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

TALKING POINTS FOR FRANK G. ZARB
ADMINISTRATOR, FEDERAL ENERGY ADMINISTRATION
BEFORE THE

EXECUTIVE COMMITTEE OF THE
AMERICAN TRUCKING ASSOCIATION, INC.
WASHINGTON HILTON HOTEL
WASHINGTON, D.C.
FEBRUARY 19, 1975

Thanks for the opportunity to address you today.

- We face unprecedented task.
- Need to curb energy demand.
- Will require sacrifices of all.
- But Administration will not sacrifice one segment of economy for others' good.
- Truckers, oil jobbers, independent gasoline stations all threatened by current energy situation.
- Urgent that we rationalize our transportation system, so alternative modes of transport work together, rather than competing with one another.
- If there is competition; could cause problems within industries, if cooperation; railroads, trucking, water transport all could benefit.

One thing sure, though, America's days of cheap and abundant energy gone forever.



There has been some criticism in the press, and a great deal in the Congress, of the President's energy program, and I'd like to take this opportunity to compare it with the alternatives which have been suggested.

President's Plan;

- . balanced
- . complete
- . provides incentives for increasing domestic energy production.
- . will not promote inflation.
- . helps the poor and middle-income in a way that will not damage our economy.

Mandatory Fuel Allocations

- . does not reduce demand, merely spreads around shortages.
- . depends on Government certification of "need", yet "need" almost impossible to define.
- . moves away from market system to dependence on governmental fiat.
- . choosing base period for allocations difficult.
- . requires governmental expenditures to administer.
- . retards growth of G.N.P., because provides no incentives for development of new energy sources.

Rationing of Gasoline

- . may not concern this audience directly, since you are mostly dependent on diesel rather than gasoline, but will affect economy, hence in long run will hurt you



- . would cut each driver down to basic allocation of 36 gallons per month, (now average 50)
- . would take 15-20,000 full-time people to implement, require 4-6 months to set up, cost \$2 billion a year of your taxes to operate.
- . would require government certification of exceptions.
- . would do nothing to increase domestic supply of fuel.
- . our experience with rationing during W.W. II indicate that the system would not work. Too many cars and trucks, too much opportunity for criminal world to profit with evasion of the regulations.
- . auto sales could decrease 30 percent from what they are now. Those in audience who haul cars know what that would mean to your business, and to the economy as a whole.

When the plans are compared, then it can be seen that the alternatives to the President's program thus far suggested are really no alternatives.

There remains the fact that the President's plan will require sacrifices of all Americans. What will its effect be on the trucking industry?

--Will raise diesel and other middle distillate prices by 5 percent.

--F.E.A. has no say on rates common carriers will be allowed to charge, cannot say truckers will be allowed to pass through all cost increase, but are working closely with I.C.C., which will make decision.



We can no longer afford to delay, we must begin to deal with the dangers of the energy situation.

Americans of all political beliefs and all occupations must work together, not quarrel over who gets what, and who is being asked to bear an unfair share of the burden.

The Administration will adjust its plan if any undue harm is done to one segment of the economy.

I ask you today for your cooperation in meeting the challenges of the energy crisis.

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