gasification.

a. *Sulfur Oxide Control Technology*

A major bottleneck in our clean energy program is the fact that we cannot now burn coal or oil without discharging its sulfur content into the air. We need new technology which will make it possible to remove the sulfur before it is emitted to the air.

Working together, industry and government have developed a variety of approaches to this problem. However, the new air quality standards promulgated under the Clean Air Amendments of 1970 require an even more rapid development of a suitable range of stack gas cleaning techniques for removing sulfur oxides. I have therefore requested funds in my 1972 budget to permit the Environmental Protection Agency to devote an additional $15 million to this area, more than doubling the level of our previous efforts. This expansion means that a total of six different techniques can be demonstrated in partnership with industry during the next three or four years.

b. *Nuclear Breeder Reactor*

Our best hope today for meeting the Nation's growing demand for economical clean energy lies with the fast breeder reactor. Because of its highly efficient use of nuclear fuel, the breeder reactor could extend the life of our natural uranium fuel supply from decades to centuries, with far less impact on the environment than the power plants which are operating today.

For several years, the Atomic Energy Commission has placed the highest priority on developing the liquid metal fast breeder. Now this project is ready to move out of the laboratory and into the demonstration phase with a commercial size plant. But there still are major technical and financial obstacles to the construction of a demonstration plant of some 300 to 500 megawatts. I am therefore requesting an additional $27 million in Fiscal Year 1972 for the Atomic Energy Commission's liquid metal fast breeder reactor program—and for related technological and safety programs—so that the necessary engineering groundwork for demonstration plants can soon be laid.

What about the environmental impact of such plants? It is reassuring to know that the releases of radioactivity from current nuclear reactors are well within the national safety standards. Nevertheless, we will make every effort to see that these new breeder reactors emit even less radioactivity to the environment than the commercial light water reactors which are now in use.

I am therefore directing the Atomic Energy Commission to ensure that the new breeder plants be designed in a way which inherently prevents discharge to the environment from the plant's radioactive effluent systems. The Atomic Energy Commission should also take advantage of the increased efficiency of these breeder plants, designing them to minimize waste heat discharges. Thermal pollution from nuclear power plants can be materially reduced in the more efficient breeder reactors.

We have very high hopes that the breeder reactor will soon become a key element in the national fight against air and water pollution. In order further to inform the interested agencies and the public about the opportunities in this area, I have requested the early preparation and review by all appropriate agencies of a draft environmental impact statement for the breeder demonstration plant in accordance with Section 102 of the National Environmental Policy Act. This procedure will ensure compliance with all environmental quality standards before plant construction begins.

In a related area, it is also pertinent to observe that the safety record of civilian power reactors in this country is extraordinary in the history of technological advances. For more than a quarter century—since the first nuclear chain reaction took place—no member of the public has been injured by the failure of a reactor or by an accidental release of radioactivity. I am confident that this record can be maintained. The Atomic Energy Commission is giving top priority to safety considerations in the basic design of the breeder reactor and this design will also be subject to a thorough review by the independent Advisory Committee on Reactor Safeguards, which will publish the results of its investigation.

I believe it important to the Nation that the commercial demonstration of a breeder reactor be completed by 1980. To help achieve that goal, I am requesting an additional $50 million in Federal funds for the demonstration plant. We expect industry—the utilities and manufacturers—to contribute the major share of the plant's total cost, since they have a large and obvious stake in this new technology. But we also recognize that only if government and industry work closely together can we maximize our progress in this vital field and thus introduce a new era in the production of energy for the people of our land.

c. *Coal Gasification*

As we carry on our search for cleaner fuels, we think immediately of the cleanest fossil fuel—natural gas. But our reserves of natural gas are quite limited in comparison with our reserves of coal.

Fortunately, however, it is technically feasible to convert coal into a clean gas which can be transported through pipelines. The Department of the Interior has been working with the natural gas and coal industries on research to advance our coal gasification efforts and a number of possible methods for accomplishing this conversion are under development. A few, in fact, are now in the pilot plant stage.

We are determined to bring greater focus and urgency to this effort. We have therefore initiated a cooperative program with industry to expand the number of pilot plants, making it possible to test new methods more expeditiously so that the appropriate technology can soon be selected for a large-scale demonstration plant.

The Federal expenditure for this cooperative program will be expanded to $20 million a year. Industry has agreed to provide $10 million a year for this effort. In general, we expect that the Government will continue to finance the larger share of pilot plants and that industry will finance the larger share of the demonstration plants. But again, the important point is that both the Government and industry are now strongly committed to move ahead together as promptly as possible to make coal gasification a commercial reality.

d. *Other Research and Development Efforts*

The fast breeder reactor, sulfur oxide controls and coal gasification represent our highest priority research and development projects in the clean energy field. But they are not our only efforts. Other ongoing projects include:

—*Coal Mine Health and Safety Research.* In response to a growing concern for the health and safety of the men who mine the Nation's coal and in accordance with the Federal Coal Mine Health and Safety Act of 1969, the Bureau of Mines research effort has been increased from a level of $2 million in Fiscal Year 1969 to $30 million in Fiscal Year 1972.

—*Controlled Thermonuclear Fusion Research.* For nearly two decades the Government has been funding a sizeable research effort designed to harness the almost limitless energy of nuclear fusion for peaceful purposes. Recent progress suggests that the scientific feasibility of such projects may be demonstrated in the 1970s and we have therefore requested an additional $2 million to supplement the budget in this field for Fiscal Year 1972. We hope that work in this promising area will continue to be expanded as scientific progress justifies larger scale programs.

—*Coal Liquefaction.* In addition to its coal gasification work, the Department of the Interior has underway a major pilot plant program directed toward converting coal into cleaner liquid fuels.

—*Magnetohydrodynamic Power Cycles.* MHD is a new and more efficient method of converting coal and other fossil fuels into electric energy by burning the fuel and passing the combustion products through a magnetic field at very high temperatures. In partnership with the electric power industry, we have been working to develop this new system of electric power generation.

—*Underground Electric Transmission.* Objections have been growing to the overhead placement of high voltage power lines, especially in areas of scenic beauty or near centers of population. Again in cooperation with industry, the Government is funding a research program to develop new and less expensive techniques for burying high voltage electric transmission lines.

—*Nuclear Reactor Safety and Supporting Technology.* The general research and development work for today's commercial nuclear reactors was completed several years ago, but we must continue to fund safety-related efforts in order to ensure the continuance of the excellent safety record in this field. An additional $3 million has recently been requested for this purpose to supplement the budget in Fiscal Year 1972.

—*Advanced Reactor Concepts.* The liquid metal fast breeder is the priority breeder reactor concept under development, but the Atomic Energy Commission is also supporting limited alternate reactor programs involving gas cooled reactors, molten salt reactors and light water breeders.

—*Solar Energy.* The sun offers an almost unlimited supply of energy if we can learn to use it economically. The National Aeronautics and Space Administration and the National Science Foundation are currently re-examining their efforts in this area and we expect to give greater attention to solar energy in the future.

The key to meeting our twin goals of supplying adequate energy and protecting the environment in the decades ahead will be a balanced and imaginative research and development program. I have therefore asked my Science Adviser, with the cooperation of the Council on Environmental Quality and the interested agencies, to make a detailed assessment of all of the technological opportunities in this area and to recommend additional projects which should receive priority attention.

2. *Making Available the Energy Resources of Federal Lands*

Over half of our Nation's remaining oil and gas resources, about 40 percent of our coal and uranium, 80 percent of our oil shale, and some 60 percent of our geothermal energy sources are now located on Federal lands. Programs to make these resources available to meet the growing energy requirements of the Nation are therefore essential if shortages are to be averted. Through appropriate leasing programs, the Government should be able to recover the fair market value of these resources, while requiring developers to comply with requirements that will adequately protect the environment.

To supplement the efforts already underway to develop the fuel resources of the lower 48 States and Alaska, I am announcing today the following new programs:

a. *Leasing on the Outer Continental Shelf—An Accelerated Program*

The Outer Continental Shelf has proved to be a prolific source of oil and gas, but it has also been the source of troublesome oil spills in recent years. Our ability to tap the great potential of offshore areas has been seriously hampered by these environmental problems.

The Department of the Interior has significantly strengthened the environmental protection requirements controlling offshore drilling and we will continue to enforce these requirements very strictly. As a prerequisite to Federal lease sales, environmental assessments will be made

in accordance with Section 102 of the National Environmental Policy Act of 1969.

Within these clear limits, we will accelerate our efforts to utilize this rich source of fuel. In order to expand productive possibilities as rapidly as possible, the accelerated program should include the sale of new leases not only in the highly productive Gulf of Mexico, but also some other promising areas. I am therefore directing the Secretary of the Interior to increase the offerings of oil and gas leases and to publish a schedule for lease offerings on the Outer Continental Shelf during the next five years, beginning with a general lease sale and a drainage sale this year.

b. *Oil Shale—A Program for Orderly Development*

At a time when we are facing possible energy shortages, it is reassuring to know that there exists in the United States an untapped shale oil resource containing some 600 billion barrels in high grade deposits. At current consumption rates, this resource represents 150 years supply. About 80 billion barrels of this shale oil are particularly rich and well situated for early development. This huge resource of very low sulfur oil is located in the Rocky Mountain area, primarily on Federal land.

At present there is no commercial production of shale oil. A mixture of problems—environmental, technical and economic—have combined to thwart past efforts at development.

I believe the time has come to begin the orderly formulation of a shale oil policy—not by any head-long rush toward development but rather by a well considered program in which both environmental protection and the recovery of a fair return to the Government are cardinal principles under which any leasing takes place. I am therefore requesting the Secretary of the Interior to expedite the development of an oil shale leasing program including the preparation of an environmental impact statement. If after reviewing this statement and comments he finds that environmental concerns can be satisfied, he shall then proceed with the detailed planning. This work would also involve the States of Wyoming, Colorado and Utah and the first test lease would be scheduled for next year.

c. *Geothermal Energy*

There is a vast quantity of heat stored in the earth itself. Where this energy source is close to the surface, as it is in the Western States, it can readily be tapped to generate electricity, to heat homes, and to meet other energy requirements. Again, this resource is located primarily on Federal lands.

Legislation enacted in recent months permits the Federal Government, for the first time, to prepare for a leasing program in the field of geothermal energy. Classification of the lands involved is already underway in the Department of the Interior. I am requesting the Secretary of the Interior to expedite a final decision on whether the first competitive lease sale should be scheduled for this fall—taking into account, of course, his evaluation of the environmental impact statement.

3. *Natural Gas Supply*

For the past 25 years, natural gas has supplied much of the increase in the energy supply of the United States. Now this relatively clean form of energy is in even greater demand to help satisfy air quality standards. Our present supply of natural gas is limited, however, and we

are beginning to face shortages which could intensify as we move to implement the air quality standards. Additional supplies of gas will therefore be one of our most urgent energy needs in the next few years.

Federal efforts to augment the available supplies of natural gas include:

—Accelerated leasing on Federal lands to speed discovery and development of new natural gas fields.

—Moving ahead with a demonstration project to gasify coal.

—Recent actions by the Federal Power Commission providing greater incentives for industry to increase its search for new sources of natural gas and to commit its discoveries to the interstate market.

—Facilitating imports of both natural and liquefied gas from Canada and from other nations.

—Progress in nuclear stimulation experiments which seek to produce natural gas from tight geologic formations which cannot presently be utilized in ways which are economically and environmentally acceptable.

This administration is keenly aware of the need to take every reasonable action to enlarge the supply of clean gaseous fuels. We intend to take such action and we expect to get good results.

4. *Imports from Canada*

Over the years, the United States and Canada have steadily increased their trade in energy. The United States exports some coal to Canada, but the major items of trade are oil and gas which are surplus to Canadian needs but which find a ready market in the United States.

The time has come to develop further this mutually advantageous trading relationship. The United States is therefore prepared to move promptly to permit Canadian crude oil to enter this country, free of any quantitative restraints, upon agreement as to measures needed to prevent citizens of both our countries from being subjected to oil shortages, or threats of shortages. We are ready to proceed with negotiations and we look to an early conclusion.

5. *Timely Supplies of Nuclear Fuels*

The Nation's nuclear fuel supply is in a state of transition. Military needs are now relatively small but civilian needs are growing rapidly and will be our dominant need for nuclear fuel in the future. With the exception of uranium enrichment, the nuclear energy industry is now in private hands.

I expect that private enterprise will eventally assume the responsibility for uranium enrichment as well, but in the meantime the Government must carry out its responsibility to ensure that our enrichment capacity expands at a rate consistent with expected demands.

There is currently no shortage of enriched uranium or enriching capacity. In fact, the Atomic Energy Commission has substantial stocks of enriched uranium which have already been produced for later use. However, plant expansions are required so that we can meet the growing demands for nuclear fuel in the late 1970s—both in the United States and in other nations for which this country is now the principal supplier.

The most economical means presently available for expanding our capacity in this field appears to be the modernization of existing gaseous diffusion plants at Oak Ridge, Tennessee; Portsmouth, Ohio; and Paducah, Kentucky—through a Cascade Improvement Program. This program will take a number of years to complete and we therefore believe that it is prudent to initiate the program at this time rather than run the risk of shortages at a later date. I am therefore releasing $16 million to start the Cascade Improvement Program in Fiscal Year 1972. The pace of the improvement program will be tailored to fit the demands for enriched uranium in the United States and in other countries.

6. *Using Our Energy More Wisely*

We need new sources of energy in this country, but we also need to use existing energy as efficiently as possible. I believe we can achieve the ends we desire—homes warm in winter and cool in summer, rapid transportation, plentiful energy for industrial production and home appliances—and still place less of a strain on our overtaxed resources.

Historically, we have converted fuels into electricity and have used other sources of energy with ever increasing efficiency. Recent data suggest, however, that this trend may be reversing—thus adding to the drain on available resources. We must get back on the road of increasing efficiency—both at the point of production and at the point of consumption, where the consumer himself can do a great deal to achieve considerable savings in his energy bills.

We believe that part of the answer lies in pricing energy on the basis of its full costs to society. One reason we use energy so lavishly today is that the price of energy does not include all of the social costs of producing it. The costs incurred in protecting the environment and the health and safety of workers, for example, are part of the real cost of producing energy—but they are not now all included in the price of the product. If they were added to that price, we could expect that some of the waste in the use of energy would be eliminated. At the same time, by expanding clean fuel supplies, we will be working to keep the overall cost of energy as low as possible.

It is also important that the individual consumer be fully aware of what his energy will cost if he buys a particular home or appliance. The efficiency of home heating or cooling systems and of other energy intensive equipment are determined by builders and manufacturers who may be concerned more with the initial cost of the equipment than with the operating costs which will come afterward. For example, better thermal insulation in a home or office building may save the consumer large sums in the long run—and conserve energy as well—but for the builder it merely represents an added expense.

To help meet one manifestation of this problem, I am directing the Secretary of Housing and Urban Development to issue revised standards for insulation applied in new federally insured homes. The new Federal Housing Administration standards will require sufficient insulation to reduce the maximum permissible heat loss by about one-third for a typical 1200 square foot home—and by even more for larger homes. It is estimated that the fuel savings which will result each year from the application of these new standards will, in an average climate, equal the cost of the additional insulation required.

While the Federal Government can take some actions to conserve energy through such regulations, the consumer who seeks the most for his energy dollar in the marketplace is the one who can have the most profound influence. I am therefore asking my Special Assistant for Consumer Affairs—in cooperation with industry and appropriate Government agencies—to gather and publish additional information in this field to help consumers focus on the operating costs as well as the initial cost of energy intensive equipment.

In addition, I would note that the Joint Board on Fuel Supply and Fuel Transport chaired by the Director of the Office of Emergency Preparedness is developing energy conservation measures for industry, government, and the general public to help reduce energy use in times of particular shortage and during pollution crises.

7. *Power Plant Siting*

If we are to meet growing demands for electricity in the years ahead, we cannot ignore the need for many new power plants. These plants and their associated transmission lines must be located and built so as to avoid major damage to the environment, but they must also be completed on time so as to avoid power shortages. These demands are difficult to reconcile--and often they are not reconciled well. In my judgment the lesson of the recent power shortages and of the continuing disputes over power plant siting and transmission line routes is that the existing institutions for making decisions in this area are not adequate for the job. In my Special Message to the Congress on the Environment last February, I proposed legislation which would help to alleviate these problems through longer range planning by the utilities and through the establishment of State or regional agencies to license new bulk power facilities prior to their construction.

Hearings are now being held by the Interstate and Foreign Commerce Committee of the House of Representatives concerning these proposals and other measures which would provide an open planning and decision-making capacity for dealing with these matters. Under the administration bill, long-range expansion plans would be presented by the utilities ten years before construction was scheduled to begin, individual alternative power plant sites would be identified five years ahead, and detailed design and location of specific plants and transmission lines would be considered two years in advance of construction. Public hearings would be held far enough ahead of construction so that they could influence the siting decision, helping to avoid environmental problems without causing undue construction delays. I urge the Congress to take prompt and favorable action on this important legislative proposal. At the same time steps will be taken to ensure that Federal licenses and permits are handled as expeditiously as possible.

8. *The Role of the Sulfur Oxides Emissions Charge*

In my environmental message last February I also proposed the establishment of a sulfur oxides emissions charge. The emissions charge would have the effect of building the cost of sulfur oxide pollution into the price of energy. It would also provide a strong economic incentive for achieving the necessary performance to meet sulfur oxide standards.

The funds generated by the emissions charge would be used by the Federal Government to expand its programs to improve environmental

quality, with special emphasis on the development of adequate supplies of clean energy.

9. *Government Reorganization—An Energy Administration*

But new programs alone will not be enough. We must also consider how we can make these programs do what we intend them to do. One important way of fostering effective performance is to place responsibility for energy questions in a single agency which can execute and modify policies in a comprehensive and unified manner.

The Nation has been without an integrated energy policy in the past. One reason for this situation is that energy responsibilities are fragmented among several agencies. Often authority is divided according to types and uses of energy. Coal, for example, is handled in one place, nuclear energy in another—but responsibility for considering the impact of one on the other is not assigned to any single authority. Nor is there any single agency responsible for developing new energy sources such as solar energy or new conversion systems such as the fuel cell. New concerns—such as conserving our fossil fuels for non-fuel uses—cannot receive the thorough and thoughtful attention they deserve under present arrangements.

The reason for all these deficiencies is that each existing program was set up to meet a specific problem of the past. As a result, our present structure is not equipped to handle the relationships between these problems and the emergence of new concerns.

The need to remedy these problems becomes more pressing every day. For example, the energy industries presently account for some 20 percent of our investment in new plant and equipment. This means that inefficiencies resulting from uncoordinated government programs can be very costly to our economy. It is also true that energy sources are becoming increasingly interchangeable. Coal can be converted to gas, for example, and even to synthetic crude oil. If the Government is to perform adequately in the energy field, then it must act through an agency which has sufficient strength and breadth of responsibility.

Accordingly, I have proposed that all of our important Federal energy resource development programs be consolidated within the new Department of Natural Resources.

The single energy authority which would thus be created would be better able to clarify, express, and execute Federal energy policy than any unit in our present structure. The establishment of this new entity would provide a focal point where energy policy in the executive branch could be harmonized and rationalized.

One of the major advantages of consolidating energy responsibilities would be the broader scope and greater balance this would give to research and development work in the energy field. The Atomic Energy Commission, for instance, has been successful in its mission of advancing civilian nuclear power, but this field is now intimately interrelated with coal, oil and gas, and Federal electric power programs with which the Atomic Energy Commission now has very little to do. We believe that the planning and funding of civilian nuclear energy activities should now

be consolidated with other energy efforts in an agency charged with the mission of insuring that the total energy resources of the Nation are effectively utilized. The Atomic Energy Commission would still remain intact, in order to execute the nuclear programs and any related energy research which may be appropriate as part of the overall energy program of the Department of Natural Resources.

Until such time as this new Department comes into being, I will continue to look to the Energy Subcommittee of the Domestic Council for leadership in analyzing and coordinating overall energy policy questions for the executive branch.

Conclusion

The program I have set forth today provides the basic ingredients for a new effort to meet our clean energy needs in the years ahead.

The success of this effort will require the cooperation of the Congress and of the State and local governments. It will also depend on the willingness of industry to meet its responsibilities in serving customers and in making necessary capital investments to meet anticipated growth. Consumers, too, will have a key role to play as they learn to conserve energy and as they come to understand that the cost of environmental protection must, to a major extent, be reflected in consumer prices.

I am confident that the various elements of our society will be able to work together to meet our clean energy needs. And I am confident that we can therefore continue to know the blessings of both a high-energy civilization and a beautiful and healthy environment.

Richard Nixon

The White House
June 4, 1971

2250 Barnesburg-Hallan
Maumee, Ohio
July 6, 1972

Office of the President
Washington, D. C.

Dear President Nixon:

It is my belief that our capitalistic system promotes dishonesty in men. The latest "bill of goods" being sold to the American is the nuclear power plant. I petition you to halt production on all nuclear power plants, in particular the plant in Port Clinton, Ohio.

Our system continues to manufacture and promote many unnecessary gadgets which tap our energy sources. Instead of rushing into a solution for our so-called energy crisis, let us curb our fanatic use of power until a safe means of producing or converting energy can be found.

Sincerely,
Sharon D. Mitch

DR 4786

~~8008060 998~~

Draft

Memo for Mr. J. O'Leary —

This was returned to me with
request that:

a.) We drop reference to
Standard on second paragraph.

b.) Some specific reference
be made to the local plant.

Dick Ryan
Please have
a b