

~~7-A-S~~ 1
~~Mr. Chas Johnson~~
NSC
fite

Mr. Devall

May 21, 1968

RST Division (F. C. Schmidt)

Withdrawal by DOD of pending legislative proposal

Attached is the file on DOD's legislative proposal of August 10, 1967, involving two amendments to the Atomic Energy Act of 1954 in the security and classification areas. Included also is some material from earlier and related AEC legislative proposals.

Section 2 of the proposed DOD bill was cleared on November 2, 1967, and at that time DOD indicated that they wished to consider section 1 to be still before us for clearance (see my memo to the Files of November 22, 1967).

I had expected that we would hear from DOD again at the beginning of the present session of Congress, but we did not hear. On or about May 10 I called Frank Sherlock to inquire regarding DOD's desires with respect to section 1 of the legislative proposal of last August. He referred me to a Mr. D. Nissel in the Office of the Assistant General Counsel for Logistics. Nissel is apparently taking the place of Mr. W. A. Inhof, with whom I had dealt previously on this matter.

With respect to section 2, Nissel indicated that, although the report of the Joint Committee on Atomic Energy on AEC's "omnibus bill" last fall implied that further consideration would be given to the DOD legislative proposal, and although DOD has been informally in touch with the Joint Committee, there is at present no indication that the Joint Committee will hold hearings at the present session of Congress. (This is too bad, because we think that enactment of section 2 would greatly simplify the handling of classified information in DOD, save substantial dollars and staff time, and probably improve security.)

With respect to section 1, involving the definition of an atomic weapon, Nissel advised me that DOD had decided to withdraw this section from further Bureau consideration. I said that I would mark our file accordingly.

In light of the above, I think we can consider this legislative matter closed, as far as Bureau clearance is concerned, but we are left with the fact that DOD has pending in Congress a desirable legislative proposal which we may wish to encourage DOD to resubmit at the next session of the Congress. We will get no help in this regard from AEC, because, since the Joint Committee is known to be rather cool about tinkering with the definition of "Restricted Data," AEC has little inclination to promote this legislative proposal.

Attachments

cc: Messrs. Hyde and Merrill

Mr. Keeney

Spurge

Do you think
this is desirable
or necessary?

✓ 5/8

cf

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
WASHINGTON, D.C. 20503

MAY 5 1967

LEGISLATIVE REFERRAL MEMORANDUM

TO: Legislative Liaison Officer

Civil Service Commission
Defense Department
National Security Council

SUBJECT:

AEC draft bill, "To amend the Atomic Energy Act of 1954, as amended, and for other purposes." (sec. 24 re revising status of Director, Division of Military Application and creation of Asst. General Manager for Military Application)
The Bureau of the Budget would appreciate receiving the views of your agency on this subject before advising on its relationship to the program of the President.

(xx) In order to permit expeditious coordination and clearance in accordance with Circular A-19, it is requested that your reply be made within thirty (30) days.

() Special circumstances require that this be handled as a priority matter and that your views be received

Questions should be referred to Mr. F. C. Schuldt Bureau
of the Budget, code 103, extension 3964


J.F.C. Hyde, Jr.
for Assistant Director for
Legislative Reference

Enclosures
Copy draft material



26

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

APR 27 1967

Honorable Charles L. Schultze
Director
Bureau of the Budget

Dear Mr. Schultze:

Reference is made to paragraph 8, Part II, Enclosure 1, of the Chairman's December 30, 1966, letter to you transmitting a list of the legislative proposals which we contemplated proposing to Congress during the current session.

Enclosed is the Commission's proposed legislation in the form of a draft bill (Appendix "A") to amend the Atomic Energy Act of 1954, as amended, to revise the status of the Director, Division of Military Application, by (1) creating the position of Assistant General Manager for Military Application, (2) providing that the officer serving in the position shall, while serving, have general or flag rank, and (3) providing for reimbursement of the military for that portion of such officer's remuneration which he receives from it. Also enclosed are an analysis of the draft bill (Appendix "B"), a comparative draft bill (Appendix "C"), and draft letters to the Congress (Appendix "D").

The Chairman's December 30, 1966, letter indicated that this proposed legislation would include amending the Atomic Energy Act to provide that retired, as well as active, officers could serve in the position of Assistant General Manager for Military Application. However, informal coordination of the proposed legislation with the Department of Defense has indicated that the Department would not support such an amendment, and it has therefore not been included in the draft bill. Our informal coordination also indicated that the Department had technical problems with respect to some of the language used in an earlier version of the draft bill. The language of the draft bill enclosed herewith is designed to resolve those problems.

We would appreciate your advice as to whether the proposed legislation is consistent with the legislative program of the President. In this

Honorable Charles L. Schultz

- 2 -

connection, notwithstanding our informal coordination with certain offices in the Department of Defense, it is anticipated that you will seek the formal views of the Department in the usual manner.

Sincerely yours,

SIGNED, R E HOLLINGSWORTH

General Manager

Enclosures

Appendices "A", "B",
"C" and "D"

APPENDIX "A"

DRAFT BILL

To amend the Atomic Energy Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 24 of the Atomic Energy Act of 1954, as amended, is amended by adding a new subsection d. as follows:

"d. an Assistant General Manager for Military Application who shall be an active commissioned officer of the Armed Forces, and who shall perform such administrative and executive functions as the General Manager shall direct. The Assistant General Manager for Military Application shall be appointed by the General Manager with the approval of the Commission, shall serve at the pleasure of the General Manager, and shall be removable by the General Manager."

Sec. 2. Subsection 25 a. of the Atomic Energy Act of 1954, as amended, is amended to read in its entirety as follows:

"a. such program divisions (not to exceed ten in number) as the Commission may determine to be necessary to the discharge of its responsibilities, including a division or divisions the primary responsibilities of which include the development and application of civilian uses of atomic energy. Each such division shall be under the direction of a Director who shall be appointed by the Commission. The Commission

shall require each such division to exercise such of the Commission's administrative and executive powers as the Commission may determine;"

Sec. 3. Section 28 of the Atomic Energy Act of 1954, as amended, is amended by revising the first two sentences thereof to read as follows:

"Notwithstanding the provisions of any other law, any active commissioned officer of the Army, Navy, or Air Force may serve as Assistant General Manager for Military Application without prejudice to his commissioned status as such officer. Any such officer, while serving as Assistant General Manager for Military Application, shall have general or flag officer rank, as appropriate, and shall receive in addition to his pay and allowances, including special and incentive pays, (for which pay and allowances the Commission shall reimburse his Service) an amount equal to the difference between such pay and allowances, including special and incentive pays, and the compensation established for this position."

APPENDIX "B"

ANALYSIS OF DRAFT BILL TO AMEND THE ATOMIC ENERGY ACT
OF 1954, AS AMENDED, AND FOR OTHER PURPOSES.

Section 1. Amendment of Section 24 of the Atomic Energy Act of 1954, as amended, to create the position of Assistant General Manager for Military Application.

The proposed new subsection 24 d., which would create a position of Assistant General Manager for Military Application, is intended to provide a new title for the position currently designated as the Director of the Division of Military Application as provided for in subsection 25 a. It is intended to reflect the current scope of responsibility of the position, and does not contemplate an expansion of that scope of responsibility.

The new subsection is consistent with and is intended to parallel subsection 24 c. which provides for other Assistant General Manager positions.

Section 2. Amendment of subsection 25 a. of the Atomic Energy Act of 1954, as amended, to delete reference to the Division of Military Application and the Director thereof.

Provision for an Assistant General Manager for Military Application in the proposed new subsection 24 d. would preclude the necessity for specific reference in subsection 25 a. to the Division of Military Application or its Director and would thus permit organizing the staff reporting to the Assistant General Manager for Military Application in the manner which seemed most efficient. This amendment would make the necessary deletions.

Section 3. Amendment of the first two sentences of Section 28 of the Atomic Energy Act of 1954, as amended, to provide that an active commissioned officer serving as Assistant General Manager for Military Application shall while serving have general or flag officer rank, and to provide for reimbursement of the military for that portion of such officer's remuneration which he receives from it.

Entitlement of an active commissioned officer serving as Assistant General Manager for Military Application to general or flag officer rank, at least while serving in that position, would be consistent with the scope of responsibility attending this position. Under this provision, the Department of Defense could detail to the Commission an officer holding general or flag rank permanently under a commission from the President or temporarily under orders from his Service. The level of contacts involved, both within the Atomic Energy Commission and with other agencies, members of Congress and the Executive Office of the President, underscores the desirability of this rank.

Providing for reimbursement of an active commissioned officer's Service for pay and allowances he receives from it while serving as Assistant General Manager for Military Application would enable the Commission to request high-ranking, well-qualified persons without adverse effect on that Service's staffing plans under budgetary limitations.

The proposed revision of the second sentence of Section 28 would provide for both rank and reimbursement. The proposed revision of the first sentence would be for the purpose of conformance.

APPENDIX "C"

COMPARATIVE DRAFT BILL

To amend the Atomic Energy Act of 1954, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 24 of the Atomic Energy Act of 1954, as amended, is amended by adding a new subsection d. as follows:

"d. an Assistant General Manager for Military Application who shall be an active commissioned officer of the Armed Forces, and who shall perform such administrative and executive functions as the General Manager shall direct. The Assistant General Manager for Military Application shall be appointed by the General Manager with the approval of the Commission, shall serve at the pleasure of the General Manager, and shall be removable by the General Manager."

Sec. 2. Subsection 25 a. of the Atomic Energy Act of 1954, as amended, is amended to read in its entirety as follows:

"a. ~~a-Division-of-Military-Application-and~~ such other program divisions (not to exceed ten in number) as the Commission may determine to be necessary to the discharge of its responsibilities, including a division or divisions the primary responsibilities of which include the development and application of civilian uses of atomic energy. Each such division shall be under the direction of a Director who shall be appointed by the Commission.

~~The-Direeter-of-the-Division-of-Military-Application-shall-be
an-active-member-of-the-Armed-Forces.~~ The Commission shall
require each such division to exercise such of the Commission's
administrative and executive powers as the Commission may
determine;"

Sec. 3. Section 28 of the Atomic Energy Act of 1954, as amended,
is amended by revising the first two sentences thereof to read as
follows:

"Notwithstanding the provisions of any other law, any active
commissioned officer of the Army, Navy, or Air Force may serve
as Director-of-the-Division-of Assistant General Manager for
Military Application without prejudice to his commissioned
status as such officer. Any such officer, while serving as
Director-of-the-Division-of Assistant General Manager for
Military Application, shall have general or flag officer rank,
as appropriate, and shall receive in addition to his pay and
allowances, including special and incentive pays, (for which
pay and allowances the Commission shall reimburse his Service)
an amount equal to the difference between such pay and allow-
ances, including special and incentive pays, and the compen-
sation established for this position pursuant-to-section-303
or-section-309-of-the-Federal-Executive-Salary-Act-of-1964."

APPENDIX "D"

DRAFT LETTERS TO THE PRESIDENT OF THE SENATE AND
THE SPEAKER OF THE HOUSE

Dear Mr. President (Mr. Speaker):

Transmitted herewith is a legislative proposal of the Commission in the form of a draft bill "To amend the Atomic Energy Act of 1954, as amended, and for other purposes." Enclosed as Appendices "A", "B", and "C", respectively, are the draft bill, an analysis of the draft bill, and a comparative draft bill.

Specifically, the proposed legislation would amend the Atomic Energy Act of 1954, as amended, to revise the status of the Director, Division of Military Application, by (1) creating the position of Assistant General Manager for Military Application, (2) providing that the officer serving in the position shall, while serving, have general or flag rank, and (3) providing for reimbursement of the military for that portion of such officer's remuneration which he receives from it.

The proposed creation of a position of Assistant General Manager for Military Application is intended to provide a new title for the position currently designated as the Director of the Division of Military Application. It is intended to reflect the current scope of responsibility of the position, and does not contemplate an expansion of that scope of responsibility.

Entitlement of the officer serving in the position to general or flag rank, while so serving, would be consistent with the scope of responsibility attending the position. Under this provision, the

Department of Defense could detail to the Commission an officer holding general or flag rank permanently under a commission from the President or temporarily under orders from his Service. The level of contacts involved, both within the Commission and with other agencies, members of Congress and the Executive Office of the President, underscores the desirability of such rank.

Providing for reimbursement of an officer's Service for pay and allowances he receives from it while serving in the position would enable the Commission to request high-ranking, well-qualified persons without adverse effect on that Service's staffing plans under budgetary limitations.

Enactment of the proposed legislation is not expected to result in additional man-years of employment during the first five years following its passage. Accordingly, the budgetary effect of the proposed legislation on the Commission would be the difference between the total salary for the position and the amount currently paid an incumbent by the Commission. This difference is approximately \$20,000 per annum. There would be no budgetary effect on the Government as a whole.

The Bureau of the Budget has advised that it has no objection to the Commission submitting the proposed legislation for consideration by the Congress.

Cordially,

Chairman



DEPARTMENT OF STATE
WASHINGTON

September 17, 1963

Dear Mr. Gordon:

I received your memorandum on August 27, 1963, requesting the views of the Department of State on S-45 and H.R. 3123, 88th Congress, both bills "To Amend the Atomic Energy Act of 1954, as amended."

I wish also to acknowledge the receipt of the proposed comments on these bills by the Department of Defense and the Atomic Energy Commission, copies of which you forwarded to the Department for its information.

The Department of State has reviewed both bills from the standpoint of its responsibilities in the field of foreign policy. The Department is not in a position to determine whether, from a technical viewpoint, sensitive information is being adequately safeguarded by present policy and procedures governing access to information on naval nuclear propulsion technology by foreign nationals.

In the event that it is determined from a technical viewpoint that this proposed legislation is needed, the Department would support the qualification in it proposed by the AEC, which we understand is designed to avoid placing further restrictions on the export of items which are used both in civil reactors and naval nuclear propulsion plants.

Sincerely,

Frederick G. Dutton
Frederick G. Dutton

Assistant Secretary of State
for Congressional Relations

Honorable Kermit C. Gordon,
Director, Bureau of the Budget.

SEP 23 1963

John-
S 45

OK
1- Ray
2- Merrill