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WASHINGTON

THE PRESIDENT'S SCHEDULE Thursday, November 12, 1981

9:00 am (30 min)	Staff Time (Baker, Meese, Deaver)	Oval Office
9:30 am (45 min)	Meeting with GOP Congressional Leaders (Max Friedersdorf) (distributed separ	Cabinet Room
10:15 am (15 min)	Senior Staff Time	Oval Office
10:30 am (10 min)	Photo with Frank Hodsoll, et al	Oval Office
10:40 am (50 min)	Personal Staff Time	Oval Office
11:30 am (10 min)	Dropby Meeting with Black Editors (TAB A)	Cabinet Room
12:00 m	Depart South Grounds for dropby at dedication of new Washington Bureau, ABC News (sep.schedul	1717 De Sales St. <u>e</u>)
12:35 pm	Return White House (TAB B) (draft remarks	South Grounds
12:45 pm (45 min)	Lunch with the Vice President attached)	Oval Office
1:30 pm (60 min)	Meeting with Cabinet Council on Natural Resquees and Environment (Craig Fuller) (TAB C)	Cabinet Room
2:45 pm (15 min)	The President and Mrs. Reagan visit with Mrs. Rose Kennedy (Max Friedersdorf) (TAB D)	Oval Office
3:00 pm (30 min)	Meeting with E. Pendleton James	Oval Office
4:00 pm (60 min)	National Security Council Meeting (Richard V. Allen) (distributed sepa	Cabinet Room rately)
5:00 pm (10 min)	Presentation by Representatives of the European Rodeo Association (Gregory J. Newell) (available in a.m.	Oval Office
5:30 pm (30 min)	Staff Time (Baker, Meese, Deaver)	Oval Office
6:00 pm	To the Residence	Residence

WASHINGTON

November 11, 1981

DROP-BY MEETING OF BLACK JOURNALISTS

DATE:

Thursday, November 12, 1981

LOCATION:

The Cabinet Room

TIME:

11:30 a.m. (10 minutes)

FROM:

Karna Small

I. PURPOSE:

To welcome to The White House a select group of black journalists and have individual photographs taken by the White House Photographer. A photo will also be taken of you with your White House "team" who worked on the Voting Rights Act (Thelma Duggin, Mel Bradley, Thad Garrett and Mike Uhlmann). After your greeting and photo session, these journalists will go into the Roosevelt Room for lunch with Ed Meese and The Attorney General to receive a briefing on the Voting Rights Act.

II. BACKGROUND:

Most of these black journalists have not been invited to the White House for any special briefings during this administration. Only one, Mark Gibson, is a regular White House correspondent. Each represents an important media outlet and we would like to have an opportunity to explain the administration's position on the issues to these groups.

III.PARTICIPANTS

The President
Karna Small
Mel Bradley
Thelma Duggin
Thad Garrett
Mike Uhlmann
plus 13 black journalists as listed on TAB A

IV. PRESS PLAN

White House Photographer

V. SEQUENCE OF EVENTS

The President will enter the Cabinet Room and proceed to the area behind his chair - the journalists will be standing, ready to shake hands and have a photo taken.

VI. REMARKS

See TAB B

ATTENDEES AT BRIEFING FOR BLACK JOURNALISTS 11-12-81

Calvin Rolark: THE WASHINGTON INFORMER & BLACK MEDIA, INC.

Charles Cherry, DAYTONA TIMES

Bill Raspberry, THE WASHINGTON POST

Barbara Reynolds, Syndicated Columnist

Tony Brown, Tony Brown's Journal (TV)

Simeon Booker, JET MAGAZINE, EBONY MAGAZINE

Bill Rouselle, BLACK COLLEGIAN

John Procope, NATIONAL NEWSPAPER PUBLISHERS ASSOCIATION

Lee May, LOS ANGELES TIMES

Jeannye Thornton, U.S. NEWS & WORLD REPORT

Ernest Holtzendorf, NEW YORK TIMES

Mark Gibson, SHERIDAN BROADCASTING

Vince Sanders, NATIONAL BLACK NETWORK

WASHINGTON

SCHEDULE OF THE PRESIDENT THURSDAY, NOVEMBER 12, 1981

EVENT: ABC NEWSROOM DEDICATION

WEATHER: Partly cloudly, Low 50's

DRESS: Men's Business Suit

12:00 p.m. Depart White House, via motorcade, en route ABC Washington Bureau. Drive time: 4 minutes.

12:05 p.m. Arrive ABC Washington Bureau, garage entrance.

Met by:

Roone Arledge, President, ABC News Richard Wald, Senior Vice-President, ABC News Bill Knowles, Washington Bureau Chief, ABC News

Proceed to board elevator en route B1 level.

12:06 p.m. Arrive B1 level.

Met by:

Leonard H. Goldenson, Chairman of the Board, ABC Elton Rule, President, ABC Fred Prince, Executive Vice-President, ABC Ted Koppel, ABC Nightline Correspondent

12:10 p.m. Enter the Newsroom, escorted by Mr. Arledge, and proceed to the microphone area.

Remarks by: Mr. Arledge
Mr. Goldenson

Introduction by Mr. Goldenson.

Brief remarks.
- Press Pool Coverage

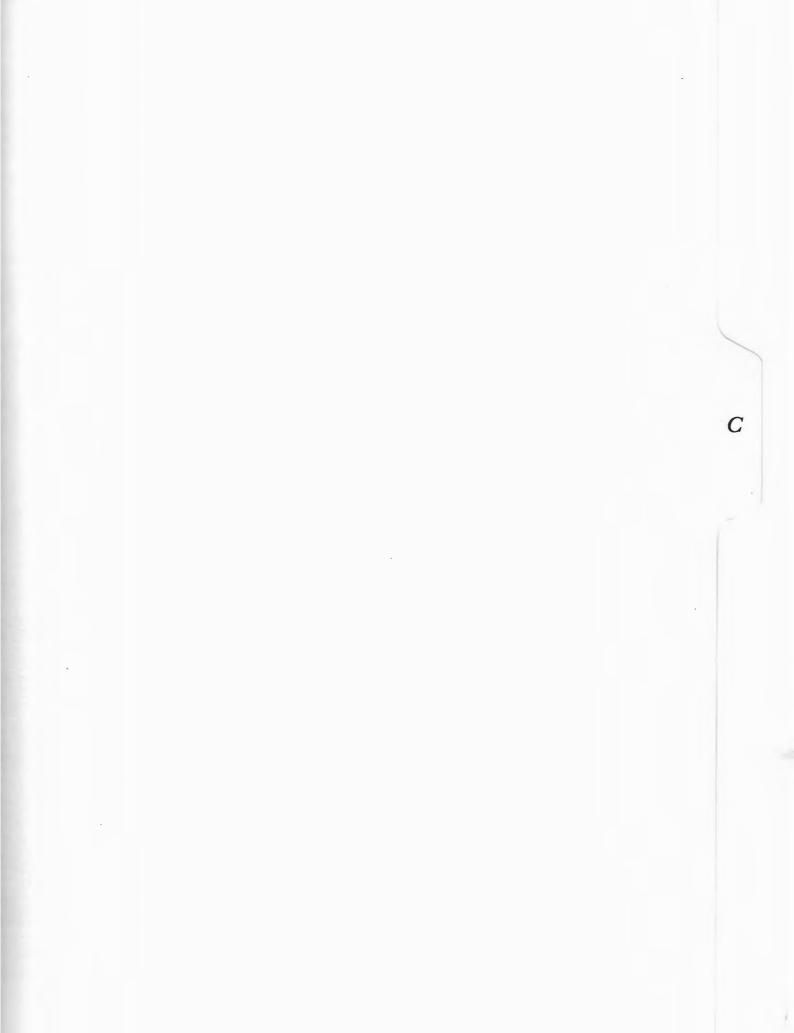
Thanks and invitation to sign dedication plaque by Mr . Arledge.

Sign dedication plaque.

12:20 p.m. Depart Newsroom en route motorcade.

12:22 p.m. Depart ABC Washington Bureau. Drive time: 4 minutes.

12:26 p.m. Arrive White House.



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WASHINGTON

MEETING WITH SENATOR TED KENNEDY (D-MASS.)

AND HIS MOTHER, MRS. ROSE KENNEDY

DATE: Thursday, November 12, 1981

LOCATION: The Oval Office

TIME: 2:45 p.m. (15 minutes)

FROM: Max L. Friedersdorf //

I. PURPOSE

To respond to a request from Senator Ted Kennedy for an opportunity for his mother to meet the President and Mrs. Reagan.

II. BACKGROUND

Senator Kennedy extended an invitation in October to the President and Mrs. Reagan to have dinner with the senator and his mother, Mrs. Rose Kennedy, age 91, at his residence here in Washington. Because of the President's heavy schedule it was not possible to accept the invitation and a meeting in the Oval Office was then arranged as an alternate opportunity for Mrs. Kennedy to meet the First Family. Mrs. Kennedy subsequently because ill, which necessitated rescheduling the meeting on this date.

III. PARTICIPANTS

The President
Mrs. Reagan
Senator Ted Kennedy
Mrs. Rose Kennedy
Powell Moore

IV. PRESS PLAN

White House Photographer only; announce to the press

V. SEQUENCE OF EVENTS

Senator and Mrs. Kennedy will enter the Northwest Gate to the West Lobby and be escorted into the Oval Office.

Attachment: Talking Points

SUGGESTED TALKING POINTS FOR MEETING WITH SENATOR TED KENNEDY AND MRS. ROSE KENNEDY

- -- Express that you are very pleased this meeting could be arranged so that you and Mrs. Reagan could have the opportunity of meeting Mrs. Kennedy while she is visiting in Washington.
- -- Tell Mrs. Kennedy that you are pleased to see her looking so well and are glad she's recovered from her illness in October that prevented you from getting together earlier.
- -- Thank the Senator and Mrs. Kennedy for their invitation to join them for dinner at the senator's home.
- -- Express regret that you were unable to accept the invitation because of your heavy schedule.
- -- You might like to discuss Mrs. Kennedy's plans for the winter months in Florida, as she will be traveling to her home in Florida after spending the week in Washington visiting with Senator Kennedy.

WASHINGTON

November 12, 1981

PHOTO OPPORTUNITY WITH EUROPEAN RODEO COWBOYS ASSOCIATION

DATE: THURSDAY, NOVEMBER 12, 1981

LOCATION: OVAL OFFICE

TIME: 5:00 P.M. (10 MINUTES)

FROM: GREGORY NEWELL

I. PURPOSE

Officers of the European Rodeo Cowboys Association will present you with a Western belt buckle.

II. BACKGROUND

The European Rodeo Cowboys Association, organized in Berlin in 1971, has 1,100 members serving in the U.S. Armed Forces in Europe who present rodeos in every major city in Germany during a 23-weekend annual season. Rodeo profits have resulted in millions of dollars for American military dependent youth activities and substantial contributions to the Army Emergency Relief Fund and a fund for handicapped German children.

The belt buckle, of sterling silver and gold and valued at \$3,000, was made by Gist Engravers. Gary Gist, a Vietnam veteran, has been a contestant in national finals rodeo for 12 years, a national finals winner, and a runner-up for world championship. At age 12 he was the youngest person to join the Professional Rodeo Cowboys Association 24 years ago.

Sergeant Yochum, ERCA president, and Sergeant Stewart, ERCA vice president, will participate in the military national rodeo finals in Yuma, Arizona November 13 to 15.

III. PARTICIPANTS

The Honorable William P. Clark
Gary B. Gist, president, Gist Engravers
Branden Gist, 9-year-old son of Gary Gist
Sergeant Jerry A. Stewart, ERCA vice president
Sergeant Michael R. Yocham, ERCA president

IV. PRESS PLAN

White House Photographer

V. SEQUENCE OF EVENTS

5:00 p.m. Greet the participants, who will present you with the buckle. Photos will be taken.

5:10 p.m. Guests will depart.

WASHINGTON

INFORMATION

November 12, 1981

MEMORANDUM FOR THE PRESIDENT

FROM:

RICHARD V. ALLEN DUK

SUBJECT:

Your Drop-By on the Vice President's Meeting with Norwegian Foreign Minister Svenn Stray

(Thursday, November 12, 5:00 p.m.)

BACKGROUND

Foreign Minister Stray is making the first visit to Washington by a Cabinet official of the new <u>Conservative</u> Norwegian Government. Before his meeting with the Vice President, he will have met with me, Secretary Weinberger, Secretary Haig, and other U.S. government officials. You will recall that you telephoned Karl Willoch, the new <u>conservative</u> Prime Minister of Norway, on October 15 to congratulate him on his election victory. He has since made an excellent speech on the need for unity and strength in NATO.

TALKING POINT

-- I enjoyed talking to your Prime Minister on October 15. I have been briefed on the fine speech he made on November 3 confirming that NATO must keep up its own defenses to convince the Soviets to reduce theirs.

WASHINGTON

November 11, 1981

MEETING WITH THE CABINET COUNCIL ON NATURAL RESOURCES AND ENVIRONMENT

DATE:

November 12, 1981

LOCATION:

Cabinet Room

TIME:

1:30 pm (30 minutes)

FROM: Craig L. Fuller /

I. PURPOSE

Scheduled meeting of the Cabinet Council on Natural Resources and Environment.

II. BACKGROUND

The issue for this meeting is whether the Administration should support legislation to grant a federal right of eminent domain for the construction of coal slurry pipelines, a cheaper means of transporting coal whereby it is powdered, mixed with water and pumped through pipelines. Secretary Watt is scheduled to testify on this issue on November 17. The attached decision memorandum from the Cabinet Council presents two options:

1. SUPPORT LEGISLATION GRANTING FEDERAL RIGHT OF EMINENT DOMAIN

Advantages: This would make more feasible the building of coal slurry pipelines because railroads could not then block this potential form of competition by refusing permission to cross railroad rights-of-way. Once constructed, such pipelines would increase competition in coal transportation, which could benefit consumers.

Disadvantages: A new federal right of eminent domain would invade property rights of landowners. Further, it would violate federalism principles by superceding authority of the states to grant eminent domain rights as they see fit.

2. OPPOSE LEGISLATION GRANTING FEDERAL EMINENT DOMAIN

Advantage: The eminent domain question would be left with the individual states, which are best equipped to judge local needs.

Disadvantages: State eminent domain may be difficult to secure because of strong railroad lobbies. Failure to secure such rights in one state along a proposed route would frustrate projects that could benefit the nation as a whole.

A preponderance of the Cabinet Council (Agriculture, HUD, Interior, OMB, CEA, and OPD) supported Option Two, as did Treasury. Energy, Justice, Transportation, and CEQ supported Option One, as did Commerce, State, and USTR. Elizabeth Dole points out that the building trades and the teamsters have long been in favor of coal slurry pipelines, as a means of creating jobs.

III. PARTICIPANTS

A list of participants will be attached to the agenda and distributed at the meeting.

IV. PRESS PLAN

No press.

V. SEQUENCE OF EVENTS

The President should ask Secretary Watt, Chairman Pro Tempore of the Cabinet Council, to lead the discussion.

WASHINGTON

November 1, 1981

MEMORANDUM FOR THE PRESIDENT

FROM:

CABINET COUNCIL ON NATURAL RESOURCES AND ENVIRONMENT

JAMES G. WATT, CHAIRMAN PRO TEMPORE

ISSUE:

Should the Administration support legislation to grant a federal

right of eminent domain for the construction of coal slurry pipelines?

BACKGROUND

Today most coal is moved from mine to market by railroad, with some moving by barge. Transportation costs are a significant part of the delivered costs of coal. One possible competing transportation mode is slurry pipeline. In a slurry pipeline, coal is powdered and mixed with water to form a liquid that can be pumped through a pipeline. One major line is now operating in the Southwest, carrying coal 273 miles to a power plant. This line is regulated by the Interstate Commerce Commission (ICC), pursuant to statute. A number of other lines, up to several thousand miles in length, have been proposed. Proponents of these lines argue that they can provide transportation cheaper than their competition.

One major problem with the planning for such lines has been in obtaining rights-of-way. Railroads have been adamantly opposed to competition from slurry pipelines, and since railroads control rights-of-way that criss-cross the areas between production and consumption, this has made it very difficult for slurry lines to proceed.

One Wyoming-Arkansas pipeline (ETSI) has generally succeeded in obtaining such right-of-way privately by winning a long series of law suits with railroads in the western states through which it would pass. It appears that this tactic would not be possible in the East without state grants of eminent domain, because in the East railroads generally have absolute title to their rights-of-way, whereas in the West they have only the surface rights. ETSI was able to acquire subsurface rights and win court suits that allowed them to go under the railroad.

The United States has been strongly committed to increasing energy exports, both to benefit this country economically, but also to lessen the dependence of our allies and trading partners on insecure sources of oil. Slurry pipelines have been proposed as one means of increasing our ability to export coal to meet these objectives.

Numerous bills have been introduced to grant slurry pipelines a federal right of eminent domain, and these bills were backed by the last three administrations. The current bill, H.R. 4230, was introduced by Congressman Udall and others, primarily at the behest of the slurry pipeline industry. Earlier bills to grant eminent domain failed, because of railroad opposition, and due to fears that the law could authorize the use of water without the consent of the state from which the water is derived. The new bill attempts to avoid the ticklish issue of water rights by abundantly declaring that no eminent domain grant under this law would in any way affect states' rights to control their own water. It would give the ICC the power to grant the eminent domain right, and to continue its regulation of such pipelines.

DISCUSSION

There is no question that the issue of the proper mode of transportation for energy commodities should be settled by the marketplace. There is no question of subsidies or other monetary favors for slurry pipelines. It is argued, however, that the peculiar circumstance that railroads generally own property that would completely block the ability (absent state grants of eminent domain) to acquire a right-of-way from mine to point of use, should require a federal grant of eminent domain in order to give such pipeline the opportunity to compete. Currently, only natural gas pipelines, among competing energy transportation modes, have a general federal right of eminent domain to secure rights-of-way. There are a few other special cases, such as power lines from federally approved water projects, and a number of historical instances where federal eminent domain has been used for transportation projects. Other transportation modes acquire their right of way by use of eminent domain in each state that is involved or by negotiation with individual landowners.

It is argued that railroads have been given special privileges in the past, including federal land grants, federal right of eminent domain before certain states entered the Union, and other privileges that should now be extended to this competing means of transportation. In addition, it is argued that railroads were developed at a time when general public attitude toward development was more favorable.

Pipeline backers argue that cheaper transportation will benefit consumers and encourage energy development. The Council of Economic Advisers, however, argues that transportation rates will not directly affect coal prices to users. They argue that coal will sell at the highest price possible, subject to competition from other fuels in the end use markets. If transportation rates drop, they argue, it will simply increase the return to owners of coal mines.

This argument is opposed by some agencies who argue that coal prices are set by producer competition at the mine mouth, and that such prices will not be affected by a fall in transportation rates. If that is correct, lower transportation rates would in all likelihood be passed on to consumers.

Since each state can grant eminent domain, the slurry pipelines are not completely at the mercy of the railroads, in any event. If they can acquire eminent domain by legislative action in each affected state, their projects could go forward. At least twelve states now allow some form of eminent domain for coal pipelines.

However, in states that are neither coal-producers nor the receiving states at the end of the pipeline, the political forces favorable to allowing slurry pipelines are likely to be much weaker, allowing railroad interest to prevent the grant of state eminent domain. Indeed, the argument is made that in such "transit" states there could be state constitutional challenges to any use of eminent domain powers on the grounds that such use would not be a "public benefit" to the citizens of that state.

It is strongly argued that state eminent domain is the proper means for construction of such lines. If a state is unwilling to compel its citizens in this fashion, or if it sees no benefit sufficient for it to do so, then a firm commitment to federalism should argue that the states should be allowed to make that decision. On the other hand, it can be argued that the national interest in domestic energy production is such that states could be required to act in the national interest, and that this type of eminent domain for a generally environmentally benign pipeline is a small imposition on behalf of that principle.

OPTIONS

Option 1. Support legislation granting federal right of eminent domain.

Advantages:

- * Would clearly assist in making feasible the building of coal slurry pipelines, which may be a cheaper and more environmentally benign form of transportation for coal. This would allow the marketplace to decide the most economic means of transportation. It may be that pipelines will not be built without this legislation.
- * Would indicate strong Administration commitment to encouraging coal development, and to facilitating interstate transportation mdoes.
- * Would encourage competition in coal transportation, which could benefit consumers.

Disadvantages:

- * Would violate both property rights of landowners and general principles of Federalism.
- * Policy may be unnecessary, since individual states could grant the needed eminent domain powers.

Option 2. Oppose legislation granting federal eminent domain.

Advantages:

- * Leaves eminent domain question in the hands of individual states, who are best equipped to judge local impacts and needs.
- * Does not create federal entanglement in support of a particular mode of transportation.

Disadvantages:

- * May make it unlikely that additional coal slurry pipelines will be built, especially in the Eastern United States, even if economically justified.
- * Diminishes potential competition to railroads, thus possibly encouraging higher prices.
- * Projects that might benefit the nation as a whole could be thwarted by individual states.

RECOMMENDATION

The preponderance of the Cabinet Council discussion (including the Departments of Agriculture, Housing and Urban Development, Interior, the Office of Management and Budget, the Council of Economic Advisers, and the Office of Policy Development) favored Option 2. [The Department of the Treasury also supported Option 2.]

The Departments of Energy, Justice, and Transportation, and the Council on Environmental Quality, supported Option 1. [The Departments of Commerce and State, and the U.S. Trade Representative, also supported Option 1.]