

United States Senate

WASHINGTON, D.C. 20510

September 18, 1979

The Honorable Edmund S. Muskie
United States Senate
The Russell Building
Room 145
Washington, D.C. 20510

Dear Ed:

I'm writing to ask for support for S. Res. 234, a budget waiver resolution for S. 1748, the Conservation Bank Act.

The importance of energy conservation in reducing this nation's vulnerability is widely accepted. It is the most cost-effective and environmentally beneficial energy source that we can readily tap.

I believe it is also clear that for many individuals there is insufficient incentive to make a substantial up-front investment in a conservation measure that pays out over twenty or more years. The Conservation Bank provides an attractive, cost-effective approach to overcoming this barrier.

The Conservation Bank relies on an established financial delivery channel that can be geared up quickly and minimize administrative costs. The mechanism of flexible interest rate subsidies assures that government money is used effectively by avoiding unnecessarily large subsidy levels. It also provides a very attractive incentive for homeowners to weatherize their homes. The subsidy would keep monthly loan payments significantly below monthly energy savings so that homeowners realize benefits right away.

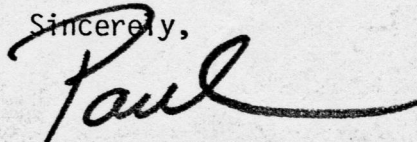
The Conservation Bank is a program that will reach millions of homeowners, helping consumers to cut their energy use by 40%. It is critical that we launch this major conservation effort in the next fiscal year.

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Edmund S. Muskie

We have failed to adequately address this nation's energy problem during the last six years. The Conservation Bank is a start. FY80 funding is a modest start but a very important one if we are to get the program in place and operating effectively.

I appreciate the difficult task you have before you as Chairman of the Budget Committee. I hope you'll consider this initiative favorably.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul", with a long, sweeping horizontal stroke extending to the right.

PAUL. E. TSONGAS
United States Senate

PET/mtk