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1-7 Dingell's preference to wait until
session resumes - Dingell will get
back
3-19 DH - all in

FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

Robt
OFFICE OF THE ADMINISTRATOR

October 22, 1975

Honorable John Dingell
House of Representatives
Washington, D.C. 20515

Dear John:

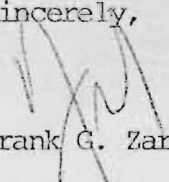
I am disturbed by what appears to be a continuing conflict with respect to whether FEA is following the appropriate procedures by law in connection with its data acquisition program. I have again gone over the material provided by my General Counsel, where they conclude that FEA has complied with statutory requirements.

The overriding question is whether or not we are getting all the information properly required in the public interest. Rather than to continue to exchange letters on the subject I would like to propose a meeting between you and I and our top staffs on this particular issue so that we can both observe first hand the arguments on both sides.

I am committed to ensuring that we have appropriate and full data required by law, and needed, to best serve our mission. I am not prepared to accept anything short of that. A meeting such as I propose would either clarify for both of us that our data acquisition program is complete or that it needs to be adjusted.

We will call your office and hope to have the meeting take place as soon as the 7014 conference has been completed.

Sincerely,


Frank G. Zarb

bcc: Smith/Zausner/Montgomery



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

OCT 14 1975

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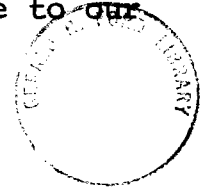
MEMORANDUM FOR: Frank G. Zarb
Administrator

FROM: Robert E. Montgomery, Jr.
General Counsel

REM

We have the following comments on Congressman Dingell's assertion that FEA has not followed rulemaking procedures required by law with respect to acquiring data from oil and gas industry.

- Dingell appears to be referring to requirements of section 11 of the Energy Supply and Environmental Coordination Act of 1974 (ESECA).
- Dingell has raised this point before. It was addressed at length in a letter of February 12, 1975 (copy attached).
- FEA has in fact complied with the statutory requirements:
 - o Section 11(a) of ESECA requires FEA to promulgate rules requiring reports of that energy information which the Administrator determines to be necessary to assist in the formulation of energy policy and to carry out the purposes of ESECA and the EPAA. Information is to be collected at least on 90-day cycle (Section 11 also gives FEA information-gathering authority).
 - o FEA issued regulations to implement this provision on April 28, 1975, as Part 207A of our regulations (proposed January 6, 1975).
- The regulations do not actually require reporting of specific, enumerated data. Instead, they provide procedures for obtaining the data, and leave to our



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

MEMORANDUM FOR THE DIRECTOR, FBI
DATE: 10/15/75

RE: [Illegible]

TO: [Illegible]

FROM: [Illegible]

SUBJECT: [Illegible]

[Illegible text block]

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[Illegible text block]

FEDERAL BUREAU OF INVESTIGATION
U.S. DEPARTMENT OF JUSTICE

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discretion whether the data are to be acquired by regulation, order, informal survey or other method.

- It is FEA's position that it is not necessary to collect all information using the ESECA authorities -- we can use these authorities at our discretion. They have been used by FEA to obtain information for the oil and gas reserves survey.
- It is our position that we were meeting the 90-day cycle requirement of ESECA in any case, through our EPAA and FEA Act reporting requirements -- even before the ESECA regulations were promulgated.
- The requirements of section 11 of ESECA no longer apply. That section expired -- except as to enforcement actions -- on June 30.



FEDERAL ENERGY ADMINISTRATION

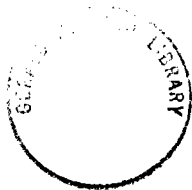
Deputy Administrator

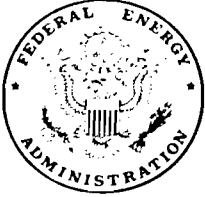
Date: 10/13/75

To: Bob Montgomery

I assume that the two of
you have this subject in
hand.


John Hill





FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

October 9, 1975

MEMORANDUM FOR JOHN HILL ✓
ERIC ZAUSNER
BOB MONTGOMERY

FROM: FRANK G. ZARB

John Dingell spoke to me this morning about his perceptions that we are not complying with the laws with respect to acquiring data from the oil and gas industries. He said that the law called for a rule making procedure which we have not followed. I would appreciate your comments as soon as possible.

A handwritten signature, possibly "Frank G. Zarb", written in dark ink.



OCT 14 1975

FEDERAL ENERGY ADMINISTRATION

FEB 12 1975

Honorable John S. Dingell
 Chairman
 Subcommittee on Activities of
 Regulatory Agencies
 Permanent Select Committee
 on Small Business
 House of Representatives
 Washington, D.C. 20515

Dear Mr. Chairman:

I have received your letter of January 14 and the attached Report of your Subcommittee, and I appreciate your best wishes on my appointment as Administrator of the Federal Energy Administration. May I return the compliment by offering my congratulations on your recent selection as Chairman of the Subcommittee on Energy and Power.

I am considerably disturbed, however, by FEA's failure to respond more promptly to your letter of October 9, 1974, concerning reports under the Energy Supply and Environmental Coordination Act of 1974 (ESECA). While, as set forth below, FEA was beset with considerable uncertainty as to how best to provide a fully responsive answer to your letter, I want to apologize for the inexcusable delay in acknowledging your inquiry.

Let me now respond to both your January 14 letter and your October 9 letter. Your earlier letter raised two items. First, you asked to be informed when FEA promulgated regulations under Section 11(a) of ESECA. Such regulations were issued on January 6, 1975, and a copy of the Notice of Proposed Rulemaking is attached. Although the comment period has closed on this Notice, I have directed that issuance of the final regulations be delayed until 15 days following the date of this letter to insure that you have ample opportunity to provide any comments you may have on this matter. Second, in your October 9 letter you asked to be advised when the first quarterly report on oil and gas reserves and other energy information, as required under Section 11(c)(2) of ESECA, was published. That report

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 from Gail G.

copy of this message

CONCURRENCES

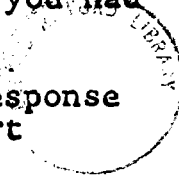
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was published on November 8, 1974, and the second quarterly report is scheduled to be published this month. A copy of the first of these reports, minus certain proprietary information, is enclosed. The Speaker of the House and Chairman Staggers have received copies which do include the proprietary information; we will be pleased to forward that additional data to you at your request.

Before passing to the additional information requested by your January 14 letter, I would like to offer some explanation of the uncertainty which confronted FEA in formulating its response to your October 9 letter. Although this will in no way excuse our failure to acknowledge your letter more promptly, I believe you should be aware of our concerns. First, within weeks of receiving your letter and before the issuance of the information gathering regulations with which you were concerned, Senator Abourezk filed a lawsuit against FEA in the United States District Court for the District of Columbia. That lawsuit involved, among other matters, the two items raised in your letter. Consistent with our practice whenever the Agency is involved in litigation, FEA personnel were understandably reluctant to make any statements in response to your inquiries before the position of the Agency was formulated, in consultation with the Department of Justice, for submission to the Court. That was only done on January 7, 1975, when an Answer to the Abourezk lawsuit was filed. A copy of that Answer, together with certain attachments and Senator Abourezk's Complaint, is enclosed.

Second, on November 22, 1974, FEA received a second letter from you concerning the same general subject of energy information and FEA regulations to collect such information. However, that letter referred to the legislative requirements of Section 124 of the "Energy Emergency Act." As your letter of January 14 acknowledges, this was a miscitation since the Energy Emergency Act was never enacted into law. The interjection of this November 22 letter created considerable uncertainty within FEA as to the nature of your inquiry. The matter was eventually resolved through informal communications between our Office of Congressional Affairs and William Demarest of the Subcommittee staff on January 3, 1975, at which time FEA was informed that you had withdrawn your letter of November 22.

Turning to your January 14 letter, you asked for a response to the request contained in your Subcommittee's Report



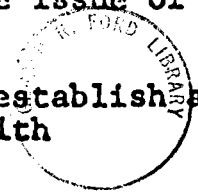
"relating to the failure of FEA to comply with the mandate of subsection 11(a) of" ESECA. Since the regulations required by that section have now been proposed by FEA, I frankly believe there can be no question as to FEA's compliance with that section. While our delay in issuing those regulations is regrettable, the fact is that FEA has been collecting or is making preparation to collect, on at least a ninety-day reporting cycle basis, the energy information that the Agency has determined to be necessary to carry out its statutory responsibilities. The extensive list of questionnaires and reports, included as Attachment 7 to the Answer filed by FEA in the Abourezk litigation, is persuasive evidence of FEA's diligence in this area. I believe that any delay in promulgating the regulations prescribed in Section 11(a) of ESECA has had no adverse effect whatever upon the Agency's and the Congress' access to energy information that is necessary in the formulation and implementation of a National energy policy.

Because of the pendency of the Abourezk litigation, I believe it would be inappropriate at this time to discuss further our alleged failure to comply with Section 11 of ESECA. I believe the aforementioned Answer filed in that lawsuit speaks for itself.

Similarly, in light of the pending litigation, I believe that hearings by your Subcommittee on FEA's efforts to comply with ESECA would be extremely awkward and possibly unproductive. The materials submitted with this letter demonstrate that FEA has complied and is complying with the information gathering and reporting requirements of ESECA. FEA personnel are working against the clock to fulfill the mandates of that Act, most importantly in the implementation of the Coal Conversion Program. Hearings on this general subject would only detract from the programmatic efforts of an already overworked staff.

I want to be clear that I am not declining to appear before your Subcommittee in hearings on any subject that it chooses to explore. I am requesting, however, that you reconsider the need for hearings at this time to examine the issue of FEA's compliance with ESECA.

Finally, I believe it is extremely important to establish a meaningful and productive working relationship with



page 4

you and your staff. To that end I am most anxious to meet with you at your earliest convenience so that we may discuss how we may best accomplish that objective.

I shall look forward to hearing from you further on this matter.

Sincerely,

Frank G. Zarb

Frank G. Zarb
Administrator

Enclosures



FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D. C. 20461

*NOT
Sent
later for
info*

Office of the Administrator

Honorable John D. Dingell
Chairman, Energy and Power Subcommittee
Interstate and Foreign Commerce Committee
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

I want to let you know that FEA's final report on oil and gas reserves, resources and productive capacity required by P.L. 93-275 is scheduled for delivery at the end of the month.

The final report will consist of two volumes. Volume I will summarize our findings and recommendations. This volume will include analyses of the reserve estimates developed in FEA's survey of operators. Volume II will contain a field-by-field summary of engineering studies of 59 of the larger oil and gas fields in the United States.

Estimates of total crude oil and natural gas proved reserves in the final report will differ by less than two percent from preliminary information published in the initial report we provided in June 1975.

As a related matter, you will recall that you recently mentioned your concern that FEA had not complied with the rule making requirement of the information-gathering provisions of Section 11 of the Energy Supply and Environmental Coordination Act of 1974.

Review of this matter reveals that FEA proposed a rule on this subject on January 6, 1975, and adopted the final rule on April 23, 1975. The rule, which added Part 207A to FEA's regulations (Chapter II of Title 10, Code of Federal Regulations), specified procedures for effective use of the authority provided in ESECA in conjunction with information-gathering authority provided FEA by other laws. A copy of this regulation is attached for your information.

Please let me know if you would like to have an early briefing on the findings of FEA's study of oil and gas reserves and resources.

Sincerely,

Frank G. Zarb
Administrator

Enclosure

✓ cc: Charles Curtin
2145 Rayburn House
Office Building (20515)



Chapter II—Federal Energy Administration

¶ 13,495

Part 207—Collection of Information

Subpart A—Collection of Information Under the Energy Supply and Environmental Coordination Act of 1974

Sec.

- 207.1 Purpose.
- 207.2 Definitions.
- 207.3 Method of collecting energy information under ESECA.
- 207.4 Confidentiality of Energy Information.
- 207.5 Violations.
- 207.6 Notice of probable violation and remedial order.
- 207.7 Sanctions.
- 207.8 Judicial actions.
- 207.9 Exceptions, exemptions, interpretations, rulings and rule-makings.

¶ 13,497

§ 207.1 Purpose.

The purpose of this subpart is to set forth the manner in which energy information which the Administrator is authorized to obtain by sections 11(a) and (b) of ESECA will be collected.

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,497A

§ 207.2 Definitions.

As used in this subpart:

“Administrator” means the Federal Energy Administrator or his delegate.

“Energy information” includes all information in whatever form on (1) fuel reserves, exploration, extraction, and energy resources (including petrochemical feedstocks) wherever located; (2) production, distribution, and consumption of energy and fuels, wherever carried on; and (3) matters relating to energy and fuels such as corporate structure and proprietary relationships, costs, prices, capital investment, and assets, and other matters directly related thereto, wherever they exist.

“ESECA” means the Energy Supply and Environmental Coordination Act of 1974 (P. L. 93-319).



"EPAA" means the Emergency Petroleum Allocation Act of 1973 (P. L. 93-159).

"FEA" means the Federal Energy Administration.

"Person" means any natural person, corporation, partnership, association, consortium, or any entity organized for a common business purpose, wherever situated, domiciled, or doing business, who directly or through other persons subject to their control does business in any part of the United States.

"United States," when used in the geographical sense, means the States, the District of Columbia, Puerto Rico, and the territories and possessions of the United States.

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,497B

§ 207.3 Method of Collecting Energy Information Under ESECA.

[¶ 13,497B.05]

(a) Whenever the Administrator determines that:

(1) Certain energy information is necessary to assist in the formulation of energy policy or to carry out the purposes of the ESECA or the EPAA; and

(2) Such energy information is not available to FEA under the authority of statutes other than ESECA or that such energy information should, as a matter of discretion, be collected under the authority of ESECA;

He shall require reports of such information to be submitted to FEA at least every ninety calendar days.

[¶ 13,497B.10]

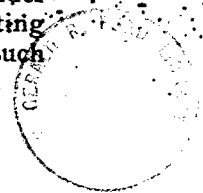
(b) The Administrator may require such reports of any person who is engaged in the production, processing, refining, transportation by pipeline, or distribution (at other than the retail level) of energy resources.

[¶ 13,497B.15]

(c) The Administrator may require such reports by rule, order, questionnaire, or such other means as he determines appropriate.

[¶ 13,497B.20]

(d) Whenever reports of energy information are requested under this subpart, the rule, order, questionnaire, or other means requesting such reports shall contain (or be accompanied by) a recital that such reports are being requested under the authority of ESECA.



[¶ 13,497B.25]

(e) In addition to requiring reports, the Administrator may, at his discretion, in order to obtain energy information under the authority of ESECA:

(1) Sign and issue subpoenas in accordance with the provisions of § 205.8 of this chapter for the attendance and testimony of witnesses and the production of books, records, papers, and other documents;

(2) Require any person, by rule or order, to submit answers in writing to interrogatories, requests for reports or for other information, with such answers or other submissions made within such reasonable period as is specified in the rule or order, and under oath; and

(3) Administer oaths.

Any such subpoena or rule or order shall contain (or be accompanied by) a recital that energy information is requested under the authority of ESECA.

[¶ 13,497B.30]

(f) For the purpose of verifying the accuracy of any energy information requested, acquired, or collected by the FEA, the Administrator, or any officer or employee duly designated by him, upon presenting appropriate credentials and a written notice from the Administrator to the owner, operator, or agent in charge, may—

(1) Enter, at reasonable times, any business premise or facility; and

(2) Inspect, at reasonable times and in a reasonable manner, any such premise or facility, inventory and sample any stock of energy resources therein, and examine and copy books, records, papers, or other documents, relating to any such energy information.

Such written notice shall reasonably describe the premise or facility to be inspected, the stock to be inventoried or sampled, or the books, records, papers or other documents to be examined or copied.

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,498

§ 207.4 Confidentiality of energy information.

[¶ 13,498.05]

(a) Information obtained by the FEA under authority of ESECA shall be available to the public in accordance with the provisions of Part 202 of this chapter. Upon a showing satisfactory to the Administrator by any person that any energy information obtained under this subpart from such person would, if made public, divulge methods or processes entitled to protection as trade secrets or other proprietary information of such person, such information, or portion thereof, shall

be deemed confidential in accordance with the provisions of section 1905 of title 18, United States Code; except that such information, or part thereof, shall not be deemed confidential pursuant to that section for purposes of disclosure, upon request, to (1) any delegate of the FEA for the purpose of carrying out ESECA or the EPAA, (2) the Attorney General, the Secretary of the Interior, the Federal Trade Commission, the Federal Power Commission, or the General Accounting Office, when necessary to carry out those agencies' duties and responsibilities under ESECA and other statutes, and (3) the Congress, or any Committee of Congress upon request of the Chairman.

[§ 13,498.10]

(b) Whenever the Administrator requests reports of energy information under this subpart, he may specify (in the rule, order or questionnaire or other means by which he has requested such reports) the nature of the showing required to be made in order to satisfy FEA that certain energy information contained in such reports warrants confidential treatment in accordance with this section. He shall, to the maximum extent practicable, either before or after requesting reports, by ruling or otherwise, inform respondents providing energy information pursuant to this subpart of whether such information will be made available to the public pursuant to requests under the Freedom of Information Act (5 U. S. C. 552).

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,498A

§ 207.5 Violations.

Any practice that circumvents or contravenes or results in a circumvention or contravention of the requirements of any provision of this subpart or any order issued pursuant thereto is a violation of the FEA regulations stated in this subpart.

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,498B

§ 207.6 Notice of probable violation and remedial order.

[§ 13,498B.05]

(a) *Purpose and scope.* (1) This section establishes the procedures for determining the nature and extent of violations of this subpart and the procedures for issuance of a notice of probable violation, a remedial order or a remedial order for immediate compliance.

(2) When the FEA discovers, that there is reason to believe a violation of any provision of this subpart, or any order issued thereunder, has occurred, is continuing or is about to occur, the FEA may



conduct proceedings to determine the nature and extent of the violation and may issue a remedial order thereafter. The FEA may commence such proceeding by serving a notice of probable violation or by issuing a remedial order for immediate compliance.

[¶ 13,498B.10]

(b) *Notice of probable violation.* (1) The FEA may begin a proceeding under this subpart by issuing a notice of probable violation if the FEA has reason to believe that a violation has occurred, is continuing, or is about to occur.

(2) Within 10 days of the service of a notice of probable violation, the person upon whom the notice is served may file a reply with the FEA office that issued the notice of probable violation at the address provided in § 205.12 of this chapter. The FEA may extend the 10-day period for good cause shown.

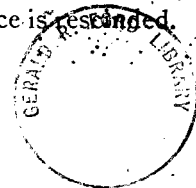
(3) The reply shall be in writing and signed by the person filing it. The reply shall contain a full and complete statement of all relevant facts pertaining to the act or transaction that is the subject of the notice of probable violation. Such facts shall include a complete statement of the business or other reasons that justify the act or transaction, if appropriate; a detailed description of the act or transaction; and a full discussion of the pertinent provisions and relevant facts reflected in any documents submitted with the reply. Copies of all relevant documents shall be submitted with the reply.

(4) The reply shall include a discussion of all relevant authorities, including, but not limited to, FEA rulings, regulations, interpretations, and decisions on appeals and exceptions relied upon to support the particular position taken.

(5) The reply should indicate whether the person requests or intends to request a conference regarding the notice. Any request not made at the time of the reply shall be made as soon thereafter as possible to insure that the conference is held when it will be most beneficial. A request for a conference must conform to the requirements of Subpart M of Part 205 of this chapter.

(6) If a person has not filed a reply with the FEA within the 10-day period provided, and the FEA has not extended the 10-day period, the person shall be deemed to have conceded the accuracy of the factual allegations and legal conclusions stated in the notice of probable violation.

(7) If the FEA finds, after the 10-day period provided in § 207.6 (b)(2), that no violation has occurred, is continuing, or is about to occur, or that, for any reason, the issuance of a remedial order would not be appropriate, it shall notify, in writing, the person to whom a notice of probable violation has been issued that the notice is rescinded.



[¶ 13,498B.15]

(c) *Remedial order.* (1) If the FEA finds, after the 10-day period provided in § 207.6(b)(2), that a violation has occurred, is continuing, or is about to occur, the FEA may issue a remedial order. The order shall include a written opinion setting forth the relevant facts and the legal basis of the remedial order.

(2) A remedial order issued under this subpart shall be effective upon issuance, in accordance with its terms, until stayed, suspended, modified or rescinded. The FEA may stay, suspend, modify or rescind a remedial order on its own initiative or upon application by the person to whom the remedial order is issued. Such action and application shall be in accordance with the procedures for such proceedings provided for in Part 205 of this chapter.

(3) A remedial order may be referred at any time to the Department of Justice for appropriate action in accordance with § 207.7.

[¶ 13,498B.20]

(d) *Remedial order for immediate compliance.* (1) Notwithstanding paragraphs (b) and (c) of this section, the FEA may issue a remedial order for immediate compliance, which shall be effective upon issuance and until rescinded or suspended, if it finds:

(i) there is a strong probability that a violation has occurred, is continuing or is about to occur;

(ii) irreparable harm will occur unless the violation is remedied immediately; and

(iii) the public interest requires the avoidance of such irreparable harm through immediate compliance and waiver of the procedures afforded under paragraphs (b) and (c) of this section.

(2) A remedial order for immediate compliance shall be served promptly upon the person against whom such order is issued by telex or telegram, with a copy served by registered or certified mail. The copy shall contain a written statement of the relevant facts and the legal basis for the remedial order for immediate compliance, including the findings required by subparagraph (1) of this paragraph.

(3) The FEA may rescind or suspend a remedial order for immediate compliance if it appears that the criteria set forth in subparagraph (1) of this paragraph are no longer satisfied. When appropriate, however, such a suspension or rescission may be accompanied by a notice of probable violation issued under paragraph (b) of this section.

(4) If at any time in the course of a proceeding commenced by a notice of probable violation the criteria set forth in subparagraph (1) of this paragraph are satisfied, the FEA may issue a remedial order for immediate compliance, even if the 10-day period for reply specified in § 207.6(b)(2) of this part has not expired.

(5) At any time after a remedial order for immediate compliance has become effective the FEA may refer such order to the Department of Justice for appropriate action in accordance with § 207.7 of this part.

[¶ 13,498B.25]

(e) *Remedies.* A remedial order or a remedial order for immediate compliance may require the person to whom it is directed to take such action as the FEA determines is necessary to eliminate or to compensate for the effects of a violation.

[¶ 13,498B.30]

(f) *Appeal.* (1) No notice of probable violation issued pursuant to this subpart shall be deemed to be an action of which there may be an administrative appeal.

(2) Any person to whom a remedial order or a remedial order for immediate compliance is issued under this subpart may file an appeal with the FEA Office of Exceptions and Appeals in accordance with the procedures for such appeal provided in Subpart H of Part 205 of this chapter. The appeal must be filed within 10 days of service of the order from which the appeal is taken.

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,499

§ 207.7 Sanctions.

[¶ 13,499.05]

(a) *General.* (1) Penalties and sanctions shall be deemed cumulative and not mutually exclusive.

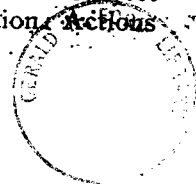
(2) Each day that a violation of the provisions of this subpart or any order issued pursuant thereto continues shall be deemed to constitute a separate violation within the meaning of the provisions of this subpart relating to criminal fines and civil penalties.

[¶ 13,499.10]

(b) *Criminal penalties.* Any person who willfully violates any provision of this subpart or any order issued pursuant thereto shall be subject to a fine of not more than \$5,000 for each violation. Criminal violations are prosecuted by the Department of Justice upon referral by the FEA.

[¶ 13,499.15]

(c) *Civil penalties.* (1) Any person who violates any provision of this subpart or any order issued pursuant thereto shall be subject to a civil penalty of not more than \$2,500 for each violation.



for civil penalties are prosecuted by the Department of Justice upon referral by the FEA.

(2) When the FEA considers it to be appropriate or advisable, the FEA may compromise and settle, and collect civil penalties.

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,499A

§ 207.8 Judicial actions.

[¶ 13,499A.05]

(a) *Enforcement of subpoenas; contempt.* Any United States district court within the jurisdiction of which any inquiry is carried on may, upon petition by the Attorney General at the request of the Administrator, in the case of refusal to obey a subpoena or order of the Administrator issued under this subpart, issue an order requiring compliance. Any failure to obey such an order of the court may be punished by the court as contempt.

[¶ 13,499A.10]

(b) *Injunctions.* Whenever it appears to the Administrator that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of any regulation or order issued under this subpart, the Administrator may request the Attorney General to bring a civil action in the appropriate district court of the United States to enjoin such acts or practices and, upon a proper showing, a temporary restraining order or preliminary or permanent injunction shall be granted without bond. The relief sought may include a mandatory injunction commanding any person to comply with any provision of such order or regulation, the violation of which is prohibited by section 12(a) of ESECA, as implemented by this subpart.

.01 40 F. R. 18408 (April 28, 1975).

¶ 13,499B

§ 207.9 Exceptions, Exemptions and Interpretations, Rulings and Rulemaking.

Applications for exceptions, exemptions or requests for interpretations relating to this subpart shall be filed in accordance with the procedures provided in Subparts D, E and F, respectively, of Part 205 of this chapter. Rulings shall be issued in accordance with the procedures of Subpart K of Part 205 of this chapter. Rulemakings shall be undertaken in accordance with the procedures provided in Subpart L of Part 205 of this chapter.

¶ 13,499C

Introductory material.—Customarily, regulation amendments are accompanied by introductory statements that explain the changes being made. Relevant substantive portions of these prefaces are reproduced below in chronological order.

40 F. R. 18408 (April 28, 1975).—On January 6, 1975, the Federal Energy Administration issued a notice of proposed rulemaking (40 Fed. Reg. 2212, January 10, 1975) to establish Subpart A of Part 207 of Chapter II of Title 10 of the Code of Federal Regulations, which would set forth the manner in which energy information that the FEA is authorized to obtain by the Energy Supply and Environmental Coordination Act of 1974 (ESECA) will be collected.

Fifteen written comments were received in response to the notice of proposed rulemaking. All comments received have been considered, and several modifications to the proposed regulations have been made that reflect FEA's consideration of these comments as well as other information available to FEA.

Section 207.3(f), as proposed, would require FEA officers or employees, prior to entering a business premise or facility to inspect the facility, or to examine books or records, to present appropriate credentials and a written notice from the Administrator. That section has been amended to make explicit that the notice must "reasonably describe" the premise or facility to be inspected, the stock to be inventoried or sampled, or the books, records, papers or other documents to be examined or copied.

Several comments requested that the regulations specify procedures by which confidentiality of energy information would be determined. Section 207.4(b) has been amended to require the Administrator, to the maximum extent practicable, by ruling or otherwise, to inform respondents who provide energy information to FEA under this subpart as to whether such information will be made available to the public pursuant to requests under the Freedom of Information Act, 5 U. S. C. 552.

Several comments addressed the issue of how requests for exceptions and similar requests should be filed. A new section 207.9 has been added which specifically references the provisions of Part 205 relating to filing of applications for exceptions and exemptions, and requests for interpretations, as well as those provisions relating to rulings and rulemakings.

In addition, a new section 207.6 has been added providing that FEA may issue notices of probable violation, remedial orders and remedial orders for immediate compliance in the event that it has reason to believe, or finds that a violation of the requirements of the subpart has occurred, is occurring, or is about to occur.

A number of comments were received which requested FEA to coordinate data gathering on the petroleum industry between federal agencies, in order to reduce the reporting burden on individual companies. The Federal Reports Act (Chapter 35 of Title 44, United States Code) provides procedures for reviewing reporting requirements imposed by federal agencies to reduce unnecessary, duplicative reporting burdens; this authority is placed in the Office of Management and Budget and the General Accounting Office. In addition, pursuant to FEA's legislative mandate under the Federal Energy Administration Act of 1974 to collect and evaluate energy information, FEA has been providing assistance to other federal agencies to attempt to ensure that Federal energy data requirements are not unnecessarily burdensome, and to improve the quality and timeliness of energy data.

Several comments requested that the regulations require reasonable notice be given before FEA inspection of facilities and records. While FEA will give reasonable notice where feasible, such notice may be inconsistent in

some instances with the purposes of the inspection. This amendment has, therefore, not been adopted.

One comment requested that costs for collecting and reporting energy information be included in product cost. The regulations contained in Part 207 do not deal with calculation of product cost and therefore do not provide an appropriate vehicle for consideration of such an amendment.

Several comments stated that the regulations were excessively general, and that terms should be defined more clearly. The regulations contemplate that additional specificity will be provided in individual rules, orders, questionnaires and other means of gathering

information concerning, for example, the type of information required, the showing of confidentiality that must be made, and the method by which the information will be gathered.

(Federal Energy Administration Act of 1974, Pub. L. 93-275; Energy Supply and Environmental Coordination Act of 1974, Pub. L. 93-319; E. O. 11790, 39 F. R. 23185).


In consideration of the foregoing, subpart A of Part 207 of Chapter II, Title 10 of the Code of Federal Regulations is established as set forth below, effective immediately.

Issued in Washington, D. C., April 23, 1975.

Date: 5-12

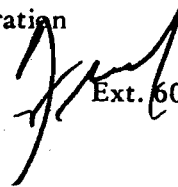
Office of the Administrator

To: John

But I
thought the
Crisis was
over? 

Federal Energy Administration

Room 3400


Ext. 6081

F.I.I.

H

Frank —

3123

I wonder
just who speaks
for the
Administration
on energy?

John



A-C-D-E



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

APR 18 1975

Dear Colonel Howard:

The Department of the Treasury is following the proposed refinery project of the Hampton Roads Energy Company at Portsmouth, Virginia, with interest. Such projects are extremely vital to the energy future of the United States. To meet the future energy requirements of our Nation, the President has proposed a program to accomplish the construction of new refineries. The Hampton Roads Energy Company refinery project will be an initial step in achieving the President's goal.

The United States currently experiences severe shortages of refined products on the east coast. Current refinery capacity on the east coast is 1,752,000 barrels per day while demand is 6,110,000 barrels per day. In the interest of alleviating shortfalls, and attaining regional energy balance, I have supported refinery construction projects. Construction of additional refining capacity on the east coast would also strengthen the strategic petroleum storage program currently being developed for the Nation.

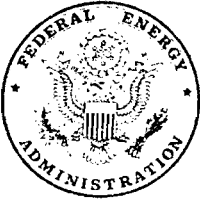
In consideration of our national interests and future energy requirements, I strongly support the construction of new refinery capacity, particularly on the east coast.

Sincerely yours,
((Signed) William E. Simon)

William E. Simon

Colonel Newman A. Howard, Jr.
District Engineer
Norfolk District
Corps of Engineers
803 Front Street
Norfolk, Virginia 23510





FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

June 9, 1976

PERSONAL AND CONFIDENTIAL

Honorable John D. Dingell
House of Representatives
Washington, D.C. 20515

Dear John:

The attached is the full text of the lead article on an OAPEC June news bulletin entitled "Stockpiling Stepped Up - What For?"

It is starting to pinch, as I knew it would, and that is not bad. I don't think this editorial represents the attitude of all the OPEC countries.

I am heading back to the Middle East for another round of discussions and will give you a run down when I get back.

Best wishes.

Sincerely,

[Signature]
Frank G. Zarb
Administrator



Enclosure

They may not let me out of the Middle East once I get there. If so who would the Congress, oil Co's + Ralph Nader pick on??
Chris. [unclear]

STOCKPILING STEPPED UP- WHAT FOR?

The new U.S. scheme to stockpile the equivalent of one year's imports of Arab oil (one billion barrels) is only a further escalation of the consumers' policy of accumulating reserves to use as bargaining chips in confrontation with the producers. From the way it was revealed, it is obvious that the plan does not relate to any American commitment to IEA policy in this regard. By stockpiling oil in excess of the 90-day strategic reserve supply, the U.S. appears to be not only eager to maintain its status as first among equals, but also to hanker after a psychological edge over its major partners. Reduction of the risk factor in oil supply is surely an important consideration, but is it sufficient to warrant the tremendous cost of stockpiling to the American consumer? Undoubtedly, the American strategy embraces larger concerns. Policy has consistently aimed at achieving a two-fold purpose with regard to oil: to undercut the unity of the producers and, in this way, to defuse the power of oil; and to isolate it, as an issue, from the overall Middle East question.

The present world surplus of oil affords a potential opportunity to do both as some producers are being induced to sell their oil directly to the U.S. and, hence, to allow this stockpiling build-up. This affords the U.S. a trump card for hard bargaining in direct government-to-government deals for more favorable price and supply conditions. Frank Zarb's consultation with Middle East governments is only the beginning of the application of this strategy.

The producers should be aware of the implications of this policy and maintain solidarity within OPEC by adhering strictly to their agreed prices and conditions, rather than compromise this unity for individual gains.



cc: CA &
EC

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

August 13, 1976

Honorable John Dingell
House of Representatives
Washington, D.C. 20515

Dear John:

I'll be out of town for the better part of this month. Before leaving I just wanted you to know that I really appreciate working with a legislator who truly works in the best interest of the country.

You and I have had our differences and probably will in the future since you will fight as hard for your views as I will for mine, but when all is said and done it is just nice to work with someone you respect and trust.

Have a good August.

Yours truly,

Frank
Frank G. Zarb



... Dingell, keep ...

... of ...

cc: CA &
EC

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

August 13, 1976

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Yours truly,


Frank G. Zarb



THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

September 14, 1976

Honorable John Dingell
House of Representatives
Washington, D.C. 20515

Dear John:

The unsung heroes are not mentioned, but
you and I know who they are.

Sincerely,



Frank G. Zarb

Enclosure



ENERGY:

A consensus may finally be forming

Three years of divisive and often confusing debate over energy policy have had one surprising impact on the Presidential race: The candidates seem to be arriving at a consensus. Although they differ on many specifics, Jimmy Carter and Gerald Ford share a remarkable number of goals, among them increased reliance on coal, more conservation, and greater protection against another oil embargo by stockpiling crude.

In part, the similarities of their views reflect the gradual convergence of opinions between the Ford Administration and the Democratic Congress over such key issues as natural gas price controls. Democratic moderates have steadily edged closer to the Administration's position that controls should be lifted on "new" gas. Carter stops only slightly short of that, favoring new gas decontrol for five years to see if higher prices do, in fact, bring forth new supplies.

But the underlying reasons for the emerging consensus are rooted in some inescapable realities. After a brief pause caused by the dramatic jump in oil prices and the recession, U. S. energy consumption is again on the increase and, with it, dependence on imported oil. With both sides now disabused of the notion that the oil cartel will unaccountably collapse or that new sources of cheap domestic supplies will magically appear, the limits of the energy debate have been severely circumscribed.

Government aid. Originally, the foundation of the Ford program was the potpourri of proposals collectively known as Project Independence. Chief among these were plans for a \$100 billion Energy Independence Authority that would provide massive government assistance to industry. The money would be used for developing new energy sources, such as solar and geothermal, and updating old energy sources, by encouraging coal gasification and liquefaction, for example. Congressional leaders quickly dismissed the EIA as impractical, however, and Ford has quietly let the proposal die. But he still favors some government subsidies, such

as loan guarantees, for developing alternate fuels.

So does Carter. Though he has dismissed Project Independence as "a farce," he nonetheless seems willing to embrace the principle of federal support for new energy development to aid in the transition to "a coal-based economy." Carter has attacked Ford plans to spur synthetic fuels development in the West, but it is mainly the location, not the concept, that he opposes. He argues that the West has neither the water nor the markets to make a major development program feasible.

The most substantial differences between the two candidates are in the area of nuclear power. Ford flatly favors nuclear power; Carter is queasy about it. Despite his nuclear background, Carter has vowed to pull back from the White House's long-standing commitment to the breeder reactor, which represents the single biggest energy research program under way in the U. S. today. And he favors "minimum necessary" dependence on nuclear power.

Oil price controls. On oil pricing policy, the most divisive issue of the past three years, Carter is somewhat at odds with both Ford and the current Congress. His views are still a bit cloudy, but he has argued that old-oil prices should remain controlled and that all U. S. oil should sell for less than the world price. Ford originally sought to decontrol oil completely, then later accepted congressional proposals to phase out controls on new oil by 1979 and to lift controls on so-called stripper wells immediately.

But lower prices for oil products would not be guaranteed if Carter became President. He strongly favors standby authority to impose excise taxes on petroleum products and is apparently ready to use such authority.

The President's energy policies have been notably weighted on the supply side through most of his two years in office. Under congressional prodding, however, the Administration has gradually stepped up research in energy conservation, and Ford has now endorsed many of the conservation measures supported by Carter. Even so, Carter would probably be tougher on the conservation side than Ford.

A choice. Finally, on the controversial issue of oil divestiture, the two candidates more and more seem to be offering voters a choice. Ford remains convinced that breaking up the oil companies, either vertically or horizontally, would not solve any problems. Carter, on the other hand, has given tentative support to spinning off marketing operations, although he remains opposed to splitting production, refining, and transportation. He has also indicated that he might favor horizontal divestiture, supporting restrictions on oil companies owning competing energy sources.

JOHN D. DINGELL
16TH DISTRICT, MICHIGAN

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DISTRICT OFFICE:
4917 SCHAEFER ROAD
DEARBORN, MICHIGAN 48126
(313) 846-1276

Congress of the United States
House of Representatives
Washington, D.C. 20515

August 26, 1976

COMMITTEES:
INTERSTATE AND FOREIGN
COMMERCE
CHAIRMAN, SUBCOMMITTEE ON
ENERGY AND POWER
SMALL BUSINESS
CHAIRMAN, SUBCOMMITTEE ON
ENERGY AND ENVIRONMENT
MERCHANT MARINE AND FISHERIES
MIGRATORY BIRD
CONSERVATION COMMISSION

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D. C. 20461

Dear Frank:

Your kind letter of August 13 has been received.

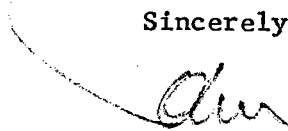
I cherish your friendship and rejoice in the fine relationship which we have shared through difficult times and in the settling of angry and bitter controversies.

You have been an outstanding public servant and a good friend for whom I have the greatest respect and affection. I am delighted that we have had an opportunity to know each other and work together. The association with you has been one of the genuine pleasures and warm memories that I will carry with me from this very difficult last year and a half.

History will record that our friendship and joint efforts have been a remarkable success in the public interest, and I believe we both can be proud of our joint accomplishments.

With all good wishes,

Sincerely,


John D. Dingell
Member of Congress

N
Postage paid



Return to 113

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

December 1, 1976

Honorable John Dingell
House of Representatives
Washington, D.C. 20515

Dear John:

It looks like California wants to send our Alaskan oil to Japan. Are you going to support that? ???

Sincerely,

FZ
Frank G. Zarb
Administrator

Enclosures

Frank
~~*No way!*~~
I will help you be glad to see this.
John

to

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

December 1, 1976

Honorable John Dingell
House of Representatives
Washington, D.C. 20515

Dear John:

It looks like California wants to send our Alaskan
oil to Japan. Are you going to support that? ???

Sincerely,



Frank G. Zarb
Administrator

Enclosures



Federal Study's Findings

Northern Route

Urged for Oil Pipeline

By John Fogarty

Chronicle Washington Bureau

Washington

A federal government report yesterday indicated that it may be cheaper to send Alaskan oil to the Midwest through pipelines constructed near the U.S.-Canadian border than to ship the oil to a controversial tanker terminal proposed for Long Beach.

The 800-page draft study prepared by the Federal Energy Administration concludes that two proposed northern pipeline routes — one through Canada and the other along the U.S. side of the Canadian border — have economic advantages over the California route because of shorter tanker and pipeline routes.

The FEA commissioned the study to examine ways to avoid a sizable oil glut on the West Coast soon after the 800-mile trans Alaska oil pipeline begins operation next year.

When the Alaska pipeline was approved by Congress in 1973, it was assumed all the oil would be consumed on the West Coast.

However, the report confirms predictions that an excess of crude that will start building up in California and the other west coast states by 1978 will grow to approximately 500,000 barrels per day by 1980.

The surplus, according to the report, results from: the government's decision to open the Elk Hills Naval Petroleum Reserve in California, lower petroleum demand because of higher prices, and conservation and better oil recovery techniques in existing West Coast oil fields.

One proposed solution advanced by some oil companies to relieve the West Coast oil glut calls for shipping some Alaskan oil to Japan in exchange for Middle East oil that would be diverted from Japan to East or Gulf Coast ports until adequate pipeline facilities can be completed.

But at a briefing yesterday, FEA Administrator Frank Zarb opposed such an exchange program because "it would delay a decision on a pipeline route and make the United States more vulnerable to a future Arab oil embargo."

Zarb favors shipping Alaskan oil through the Panama Canal as an interim solution to the problem until a pipeline can be constructed.

The four pipeline routes examined in the report are:

- Trans-Provincial — an all-Canadian link from Kitling, B.C., to Edmonton, Alberta, where connections would be made with existing pipelines to the northwest, the northern plains and the Midwest.

- Northern Tier — from Port Angeles, Wash., to Clearbrook, Minn., with extensions to mid-central and eastern sections of the United States.

- Standard Oil of Ohio — from

a tanker terminal in Long Beach to Midland, Tex., along a 705-mile existing natural gas pipeline and a new 125-mile link. From Midland, the oil could be re-routed through existing pipeline to the Midwest.

- Central American — across Guatemala to the Gulf of Mexico.

The study does not completely rule out total reliance on tanker transportation through the Panama Canal or around Cape Horn, but Zarb said the agency has determined that a pipeline offers "the most economical, long-term solution for transporting this surplus to other areas which are or will be short of crude."

With Chicago as a final delivery point, the study concluded that the Northern Tier pipeline from Washington to Minnesota "could move crude at the least cost per barrel." It added that the Canadian Trans-Provincial route "would be more economical to Chicago than

any other pipeline" if its proposed capacity were increased.

FEA said the SOHO pipeline from Long Beach "cannot apparently compete with Northern Tier or Trans-Provincial in deliveries to Chicago."

Zarb said Chicago was used in the study because that area of the country is currently fueled by Canadian oil and the Canadians have decided to phase out oil export to the United States.

While not a final FEA decision, the study is a preliminary victory for Governor Brown's administration which has opposed shipping Alaskan oil through Long Beach on environmental grounds.

Tom Quinn, head of California's Air Resources Board, has described that route as being "tantamount to ending all efforts to restore healthy air to the Los Angeles area."

Zarb said FEA would collect comments from state and local officials and members of Congress who have received the report for the next 30 days and then prepare final recommendations that would be held for President-elect Jimmy Carter who takes office next January 20.

The report is certain to be discussed at a joint hearing of the U.S. Senate Interior and Commerce Committees next Tuesday in Los Angeles which was called to examine the anticipated West Coast oil glut. X X X

U.S. Predicts Tankers Will Move Oil Glut to Gulf Ports

BY ROBERT A. ROSENBLATT

Times Staff Writer

WASHINGTON—A large surplus of Alaskan oil becoming available in 1978 will have to be shipped to Gulf Coast ports by tankers moving through the Panama Canal, Frank Zarb, the Federal Energy Administrator, predicted Tuesday.

He made the prediction as he unveiled an FEA study which said that the controversial pipeline system proposed by Standard Oil Co. of Ohio for moving Alaskan oil from Los Angeles to Texas could not be ready for use before 1979.

And the Sohio project could begin working faster than any other pipeline alternatives being considered, Zarb said.

However, long before any pipelines are ready, the west coast will have a glut of oil—more petroleum than can be refined or marketed in the Pacific states. The surplus will reach 400,000 to 600,000 barrels daily by the second half of 1978. After transport by tank-

ers to Gulf Coast refineries, the extra oil can be processed and shipped to Midwestern or Eastern markets.

The FEA study strongly opposed any swaps, such as sending Alaskan Oil to Japan, in return for shipment to the U.S. east coast of Middle Eastern oil bought by Japan. Such trades would violate the national policy of

State energy officials differ with federal counterparts on best way to transport Alaskan oil. Part 1, Page 3.

reducing dependence on foreign oil, the study warned.

"There is no enthusiasm even for a short-term exchange with Japan," Zarb told a news briefing where he discussed the FEA's study of the oil surplus problem.

Using tankers to move surplus oil is a short-term measure because pipelines are always a cheaper system of

Please Turn to Page 32, Col. 1

DEC 01 1976

32 Part 1—Wed, Dec. 1, 1976

Los Angeles Times

Tanker Use in '78 Oil Glut Predicted

Continued from First Page

transportation, said William Arntz, head of the FEA's West Coast region, who joined Zarb at the briefing.

Depending on the volume of extra oil, it may be necessary to use both tankers and a land pipeline, he said.

California officials, led by Tom Quinn, chairman of the state Air Resources Board, have been attacking Standard of Ohio proposals for a tanker terminal and storage facility at the port of Long Beach. Pollutants generated by unloading tankers would seriously damage the air quality in the port, the critics argue.

Quinn "wants to be sure he has the authority" to require the best technology, and has strong enforcement powers, Arntz said. After checking on legal issues, he said, the FEA now believes that California officials have legal power to enforce strict antipollution rules.

This finding by the FEA should enable the federal government and California to "reconcile their differences" over the desirability of the Standard of Ohio pipeline project, Arntz said in an interview after the briefing.

But the California officials and their FEA counterparts are divided by major areas of controversy. In a report issued in Sacramento Tuesday, state officials supported oil exchanges with Japan and Canada as a short-term solution to the surplus problem.

The California study favored a transprovin-

cial pipeline running from the Canadian province of British Columbia to Edmonton in Alberta, where the line would connect with existing pipelines entering Washington, Montana, North Dakota, Minnesota, Wisconsin and Michigan. The state study also favors a reduced capacity Standard of Ohio pipeline.

The FEA study does not recommend a particular pipeline as the optimum choice, but Zarb noted Tuesday that the Standard of Ohio line is the "fastest" of the routes under consideration. With prompt approval from various regulatory agencies, it could be operating at the beginning of 1979.

The FEA draft study released Tuesday also discussed a northern tier pipeline, which would run from the state of Washington to Minnesota, and a pipeline across Guatemala to the Gulf of Mexico.

None of the routes was specifically endorsed by the FEA, which will issue a final report in a month. That report may have specific recommendations, Zarb said.

The FEA chief said he hoped that state governments and oil companies could work out effective methods for moving the surplus, thus making federal action unnecessary. If the issue is not resolved in six months, he said, Congress may be forced to intervene.

The final FEA study will be presented to the President's Energy Resources Council, headed by Secretary of Commerce Elliot Richardson.

The council may suggest areas where specific congressional action is needed to deal with the surplus oil.

The new Carter administration, of course, could reject any council proposals and develop a completely new strategy.

In 1978, the surplus will first appear when the trans-Alaska pipeline begins carrying 1.2 million barrels of crude oil daily from the North Slope to the port of Valdez. The pipeline will start moving oil next year, with an initial load of 600,000 barrels daily.

When the Trans-Alaska line was authorized by Congress, industry and government officials said that all the oil would be consumed on the West Coast. Instead, there will be a surplus because higher prices have reduced energy usage, and because the naval oil reserve at Elk Hills has been opened for production.

County Denies Days Off

The Board of Supervisors cut Los Angeles County employees off at the pocket books in their petition campaign for days off to compensate for this Christmas and New Year's days, which fall on Saturdays.

Supervisor Kenneth Hahn successfully urged the board's adoption of a no-time-off policy.

Christmas and New Year's normally are paid holidays when they fall on a weekday. Hahn said that giving two makeup days would cost \$11.5 million in salary.

State at Odds With U.S. on Alaskan Oil

Using Same Data, Arrives at Opposite Conclusions on Pipelines, Tankers, Trade

BY LARRY PRYOR
Times Staff Writer

SACRAMENTO—State Energy Commission officials, using the same data as their federal counterparts, arrived at an opposite conclusion Tuesday, predicting the best way to transport Alaskan oil would be in a pipeline across Canada.

A staff report, which is one the subject of intensive hearings, said shipping surplus Alaskan oil from Kitimat, B.C., to the Midwest would be the cheapest form of transportation and it would get the oil to an area having a serious crude oil shortage.

The staff recommendation contradicted the position of Frank Zarb, Federal Energy Administrator, who said Tuesday the excess oil would have to be shipped through the Panama Canal until a pipeline from Los Angeles to Midland, Tex., is built.

Both policy positions were based on the same analysis, an 800-page FEA draft study that contained voluminous data on oil supply and demand but came to no conclusions.

"Mr. Zarb hasn't read his own report," said Richard Maullin, chairman of the state Energy Commission.

Maullin's chief adviser, Robert A. Shinn, was the principal analyst for the study by the FEA, where he previously worked. Shinn also coauthored the state study with Robert Solomon, the commission's chief of policy and program assessment.

"The study director believes (Zarb's conclusion) is an incorrect interpretation of his own research efforts," Shinn said in an interview in his Energy Commission office.

The state analysis also contradicted the federal position on the advisability of exchanging surplus Alaskan oil with Canada and Japan in return for their shipments of Middle East oil to Gulf Coast ports.

The state report concluded that swaps with Japan would be the least costly in terms of getting imported oil to the Midwest. The Canadian pipeline, called the Trans-Provincial Pipeline, was second cheapest.

The proposed pipeline across California, a project promoted by Standard Oil of Ohio (SOHIO), was ranked fourth behind another Canadian pipeline proposal, the Northern Tier.

The per barrel cost of getting oil to the Gulf Coast and up to the Chicago market by sending it through the Panama Canal was about double the cost of swapping oil with Japan, the state study said.

State at Odds With U.S. on Alaskan Oil

Continued from Third Page

A Trans-Provincial Pipeline proposal is expected to be before the Canadian National Energy Board by the end of this year and is scheduled to take 24 months to build.

"This gives Trans-Provincial relatively favorable timing," said the Energy Commission report, "especially since no serious permit challenges are currently anticipated."

On the other hand, the SOHIO project, which would also take about two years to build, must pass through three major permitting processes and is now mired in a controversy over air quality that is "serious enough to place the status of the project in doubt," the state study said.

The state study did not rule out the possibility of going ahead with the SOHIO project in some form, pointing out that two pipelines would have advantages in terms of flexibility and being able to handle a larger Alaskan oil surplus than is expected now.

But the study recommended that the Canadian proposal and swaps with Canada and Japan be pursued first while technical problems involved with the SOHIO project are worked out.

Blocking these alternatives would "reduce pressure on California to permit an unacceptable version of the proposed SOHIO project," the state study said.

It also recommended that Elk Hills Naval Preserve production be included in the SOHIO planning process, since the Navy is under a federal mandate to be able to produce an additional 350,000 barrels per day from there by 1979.

Such a hookup between Elk Hills and the SOHIO pipeline to Texas might favor building a tanker offloading facility at a south central California port, rather than Long Beach, so that the two systems could be coordinated and air quality problems avoided, the state study said.

The state and federal position diverged sharply over the issue of crude oil exchanges with Canada and Japan, which Zarb characterized as violating a national policy of reducing dependence on foreign oil.

Regardless of U.S. policy, foreign oil will be a vital additional energy supply for this country "for the entire planable future," the state study said. "For this reason, talk of 'energy independence' obscures the real issues of U.S. energy policy."

To try to cut the United States off from the rest of the world is unrealistic, the study said. "The U.S. cannot tolerate a situation in which Europe, Japan and Canada are gradually or suddenly deprived of necessary energy supplies, and if we are to be protected against gradual or sudden curtailment, we need the cooperation of Europe, Japan and Canada."

Oil exchanges would be consistent with efforts by the International Energy Agency to build cooperation among oil importing nations to prevent a selective embargo against one nation.

The state report also predicted that oil swaps would reduce the balance of payments drain, reduce net revenues of foreign oil producers and increase the wellhead price of Alaskan oil, since transportation costs would be lower.

The report faulted the SOHIO project because of its inability to help the states along the northern border of the country, the Northern Tier states, which are being cut off from their traditional supplies of Canadian crude oil.

"SOHIO's proposed West Coast to midcontinent pipeline would either provide an excessively costly means of delivering crude to the Northern Tier, or, for some crude-deficient refining centers with long-standing links to Canadian sources of supply, could not deliver it at all," the Energy Commission report said.

JOHN D. DINGELL
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Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERSTATE AND FOREIGN
COMMERCE
CHAIRMAN, SUBCOMMITTEE ON
ENERGY AND POWER
MERCHANT MARINE AND FISHERIES
SMALL BUSINESS
MIGRATORY BIRD
CONSERVATION COMMISSION

May 9, 1978



The Honorable Frank G. Zarb
Lazard Freres and Company
One Rockefeller Plaza
New York, New York 10020

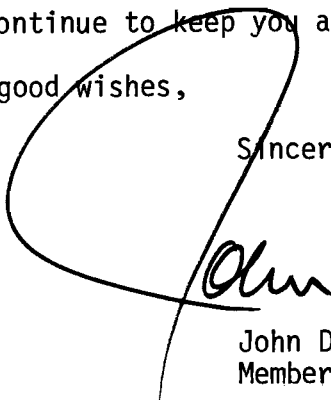
Dear Frank:

I thought you might be interested in the enclosed communication regarding the elk permits.

I shall continue to keep you advised.

With all good wishes,

Sincerely yours,



John D. Dingell
Member of Congress

J
Enclosure

Postage paid

Keep this to yourself.
Best wishes —
John



TENO RONCALIO
THE STATE OF WYOMING

(202) 225-2311

COMMITTEES,
INTERIOR AND INSULAR AFFAIRS

CHAIRMAN,
SUBCOMMITTEE ON INDIAN AFFAIRS
AND PUBLIC LANDS

PUBLIC WORKS AND
TRANSPORTATION

Congress of the United States
House of Representatives

Washington, D.C. 20515

April 26, 1978

The Honorable John Dingell
2221 Rayburn HOB
Inside Mail

Dear John:

APR 27

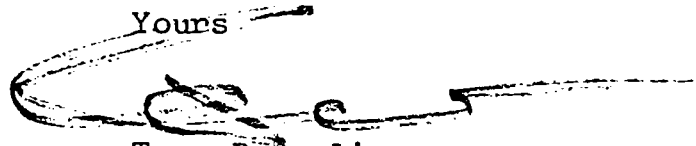
Ed Herschler has decided to wait until he has received most of the requests for his special elk hunting permits before he determines who will receive them. That means we won't have any news on the permits for you and Frank Zarb until late June or early July.

I've let Ed know that you are first on my list to receive permits, but just in case Ed might have some kind of difficulty, I've been assured by one of the Game and Fish Commissioners that we'll have two elk hunting permits for you one way or the other.

I'll let you know as soon as I hear any further word.

With warm regards,

Yours



Teno Roncalio



JOHN D. DINGELL
16TH DISTRICT, MICHIGAN

WASHINGTON OFFICE:
ROOM 2221, RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
(202) 225-4071

DISTRICT OFFICE:
4917 SCHAEFER ROAD
DEARBORN, MICHIGAN 48126
(313) 846-1276

Congress of the United States
House of Representatives
Washington, D.C. 20515

COMMITTEES:
INTERSTATE AND FOREIGN
COMMERCE
CHAIRMAN, SUBCOMMITTEE ON
ENERGY AND POWER
MERCHANT MARINE AND FISHERIES
SMALL BUSINESS
MIGRATORY BIRD
CONSERVATION COMMISSION

August 16, 1978

The Honorable Frank G. Zarb
Bridle Path East
Sands Point, New York 11050

My dear friend Frank:

I was pleased and delighted with your remembrance on my birthday.

I wish to stress that our friendship is such that it requires no gifts between us. Your remembrance did add, however, much to the occasion and I am, as always, grateful for your friendship and kindnesses.

On another note, I observe that things still seem to be in order for elk hunting in Wyoming and will try to watch the situation closely and keep you apprised. If nothing else works, we will head for Colorado.

All good wishes.

Sincerely,

John D. Dingell
Member of Congress



N
Postage paid

Frank: Good news — we have permits. We must talk



BOB DOLE
UNITED STATES SENATE

January 13, 1977

Dear Frank:

As we approach the final days of the Ford Administration, I wanted to express my appreciation for the support and assistance given me both as a Senator and a Vice Presidential candidate.

At the same time, I extend my congratulations to you for a job well done.

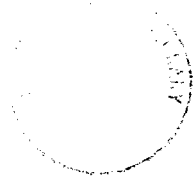
Best wishes in your future endeavors. I hope we can stay in touch and that you will contact me if I may ever be of assistance.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Bob", written in a cursive style.

BOB DOLE
United States Senator

The Honorable Frank Zarb
Federal Energy Administration
12th Street and Pennsylvania Avenue
Washington, D.C. 20461



THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

October 6, 1975

Mr. W. B. Dronen
Governmental Affairs Manager
Caterpillar Tractor Co
Peoria, Illinois 61629

Dear Mr. Dronen:

Thank you for the print and for your thoughtfulness
in thinking of me.

I share with you your feelings on the success of
our meetings in Peoria and hope to visit your city
again soon.

Sincerely,



Frank G. Zarb
Administrator





CATERPILLAR TRACTOR CO.

Peoria, Illinois 61629

September 30, 1975

Hon. Frank G. Zarb, Administrator
Federal Energy Administration
Federal Building
12th & Pennsylvania Ave., N.W.
Washington, DC 20461

Dear Mr. Zarb:

If the volume of favorable comments is indicative, then all who cruised the Illinois River on the evening preceding the White House Conference in Peoria, considered it a memorable experience.

Accordingly, we thought that all invitees -- especially those who were able to actually share in this experience -- would find lasting pleasure in having the enclosed print.

From those of us at Caterpillar -- who also enjoyed that evening -- a very sincere thank you for the role you played in making the conference the outstanding success that it was. This print is but a token of the appreciation we have for your efforts.

Sincerely,

Governmental Affairs Manager

WBDronen
Ph. (309) 675-5248
mk
enc.



THE JULIA BELLE SWAIN

..... a full color reproduction of an original painting by internationally known artist, Paul Norton.

Norton, a resident of Moline, Illinois, has exhibited his water colors throughout the U.S., and his paintings have toured the world as a part of the U.S. State Department's "Art In The Embassies Programs."

He was honored at the U.S. Capitol recently when his painting of that building, commissioned by the Washington Historical Society, was unveiled.



FEDERAL BUREAU OF INVESTIGATION
OFFICE OF THE DIRECTOR
ADMINISTRATIVE SERVICES
75 OCT-6 AM 11:35



M E E T T H E P R E S S

America's Dress Conference of the Air

2660 Woodley Road, NW, Washington, D.C. 20008

March 3, 1975

Dear Mr. Zarb:

I want to thank you once again
for appearing on MEET THE PRESS.
We thought the interview went
very well and hope that you did
also.

Sincerely,

Betty Cole Dukert
Associate Producer

Mr. Frank G. Zarb
Administrator
Federal Energy Administration
Room 3400
12th and Pennsylvania, N.W.
Washington, D.C. 20461

BCD:sb



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FEB 10 1964

75 MAR -4 10:02

D

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

July 1, 1975

Honorable John Dunlop
Secretary
Department of Labor
Washington, D.C. 20210

Dear John:

It was my understanding that you have agreed on the attached. Do you see any reason why we should not also agree?

Sincerely,


Frank G. Zarb
Administrator

Enclosure

FEDERAL MEDIATION AND CONCILIATION SERVICE

UNITED STATES GOVERNMENT

WASHINGTON, D.C. 20427

June 23, 1975

OFFICE OF THE DIRECTOR

Personal and Confidential

Honorable Frank Zarb, Administrator
Federal Energy Administration
Old Post Office Building
12th and Pennsylvania Avenue, N.W.
Washington, D.C. 20461

Dear Frank:

It has come to my attention that my letter of June 13th failed to include a copy of the draft of our proposed Executive Order. It is enclosed herewith and I hope you will accept my sincere apology.

Sincerely,

Bill

W. J. Usery, Jr.
National Director

Enclosure

FEDERAL MEDIATION AND CONCILIATION SERVICE

UNITED STATES GOVERNMENT

WASHINGTON, D.C. 20427

June 13, 1975

OFFICE OF THE DIRECTOR

Honorable Frank Zarb, Administrator
Federal Energy Administration
Old Post Office Building
12th and Pennsylvania Avenue, N.W.
Washington, D.C. 20461

Dear Frank:

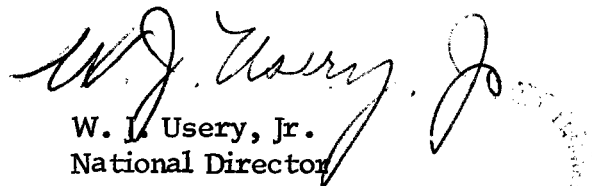
As you will recall, you and I have had several discussions involving changes in the Atomic Energy Commission and the creation of new energy programs which I believe necessitate an Executive Order replacing the Atomic Energy Labor-Management Relations Panel and establishing a new labor-management relations panel to deal with disputes in energy and energy-related industries.

Since our earlier discussions, extensive staff work has been undertaken between the Federal Mediation and Conciliation Service and the Department of Labor at the request of myself and John Dunlop. As a result of that work, I am enclosing a draft of our proposed Executive Order for your consideration.

After you have had a chance to review it, I would like to sit down with you and discuss how we might proceed. I plan to have a similar discussion with Dr. Seamans of ERDA.

I look forward to discussing this important matter with you at your earliest convenience.

Sincerely,



W. J. Usery, Jr.
National Director

Enclosure

EXECUTIVE ORDER _____

Establishing a Program for Resolving Energy Related Disputes

The continuing promotion of a climate for industrial peace through the minimization of disruptions due to labor-management disputes in energy and energy related industries is essential to the implementation of our energy program and vital to the Nation's economic well-being. Primary responsibility lies with the parties to such disputes to make every effort to effect peaceful settlement through collective bargaining and the full use of mediation and conciliation. However, the Government has a clear responsibility for providing special facilities which may be used voluntarily to assist in arriving at peaceful adjustments of disputes which would impede the energy program when the normal process of collective bargaining and mediation and conciliation have been fully utilized without constructive results; and

With the restructuring of the United States Atomic Energy Commission, there is a need to review the jurisdiction of governmental assistance previously provided by the Atomic Energy Labor-Management Relations Panel.

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:



Sec. 1. For the purpose of developing policies, procedures, and methods of providing assistance for the voluntary adjustment of labor-management disputes in energy and energy related industries, the Atomic Energy Labor-Management Relations Panel is hereby abolished and in its place shall be established the Energy Resources Labor-Management Relations Panel, to be located within the Federal Mediation and Conciliation Service.

Sec. 2. The Panel shall be composed of the current members of the Atomic Energy Labor-Management Relations Panel. The Director of the Federal Mediation and Conciliation Service shall name such replacements or additions to the Panel as he deems appropriate.

Sec. 3. All records and property of the Atomic Energy Labor-Management Relations Panel are hereby transferred to the Federal Mediation and Conciliation Service.

Sec. 4. The Energy Resources Labor-Management Relations Panel shall be advised by the Director of the Federal Mediation and Conciliation Service, or his designee, of any labor-management dispute affecting an energy or energy related industry which it appears cannot be settled in the first instance through collective bargaining and the full utilization of mediation and conciliation. The Director of the FMCS, after consultation with the Panel, shall establish procedures whereby, following certification of the dispute by the Director, the Panel may assist the parties in arriving at a voluntary settlement.

Sec. 5. In order to assist the Panel in carrying out its duties, the Director of the Federal Mediation and Conciliation Service is hereby directed to provide the Panel with an Executive Secretary and shall, to the extent permitted by law, furnish the Panel with administrative services and support as may be necessary.

Sec. 6. Members of the Panel established by the Order shall receive compensation at a rate prescribed by the Director of Federal Mediation and Conciliation Service but not to exceed the daily rate prescribed for GS-18 of the General Schedule under Section 5332 of Title 5, United States Code, including travel, for each day they are engaged in the performance of their duties, and shall be entitled to reimbursement for travel, subsistence and other necessary expenses incurred by them in carrying out their duties.



HENRY M. JACKSON, WASH., CHAIRMAN

FRANK CHURCH, IDAHO
LEE METCALF, MONT.
J. BENNETT JOHNSTON, LA.
JAMES ABOUREZK, S. DAK.
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JOHN GLENN, OHIO
RICHARD STONE, FLA.
DALE BUMPERS, ARK.

PAUL J. FANNIN, ARIZ.
CLIFFORD P. HANSEN, WYO.
MARK O. HATFIELD, OREG.
JAMES A. MCCLURE, IDAHO
DEWEY F. BARTLETT, OKLA.

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

October 1, 1976

Honorable Frank Zarb
Administrator, Federal
Energy Administration
12th Street and Pennsylvania Avenue
Washington, D. C. 20240

114541

Dear Frank:

I was deeply touched by your letter of September 27th in which you so kindly expressed appreciation for my support in helping develop energy legislation during the past several years.

You are the one that deserves the accolades. Your leadership in developing national energy policy as Administrator and as the spark plug of the Energy Resources Council has been peerless.

Looking back at our work together, I was pleased to be able to initiate our continuing series of monthly strategy breakfasts in which you, the other Interior Committee Minority Members and I joined forces to hammer out positions on key energy bills. Although you know I was saddened by the final result on the Energy Policy and Conservation Act, the progress we made in the Energy Conservation and Production Act removed several of the constraints contained in the earlier bill.

In a word, team work was the key. With a Congress consisting of a strong democratic majority, our only recourse as Minority Senators was to work closely with you and other key energy officials in the Administration. Our cooperation resulted in the passage of most of the bills we favored. The sad exception, as you pointed out in your letter, was natural gas. Our team work also resulted in the defeat of many bills, the enactment of which into law would have spelled disaster.

It has been very rewarding to me to work with you and to share your beliefs in the principle that the marketplace, not government regulation, is the best allocator of natural resources.

October 1, 1976
Honorable Frank Zarb
Page 2

Your personal note at the end of your letter was deeply appreciated. I too look forward to maintaining contact with you, both during the time that you remain with the Administration and after your return to the private sector.

In that latter capacity, I have every reason to believe that your success will be as great if not greater than it has been during your outstanding years of public service here in Washington.

Sincerely,



Paul Fannin
United States Senator

PF:nfw



THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

January 10, 1975

Honorable Paul Fannin
United States Senate
Washington, D.C. 20510

Dear Paul:

Thank you for your letter of January 3
and yes I did contact Dave and Harrison
-- I'm having lunch with them tomorrow.

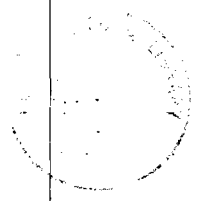
I appreciate your kind words and look
forward to breakfasting with you
Thursday.

We are in the process of setting up
breakfast meetings with the minority
members in the near future.

Sincerely,



Frank G. Zarb
Administrator



HENRY M. JACKSON, WASH., CHAIRMAN
ALAN BIBLE, NEV. PAUL J. FANNIN, ARIZ.
FRANK CHURCH, IDAHO CLIFFORD P. HANSEN, WYO.
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JAMES ABOUREZK, S. DAK. JAMES A. MC CLURE, IDAHO
FLOYD K. HASKELL, COLO. DEWEY F. BARTLETT, OKLA.

JERRY T. VERKLER, STAFF DIRECTOR

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS
WASHINGTON, D.C. 20510

January 3, 1975

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461

Dear Frank:

Sorry I missed you when I telephoned your office a few days ago but I trust you did get my message and have been in touch with Dave Stang or Harrison Loesch.

Frank, I know that your services as the Federal Energy Administration Administrator will be outstanding as have your performances on every assignment you have accepted and as related to you previously, it is my desire to give you the fullest cooperation and trust we can get together regularly for discussions on current events.

In order to take little of your time, I suggest that we have breakfast meetings occasionally with the minority members of the Interior Committee.

My very best personal regards.

Cordially,



Paul Fannin
United States Senator

PF/p



RECEIVED
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE

75 JUN -6 PM 3:05

fu

United States Senate

JUB099

WASHINGTON, D.C. 20510

August 1, 1975

The Honorable Frank Zarb
Federal Energy Administration
Washington, D.C.

Dear Frank:

Before leaving for the Recess I wanted to express my great appreciation to you for the outstanding services you have performed in your work on energy matters.

Although we were not successful in retaining the President's program, certainly you did yeoman service under almost impossible circumstances and we are very proud of you.

Enclosed is a copy of the letter we have sent to the President and to oil company executives, both major and independent, with the hope that we could be of some assistance in convincing the industry that they should hold the line so that the purveyors of doom would not be right.

Very frankly, I think the members of the Congress will regret the day they turned down the President's program, but I am sure that with your leadership we will survive this happening without a damaging effect on our economy.

Again, my commendations and sincere thanks to you.

Cordially,



Paul Fannin
United States Senator

PF/jh



'75 AUG 5 AM 8:22

CONGRESSIONAL AFFAIRS

RUSSELL B. LONG, LA., CHAIRMAN

H. RMAN F. TADMAGE, GA.
VANCE HARTKE, IND.
ABRAHAM R. FLORES, CONN.
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BILL BROCK, TENN.

United States Senate

COMMITTEE ON FINANCE
WASHINGTON, D.C. 20510

MICHAEL STERN, STAFF DIRECTOR
DONALD V. MOCKHEAD, CHIEF MINORITY COUNSEL

D R A F T

Sear:

As you know the Congress has adjourned for its August recess without approving the President's oil decontrol proposals, choosing instead to pass a six month extension of the Energy Petroleum Allocation Act. We are informed by the White House and the Federal Energy Administration officials that the President will veto this Extension.

Thus, on August 31, all controls on petroleum products will expire.

During the debates in the Senate and in press reports leading up to the current situation a great deal has been made over the economy and potential inflationary consequences of such an expiration.

The purpose of our letter to you, as a leading oil industry executive, is to urge you and your company to exercise every possible pricing restraint during the very critical days that will come after August 31.

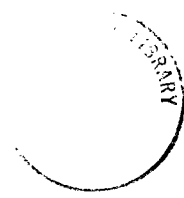
To do otherwise, we are convinced, will result in an even wilder rash of punitive legislation and will delay a return to an orderly free market, which would increase supplies for consumers and enhance the national security.

Your personal consideration of every measure you can reasonably take to exercise this kind of pricing restraint would be in the highest public interest.

We are fully aware of the anti-trust implications that the Industry faces. To that end we have today urged the President, the FEA and the Attorney General of the United States to take whatever action required to create the necessary conditions for you to proceed as an Industry in every effort of restraint.

We cannot overemphasize too strongly the urgency we feel in asking your personal cooperation at this crucial time.

Sincerely,



HENRY M. JACKSON, WASH., CHAIRMAN

FRANK CHURCH, IDAHO
LEE METCALF, MONT.
J. BENNETT JOHNSTON, LA.
JAMES ABCUREZK, S. DAK.
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DEWEY F. BARTLETT, OKLA.

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

WASHINGTON, D.C. 20510

August 1, 1975

GRENVILLE GARSIDE, SPECIAL COUNSEL AND STAFF DIRECTOR
WILLIAM J. VAN NESS, CHIEF COUNSEL

The President
The White House
Washington, D.C.

Dear Mr. President:

In view of the need for immediate and strong leadership in the Department of Interior, we support Kent Frizzell as your nominee for Secretary of that Department. He is both fully qualified and eminently confirmable. He will need no "learning time" to confront the backlog of decisions facing the Secretary. He has already earned the necessary loyalty of the diverse bureaus, services and offices of the Department.

As Assistant Attorney General for Land and Natural Resources, Kent became familiar with the Department; as Solicitor he became broadly and intimately involved in all its programs and policies; as Acting Secretary on two protracted occasions he has performed admirably. He was confirmed unanimously and without difficulty, first by the Judiciary Committee for his Justice Department post and then by this Committee when he moved to Interior. We believe his Secretarial confirmation would be prompt and easy.

Kent's work with this Committee has been both cordial and effective. He has been fair but tough in pursuing your Administration's goals while dealing with Committee concerns. He will be a fine addition to your Cabinet. We strongly recommend his nomination.

Sincerely,

S/
Paul Fannin
United States Senator

S/
Clifford Hansen
United States Senator

S/ Dewey F. Bartlett

S/ M. O. Hatfield



FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

June 9, 1976

PERSONAL AND CONFIDENTIAL

Honorable Paul Fannin
United States Senate
Washington, D.C. 20510

Dear Paul:

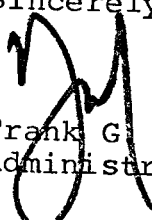
The attached is the full text of the lead article on an OAPEC June news bulletin entitled "Stockpiling Stepped Up - What For?"

It is starting to pinch, as I knew it would, and that is not bad. I don't think this editorial represents the attitude of all the OPEC countries.

I am heading back to the Middle East for another round of discussions and will give you a run down when I get back.

Best wishes.

Sincerely,


Frank G. Zarb
Administrator

Enclosure



STOCKPILING STEPPED UP- WHAT FOR?

The new U.S. scheme to stockpile the equivalent of one year's imports of Arab oil (one billion barrels) is only a further escalation of the consumers' policy of accumulating reserves to use as bargaining chips in confrontation with the producers. From the way it was revealed, it is obvious that the plan does not relate to any American commitment to IEA policy in this regard. By stockpiling oil in excess of the 90-day strategic reserve supply, the U.S. appears to be not only eager to maintain its status as first among equals, but also to hanker after a psychological edge over its major partners. Reduction of the risk factor in oil supply is surely an important consideration, but is it sufficient to warrant the tremendous cost of stockpiling to the American consumer? Undoubtedly, the American strategy embraces larger concerns. Policy has consistently aimed at achieving a two-fold purpose with regard to oil: to undercut the unity of the producers and, in this way, to defuse the power of oil; and to isolate it, as an issue, from the overall Middle East question.

The present world surplus of oil affords a potential opportunity to do both as some producers are being induced to sell their oil directly to the U.S. and, hence, to allow this stockpiling build-up. This affords the U.S. a trump card for hard bargaining in direct government-to-government deals for more favorable price and supply conditions. Frank Zarb's consultation with Middle East governments is only the beginning of the application of this strategy.

The producers should be aware of the implications of this policy and maintain solidarity within OPEC by adhering strictly to their agreed prices and conditions, rather than compromise this unity for individual gains.

THE WHITE HOUSE

June 26, 1975

Dear Mr. Zarb,

How much I appreciated your thoughtful letter inviting me to attend the luncheon fashion show of "Energy Conservation Fashions". Although my commitments here in the city will not permit me to attend, I am grateful for this opportunity to convey my enthusiasm for fashions by American designers which will encourage the conservation of energy. I hope you will convey to all attending my warmest greetings.

With all best wishes,

Sincerely,

Betty Ford

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D. C. 20461

6/5th ^{FEZ} originally ltr
was not to be sent
Handcarried by
Mr. Sarcom

FD-71
GERALD R. FORD

FEDERAL ENERGY ADMINISTRATION

JUN 12 1975

Mrs. Gerald R. Ford
The White House
Washington, D.C. 20500

Dear Mrs. Ford:

The last week of June is Press Week in New York. Two to three hundred of the top women's editors from all over America will gather at the Plaza Hotel for a preview of fall fashions. This extravaganza is produced by Eleanor Lambert of the American Designer Council.

Ms. Lambert, the premiere fashion publicist in the country, has graciously arranged for the final press week event to be a luncheon show of "Energy Conservation Fashions." This event will be hosted by the Federal Energy Administration and will feature fifty fashions by top American designers which encourage the conservation of energy.

We are very excited about this event which is scheduled for 12:45 p.m., June 27 at the Plaza Hotel. The only thing we need to really make it "the event of the year" is you. If you could find time in your schedule to attend and narrate the show, or perhaps welcome the group as hostess then we will make an immeasurable contribution to the President's energy conservation program.

Won't you join us on June 27?

Sincerely,

Frank G. Zarb
Frank G. Zarb
Administrator



THE WHITE HOUSE

WASHINGTON

December 17, 1975

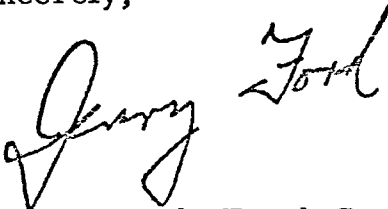
Dear Frank:

I welcome this opportunity to congratulate you on spearheading this year's successful Combined Federal Campaign effort. Your forceful leadership and wise selection of highly-qualified co-chairpersons enabled the Campaign to exceed its goal of \$9.5 million.

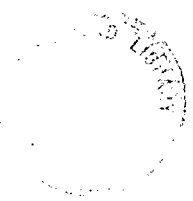
The contributions of so many Federal Government employees on behalf of fellow citizens in need is an eloquent reaffirmation of the traditional American values as expressed in this year's Campaign theme: "The giving of people, by people, for people."

I thank you and all who worked with you so diligently and effectively in this most heartwarming display of generosity and goodwill.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jimmy Ford". The signature is written in dark ink and is positioned to the left of the typed name.

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D.C. 20461



The Honorable
Gerald R. Ford
Palm Springs
California

Washington DC
January 23, 1979

Dear Mr. President,

I hope all is well with you on the West Coast.
Things here are about the same.

An energy crises of sorts is back in the news,
at least for the moment. The natural gas problems
that you predicted in 1975 ^{has} become a reality due ^{in part}
to ^a ~~the~~ very cold winter. If it wasn't so sad, I'd
have to smile at the reactions ^{in Washington} ~~of the new administration~~
~~and the congress~~. Remember the natural gas legislation
you asked for in 1975 and again in 1976? Well, it
looks like the short term emergency ^{part of that} legislation is
going to be passed very quickly and ~~now~~ there's even
~~some~~ talk that ^{the} longer term deregulation bill ^{you proposed} will
become law before ~~the~~ summer. Too bad it had to take
a mini-disaster to get the process moving but like
the fellow said - ~~it's~~ better late than never. I have
to admit that it hurts a little when I recall that
after last year's warm winter, we were accused of
over-reacting (and worse), when we predicted that
a severe natural gas shortage was at hand and submitted
~~bold~~ ^{measures} steps needed to meet it. I sure hope that the
new fellows will move now to do what needs to be done,
without skidding back into simple allocation controls.
You and I both know that it ^{looks} ~~is~~ easy to allocate available
supplies and provide the optics of immediate relief but
allocation is not going to bring on new production or
retard consumption and, if ^{were} ~~you're~~ not careful, ^{we} ~~you~~ can
allocate ^{the nation} ~~yourself~~ into an even bigger shortage.



V

Well, Sir, that's the ~~most~~ current energy news and, while it cannot be a surprise to you, it sure has Washington stirred up - at least for now. ~~It sure~~ ^{Its times}

^{like this that} ~~does~~ ^{move} prompt me to think about the last two years of energy debate.

It's been twelve years since the great American energy orgy began, and three years since the last oil embargo. Thanks to you Mr. President, the nation now has some hope for making progress in rearranging it's energy economy. Im sure you remember, as I do, how the ~~xxx~~ issues during the last two years were often clouded with political demogagory, special interest pos/turing, and ~~thanks to your~~ ^{Sometimes} initiative, good honest American disagreement over which was the best set of solutions.

Well, it turned out that the problem wash't all that complicated, and that during your ~~time~~ ^{term} as President, a good deal more has been done than may be immediately apparent.

Surely, the last two years of debate which followed the comprehensive energy plan you submitted in ~~the~~ your first State of the Union message, has contributed mightily toward narrowing the issues and making the options for solution clearer.

Most everyone now agrees that the United States sold out it's best interests to cheap, foreign oil during the 1960's. We neglected our own domestic sources of supply such as coal, oil, ~~xxx~~ natural gas, uranium



and the soft renewable technologies/ of the future in favor of inexpensive, imported oil. To make matters worse, every aspect of American life participated in a wasteful exercise which assumed that the endless supply of cheap oil from abroad would last forever and never be interrupted. There were no exceptions - every sector participated in the orgy. Our homes, office buildings, factories, automobiles were all built with no regard for conservation.

Well there you have it - the perfect formula for a national disaster - declining and neglected domestic production, demand increasing at an incredibly inefficient rate, ~~and~~ ^{with} more and more supply coming from a few producing countries. ~~We~~ ^{The US' was} sure ~~were~~ sucked in during those years and boy are we paying the price.

Indebted

.....in 1964, we ~~payed~~ paid nothing for imported oil, by 1973, we were paying 3 billion dollars and in 1976, the bill was 34 billion dollars. That nice cheap imported oil went from \$3. a barrel to \$12. a barrel in a hurry.

.....The United States went from zero to 40% dependance on foreign sources for it's oil in little over 10 years. ~~We~~ ^{and we} ~~certainly~~ learned what that could mean during the last embargo when Americans were waiting on line for gasoline and thousands were put out of work.

I haven't been telling you anything you didn't know, ^{how well} ~~and~~ I remember ^{your} ~~how~~ concerned ~~you were~~ that this nation face up to ^{it's} ~~the~~ growing energy problem -~~and~~ and fast.

(A)

with

I'll never forget the hundreds of hours you devoted to ^{meetings} your energy advisors making decisions on what finally became the first national energy program ever to be submitted to the Congress of the United States. Nor will I forget the endless meetings, breakfasts and dinners you held at the White House with key members of Congress in an attempt to convince them of the hard road this nation had to take to reverse ten years of energy neglect.

Although thousands of words have been written and spoken for ~~it~~ and against your plan, its principles were really quite simple. ~~and~~ ^{It's} amazing how many more Americans have come to ~~be endorsing~~ ^{to agree with them}, since they were first articulated in January 1975. I can summarize them here in a very few words.

.....Your goal was to reach an import level of no more than 6 million barrels a day by 1985. That would be closer to 20% of ~~need~~ ^{demand} rather than today's 40%. We can probably do better than that, Mr. President, but you insisted on a realistic target. As it turns out, you were right in recognizing that it would take several years for ~~an~~ ^{a tough energy} program to work its way through the democratic process before ~~its~~ ^{its} implementation could begin.

.....Your plan called for conservation legislation ^{and other public policy changes} which would reduce our rate of growth of energy consumption from 3 1/2% a year to less than 2 1/2% a year.

→

←



Add (A) (over)

(A)

IT was interesting that we got
 some support for your conservation measures from
 the environmental community but on balance
 it was not going. That surprised since
 we were ~~really~~ talking about putting prices on energy
 at real values or some other ~~stop~~ which
 require the change of ~~equipment and~~ habits ~~which~~ carried
 forward from the ~~days~~ ~~these~~ ~~years~~ ~~ago~~ ~~years~~ of the 1960s

...Your plan called for conservation legislation
 which would reduce the rate of growth of energy
 consumption from 10% a year to less than 5% a
 year.

(A) (over)

This area did get some ~~use~~ what sticking when you vetoed
The Surface Mining bill because it had so many ~~vagaries~~
vagaries in it that it looked more like an emergency
employment act for the legal profession. But he always agreed

.....You asked for legislation which would double
our domestic coal production and consumption. You
~~XXXXXXXXXX~~ supported appropriate environmental
~~in~~ safeguards to insure that this goal would be
properly achieved.

.....The program provided for action to stop the
decline of American oil and natural gas production
and raise our oil output from today's 8 millions
barrels a day to 12 million barrels a day and
natural gas from 20 trillion cubic feet a year
to 23 trillion cubic feet. Here too you supported
appropriate environmental standards.

.....The Ford program recognized the need to
raise electric power generated from uranium to
20% as compared to today's level of just under
10%. Your plan called not only for the construction
of new plants but a commitment to properly store
spent fuel and insure federal standards for
environmental and human safety.

..... You proposed an expedited oil stockpile
program of up to 1 million barrels to protect
the nation from another disruption.

.....You called for full funding of research,
development and demonstration for advancing
technologies such as solar, coal gasification,
and liquifaction, ^{fusion and others.} Further, you proposed a vehicle
through which the government could help the private
sector to put these new technologies into production.

This was especially important since we are toward the world
to run out of oil and gas in not too many more years.

that some environmental protection can and will co-exist with increased coal output and for that
matter all energy production.



will

83 (6)

When you consider that the progress you made represents only two years of work (and one of those an election year), the results have really been amazing. Half of the legislation you asked for has been passed and, as a result, the nation now has:

.....a program to phase out counterproductive ~~energy~~ oil price controls and legislation leading to the development of four national crude oil reserves.

.....legislation needed to begin construction of a natural gas pipeline from Alaska now that the oil pipeline is in near completion.

.....Important authorities to speed up conversion to coal particularly in the utility sector.

.....authorization and funding to build a national stockpile of up to 1 billion barrels.

.....in the area of conservation, you asked for and the Congress passed, mandatory thermal standards for new residential and commercial structures, energy efficiency labeling for major appliances and a grant program to help low-income elderly and disabled persons to weatherize their homes.



There is more that has been done and much more needs to be done. The Congress did not pass your tax credit plan ~~for~~^{for} middle income home owners so that they could have a meaningful inducement to insulate their homes but I'm optimistic that the new Congress will pass such a measure. Nor did your proposals for utility

power plant siting and utility rate reform become law. And, of course, the natural gas legislation you proposed failed by only a few votes. But now that a cold winter has proven your point, I think we will see action. In fact, it looks as though the new ~~members~~ fellows in Washington are going to take advantage of the foundation you built and pursue the remainder of the energy legislation that this nation so urgently needs. I know that you join me in wishing them well in that endeavor. I only hope that they realize, as we had come to learn, that passing laws is only a small part of the job. Implementing them is going to take years ^(at least 10) of hard work.

We have started to see some good results. For example, the 1977 new car fleet is 34% more efficient than the 1974 models. And by 1980, new cars will be 50% more efficient than 1974. In addition, I am happy to report that the decline rate of domestic crude oil production has slowed considerably and should turn around by 1978. We have indeed made a beginning.

One uncertainty that continues to worry me is the question of energy pricing. You know how hard we fought to make the body politic realize that a unit of energy used must be priced at its real replacement value or else the entire ^{basis of} ~~notion~~ for a sensible energy policy is jeopardized. Artificial price controls and subsidies must be removed if we are to realize our goals for conservation and domestic production. Controls ~~not~~ ^{will} only lead to waste and the resultant mindless tearing up of our natural resources but ^{also} retard production of conventional energy

and energy conservation

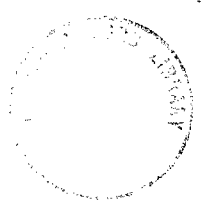
The Nation is now using the equivalent of over 1 million barrels of oil a day less than it had been prior to due solely to conservation.



7-17-77

sources as well as slowing progress with renewable forms of energy such as solar. The soft technologies of tomorrow must compete against the real values of alternatives in the marketplace if they are to get needed capital and achieve commercial status ~~at-expedited~~ within the realizable future. One thing is sure. If we continue to suppress the real price of oil and gas, ~~in the marketplace~~, both the economy and the environment will suffer. There are those who still believe that real market value pricing must result in windfall profits for oil companies and consumer inequities. How often we heard those arguments and how well we know that they are wrong. With appropriate tax measures and social programs, those problems can be avoided. Indeed, one way to be sure that the American consumer will continue to pay ~~increasing~~ ^{penning} cartel prices and face the prospect of more damaging disruptions in the future, is to continue a ~~system~~ of price controls that have long ago outlived their usefulness to the American people. [¶] You can expect to hear more talk about a gasoline tax ~~which~~ ~~will~~ ~~have~~ may have marginal benefit but always did remind me of the doctor who prescribed aspirin when what was required was open-heart surgery. [↳]

~~The full value of~~ Every unit of energy consumed by our economy must be ultimately priced at ^{real replacement} ~~full~~ value or else we are not going to get ~~this~~ ^{the} job done.



In closing, Mr. President, let me simply say that there has never been a prouder time in my life than the two years during which I worked with you. When you sent the Congress your 1975 energy package, you knew it would spark the most furious debate of your administration - a debate which you said was long overdue. You knew that the

9

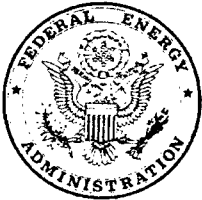
measures you supported would not be politically popular but ^{important} ~~hard~~ public policies ^{of this variety} measures seldom are. ~~Even-in-~~ ~~the-face-of~~ Knowing that these proposals could not help you with your 1976 campaign, you submitted them anyway and, as a result, started this nation in the right energy direction.

Like millions of other Americans, I'm grateful to you for your courage and leadership ~~and, most of all, for your friendship.~~ *at a time when we needed you the most.*

Pat joins me in sending best regards to Betty and we both hope to see you soon!

Very Truly yours





FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

November 11, 1976

OFFICE OF THE ADMINISTRATOR

Honorable Gerald R. Ford
The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

Resignation is an occasion for sorrow but it should also be a time to reflect positively on the past.

I am grateful to have had an opportunity to serve a President who took office during a time of great national uneasiness and in two short years steered the country back to stability and self respect.

I am grateful for having served a President who has demonstrated that honesty and integrity can be an integral part of national leadership.

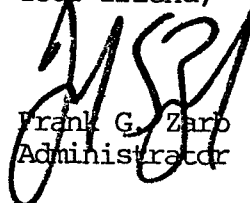
I am grateful to have served a President who has had the courage to take on the many difficult issues even when they were without short term political gain. History will show your leadership changed the course of this nation's energy future, after it had been neglected by so many in the years past.

Finally, I am grateful for having had an opportunity to know you and to be your friend, a friendship which I hope will last and grow in the years ahead.

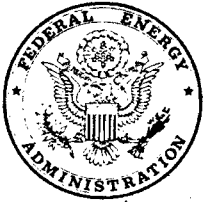
It is with these thoughts that I submit my resignation to become effective on January 3, 1977 or at such other time as you might find more acceptable.

Thank you.

Your friend,


Frank G. Zarb
Administrator





FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

November 11, 1976

OFFICE OF THE ADMINISTRATOR

Honorable Gerald R. Ford
The President of the United States
The White House
Washington, D.C. 20500

Dear Mr. President:

I write this letter with sorrow and disappointment over the outcome of the election, but as I write the thought occurs to me that there are a number of reasons to be grateful.

I am grateful to have had an opportunity to serve a President who took office during a time of great national uneasiness and in two short years steered the country back to stability and self respect.

I am grateful for having served a President who has demonstrated that honesty and integrity can be an integral part of national leadership.

I am grateful to have served a President who has had the courage to take on the many difficult issues even when they were without short term political gain. History will show your leadership changed the course of this nation's energy future, after it had been neglected by so many in the years past.

Finally, I am grateful for having had an opportunity to know you and to be your friend, a friendship which I hope will last and grow in the years ahead.

Thank you.

Your friend,

Frank G. Zarb
Administrator



THE WHITE HOUSE

WASHINGTON

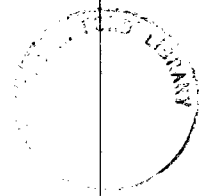
December 13, 1976

Dear Frank:

I have your letter, and it is with deep gratitude for your contributions to this Administration and to our Nation that I accept your resignation as Administrator of the Federal Energy Administration, effective upon a date to be determined, as you requested.

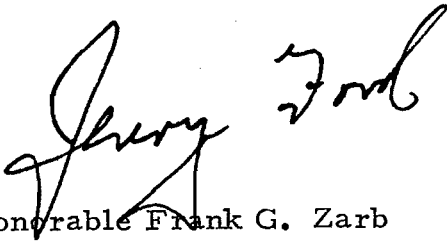
In doing so, I welcome this opportunity to express my personal appreciation for your courageous leadership in, and willingness to assume the heavy responsibility for laying the groundwork of our national energy policy. You can be proud of your role as the principal architect of that policy. Your personal and competent assistance to me as Assistant to the President for Energy Affairs, your effective discharge of your responsibilities as Executive Director of the Energy Resources Council, and your tact and resourcefulness in working with the Congress to achieve the essential compromises necessary to reduce policy to legislation have contributed enormously to putting in place the major components of the first coherent national energy policy our country has ever had.

I am confident that your deep personal concern for and expertise in the wise development and use of our Nation's energy resources will continue, and that your considerable talents will be available to our country in the years ahead.



As you prepare to return to private life, you may be sure that you take with you my very best wishes for every success and happiness in your future endeavors.

With warmest personal regards,

A handwritten signature in cursive script that reads "Jerry Ford". The signature is written in dark ink and is positioned above the typed name.

The Honorable Frank G. Zarb
Administrator
Federal Energy Administration
Washington, D. C. 20461



KIRKLAND, ELLIS & ROWE

1776 K STREET, N. W.

WASHINGTON, D. C. 20006

TELEPHONE
(202) 833-8400

December 24, 1975

CHICAGO OFFICE
KIRKLAND & ELLIS
200 E. RANDOLPH DRIVE
CHICAGO, ILLINOIS 60601
(312) 861-2000

Mr. Frank G. Zarb
Administrator
Federal Energy Office
Room 3400
12th & Pennsylvania
Washington, D. C. 20461

Dear Frank:

My sincere congratulations on the President's signing the Energy Bill. I have only the slightest appreciation of the sweat and blood you put into the Bill. The President, in signing the Bill, has again demonstrated the tremendous confidence he has in you.

Again, my heartiest congratulations.

Sincerely,



Mahlon M. Frankhauser

MMF/gka



75 DEC 29 PM 3:23
FBI - MEMPHIS

THE ADMINISTRATOR
FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

August 4, 1975

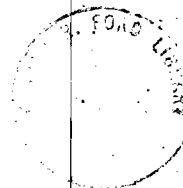
Honorable Louis Frey
U.S. Congress
Washington, D.C. 20515

Dear Mr. Frey:

Don Rumsfeld passed along to me your conversation
of July 31st. It is most helpful to have your
views.

Sincerely,


Frank G. Zarb
Administrator



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

July 31, 1975

MEMORANDUM FOR: FRANK ZARB
FROM: DONALD RUMSFELD

Frank, Congressman Lou Frey^{is} called today. He says there is no question that Burton, O'Neill, and Hayes don't want a bill. He said Bolling and the Speaker do want a bill and that they have warned other Democrats that it could backfire on them. Lou feels that from an economic standpoint that you can't let decontrol go in at one time. He also agrees that a 6 month extension is out of the question. He recommends that the President come back, remind the American people of the calendar he ripped pages off of, tell them what has happened in the interim and then, call Congress back into session and then tell them that they've got the month of August to get it straightened out. I am just passing this along for your information.



UNIT 1

THE HISTORY OF THE UNITED STATES

CHAPTER 1: THE FOUNDING OF THE NATION

The history of the United States is a story of a young nation that grew from a small group of colonies on the eastern coast of North America. In 1776, the thirteen colonies declared their independence from Great Britain, and the United States was born. The new nation was founded on the principles of liberty, justice, and equality. The Constitution, written in 1787, established the framework of the government and the rights of the citizens. The United States has since grown into a powerful nation, with a rich cultural heritage and a global influence.

75 AUG-1 PM 2:55

The Chase Manhattan Bank, N. A.
Government Relations Office
900 17th Street N.W.
Washington, D.C. 20006
Telephone (202) 833-1070



CHASE

June 25, 1975

Mr. Frank G. Zarb
Administrator
Federal Energy Administration
Federal Building
Washington, D. C. 20461

Dear Frank:

I thought you might like to have
the enclosed cartoon from last
Sunday's RICHMOND TIMES-DISPATCH.

Sincerely,

Owen V. Frisby
Vice President

Enc.

Handwritten notes and stamps:
① Dick Jones
② AE Green SP
HA
JUN 26 1975

75 JUN 26 4:10:00

Richmond Times-Dispatch

DAVID TENNANT BRYAN, Chairman and Publisher
ALAN S. DONNAHOE, President and Associate Publisher
JOHN E. LEARD, Executive Editor ALF GOODYKOONTZ, Managing Editor
EDWARD GRIMSLEY, Editor of the Editorial Page

Sunday, June 22, 1975



THE CHASE MANHATTAN BANK, N.A.



Government Relations Office

900 17th Street N.W., Washington, D.C. 20006

Telephone 202-833-1070

January 23, 1975

Mr. Frank Zarb
Administrator
Federal Energy Administration
12th and Pennsylvania Ave., N.W.
Washington, D. C. 20461

Dear Frank:

I thought you might like to have the enclosed editorial from the Orlando, Fla. SENTINEL STAR of January 21st, which comments on the Administration's concern about gasoline rationing.

Also enclosed is a copy of a recent commentary on the same subject on the Mutual network by Robert F. Hurleigh.

Sincerely,

Owen V. Frisby
Vice President

Encs.



75 JAN 30 4 11:09
FEDERAL ENERGY OFFICE
OFFICE OF THE
ADMINISTRATOR

'Remember, not complete strangulation . . . just a tight pinchy-winchy'



ROBERT F. HURLEIGH
Commentary
Mutual Broadcasting System
January 21, 1975

President Ford has given the consumer -- and some members of Congress -- good reasons to "re-think" gas rationing as an alternative to his energy conservation program, which would use taxes as a means to reduce consumption. And again Mr. Ford demonstrates, through his news conference, that he will lead the Administration troops in trying to gain acceptance of his proposals, albeit with recognition that compromises will probably be necessary to gain the legislation needed to fight the triple threat of inflation, recession and energy.

It is apparent that the President wants the consumer to know the complexities of gas rationing -- the limiting of gasoline through books of ration stamps. If the consumer is limited to nine or ten gallons of gas a week -- as a national average -- we may all expect a new and vast army in the thousands to be formed in a new bureaucracy to handle the millions of demands for special treatment and dispensation -- from doctors to farmers to salesmen, and all those who feel they should be given such consideration. And we can look forward to hundreds of quick-buck artists dealing in counterfeit stamps and black market operations. And again, pity the poor service station operator whose task it will be to collect the stamps as a means of obtaining his next delivery from his supplier. The long lines of a year ago should be evidence enough to prove that it's the service station operator who faces the anger of the motorist when he tries to explain that he can't sell gas without a coupon.

The memory of the motorists' struggle during last year's oil embargo is yet with us, but for so many there are no memories of the gas rationing during World War II, when tempers would flare at a Saturday night party when someone would boast of having a connection to get additional books of stamps; and others would protest with more envy than reason that his doctor who never made house calls was able to get additional stamps to be used by his wife. Surely, the consuming public should have a replay of those unfortunate months of rationing when jealousies and evilness were the results of the need to conserve fuel at home than our Air Force, Navy and mechanized Army, and the military forces of our allies could speed to victory. The home front civilian had little else to offer in any discussion of World War II when some veteran began to talk of the hardships and dangers of war, other than to meekly observe that rationing was a kind of rear-guard guerilla action. If some members of Congress have their way, maybe the consumer will have another taste of this home-front travail.

So goes the world today.

Sentinel Star

"Not for its own sake alone — but for the sake of society and good government —
the press should be free." — James A. Garfield

Orlando, Florida, Tuesday, January 21, 1975

Gas Rationing Would Drive Us Full Speed To Economic Disaster

TO RATION gas is to court economic disaster.

Any reasonable human being with enough sense to learn to drive an automobile or literate enough to read 20th century history would know that, in peacetime, there is no way to make gasoline rationing work.

It is no longer fashionable to quote former President Richard M. Nixon on anything but phlebitis, but his comments on rationing during a question session of managing editors on Nov. 17, 1973, at Walt Disney World are worth remembering.

He pointed out that he opposed gasoline rationing because of his experience with it early in World War II. Before entering service he was employed by the government in a ration office. He pointed out that he and his supervisor, who ran the whole operation, were totally ignorant of the subjects for which they were setting up quotas.

TODAY, 35 years later, the problems would be a thousand times more damaging and incalculably more destructive to a financial situation under assault from all directions.

First, whom would it help? The exponents, politicians all, say it is to benefit those in the lowest levels of income they feel would suffer from higher gas prices under the President's plan because of an oil tariff and tax.

Well, Joe Workingman, in almost every area of the United States save for a few urban centers with effective mass transit, would face the bureaucratic snafus and hours of waiting and application-filing to obtain his ration. Joe Workingman, who has to appeal a decision, would probably have to take time from his work to stand in a line to try to get his ration changed.

AN UNEMPLOYED father, for example, who needs food stamps to feed his family, and a car in this area of minimal public transit to seek work would spend a considerable portion of his time in the dehumanizing string before a bureaucrat's window.



Frank Zarb

The proponents argue this is the true way to cut down gasoline use. Hasn't anyone in Washington heard about prohibition?

Friend Joe Workingman when he did get work would find he could get all the gas he wanted on a black market or by buying counterfeit stamps which, within no time, will be a thriving industry.

In fact, Joe's best chance of obtaining work might be through the national crime syndicate engaged in all the gasoline bootlegging and hijacking or the gargantuan administration apparatus doing the rationing.

A GOOD example of how governmental rationing would likely function may be found in last year's allocation program during the Arab embargo. A station owner on Interstate 4 told this writer how he was bogged down with an allocation which would only let him open about 10 hours a week and was totally unrealistic based on previous sales. After fruitless attempts to get it changed he finally flew to the FEA regional center in Atlanta, sat in the office all day, and was told he was right, he was allocated the wrong amount.

We'll never know if he would have gotten the increased gas since the embargo ended, allocations were lifted and he was back on a 7-day-week in no time.

Even the ration coupon which the government printed 4.8 billion of in preparation for possible rationing was a boo-boo. It cost \$12.5 million dollars to print them and only after all the ink was dry was it learned the coupons would trigger automatic change machines.

LET US face one fact the Democratic Congress apparently is not considering. In the days since World War II rationing, America's economy and culture have been built on wheels. It is well and good to say stop driving, but it makes no sense when driving is still a necessary means of getting around for work and recreation because of a lack of alternate means.

Yes, we are concerned because the tourist industry, which represents 37 per cent of Florida's economy, would be battered by an allocation program and probably throttled by a rationing setup.

It would mean jobs lost, businesses folding, people going hungry, and do exactly the opposite of what those proposing a ration plan claim they want.

And the net result would be illicit gasoline at higher prices. Enriched would be the profiteers and racketeers and victimized again would be the wage-earner.

WOULDN'T IT be infinitely more logical to pay an increased cost of gasoline which is the result of an oil tax which, in turn, is being put back into the economy by the government? Besides, this recycled tax would be in part dedicated to the production of other energy which, in turn, could bring down the cost of all forms of energy, including gasoline.

The alternative? A costly and burdensome drain on the taxpayer. Take, for example, the FEA rationing plan being developed as a standby by Frank Zarb, director of the energy agency, which would cost an estimated \$1.5 billion a year to administer and add about 17,000 employes to governmental payrolls which now, including all levels of government, already comprise one-third of our gross national product.

Let us hope some wiser heads prevail in the Congress, for, if not, we'll be driving full speed toward the worst crash our economy has ever known.