

VETO—S. 1811
DEPARTMENT OF ENERGY AUTHORIZATION ACT
OF 1978—CIVILIAN APPLICATIONS
(VM-1)

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RETURNING

WITHOUT MY APPROVAL, S. 1811, THE BILL ENTITLED "TO AUTHORIZE APPROPRIATIONS TO THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION IN ACCORDANCE WITH SECTION 261 OF THE ATOMIC ENERGY ACT OF 1954, AS AMENDED, SECTION 305 OF THE ENERGY REORGANIZATION ACT OF 1974, AND SECTION 16 OF THE FEDERAL NONNUCLEAR ENERGY RESEARCH AND DEVELOPMENT ACT OF 1974, AS AMENDED, AND FOR OTHER PURPOSES"



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To the Senate of the United States:

I am returning, without my approval, S. 1811, the Department of Energy Authorization Act of 1978—Civilian Applications.

This bill authorizes fiscal year 1978 appropriations for the Department of Energy's nuclear and non-nuclear energy research, development, and demonstration projects; however, funds for most of these programs, except the Clinch River Breeder Reactor Demonstration Plant, already have been appropriated and made available to the Department.

I cannot approve this legislation because:

- It mandates funding for the Clinch River Breeder Reactor Demonstration Plant, that will result in a large and unnecessarily expensive project which, when completed, would be technically obsolete and economically unsound. This decision would channel scarce and much needed effort away from a broad-based reactor development program into a production model which will not be required or economical for many years.
- It seriously inhibits the President from pursuing effectively an international policy to prevent the proliferation of nuclear weapons and nuclear explosive capability.
- It puts burdensome limitations on the President and the new Department of Energy in exercising necessary judgment to provide an effective energy research and development program.
- It puts unwise limitations on our ability to implement the new spent fuels policy which I recently announced, to aid our non-proliferation goals.
- It limits the constitutional authority of the President through three one-House veto provisions. One of these provisions could also limit the Administration's ability to recover a fair price for the uranium enrichment service provided by the Federal government.

S. 1811 severely limits the flexibility of the Executive Branch in expending funds appropriated for the Clinch River project pursuant to authorization. This is inconsistent with my strong belief that proceeding beyond completion of the systems design phase of the Clinch River facility would imperil the Administration's policy to curb proliferation of nuclear weapons technology. Further, completion of the Clinch River facility would cost American taxpayers an additional \$1.4 billion on a facility that is technically and economically unnecessary.

In 1970, when the Clinch River facility was first authorized it was estimated to cost \$450 million. Its total cost estimate now exceeds \$2.2 billion. The Federal government's share of the cost of the project has risen from \$250 million to \$2 billion. Yet current projections of the increase in the need for nuclear-generated electric power in the year 2000 are only one-third of estimates made in 1970. The breeder reactor will, therefore, not be needed in the early 1990's, as had been projected when the Clinch River facility was first authorized.

The Administration is committed to a strong research and development program for advanced nuclear technologies, including base program research on the liquid metal fast breeder, research into alternative breeder cycles, and an accelerated research and development program for advanced non-breeder technologies. These programs are vital to ensure that energy is available to make the transition over the decades ahead from oil and natural gas to other energy sources. All of these programs will be maintained in the absence of S. 1811. Construction of the Clinch River facility in no way is necessary to ensure continued development of nuclear technologies, including liquid metal fast breeder technology.

In vetoing S. 1811, I intend to pursue the authority at my disposal to terminate construction of the Clinch River facility. Further expenditure on the Clinch River facility should be ended in an orderly fashion, and I intend to analyze all available options, including those under the Congressional Budget and Impoundment Control Act of 1974, to ensure that no further unnecessary expenditures on this facility are made.

In addition to those features relating to the Clinch River Breeder Reactor, S. 1811 also contains additional provisions which are not consistent with Administration policies and the national interest.

The bill would further impede our non-proliferation goals by imposing limitations on the ability of the United States to provide for the storage of spent fuel from foreign reactors in those instances where such an action would serve those goals.

It permits a one-House veto over the criteria and prices which the Administration can adopt, infringing on the Administration's ability to recover the full cost of those enrichment services.

S. 1811 would impede the ability of the Secretary of Energy to organize effectively the research and development activities of the new Department of Energy, in contravention of legislation passed in August establishing the Department.

Finally, it would impose a variety of specific and unnecessary technical restrictions on energy research and development programs, establish one-House veto provisions relating to geothermal facility loan guarantees, and impose a six-month requirement for a recommendation on the purchase and/or operation of the Barnwell reprocessing facility.

I am committed to a vigorous energy research and development strategy to ensure maximum progress on shifting the energy base of the United States away from oil and natural gas. However, I am also concerned about the risk of introducing the plutonium economy through an unnecessary commercial demonstration facility. I believe that we should continue our research and development program without large, unnecessary expenditures for a technologically obsolete project and without imperiling our shared desire for halting the uncontrolled spread of nuclear weapons capability.

JIMMY CARTER.

THE WHITE HOUSE, *November 5, 1977.*