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TALKING POINTS ON H. R. 6860

ENERGY CONSERVATION AND CONVERSION ACT OF 1975

Administration's Position

1. Generally:

The Administration is opposed to enactment of this bill. Although it recognizes the need to reduce the Nation's dependence upon uncertain supply of imported oil, the bill falls seriously short of providing adequate and appropriate taxes on petroleum and natural gas to achieve the necessary conservation of energy. Too much of its emphasis, for example, is misdirected on gasoline taxes and import quotas. In addition, it has provisions that are inequitable, economically inefficient, and administratively unworkable.

2. Energy Savings:

H. R. 6860 alone saves considerably less energy than the President's program in both the short run and by 1985. Even assuming enactment of all the President's supply programs, H. R. 6860 would save substantially less energy in the next few critical years, but approximately the same amount as the President's in 1985.

	Import Savings (millions B/D)		
	<u>1975</u>	<u>1977</u>	<u>1985</u>
President's program 1/	0.38	1.48	7.23
H.R. 6860 alone (% of President)	0.16 (42%)	0.77 (52%)	2.32 (32%)
H.R. 6860 including supply actions 2/	0.19 (50%)	0.97 (66%)	6.92 (96%)

1/ Assumes import fees of \$1 on Feb. 1 and \$1 on June 1 and 2 year phased decontrol beginning July 1 in place of previous assumptions of a \$2 fee and immediate decontrol in April.

2/ Assumes 5 year decontrol and enactment by other Congressional Committees and all of President's supply and conversion proposals.

Summary of Titles and Related Problems

Title I - Import Treatment of Oil

- Establishes quota on imports
- Repeals President's authority under Trade Expansion Act of 1962 to impose license fees.
- Provides for ad valorem tariff not exceeding the greater of 10% or \$1 per barrel.

Problems:

- The separate small refiner auction will result in a windfall for small refiners and will create extensive pressure for expansion of the preferred group.
- The exemption for petrochemical feedstocks will distort import patterns causing a shift from crude to eligible feedstocks.
- The quota system does not itself lessen demand or increase supply, but merely restricts supply, and therefore will either have no effect or will cause a supply shortage.
- There is insufficient discretion in the duties section to provide adequate differential between duties on crude oil and petroleum products to protect domestic refining capacity.
- The provision unnecessarily exempts most imported residual and distillate fuel oil from the quotas for the first three years.

Title II - Gasoline Conservation Program

- Imposes additional 3¢/gal. excise tax on gasoline and special fuels.
- Up to 23¢/gal. may be triggered after 1976 if consumption continues to rise.
- Credits and exemptions for basic personal use, trade, or business use, farming, and other.

Problems:

- The gasoline conservation tax provides too much of a tilt toward gasoline price increases as opposed to the entire barrel of petroleum.
- Gasoline tax revenues are deposited in an Energy Trust Fund rather than into general revenues.
- The extensive series of credits and exemptions needlessly complicate the tax law and are not administratively efficient.



- The provision delays increases in the gasoline tax above the first three cents until after the 1976 elections, thereby eliminating further conservation benefits in the near future.

Title III - Other Conservation Programs

- Imposes auto excise tax on inefficient models of manufacturers and importers whose fleet average fails standard for auto industry.
- Repeals excise taxes on intercity buses, radial tires, and re-refined oil.
- Provides temporary tax credits for home insulation and solar equipment.

Problems:

- The fuel efficiency tax will not affect gasoline consumption as all fleet manufacturers are expected to meet the standards set by the bill anyway.
- The repeal of excise taxes will have a minimal energy effect and will result in an expected revenue loss of \$87 million in 1976.

Title IV - Energy Conservation and Conversion Trust Fund

- Sets up trust fund with limitation on amount of fund and on life of fund (terminates 10/1/85).
- Funded by taxes imposed under the Act.
- Used for energy-related expenditures (under normal appropriation process).

Problems:

- A trust fund will create its own constituency attempting to obtain funding for energy projects. Energy research and development should be funded through the normal appropriation process.
- There is adequate funding for energy research and development without the substantial additional monies raised by an additional three cent gasoline tax.



Title V - Encouraging Business Energy Conversion

- Imposes excise tax on business use of oil and gas.
- Provides elective 5-year amortization qualified alternative energy use property, and certain railroad equipment.
- Investment credit for business insulation and solar energy; denied for certain air conditioning units; denied for generating facilities fueled by oil or gas.
- Recycling tax credit.

Problems:

- The petroleum business use excise tax takes effect far too slowly to have any serious energy impact in the near future. The full \$1.00 per barrel tax should take effect no later than 1977-78.
- The entire series of amortization provisions and tax credit will have minimal energy impact and will create a revenue loss of \$385 million by 1980, resulting in a windfall.
- Existing electrical generating facilities are exempted from the business use excise tax thereby lessening the conservation effect on major users of petroleum.



SUMMARY

H.R. 6860

ENERGY CONSERVATION AND CONVERSION ACT OF 1975

TITLE I - IMPORT TREATMENT OF OIL

Part I - Quotas

Sec. 111 - Imposition of Quantitative Restrictions

- ° Petroleum and petroleum product imports are limited to the following amounts per day:

1975	6.0 million bbl/
76	6.0
77	6.5
78	6.0
79	5.5
80 and thereafter	5.5

2,000,000 barrels set aside for distillate fuel oil and residual fuel oil for a three year period.
400,000 barrels of that figure set aside for distillate fuel oil.

- ° President may vary the schedules due to economic factors by up to the following amounts:

1975-77	1 million bbl/day
1978-79	1.5
1980 and thereafter	2.0

- ° Petrochemical feedstocks are exempted from these quotas.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose ✓

Strongly Oppose _____

Sec. 112 - Establishment of Import Licensing System

- ° Import licenses to obtain imported oil obtained through requent public auctions by sealed bids. These licenses are fully marketable.

° Separate import licensing system for small refiners (50,000 bbl/day and under) and independent marketers. Also obtained through public auction by sealed bids. These licenses are not marketable.

- Office of Petroleum Import Licensing (established by sec. 141) may issue licenses to small refiners and independent marketers who are unable to obtain licenses through the auction system.

Special Considerations

1. Small Refiner Auction - The use of a second auction to allocate import licenses set aside for small refiners is unnecessary. The price in the second auction would never exceed that in the major auction since small refiners can also bid in the major auction. The price could, however, drop well below the price in the major auction depending upon the volumes made available. This would result in a windfall for small refiners and would create extensive pressure for expansion of the preferred group and for increases in the volumes made available through the small refiner auction. To correct this, the bill should be amended to provide a set-aside for small refiners in which small refiners are guaranteed specific volumes at the average price set in the major auction. Alternatively, the legislation should require that the minimum price in the small auction be not less than the minimum price in a major auction to avoid windfalls.

2. Petrochemical Feedstocks - Exemption of petrochemical feedstocks from the quantitative limitations increases the total volumes which may be imported. Since these feedstocks would not have to be covered by licenses obtained in the auction, imports of petrochemical feedstocks would be subsidized to the extent of the cost of auction import licenses. There seems no reason for this preference, and its presence would again create substantial pressure for expanding by administrative interpretation this favored category. The provision would also distort import patterns causing a shift from crude to eligible feedstocks. This result can be avoided by requiring that petrochemical feedstocks outside the quota be subject to an additional import license fee equal to the average price established for in the licenses quota auction.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose

Part II - Duties

Sec. 121 - Rates of Duty on Oil

- Petroleum - statutory duty set a two percent ad valorem.
- Petroleum Products - statutory duty set at five percent ad valorem.
- Duties are effective 60 days after enactment.
- President may adjust rates of duty from two percent to ten percent (or \$1 per barrel, whichever is greater) except that the President may not raise the duty to above five percent on distillate or residual fuel oil for two years after enactment.
- Presidential adjustments of rates of duty are effective 60 days after being sent to Congress.
- Presidential authority to adjust petroleum imports under section 232 of the Trade Expansion Act of 1962 is repealed except during war or actual hostilities.

Special Considerations

- There is insufficient discretion to provide adequate differential between duties on crude oil and petroleum products to protect domestic refining capacity.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

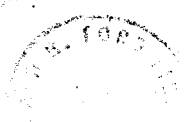
Part IV - Office of Petroleum Import Licensing

Sec. 141 - Establishment of Office

- Establishes office within FEA to administer the petroleum import licensing program.

Sec. 142 - Function of the Deputy Administrator

- To administer the import licensing system.



Sec. 143 - Conforming Amendment

- Amends FEA Act to add a third Deputy Administrator

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

TITLE II - GASOLINE CONSERVATION PROGRAM

Part I - Energy Conservation Taxes

Sec. 211 - Gasoline Conservation Tax

Sec. 212 - Special Motor Vehicles Fuels Conservation Tax

- Effective 1/1/76, the presnet 4¢/gal. excise tax on gasoline and special motor fuels is increased by 3¢/gal. if gasoline consumption for the preceding calendar year exceeds 1973 consumption; as follows:

0 - 1% greater	8¢
1 - 2% greater	13¢
2 - 3% greater	18¢
Greater than 3%	23¢

Administration's Position:

Strongly Favor _____ Favor _____ Nuetral _____ Oppose _____ Strongly Oppose

Part II - Credit, Etc., Relating to Energy Conservation Taxes

The following credits apply only to the additional tax above 3¢ per gallon.

Sec. 221 - Credit for personal use of gasoline.

- Every U.S. resident over the age of 16 allowed refundable income tax credit equivalent to additional tax on 40 gallons per month (reflected in withholding tables). (May be as much as \$96 per year.)
- Refund of tax is not to be considered income for purposes of welfare programs.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Sec. 222 - Credit for use of gasoline and special fuels in business or in work-related travel.

- o Taxpayers allowed income tax deduction for 1/2 and refundable income tax credit for 1/2 of additional tax on gasoline used in trade or business or work-related travel exceeding 25 gallons per month (e.g., construction workers). For 50% tax brackets, this provision is equivalent to rebate of 75% of additional tax.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Sec. 233 - Repayment of gasoline and special fuels conservation taxes in case of certain uses (miscellaneous exemptions)

- o Taxicab operators allowed a refundable income tax credit equal to 75% of additional tax -- this places them in position equivalent to other businesses even if they have no taxable income from which to deduct 1/2 of the tax.
- o - Farmers and local transit, allowed refundable credit for entire additional tax (including 3¢) as in the case of present 4¢ tax.
- o Commercial aviation exempt.
- o 501(c)(3) charitable, religious, educational, organizations are exempt.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Part III - Miscellaneous

Sec. 231 - Technical amendments with respect to certain trust funds.

- o Revenue from additional excise tax (including 3¢) is deposited in Energy Trust Fund rather than Highway or Airport Trust Funds.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____



TITLE III - OTHER ENERGY CONSERVATION PROGRAMS

Part I - Automobile Fuel Efficiency Tax

Sec. 311 - Automobile Fuel Efficiency Tax

- ° No tax on any model of any manufacturer or importer whose fleet average equals or exceeds the following mileage standard:

1978 models	18 mpg
1979 models	19 mpg
1980 models	20 mpg

- ° If the fleet average of any manufacturer or importer does not meet the standard, then an ad valorem tax (percentage of dealer cost) is imposed on each automobile which is below that standard as follows:

The Percentage Is --		
<u>1978</u>	<u>1979</u>	<u>1980</u>
<u>model</u>	<u>model</u>	<u>model</u>
<u>year</u>	<u>year</u>	<u>year</u>

"If the fuel mileage rating (in miles/gallon) is --

20 or more	0	0	0
19 or more but less than 20	0	0	2
18 or more but less than 19	0	2	3
17 or more but less than 18	2	3	4
16 or more but less than 17	3	4	5
15 or more but less than 16	4	5	6
Less than 15	5	6	7

- ° Before 3/15/78, FEA will recommend whether tax should continue after 1980 and what mileage standard should be.
- ° Provides assurance that Canadian Auto Pact is not abrogated.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Part II - Intercity Buses, Radial Tires, and Rerefined Oil

Section 321 provides exemption from existing 10% excise tax for intercity bus chassis and bodies (exemption now applies only to local transit buses).

Section 322 provides exemption from existing 10¢/lb. excise tax on radial tires.

Section 323 provides exemption from existing 6¢/gal. excise tax on lubricating oil to the extent such oil is mixed with used oil which is rerefined.

Administration's Position:

Strongly Favor _____ Favor Neutral _____ Oppose _____ Strongly Oppose _____

Part III - Tax Incentives for Certain Energy-Related Improvements of Buildings

Sec. 331 - Insulation of Principal Residence

- A non-refundable income tax credit of up to \$150 total would be allowed for 30% of qualified insulation expenditures up to \$500.
- The credit is for purchase and installation of materials designed to reduce heat loss or gain in a building. The materials must meet standards promulgated by the Secretary of the Treasury after consultation with FEA and HUD.
- The credit is available for expenditures made after March 17, 1975, and before January 1, 1978.

Administration's Position:

Strongly Favor Favor _____ Neutral _____ Oppose _____ Strongly Oppose _____

Sec. 332 - Residential Solar Energy Equipment

- A non-refundable income tax credit of up to \$600 total would be allowed for purchase and installations of solar energy equipment (40% of the first \$1000, 20% of the next \$1000).

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

TITLE IV - ENERGY CONSERVATION AND CONVERSION TRUST FUND

Sec. 411 - Establishment of Trust Fund

- Trust fund receives net revenues from:
 - gasoline conservation tax
 - automobile fuel efficiency tax
 - business use on petroleum and petroleum products taxes
- Maximum amount per year to the trust fund is \$5 billion through FY 1983, \$2.5 billion in FY 1984.
- Ceiling amount contained in the trust fund is \$10 billion through FY 1984, 5 billion in FY 1985.
- Trust fund expires on October 1, 1985.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose _____ Strongly Oppose ✓

Sec. 412 - Expenditures from Trust Fund for energy projects and programs

Allowable expenditures:

- Basic and applied research programs related to new energy technologies.
- Development and demonstration of new energy technologies.
- Programs relating to the development of energy resources from properties in which the U.S. has an interest.
- Research and demonstration projects relating to local and regional transportation systems.

All of the above expenditures are subject to the normal appropriations process.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose _____ Strongly Oppose ✓

Sec. 413 - Trust Fund Review Board

- A 5-member review board is established to review and evaluate trust fund expenditures and report to Congress with recommendations for changes.
- Members are appointed by President to staggered 5-year terms, confirmed by Senate.
- No member may during the 5 years previous to his nomination have held a financial interest in an energy related industry of over \$2,500, or have received over \$10,000 in any one year as compensation for a position in any energy related industry.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Oppose _____ Strongly Oppose _____

TITLE V - ENCOURAGING BUSINESS CONVERSION FOR GREATER ENERGY SAVING

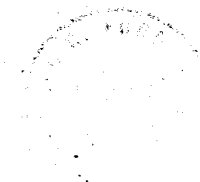
Part I - Business Use of Petroleum and Petroleum Products

Sec. 511 - Excise tax on business use of petroleum and petroleum products.

- Excise tax imposed on use of petroleum, petroleum products and natural gas as fuel in a trade or business.
- The tax on natural gas (per 1,000 cubic feet) is 4¢ for 1977, 8¢ for 1978, 12¢ for 1979, 18¢ for 1980 and thereafter.
- The tax on petroleum (per barrel) is 17¢ for 1977, 33¢ for 1978, 50¢ for 1979, 67¢ for 1980, 83¢ for 1981, \$1 for 1982 and thereafter.
- Exempted fuel uses:
 - motor vehicles, vessels, aircraft; apartments, hotels, and other residential facilities; extractive industries, farming;
 - for electrical generating facility which is acquired before 1/1/76 or construction of which is begun before 1/1/76 pursuant to binding contract in effect before 1/1/76; and
 - for use by 501(c)(3) (charitable, religious, educational) exempt organizations.
- For purposes of future statutory exemptions, FEA required prior to 1/1/76 to identify industries which cannot convert.

Administration's Position:

Strongly Favor _____ Favor ✓ Neutral _____ Oppose _____ Strongly Oppose _____



Part II - Amortization for Certain Energy-
Related Property

Sec. 521 - Amortization of qualified energy use property.

- ° Allows elective 5 year amortization of the following "qualified" equipment needed to burn alternative fuels:
 - "Qualified waste equipment" is that which makes it feasible to use waste as a fuel or to recycle solid waste, or is used to process waste into a fuel.
 - "Qualified shale oil conversion equipment" is that which is necessary to reach and extract oil shale or convert it to oil or gas.
 - "Qualified coal processing equipment" is that which is used for coal liquefaction or gasification.
 - "Qualified coal pipeline" includes coal slurry pipelines.
 - Since depreciable life is shortened from 7 or more to 5 years, taxpayers lose 1/3 investment credit to which they are now entitled.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppoes Strongly Oppose _____

Sec. 522 - Amortization of qualified railroad equipment.

- ° Allows elective 5-year amortization for equipment used as part of
 - a communications, signal, or traffic control system,
 - a rolling stock classification yard,
 - a facility for loading and unloading trailers or containers, or
 - improvement in track account.

- To extent depreciable life is reduced from 7 or more to 5 years taxpayers lose 1/3 investment credit.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Sec. 523 - Amendments relating to amortization of certain railroad rolling stock.

- Extends termination date for present elective 5-year amortization rule for RR rolling stock in additional 4-years to 1980.
- Allows 2/3 investment credit for such rolling stock where it did not exist before if 5-year amortization were elected.
- Extends provision to coal hauling cars some of which were previously excluded and coal car ferriers.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Part III - Tax Credit Changes Relating to Energy Conservation

Sec. 531 - Changes in investment credit relating to insulation, solar energy, and air conditioning.

- The regular 10 percent investment tax credit is temporarily extended to insulation and solar energy equipment installed by businesses between 3/17/75 and 1/1/78 (1/1/81 for solar equipment).
- Credit is denied for movable air conditioning and heating units.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Sec. 532 - Generating facilities powered by petroleum and petroleum products.

- Denies the investment credit to electrical generating facilities powered by petroleum or natural gas placed in service after 4/17/75 unless subject to binding contract before 4/17/75 or constructed in accordance with plan existing before 4/17/75.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

Sec. 533 - Recycling tax credit

- Investment credit of 10 percent is currently for capital expenditures for equipment used for recycling post-consumer solid waste materials.
- This provision allows an additional "recycling" investment credit for up to 15 percent of such capital expenditures.
- Recycling credit is allowed only to the extent of the cumulative amount paid in any taxable year for "post-consumer solid waste materials."
- "Post-consumer solid waste materials" includes glass, paper, textiles, nonferrous metals (not including precious metals and copper base scrap) and waste ferrous metals. "Home scrap" of any kind is excluded.

Administration's Position:

Strongly Favor _____ Favor _____ Neutral _____ Oppose Strongly Oppose _____

TITLE I



Title
Amendment to ~~SECTION~~ I [Import Treatment of Oil]
On page 4 Line 1 Cong. Record H 4310 5/19
By Mr. Conte
Effect of amendment: Deletes Title I

Administration's Position:
Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Title
Amendment to ~~SECTION~~ XXXXXXX I [Import Treatment of Oil]
On page 4 Line 1 Cong. Record H 4299 5/19
By Mr. Gibbons
Effect of amendment: Would eliminate quotas and the accompanying licensing system.

Administration's Position:
Strongly favor Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Title
Amendment to ~~SECTION~~ I [Import Treatment of Oil]
On page 4 Line 1 Cong. Record H 4299 5/19
By Mr. Frenzel
Effect of amendment:
(1) Strike two million barrel product setaside;
(2) Strike two-year-limitation on Presidential authority to raise duty on imported residual and distillate oil.

Administration's Position:
Strongly favor Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section _____ [_____]
On page _____ Line _____ Cong. Record _____
By Mr. _____
Effect of amendment:

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 111 [Imposition of quantitative Restrictions]

On page 5 Line 3 Cong. Record H4308

By Mr. Waggoner

Effect of amendment: Amends import quotas as follows:

	OLD	NEW
1979	5.5	6.0
1980	5.5	6.5

Administration's Position:
Strongly favor _____ Favor Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 111 [Imposition of Quantitative Restrictions]

On page 5 Line 3 Cong. Record H4310
and 5 8

By Mr. Conte

Effect of amendment: (1) Maximum average daily number of barrels for 1975 and 1976 is changed from 6.0 to 8.0 (2) Can be increased in 1975 and 1976 by amount determined by F.P.C. necessary to compensate for natural gas shortages.

Administration's Position:
Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Amendment to section 111 [Import Quotas]

On page 5 Line 8 Cong. Record H4483 5/20

By Mr. Conte

Effect of amendment: Would increase the quota to take into account natural ^{gas} production curtailments.

Administration's Position:
Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Amendment to section _____ [_____]

On page _____ Line _____ Cong. Record _____

By Mr. _____

Effect of amendment:

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 112 [Establishment of Import Licensing System]
On page 9 Line 9 Cong. Record H4310
through 14 19
By Mr. Conte

Effect of amendment: Delete Section 112

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 112 [Establishment of Import Licensing System]
On page 11 Line 9 Cong. Record H4304
By Mr. Steiger

Effect of amendment: Redefines "small refiner" as capacity not in excess of 175,000 barrels per day.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose

Amendment to section 112 [Establishment of Import Licensing System]
On page 11 Line 9 Cong. Record H4304
By Mr. Steiger

Effect of amendment: Strikes Title IV, "Energy Conservation and Conversion Trust Fund."

Administration's Position:
Strongly favor Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section _____ [_____]
On page _____ Line _____ Cong. Record _____
By Mr. _____

Effect of amendment:

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 121 [Rates of duty on oil]

On page 14 Line 20 Cong. Record H4300 5/19

By Mr. Gibbons

Effect of amendment: Would eliminate oil import duties provided for in the bill.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose

Amendment to ~~section~~ 121 [Import Duties]

On page 15 Line 22 Cong. Record H4483 5/20

By Mr. Conte

Effect of amendment: Import licenses waiving payment of fees and duties issued pursuant to Presidential Proclamation 4210, 4/18/73 would remain unaffected by Section 121.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 143 ^{141,142,} [Office of Petroleum Import Licensing]

On page 20 through 21 Line 16 through 23 Cong. Record H4310

By Mr. Conte

Effect of amendment: Strikes out Part IV, on office of petroleum import licensing.

Administration's Position:
Strongly favor Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to ~~section~~ ^{Title I} ~~Part V~~ [Authority for Federal purchase and sale of imports of oil]

On page 22 Line 3 Cong. Record H4302

By Mr. Mikva

Effect of amendment: Reinstates Federal authority for purchase and sale of oil imports; also authorizes FEA Administrator to review and approve oil import contracts

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose

TITLE II

Amendment to ~~section~~ 211 [Gasoline Conservation Tax]

On page 29 Line 1 Cong. Record H4299 5/19

By Mr. Fithian

Effect of amendment: Would strike entire gasoline tax.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Amendment to section 211 [Imposition of tax (Gasoline Conservation)]

On page 31 Line 7 Cong. Record H4309 5/19

By Mr. Benitez

Effect of amendment: The additional taxes imposed by 4086 (b) (increase in rate of conservation goals not realized) will not go into the Puerto Rican treasury (as taxes under 4086 (a) now do) unless collected in Puerto Rico.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 211 [Gasoline Conservation Tax]

On page 31 Line 6 Cong. Record H4303

By Mr. Pickle

Effect of amendment: Would subject an increase in the gas tax to a concurrent resolution of disapproval, if made by the Congress before April 15 of the year in which the tax is proposed.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose _____ Strongly oppose

Amendment to section 211 [Gasoline Conservation Tax]

On page 29 Line 3 Cong. Record H4141 5/15

By Mr. Vanik

Effect of amendment: (1) Gasoline tax set at an additional 7¢ per gallon on 1/1/76, rising to 37¢ per gallon after 3/31/80. (2) President may accelerate any yearly increase by six months or delay it by six or 12 months subject to 60-day one House veto. (3) Business and work-related credits eliminated.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose _____ Strongly oppose

Amendment to section 211 [Gasoline Conservation Tax]

On page 31 Line 1 Cong. Record H4144 5/15

By Mr. Vanik

Effect of amendment: Changes the additional tax based on consumption from 5, 10, 15, 20¢ to 7, 12, 22, 32¢ per gallon.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose

Amendment to section 211 [Gasoline Conservation Tax]

On page 31 Line 1 Cong. Record H4144 5/15

By Mr. Vanik

Effect of amendment: Changes the additional tax based on increased consumption from 5, 10, 15, 20¢ to 2, 4, 6, 7¢ per gallon.

Administration's Position:
Strongly favor _____ Favor Neutral _____ oppose Strongly oppose _____

Amendment to section 211 [Gasoline Conservation Tax]

On page 29 Line 22 Cong. Record H4310

By Mr. Corman

Effect of amendment: Determination of price increase of gasoline on nationwide average refiners' price of a gallon of gasoline. Additional tax if 1¢ increase per gallon over 1975 annual period up to 3¢ if price goes up 8¢ per gallon.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose

Amendment to section 211 [Gasoline Conservation Tax]

On page 29 Line 12 Cong. Record H4310

By Mr. Corman

Effect of amendment: Increase in rate of gas tax from 3¢ per gallon changed from tax table chart option to 1¢ above the rate applicable on December 31 of previous year, if consumption increases by 1%, and a reduction of the 3¢ rate in case of qualified state gasoline tax.

Administration's Position:
Strongly favor _____ Favor _____ Neutral Oppose Strongly oppose _____

Amendment to section 211 [Gasoline Conservation Tax]

On page 29 Line 12 Cong. Record H 4304

By Mr. Stark

Effect of amendment: Eliminates any increase in gas tax beyond the initial 3¢.

Administration's Position:

Strongly favor _____ Favor Neutral _____ Oppose Strongly oppose _____

Amendment to section 211 [Gasoline Conservation Tax]

On page 29 Line 13 Cong. Record H 4934

By Mr. Simon

Effect of amendment: Would raise initial 3¢ gas tax to 5¢ and eliminate other increases. Would appropriate only 20% of net receipts to the trust fund.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 211 [Gasoline Conservation Tax]

On page 31 Line 5 Cong. Record H 4845 6/3

By Mr. McFall

Effect of amendment: Would reduce 3¢ gas tax to 2¢ if a State enacted a 1¢ gas tax of its own, and similarly reduce any increase over 3¢ by 20 percent, if the State uses the revenues for highways or mass transit.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose Strongly oppose _____

Amendment to section 212 [Special Fuels Tax]

On page 32 Line 25 Cong. Record H 4845 6/3

By Mr. McFall

Effect of amendment: Would reduce 3¢ fuels tax to 2¢ and Reduce any increase over 3¢ by 20 percent if a State enacts its own fuels tax and uses the revenues for highways or mass transit.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose Strongly oppose _____

Amendment to section 221 [Gasoline tax credit]

On page 38 Line 7 Cong. Record H 4931 6/4

By Mr. Risenhoover

Effect of amendment: Would allow a gasoline tax credit of 40 gallons plus the lesser of 400 gallons or the amount needed to commute to work.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 221 [Credit for personal use of gasoline]

On page 38 Line 11 Cong. Record H 4592 5/21

By Mr. Frenzel

Effect of amendment: Would limit the 40-gallons-per-month tax credit to persons holding a driver's license.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 221, 222 [Credits, etc., relating to energy]
On page 37 Line 16 thru 19 Cong. Record H 4310
conservation taxes

By Mr. Corman

Effect of amendment: Deletes credit for personal use of gasoline and credit for use of gasoline and special fuels in businesses or in work-related travel.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Amendment to section _____ []

On page _____ Line _____ Cong. Record _____

By Mr. _____

Effect of amendment:

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 222 [Gasoline tax business credit]

On page 41 Line 15 Cong. Record H 4934 6/4

By Mr. Young

Effect of amendment: Would refund all gas tax paid on gasoline used in a trade or business.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose

Amendment to section 222 [Credit for use of gasoline and special fuels in businesses or in

On page 43 Line 17 Cong. Record H 4304 work-related travel

By Mr. Ruppe

Effect of amendment: Includes in the work-related travel allowance credit to and from work if the distance is 20 miles or more from available housing.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose Strongly oppose _____

Amendment to section 223 [Gas tax exemptions]

On page 55 Line 10 Cong. Record H 4297 5/19

By Mr. Chappell

Effect of amendment: Would exempt aquacultural (fishing) activities from the gas tax.

Administration's Position:

Strongly favor _____ Favor Neutral _____ Oppose Strongly oppose _____

Amendment to section 223 [Repayment of gasoline and special fuels conservation

On page 48 Line 11 Cong. Record H 4310

By Mr. Corman

Effect of amendment: Deletes exemption from gas tax for taxicabs and § 501(c)(3), charitable organizations

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose Strongly oppose _____

TITLE III

Amendment to section 311 [Fuel Efficiency Tax]

On page 58 Line 1 Cong. Record H 4295, 5/19

By Mr. Brodhead

Effect of amendment: Strike the automobile fuel efficiency tax.

Administration's Position:

Strongly favor Favor Neutral Oppose Strongly oppose

Amendment to section 311 [Automobile fuel efficiency tax]

On page 58 Line 3 Cong. Record H 4297, 5/19

By Mr. Fisher

Effect of amendment: Substitute automobile fuel efficiency tax.
(1) Tax on each auto, set amount based on m.p.g. Zero point rises each year. Starts model year 1977 - 0 -\$800, 1980 0 -\$1400.
(2) Penalty tax manufacturer's fleet does not meet a standard. Twenty dollars (\$20) per car per 1/10 m.p.g. below standard 1977 - 16.5; 1978 - 18; 1979 - 19; 1980 - 20.

Administration's Position:

Strongly favor Favor Neutral Oppose Strongly oppose

Amendment to section 311 [auto fuel efficiency tax]

On page 58 Line 3 Cong. Record H 4924 6/4

By Mr. Fisher

Effect of amendment: Fisher's substitute auto fuel efficiency tax
1) Graduated tax 1978, 0 - \$1000 at 13 mpg 1980, 0 - \$1400 at 13 mpg. Tax grabs at 17 mpg in 1978, 19 mpg in 1980. 2) Penalty where fleet doesn't meet standard 1978 - 18 mpg, 1980 - 20 mpg \$20 per 1/10 mpg per car.

Administration's Position:

Strongly favor Favor Neutral Oppose Strongly oppose

Amendment to section 311 [Fuel Efficiency Tax]

On page 58 Line 3 Cong. Record H 4931 6/4

By Mr. Sharp

Effect of amendment: Substitute for Fuel Efficiency Tax. The Dingell Subcommittee's Fuel Efficiency Standards. 1978 - 18.5 mpg, 1979 - 19.5 mpg, 1980 - 20.5 mpg.

Administration's Position:

Strongly favor Favor Neutral Oppose Strongly oppose

Amendment to section 311 [Auto Fuel Efficiency Tax]

On page 58 Line 3 Cong. Record H 4926 6/4

By Mr. Jeffords

Effect of amendment: Substitute fuel efficiency tax.
9/1/1976 - 0 at 15.5 mpg -\$250 at 13.5 mpg
9/1/77 - 0 at 16.5 mpg - 50% ad valorem at 13 mpg
Riser 1 mpg per year to 1984 (25 mpg) Payments to purchasers
of fuel efficient cars of up to \$1000

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 311 [Auto Fuel Efficiency Tax]

On page 58 Line 3 Cong. Record H 4929 6/4

By Mr. O'Hara

Effect of amendment: Would strike the auto fuel efficiency tax
and substitute a \$200 tax credit for purchases of an auto getting
18 + mpg.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose

(new)
Amendment to section 312 [Fuel Efficient Car Tax Credit]

On page 71 Line 20 Cong. Record H 4933 6/4

By Mr. Shuster

Effect of amendment: Would allow 10% tax credit for purchase of
cars getting over 20 mpg.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose

Amendment to section 312 new [Prohibition of purchase of fuel
inefficient autos by Fed. govt.]

On page 71 Line 20 Cong. Record H 4934 6/4

By Mr. Tsongas

Effect of amendment: Would outlaw purchase by Fed. Govt. autos
getting less than 17 mpg in 1977, to 20 mpg in 1980.

Administration's Position:
Strongly favor _____ Favor _____ Neutral Oppose Strongly oppose _____

Amendment to section 321 New [Home Heating Oil Consumption Tax]

On page 71 Line 20 Cong. Record H 4929 6/4

By Mr. Milford

Effect of amendment: Would impose a 5¢ tax per barrel on home heating oil. Increased tax from 17¢ to 1.00 if 1976 consumption of heating oil in any Federal region is 1-5% greater than 1973.

Administration's Position:

Strongly favor Favor Neutral ✓ Oppose Strongly oppose

Amendment to section 322 [Repeal of Radial Tire Excise Tax]

On page 74 Line 3 Cong. Record H 4300

By Mr. Guyer

Effect of amendment: Effect of Amendment: Radial tire excise tax would be reduced by 10% for 3/17/75 to 3/18/76, rising to 50% reduction for 3/17/79 to 3/18/80. Tax repealed after 3/18/80.
(Slows repeal of radial tire excise tax)

Administration's Position:

Strongly favor Favor Neutral Oppose Strongly oppose ✓

Amendment to section []

On page Line Cong. Record

By Mr.

Effect of amendment:

Administration's Position:

Strongly favor Favor Neutral Oppose Strongly oppose

Amendment to section []

On page Line Cong. Record

By Mr.

Effect of amendment:

Administration's Position:

Strongly favor Favor Neutral Oppose Strongly oppose

Amendment to section 331, 332 [Insulation and solar residential tax credits]
On page 78 Line 1 Cong. Record H 4300 5/19

By Mr. Gibbons

Effect of amendment: Would delete the solar and insulation residential tax credit provisions.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 331 [Tax Credit for Residential Insulation]
On page 81 Line 9 Cong. Record H 4934 6/4

By Mr. Solarz

Effect of amendment: Raises 30% tax credit to 90% of \$500 for persons over 65 or making under \$8,000 per year.

Administration's Position:
Strongly favor _____ Favor _____ Neutral oppose _____ Strongly oppose _____

Amendment to section 332 [Residential Solar Tax Credit]
On page 84 Line 21 Cong. Record H 4926 6/4

By Mr. Goldwater

Effect of amendment: Would raise residential solar tax credits from 40% of \$1,000 and 20% of \$1,000 to 50% of \$2,000 and 30% of net \$10,000. Total credit of \$1,300.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 332 [Residential solar tax credit]
On page 84 Line 20 Cong. Record H 4934 6/4

By Mr. Vanderjagt

Effect of amendment: Raise solar tax credit to 40% of \$5,000 Previously 40% of 1,000 plus 20% of 1,000.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 332 [Residential Solar Energy Equipment]

On page 84 Line 20 Cong. Record H 4308

By Mr. Wylie

Effect of amendment: Increase solar energy tax credit from 40% of expenditures not to exceed \$1000 to 25% of expenditures not to exceed \$8000.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 332 [Residential Solar Energy Equipment]

On page 85 Line 18 Cong. Record H 4144 5/15

By Mr. Wylie

Effect of amendment: Secretary of Treasury would prescribe criteria within two years for qualifying solar equipment.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 332 [Residential Solar Energy Equipment]

On page 87 Line 8 Cong. Record H 4303

By Mr. Ottinger

Effect of amendment: Provides for "interim" performance criteria for solar equipment in lieu of "definitive" criteria.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section _____ [_____]

On page _____ Line _____ Cong. Record _____

By Mr. _____

Effect of amendment:

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 333 New [Tax Credit for Qualifying Motor Vehicles]
On page 90 Line 17 Cong. Record H 4930 6/4

By Mr. Pepper

Effect of amendment: Would allow a 25% tax credit of purchase price of a motor vehicle powered by other than petroleum or petroleum products.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 333 New [Tax Credit for Electric Cars]
On page 90 Line 17 Cong. Record H 4928 6/4

By Mr. Cormack

Effect of amendment: Would allow tax credit up to 25% of \$3000 for purchase of an electric car.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 333 New [Residential Heating Unit Adjustments]
On page 90 Line 17 Cong. Record H 4592 5/21

By Mr. Dodd

Effect of amendment: Would add a new section to allow a nonrefundable tax credit up to \$50 for amounts spend by a taxpayer to have his residential heating unit adjusted to increase the efficiency of the heating unit.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 333 New [Tax incentives for certain energy-related improvements of buildings]
On page 90 Line 17 Cong. Record H4302

By Mr. Jeffords

Effect of amendment: Would provide a 40% tax credit for wood-fueled residential heating equipment, not to exceed \$500.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

TITLE IV

Title IV

Amendment to ~~section~~ _____ [_____]
Energy Trust Fund
On page 90 Line 18 Cong. Record H 4304 May 19
By Mr. Steiger

Effect of amendment:

Would strike Title IV (strike the trust fund)

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose _____ Strongly oppose _____

Amendment to section _____ [_____]
On page _____ Line _____ Cong. Record _____
By Mr. _____

Effect of amendment:

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose _____ Strongly oppose _____

Amendment to section _____ [_____]
On page _____ Line _____ Cong. Record _____
By Mr. _____

Effect of amendment:

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose _____ Strongly oppose _____

Amendment to section _____ [_____]
On page _____ Line _____ Cong. Record _____
By Mr. _____

Effect of amendment:

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ oppose _____ Strongly oppose _____

Amendment to section 411 [Establishment of Energy Trust Fund]

On page 91 Line 24 Cong. Record H 4294 5/19.

By Mr. Archer

Effect of amendment: Amounts going into trust fund would also be reduced by the revenue losses resulting from all credits and amortization provisions contained in H.R. 6860.

Administration's Position:

Strongly favor _____ Favor Neutral _____ oppose _____ Strongly oppose _____

Amendment to section 411 [Expenditures from Trust Funds]

On page 95 Line 10 Cong. Record H 4144 5/15

By Mr. Vanik

Effect of amendment: Prohibit trust funds to be used for price guarantees for new energy sources or for nuclear fission research and development.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 412 [Expenditures from Trust Fund]

On page 97 Line 16 Cong. Record H 4923 6/4

By Mrs. Abzug

Effect of amendment: Would limit expenditures from the Energy Trust fund for transportation projects to 25% of total expenditures.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 412 [Expenditures from Trust Fund]

On page 97 Line 10 Cong. Record H 4928 6/4

By Mr. Koch

Effect of amendment: Would allow expenditures from Trust Fund for oil shale and coal slurry processing facilities in Federally owned or leased to a private person by the Government.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Amendment to section 412 [Expenditures from Trust Funds]

On page 95 Line 10 Cong. Record H 4144 5/15

By Mr. Vanik

Effect of amendment: Prohibit trust funds to be used for nuclear fission research and development.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 412 [Expenditures from the Trust Fund

On page 97 Line 11 Cong. Record H 4483 5/20

By Mr. Crane

Effect of amendment: Would allow trust fund expenditures to compensate the states for lost gas tax revenues due to decreased gasoline consumption from the new Federal gas tax.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Amendment to section 412 [Expenditures from the Trust Fund

On page 98 Line 6 Cong. Record H 4483 5/20

By Mr. Brown

Effect of amendment: Would limit trust fund expenditures for any single project in any one fiscal year to \$250,000,000.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section ^{new} 414 [Energy Trust Fund Expenditures]

On page 102 Line 10 Cong. Record H 4926 6/4

By Mr. Hechler

Effect of amendment: Would subject trust fund expenditures to annual authorization and appropriations acts.

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____



Title V

Amendment to section 511 [Excise tax on business use of]
petroleum and natural gas

On page 105 Line 9 Cong. Record H 4297 5/19

By Mr. Derrick

Effect of amendment: Would exempt petroleum and natural gas used
in industrial finishing of textile products from business use
excise tax.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 511 [Excise tax on business use of]
petroleum and petroleum products

On page 105 Line 9 Cong. Record H 4484 5/20

By Mr. Foley

Effect of amendment: Would require the Administrator of FEA
to determine which facilities should be exempt from the excise
tax based upon inability to convert to alternative fuel sources.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section _____ [_____]

On page _____ Line _____ Cong. Record _____

By Mr. _____

Effect of amendment:

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section _____ [_____]

On page _____ Line _____ Cong. Record _____

By Mr. _____

Effect of amendment:

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 521 [amortization of energy use property]

On page 108 Line 8 Cong. Record H 4924 6/4

By Mr. Ashley

Effect of amendment: Would also qualify equipment used to burn waste for the 5 year amortization for waste equipment.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 521 [Accelerated amortization for energy use property]

On page 107 Line 21 Cong. Record H 4930 6/4

By Mr. Pepper

Effect of amendment: Would qualify coal-burning equipment, deep mining equipment for accelerated 5 year amortization.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 521 [Amortization of qualified energy use property]

On page 107 Line 22 Cong. Record H 4294 5/19

By Mr. Archer

Effect of amendment: Adds, for purposes of five-year amortization, facilities which manufacture solar energy equipment (photo voltaic cells and photo thermal panels) Applies through 1/1/86.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 521 [Amortization of Energy Related Property]

On page 107 Line 1 Cong. Record H 4300 5/19

By Mr. Gude

Effect of amendment: Would add qualified solar energy equipment as defined in Section 332 to the five-year amortization of energy related property. Taxpayer would elect either the amortization or the tax credit in Section 531.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 524 [Extension of amortization for
pollution control facilities
On page 122 Line 6 Cong. Record H 4931

By Mr. Pepper

Effect of amendment: would extend from 1/1/76 to 1/1/80
the time during which 5 year amortization could be taken
for pollution control facilities.

Administration's Position:
Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____

Amendment to section 531 [Investment credit changes for
insulation, solar energy and
air-conditioning
On page 123 Line 15 Cong. Record H 4300 5/19

By Mr. Gibbons

Effect of amendment: Would eliminate the investment credit
for insulation and solar equipment.

Administration's Position:
Strongly favor _____ Favor Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 531 [Changes in Investment credit relating
to insulation, solar energy and air-
conditioning
On page 124 Line 3 Cong. Record H 4301

By Mr. Jacobs

Effect of amendment: Would eliminate the investment tax
credit for insulation.

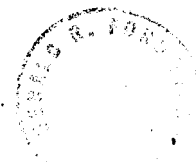
Administration's Position:
Strongly favor _____ Favor Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 531 [Changes in Investment Credit relating
to insulation, solar energy and air-
conditioning
On page 124 Line 23 Cong. Record H 4308

By Mr. Wylie

Effect of amendment: Directs the Secretary of Treasury to
prescribe within two years regulations setting forth criteria
to determine solar energy equipment qualifying for the tax
credit.

Administration's Position:
Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____



Amendment to section 532 [Tax credit for petroleum powered
generating facilities.
On page 128 Line 23 Cong. Record E 2864 6/4

By Mr. Green

Effect of amendment: Would allow owners of equipment through
a lease-back transaction to get tax credit. Presently, the
owner must also use the equipment to qualify.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 533 [Recycling tax credit]
On page 132 Line 9 Cong. Record H 4924 6/4

By Mr. Cotter

Effect of amendment: Would also qualify plastics for the
recycling credit.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section 533 [Recycling tax credit]
On page 128 Line 24 Cong. Record H 4299 5/19

By Mr. Frenzel

Effect of amendment: Delete recycling tax credit.

Administration's Position:

Strongly favor Favor _____ Neutral _____ Oppose _____ Strongly oppose _____

Amendment to section 533 [Recycling tax credit]
On page 132 Line 11 Cong. Record H 4934 6/4

By Mr. Vander Veen

Effect of amendment: Would disqualify aluminum scrap from the
recycling tax credit

Administration's Position:

Strongly favor _____ Favor _____ Neutral Oppose _____ Strongly oppose _____



NEW



Amendment to section New-324 [Emergency Petroleum Allocation Act of 1973]

On page 77 Line 24 Cong. Record H 4309

By Mr. Broyhill

Effect of amendment: Regulation of crude oil price with price ceiling as price at May 15, 1973.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section new [Decontrol]

On page 77 Line 24 Cong. Record H 4296 5/19

By Mr. Brown

Effect of amendment: Would add a decontrol provision to the EPAA based upon an outlined windfall profits tax.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section new [Decontrol]

On page 135 Line 12 Cong. Record H 4295 5/19

By Mr. Brown

Effect of amendment: Would add a decontrol provision to the EPAA based upon an outlined windfall profits tax.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section 411 [Energy Conservation and Conversion Trust Fund]

On page 94 Line 25 Cong. Record H 4301

By Mr. Harris

Effect of amendment: Revises tax laws in order to absorb more corporate foreign oil-related income into the trust fund.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ oppose Strongly oppose _____

Amendment to section ^{new} 534 [Tax Credit for Energy Exploration]

On page 135 Line 12 Cong. Record H 4923 6/4

By Mr. Archer

Effect of amendment: Income tax credit of 10% of expenditures made for intangible drilling costs, geological costs, and secondary and tertiary processes. For two years.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section ^{New} 534 [Exemption from Taxes]

On page 135 Line 12 Cong. Record H 4926 6/4

By Mr. Gonzalez

Effect of amendment: Would exempt municipal public utilities and public schools from all taxes in the bill.

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section _____ []

On page _____ Line _____ Cong. Record _____

By Mr. _____

Effect of amendment:

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____

Amendment to section _____ []

On page _____ Line _____ Cong. Record _____

By Mr. _____

Effect of amendment:

Administration's Position:

Strongly favor _____ Favor _____ Neutral _____ Oppose Strongly oppose _____



ENERGY CONSERVATION POLICY

↑
FILE

S. 622

Title II

° Interim Energy Conservation Plans

- Authorizes the President to establish interim conservation plans, pending the promulgation of regulations to establish national energy conservation standards.
- Limits each energy conservation plan to deal with one functional and discrete subject-matter and one type of action.
- Interim plans go into effect within 30 days unless there is an either-House veto.

° Federal Initiatives and Energy Conservation

- Requires that the appropriate Federal agencies within three months establish standards for energy efficiency in several areas as follows:
 - Lighting efficiency standards for public buildings.
 - Thermal performance standards for new Federal construction and new homes financed under Federal programs.
 - Restrictions on hours for public buildings.
 - Standards governing nonessential lighting.
 - Standards to increase industrial energy efficiency.
 - Better enforcement of the 55 m.p.h. speed limit.
 - Car pools and public transportation programs.
 - Standards on discretionary transportation activities.



- . Federal procurement policy energy efficiency standards.
- . Low interest loans and loan guarantee programs for thermal efficiency in individual residences.
- . Public education programs.
- Regulations go into effect within 30 days unless there is an either-House veto.
- Establishes a goal for the 12-month period following the effective date of the act of the reduction in energy consumption of four percent of the projected domestic consumption of refined petroleum products (approximately 700,000 barrels per day).

UNACCEPTABLE: The Administration is opposed to the establishment of such broad reaching authorities within the Executive Branch and the creation of a bureaucracy which will reach into the lives and businesses of Americans. Some standards such as lighting standards in public buildings, thermal performance standards for buildings, which would be authorized by pending legislation, and restrictions on hours for public buildings are endorsed by the Administration. Mandatory regulations in other areas such as nonessential lighting, industrial efficiency, discretionary transportation, are not feasible and would be an unwarranted intrusion into the home and lives of individuals.

Most of the conservation measures in this section are long-term programs; however, the authority under this Title expires June 30, 1976. Finally, the goal of reducing petroleum consumption by 4% within 12 months could not be attained by such a program without adversely affecting the economy.

H.R. 7014

- o Amends the EPAA by mandating the prevention of further increases in the consumption of gasoline above a base period level (calculated on the daily average demand for 1973 or 1974, whichever is higher) and, subject to the President's determination, requires a 2 - 4% reduction in gasoline consumption. The President, upon justification being given to the Congress for its review, may adjust base volume percentages upward or downward.

UNACCEPTABLE: A totally inequitable gasoline shortage would be the result, acting as a drag on the economy and an unwarranted intrusion on private decisions.

STANDBY ENERGY AUTHORITIES

S. 622

Title I

- ° Can be implemented when shortage exists or threatens the United States, or to fulfill IEA obligations.

ACCEPTABLE

- ° Authority expires June 30, 1977, but may be extended to November 18, 1978 if required to meet IEA obligations.

ACCEPTABLE: Would meet minimum IEA requirements. A 10-year authorization would be preferable as the IEA agreement is for that period of time.

- ° End-use rationing tied to the purposes of EPAA, but prohibits taxes, tax credits or user fees to implement plans.

UNACCEPTABLE: This provision would preclude use of the most efficient rationing system, the so-called "white market" system, which would allow the auction of surplus ration coupons.

- ° Nine-month limitation on use of authorities, which can be extended.

GENERALLY ACCEPTABLE: But prefer 18-month limitations as contained in H.R. 7014.

- ° Energy Conservation Plans shall deal with only one "functionally" discrete subject; prohibits taxes, tax credits, or user fees.

UNACCEPTABLE: A conservation plan should be a comprehensive program whose parts complement each other. The requirement for individual plans would require a large number of separate proposals. This would be time-consuming and misleading, since the effect of the programs could only be assessed as a whole. The disapproval of one plan could change the impact of other plans. Any comprehensive plans should also be flexible enough to allow for financial (dis)incentives.

- ° Contingency plans for end-use rationing and energy conservation plans to be submitted to Congress within 180 days.

UNACCEPTABLE: It would be premature to prepare rationing and conservation plans until we know the nature of the energy emergency. To do so would limit our ability to react in a flexible manner. Is in effect no grant of authority to the President to deal with emergencies.

- Either-House veto of both end-use rationing and energy conservation plans.

UNACCEPTABLE: Could delay implementation of authorities and is an unwarranted Congressional intrusion into the Executive powers.

- Amendments to the Defense Production Act which would allow allocation of scarce material during an emergency.

ACCEPTABLE

- Mandating production above MER and specification of refinery yields.

ACCEPTABLE

- Authorizes international allocation of oil pursuant to the International Energy Agreement (IEA).

ACCEPTABLE

- Authorizes delegation of authority to implement rationing and conservation plans to the States.

ACCEPTABLE, BUT UNNECESSARY

- \$50 million, two-year authorization to the States to implement delegated authority.

UNACCEPTABLE: The grant program would be acceptable under emergency conditions but is not justified at the present. The preparation of contingency plans is a proper state function that need not be funded by a separate Federal grant program.

H.R. 7014

Title II A - Standby Energy Authorities

- Energy Conservation Plans and a Gasoline Rationing Contingency Plan must be submitted within 180 days, and all amendments thereto must be approved by each House within 60 days, and implementation is subject to an either-House veto.

UNACCEPTABLE: Cumbersome requirements which would seriously limit the ability of the country to cope with an energy emergency; unwarranted Congressional intrusion into Executive powers. No grant of authority to the President to deal with emergencies.

- ° Plans may remain in effect for not more than 18 months.

ACCEPTABLE

- ° Plans for gasoline rationing and energy conservation may not include taxes, tax credits or deductions or user fees except as necessary to defray administrative costs.

UNACCEPTABLE: This provision would preclude use of the most efficient rationing system, the so-called "white market" system, which would allow the auction of surplus ration coupons.

- ° The voluntary agreement provisions of the international allocation authorities contain burdensome procedural requirements, as well as a grant of antitrust immunity which is too restrictive. Companies may refuse to participate in Industry Advisory Board as a result.

UNACCEPTABLE: Industry will not participate unless they are provided adequate antitrust protection.

- ° Implementation of International Oil Allocation to implement IEA is subject to an either-House veto.

UNACCEPTABLE: Implementation of the IEA should not be contingent upon further Congressional action.

- ° Materials Allocation. The President must specify within 30 days how authorities will be administered and what agencies are responsible.

UNACCEPTABLE: Insufficient time to properly formulate this complex program.

- ° Does not include authorities to require production in excess of MER, or implement standby domestic allocation authority.

UNACCEPTABLE: These emergency authorities should be contained in standby emergency legislation rather than being contingent upon the existence of a temporary EPAA.

STRATEGIC STORAGE PROVISIONS

S. 677

- National Strategic Energy Reserve of at least 90 days of imports (approximately 560 million barrels at current import levels) to be accumulated pursuant to a seven-year schedule.

ACCEPTABLE, with more flexible provisions regarding the schedule for completion. While the Senate schedule is obtainable, because of fiscal considerations we should link implementation to NPR production which would provide the funds or oil to support the system.

- Interim Industrial Reserve amounting to 3% of annual throughputs (approximately 150 MM BBLs).

ACCEPTABLE, although the House provision is preferable.

- No limit on authorization of appropriations.

ACCEPTABLE

- Any delay of schedule beyond six months is subject to an either-House veto within 60 days.

UNACCEPTABLE: Either-House veto provisions limit the ability of the Administration to phase the program with NPR production.

- Disposal must be consistent with provisions of EPAA of 1973 in an emergency.

UNACCEPTABLE: Unnecessarily limits the flexibility of the Administration's response to an emergency.

H.R. 7014

Title II B

- Declares policy to create a Civilian Reserve of not more than one billion barrels, but only authorizes funds for a three-year period, which would be sufficient to create an Early Storage Reserve of not more than 150 MM BBLs.

UNACCEPTABLE: While the general policy provisions are flexible and superior to the Senate provisions, the bill does not provide sufficient authorities to implement the program. Because of tight planning considerations, it is essential that the Administration has the ability to proceed without the necessity of obtaining further Congressional authorization.

Administration will submit a plan for the Civilian Reserve within one year, and the Early Storage Reserve within 60 days, both of which are subject to either-House veto. Either-House vetoes are also applicable to any implementation measures to start on the Civilian Reserve System prior to submission of the overall plan, condemnation proceedings, requiring the performance of contracts and a disposal plan for the use of the reserves.

UNACCEPTABLE: Either-House veto provisions seriously limit the ability of the Administration to implement the program.

Authorizes industry storage as part of the reserve.

ACCEPTABLE

Disposal, if authorized, only in an emergency.

UNACCEPTABLE: Disposal should be authorized if the President finds the Reserve, or any part of it, is no longer necessary.

INDEPENDENTS' PROVISIONS

S. 622

- ° Exempts from the entitlements program the first 50,000 barrels of small (less than 100,000 barrels capacity) refiners.

UNACCEPTABLE: Not only would this further complicate an already complex entitlements system, but would introduce provisions which would act to the detriment of the consumer.

H.R. 7014

Title XIII

- ° Independent producers can exclude from regular price controls the first 3000 barrels per day of new crude, which can be sold at \$11.50 plus the inflation factor.

UNACCEPTABLE: We are opposed to any extension of an already complex price multi-tier price control scheme.

S. 622

- ° Creates two categories of "New Oil," which is defined as that amount of oil above the previous year's production (less a decline factor): (1) that when production is below 1973 levels, new oil is limited to \$7.50; and (2) when production is above 1973 levels, new oil is limited to the January 1975 price (approximately \$11.38).
- ° Creates a new category of "new oil" at a price of \$7.50, which is defined as production less than 1973 monthly volumes; limits "new oil" prices to January 1975 levels.

UNACCEPTABLE: The oil pricing provisions, which roll back the price of new, released and stripper oil, continue controls on all oil indefinitely, and establish a four-tier pricing system (\$5.25, \$7.50, January 1975 levels and imports) are counter-productive and would make the Nation more dependent upon foreign sources by increasing demand and discouraging the development of alternative supplies.

H.R. 7014

Titles III and XIII

- ° Establishes a five-tier oil price system by rolling back prices of new, stripper and released crude to \$7.50, setting ceiling of \$10 on "high cost" oil, setting ceiling of \$11.50 on 3000 barrels a day production by independents, and maintaining \$5.25 ceiling on "old oil" (which would be phased out by September 1980). Imports are the fifth tier. Also includes allocation of materials and export restrictions.

UNACCEPTABLE: (1) Increases demand, reduces production, increases imports, and will cut back on exploration and tertiary recovery; these provisions could increase imports by 200,000 barrels a day in 1976 and 350,000 barrels in 1977; (2) establishes five-tier pricing system (\$5.25, \$7.50, \$10, \$11.50, imports) which would be extraordinarily difficult to implement; (3) MER and export restrictions only necessary on standby basis.

- ° Banked Costs Recoupment - Title X. Under price controls, any permissible cost increases not immediately passed through but "banked" would have to be passed through within 60 days of accrual or be lost.

UNACCEPTABLE: (1) May result in abruptly higher consumer costs; (2) locks in by statute a regulatory scheme that should not be legislated.

OTHER EPAA AMENDMENTS

S. 622

- Adjusts historical period allocations to include population growth, regional disparities or unusual factors.

ACCEPTABLE

- Priority fuel allocation for exploration, production and transportation of fuels and other minerals.

ACCEPTABLE

- Extends EPAA to March 15, 1976.

UNACCEPTABLE

- Imposes additional procedural requirements on changes to petroleum price and allocation regulations.

UNACCEPTABLE: Unnecessarily complicates an already complex regulatory system.

H.R. 7014

Title IV A

- Discretionary exclusive Federal oil (imports) purchasing authority.

UNACCEPTABLE: The Federal oil purchasing authority is unworkable and was previously defeated on the Floor of the House in connection with another energy measure. It is an unwarranted intrusion into the existing market system.

- Imposes additional procedural requirements on changes to petroleum price and allocation regulations.

UNACCEPTABLE: Unnecessarily complicates an already complex regulatory system.

- Controls placed on refinery operators and inventories.

UNACCEPTABLE: Should be standby - not required unless there is an emergency.

COAL CONVERSION (ESECA)

S. 622

- Extension of ESECA order issuing authority to December 31, 1975.

UNACCEPTABLE: ESECA should be extended for two years, not just until December 1975. By the time this bill is passed, there will be insufficient time to issue no more than a fraction of the potential orders, if we comply with the processes prescribed in ESECA and FEA regulations.

H.R. 7014

Title VI

- Extends ESECA Authorities until June 1977 and makes additional installations subject to prohibition orders, as requested by the Administration.

ACCEPTABLE

- Grants new gas to oil prohibition authority.

GENERALLY ACCEPTABLE: Certain technical changes to findings should be made.

- Authorizes loan guarantees for small producers of low sulfur coal.

UNACCEPTABLE: Loan guarantees will subsidize inefficient operations; market mechanism offers adequate incentives.

ENERGY LABELING ..

S. 349

- ° FEA, Commerce, and FTC combine to develop policy, technical and enforcement procedures on appliance labeling, which includes mandatory tests of products in conformance with procedures.

ACCEPTABLE

- ° Energy Guides, including a computation of estimated annual operating costs, will be placed on each new appliance for sale. Such standards will be the result of testing procedures established in cooperation with the National Bureau of Standards.

ACCEPTABLE

- ° An Automobile Energy Guide, including the estimated annual operating costs of the automobile, shall accompany each new car for sale. Such data, supplied by the manufacturers, shall be subject to testing by the EPA.

ACCEPTABLE

H.R. 7014

- ° Vests all authority for development and maintenance of labeling procedures with the FTC.

UNACCEPTABLE: Policy lead should be with FEA, advertising information and enforcement should be with FTC, and technical lead should be with Commerce (appliances) and EPA (automobiles).

- ° Requires energy efficiency labels for certain classes of consumer products.

ACCEPTABLE

- ° Mandatory efficiency performance standards can be promulgated and enforced if the FTC finds that labeling is not achieving the desired production levels of efficient products.

UNACCEPTABLE: Voluntarism and the market pressures for more efficient appliances should be attempted prior to engaging the bureaucracy in a mandated appliance efficiency program.

Energy efficiency improvement target of 25% by 1980 shall be applicable to specific classes of consumer products. Manufacturers shall report to the FTC on the feasibility of such a goal.

UNACCEPTABLE: Does not conform to the current voluntary 20% goal which the Administration and appliance manufacturers have agreed to.

All new automobiles shall carry information labels which will include the fuel economy and annual costs of operation for each vehicle. Should the vehicle fail to meet the Federal standards for fuel economy, the label will disclose that fact.

UNACCEPTABLE: Adherence to a mandated fuel efficiency standard at this time would be premature, pending the results of the automobile industry's agreement with the Administration on a 40% improvement goal by 1980.

AUTOMOBILE FUEL ECONOMY

S. 1883

Title I

- 50% improvement over 1974 auto models (or 21 m.p.g.) by 1980.

UNACCEPTABLE: Opposed to mandatory standards. Should permit administrative adjustments to fuel economy standards if emissions standards more stringent than the 1975 interim are implemented. The Committee claims that statutory standards for HC and CO would not affect these goals.

- 100% improvement over 1974 auto models (or 28 m.p.g.) by 1985.

UNACCEPTABLE: Should permit 1985 standards to be set administratively. Cannot realistically anticipate improvements more than five years in advance.

- DOT, in consultation with FEA and EPA, establishes standards for light trucks (gross vehicle weight of 6000 pounds or less) for model years 1977-1985.

ACCEPTABLE: Separating auto from truck standards is desirable.

- 1980 or 1985 standards can be modified if DOT determines they cannot be reasonably attained or could be more stringent. Such modified standards will become law within 60 days unless either House of Congress disapproves.

UNACCEPTABLE: Standard should also be modified to reflect fuel economy penalties due to more stringent emission standards.

- Manufacturers are subject to \$50 to \$100 fines for each mile per gallon below standard, multiplied by total number of units produced during that model year.

ACCEPTABLE: If there is flexibility to modify the standard, this is preferable to tax rebates or production curtailments.

- A penalty may be waived or modified by DOT to avoid bankruptcy, impact of natural acts, fires and strikes.

to prevent the lessening of competition in the industry, or unanticipated change in retail sales mix.

ACCEPTABLE

- ° A compliance plan is required prior to DOT approval of a waiver.

UNACCEPTABLE: Still contingent on goals.

- ° Penalty may be recouped if, in any of the next five model years, the manufacturer exceeds the standard for that model year.

ACCEPTABLE: Positive incentive for improvement.

- ° Ninety days after enactment of this Title, each new vehicle must have a sticker indicating fuel economy and estimated annual fuel costs.

ACCEPTABLE

Title II

- ° DOT, with cooperation from ERDA, will develop one or more production prototypes of an advanced automobile which uses to extent possible non-petroleum fuels. Should be done within four years after enactment of this legislation.

UNACCEPTABLE: This is not the proper role for the Federal Government.

- ° All DOT test information on prototypes shall be submitted to a Vehicle Certification Board.

UNACCEPTABLE: This is not the Federal Government's role.

- ° The Vehicle Certification Board shall, based on test results, certify or deny prototypes as advanced autos.

UNACCEPTABLE: This is not the Federal Government's role.

H.R. 7014

Title V, Part A

- ° Average fuel economy should be 18.5 by 1978, 28.0 by 1985.

UNACCEPTABLE: The 1985 goal is unrealistic based on present technology and should therefore be set administratively.

- ° By July 1, 1977, DOT shall prescribe average fuel economy standards for autos manufactured in model years 1981-1984, not less than 20.5 m.p.g., resulting in steady progress toward 1985 goals.

UNACCEPTABLE: Same as above.

- ° DOT may modify 1981-1984 standards but, if it results in more stringent goals, must be made 18 months prior to applicable model year.

UNACCEPTABLE: Same as above.

- ° Specifically allows for adjustments in the fuel economy standards to reflect more stringent auto emission standards.

ACCEPTABLE

- ° DOT, in the course of preparing the January 1979 report, may also modify 1985 average auto economy standards. This shall take effect unless either House disapproves within 60 days.

UNACCEPTABLE: Difficult to predict five years in advance and implementation should not be contingent upon Congressional approval.

- ° DOT shall prescribe standards for autos other than passenger vehicles.

ACCEPTABLE: There should be a division between autos and light trucks.

- ° There will be a "civil penalty" equal to \$50 per manufacturer, times the number of miles per gallon below standard.

ACCEPTABLE: If standards are revised, this method is preferable to a tax or production cutback.

- If average fuel economy exceeds standards, manufacturers may carry forward or carry back such excess to other model years.

ACCEPTABLE: A positive incentive for improvement.

- Each manufacturer shall submit a report to DOT 30 days prior to model year (starting after 1977) describing a plan to comply with the standards.

UNACCEPTABLE: There should be no mandatory standards.

MISCELLANEOUS PROVISIONS

H.R. 7014

Title XII - Joint Venture Prohibition

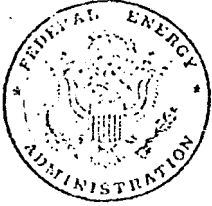
- ° Prohibits "major producers" (those who produce in excess of 1.65 million barrels per day of oil) from entering into joint ventures with each other for the purpose of exploring or drilling of Federal lands; excludes existing joint ventures.

UNACCEPTABLE: (1) As an inflexible statutory prohibition, which might limit exploration of high risk tracts or those that are difficult to develop; (2) Interior currently has the power to do it administratively and is taking steps in this direction.

Title IX - Data Base

- ° Authorizes the General Accounting Office directly to collect energy information, audit energy producers' financial records, and to set uniform accounting standards.

UNACCEPTABLE: (1) Interferes with existing procedures for achieving uniform accounting practices; (2) unnecessary additional Government intrusion into the private sector; (3) the vesting of direct information gathering authority in the General Accounting Office duplicates accounting verification procedures created by the Securities Act of 1933. It also interferes with an existing program to achieve uniform accounting standards that has the backing of the SEC, the accounting profession, and the business and academic communities.



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

OCT 6 1975

OFFICE OF THE ADMINISTRATOR

Honorable James B. Pearson
United States Senate
Washington, D. C. 20510

Dear Senator Pearson:

Pursuant to your request of Friday, October 3, 1975, I have had my staff review and analyze two amendments to S. 2310; i.e., Stevenson-Hollings-Moss Number 948 and Pearson-Bentsen Number 919. During the short time available, we have specifically studied the oil and gas pricing provisions of those two amendments and find Amendment Number 948 unacceptable. While the Administration continues to feel that complete deregulation of all new natural gas is most advisable, your amendment is an acceptable compromise and we urge its enactment.

Amendment Number 948 would roll back the price of new oil to \$9.00 per barrel with an inflation escalator and phase out \$5.25 old oil over 5 years. The President and I have already informed Congress that we cannot support oil pricing provisions such as these, which would increase our dependency upon foreign oil, thereby exporting American jobs and money. As you know, we have indicated a willingness to compromise on oil prices, but natural gas legislation is not the proper vehicle, and a \$9.00 rollback with old oil controls extended for 5 years is in the wrong direction.

As far as natural gas pricing provisions, Amendment Number 948 would set a \$1.30 per Mcf maximum (with an inflationary escalator) applicable to all new natural gas, while Amendment Number 919 regulates OCS gas for 6 years and deregulates the price of all other new natural gas. As I have consistently told you, this Administration is opposed to extending price controls into the intrastate market. When history evidences the deleterious effect which controls have had on the interstate market, it seems unthinkable to consider extending those controls into the intrastate market. However, that is not the only reason why we oppose the natural gas pricing provisions of Amendment Number 948.

In considering the effect of higher wellhead gas prices on the consumer, one must remember that already committed old natural gas, at an average price of 30¢ per Mcf, will comprise approximately 92% of the interstate volume in 1977. Therefore, the difference in new natural gas prices anticipated by Amendment Number 919 over 948 will increase the average residential consumer's monthly heating bill in 1977 by approximately \$0.70, in 1980 by approximately \$1.00, and in 1985 by approximately \$1.75. That increase is more than offset by an approximate increased annual production of at least 200 Bcf in 1977, 300 Bcf in 1980, and more than 2000 Bcf in 1985 as well as an approximate decreased demand of 600 Bcf in 1977, 750 Bcf in 1980, and 2500 Bcf in 1985, attributable to Amendment Number 919 in comparison to Amendment Number 948.

When you further consider the cost of higher priced alternative fuels to compensate for the increase in supply and decrease in demand caused by Amendment Number 919, FEA concludes that Amendment Number 919 is actually less costly than Amendment Number 948 to the consumers in the long run.

For the above reasons the Administration supports Amendment Number 919 and urges its enactment.

Sincerely,



Frank G. Zarb
Administrator

FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

October 2, 1975

MEMORANDUM FOR: FRANK ZARB, ADMINISTRATOR
FROM: PAUL CYR, DIRECTOR FOR CONGRESSIONAL AFFAIRS
SUBJECT: Conference on S. 622 and H.R. 7014

Following a meeting between the staffs of the Senate Commerce and Interior Committees, the House Interstate and Foreign Commerce Committee, and FEA representatives, Bill Van Ness (Senate Interior) and Lynn Sutcliffe (Senate Commerce), held a meeting for the Administrative Assistants of the Senate conferees.

The Administrative Assistants were given a comparative draft of the legislation (copies provided Hill, Zausner and Montgomery) plus a memo dealing with the background and arrangements for the conference. The memo is attached.

On Friday, October 3, the staffs are to receive another memo which will outline the major issues of the conference. The issues are the following:

1. Matters related to domestic supply availability
2. Standby emergency powers
3. Conservation proposals
4. Energy pricing issues including amendments to the EPAA
5. General provisions

The first meeting of the conference scheduled for Tuesday, October 7, is expected to cover the following:

1. Election of the chairman
2. Whether or not to open the conference to the public

3. Voting procedures
4. Status of the administration representatives (if any)
5. General guidelines for the conduct of the conference.

Attachment

Copies to:
John Hill
Eric Zausner
Bob Montgomery

HENRY M. JACKSON, WASH., CLARK
FRANK CANNON, IDAHO
J. EDGAR BROWNE, MONT.
J. DEWITT CLAY, TENN., CLAY
JAMES A. EASTMAN, S. DAK.
JAMES H. EASTMAN, CALIF.
JAMES H. EASTMAN, ILL.
JAMES H. EASTMAN, ARIZ.
FRANK J. LAUBACH, ARIZ.
FRANK J. LAUBACH, WYO.
MADGE O. HASTEDT, OHIO
JAMES A. MCCLURE, IDAHO
DWAYNE E. DANIELLETT, OKLA.

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

WASHINGTON, D.C. 20510

October 1, 1975

Memorandum

TO: Senate Conferees (and Energy Legislative Assistants)
on S. 622 (H.R. 7014), the Omnibus Energy Bill

FROM: Bill Van Ness, Interior and Insular Affairs Committee
Lynn Sutcliffe, Commerce Committee

RE: Background and Arrangements for Conference Committee
on S. 622

The purpose of this memorandum is to provide you with information regarding the House-Senate Conference on S. 622, the omnibus energy bill.

I. Background

A. S. 622

S. 622, in the form passed by the Senate on April 10, 1975, contained major provisions establishing:

1. specific standby energy authorities, including the authority to ration gasoline, to be triggered in the event of another embargo or other severe energy shortage;
2. the framework for participation in international cooperative agreements on energy;
3. a price policy for oil produced in the U. S. which includes a domestic ceiling, separating domestic energy prices from the price decisions of the OPEC cartel; and
4. a national energy conservation policy involving programs administered at the State level with Federal technical and financial support.

In addition, S. 622 extends the authority embodied in the Emergency Petroleum Allocation Act until March 1, 1976 and the authority to issue orders in the Energy Supply and Environmental Coordination Act until December 31, 1975.

2-

B. H. R. 7014


H. R. 7014 passed the House of Representatives on September 23, 1975. This bill contained major provisions dealing with:

1. standby energy authorities;
2. the framework for U. S. participation in international agreements on energy;
3. the establishment of a national civilian strategic petroleum reserve;
4. the establishment of a domestic oil price policy;
5. mandatory gasoline allocation savings and refinery and retail distribution control;
6. mandatory automobile fuel economy standards;
7. energy labelling and efficiency standards for consumer products;
8. substitution of other fuels for oil and natural gas;
9. audits by the General Accounting Office of petroleum companies; and
10. limitations on leasing of Federal lands by certain large producers of energy.

In addition, H. R. 7014 extends the authority contained in the Emergency Petroleum Allocation Act indefinitely and extends the authority to issue orders under the Energy Supply and Environmental Coordination Act until June 30, 1977.

C. Requests for Conference

At the conclusion of House action on H. R. 7014, the manager of the bill called up S. 622, struck all after the enacting clause, substituted the text of H. R. 7014 as an amendment in the nature of a substitute, requested conference with the Senate, and appointed conferees.



-3-

On September 25th the Senate concurred in the House request and named conferees. This action was vacated on September 26th and the Senate then adopted an amendment in the nature of a substitute to the House amendment to the Senate bill, requested conference and appointed conferees. The purpose of this procedure was to add as amendments, and to formally place before the Conference Committee, the text of three separate energy bills which had previously been adopted by the Senate.

These bills are:

- S. 677, the Strategic Energy Reserves Act,
- S. 349, the Energy Labeling and Disclosure Act,
and
- S. 1883, the Automobile Fuel Economy Act of 1975.

Earlier today the House concurred in the Senate's request for conference and reappointed conferees. Attached for your use and information is a list of the Senate and House conferees.

II. Schedule

1. The Conference Committee is currently scheduled to formally meet on Tuesday, Wednesday and Thursday of next week (October 7-9) in morning and afternoon session. Notices will be sent to your office when a room for the meetings has been reserved.
2. President Ford expressed a desire to meet with the conferees in a meeting with the Congressional leadership last week. Attached is a letter sent to the President yesterday by Congressman Staggers and Senator Jackson expressing a willingness to meet prior to the formal convening of the Conference Committee. When a date, time and location for the meeting have been arranged, this information will be furnished to your office.

III. Conference Working Papers

1. A comparative committee print, with the text of the House bill in the left-hand column and similar Senate provisions in the right-hand column, has been prepared for your use and information. This committee print is in preliminary form and does not reflect title designation and section number changes which were made in the Senate amendment to S. 622 on September 26, 1975. A final comparative print, reflecting these changes, will be available on Monday, October 6. Please note the introductory comments on the first page of the print.

2. In view of the many issues and the length of the House and Senate bills, the comparative print will be subdivided into five separate volumes by subject matter:

I. Matters Related to Domestic Supply Availability

II. Standby Emergency Powers

III. Conservation Proposals

IV. Energy Pricing Issues (including amendments to the EPAA)

V. General Provisions

These five comparative prints are in preparation; the first volume, "Matters Related to Domestic Supply Availability," will be available to you on Friday, October 3.

3. To facilitate initial discussions a summary of the significant policy issues in each of the five subject matter areas is being prepared for the use of the conferees.

Additional conference working papers will be made available to conferees on Friday to permit an opportunity to review the papers prior to Tuesday's meeting.

It is requested that all working papers be treated as for the confidential use of conferees and their staff pending a formal decision by the Conference Committee as to how they want working papers treated.

IV. Agenda for Tuesday's Meeting

A formal agenda for the initial meeting of the Conference Committee has yet to be prepared. It is anticipated, however, that the agenda will include election of a chairman, whether to open the conference to the public, voting procedures, and general guidelines for conduct of the conference.

BVN:mg

HURLEY O. STAGGERS, W. VA., CHAIRMAN

WILLIAM H. ROY, MISS.
JIMMIE E. MOSS, CALIF.
JAMES H. BRIDGES, MICH.
PAUL C. HENNING, FLA.
LEONID V. LUTCH, CALIF.
FRANK R. FORTY, PA.
JOHN H. MURPHY, N.Y.
DAVID F. KASTENBACH III, VA.
FRANK A. WASSERMAN, WASH.
W. S. PHILLIP STONEY, JR., CAL.
EDWARD HANDEL, TEX.
RICHARDSON PREYER, N.C.
JAMES W. SIMMONS, MO.
CHARLES J. CONNORS, OHIO
RALPH H. METCALFE, ILL.
GOSWOLD E. BRADON, MD.
JAMES H. ROSENBERG, N.Y.
EDWARD L. CLAYTON, N.Y.
HENRY A. WAGNER, CALIF.
ROBERT HUNT KENNEDY, TEX.
TIMOTHY E. WAINWRIGHT, CALIF.
PHILIP H. KENNEDY, IOWA
WILLIAM M. BRODHEAD, MICH.
W. G. THIEL KENNEDY, N.C.
JAMES J. FLAHERTY, N.J.
ANTHONY TONY MOFFETT, CONN.
JIM SANDERS, NEV.
ANDREW MAQUIRE, N.J.

SAMUEL L. BRYNE, OHIO
JAMES T. BRIDGEMAN, N.C.
TIM LEE CARTER, N.Y.
CLARENCE J. BROWN, OHIO
JOE ANDRETTI, PA.
JAMES F. HASTINGS, N.Y.
LEWIS HAY, JR., FLA.
JOHN Y. MCCOLLISTER, NEBR.
JOHANN F. EISEN, N.Y.
H. JOHN HEINZ III, PA.
EDWARD R. MADIGAN, ILL.
CARLOS J. MOORHEAD, CALIF.
MATTHEW J. RINALDO, N.J.

Congress of the United States
House of Representatives
Committee on Interstate and Foreign Commerce
Room 2127, Rayburn House Office Building
Washington, D.C. 20515

September 30, 1975

W. E. WILLIAMSON, CLERK

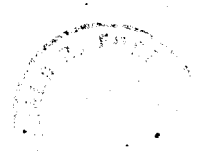
The President
The White House
Washington, D. C.

My dear Mr. President:

We have been informed by the Congressional leadership that you desire to meet with the House and Senate conferees to discuss energy policy issues which attend consideration of S. 622 and H.R. 7014.

As you know the time-honored constitutional doctrine of separation of powers precludes the conferees from meeting in formal session with the Executive. Nonetheless, to assure that members have the fullest opportunity to consider your views and maintain a constructive dialogue on policy matters of this magnitude, we believe it would be useful and consistent with our legislative responsibilities to meet informally with you prior to convening the conference. Accordingly we stand ready to arrange a meeting for this purpose at your convenience. In this regard, however, we should point out that it is our intention to begin formal sessions of the conference on Tuesday of next week, October 7. Our discussion necessarily must precede that date.

Let us assure you that we will devote our full capacities to the task of concluding the development of a comprehensive, rational national energy program in the context of this upcoming conference. We are, of course, aware that our views of the



The President

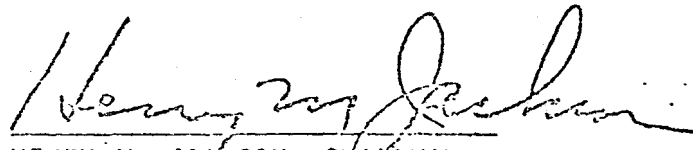
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September 30, 1975

public interest in the area of energy policy are in several respects sharply divergent. We are hopeful that reconciliation of these strongly held perspectives can and will be achieved. Your commitment to that end, free from rigid and contentious rhetoric, will be most welcome.

Sincerely yours,


HARLEY U. STAGGERS, CHAIRMAN
House Committee on Interstate
and Foreign Commerce


HENRY M. JACKSON, CHAIRMAN
Senate Committee on Interior
and Insular Affairs

SENATE CONFEREES

Interior and Insular Affairs Committee

Henry M. Jackson
J. Bennett Johnston
Floyd K. Haskell
John Glenn
Richard (Dick) Stone
Dale Bumpers
✓ Paul J. Fannin
Clifford P. Hansen
James A. McClure
Dewey F. Bartlett
James Abouresk

Commerce Committee

Warren G. Magnuson
Ernest F. Hollings
Adlai E. Stevenson
John O. Pastore
Vance Hartke
Philip A. Hart
Howard W. Cannon
Robert P. Griffin ✓
Ted Stevens
J. Glenn Beall, Jr.
Lowell P. Weicker, Jr.

Public Works Committee

Jennings Randolph
Edmund S. Muskie
Howard H. Baker, Jr. ✓

HOUSE CONFEREES

Harley Staggers
John Dingell
Torbert H. MacDonald
John E. Moss
Paul G. Rogers
Clarence J. Brown
James T. Broyhill



THE WHITE HOUSE

WASHINGTON

October 3, 1975

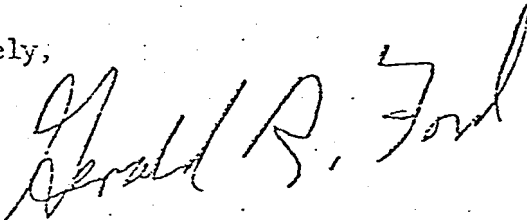
Dear Chairman Staggers:

This is in response to your letter of September 30 regarding the conference on H.R. 7014 and S. 622.

Perhaps a review of my recent discussions with the Bipartisan Leadership would be useful. The joint meeting was first suggested by Representative O'Neill and Senator Moss. I agreed to participate in such a meeting when it was clear that the issues had been identified. Further, it was the consensus of those present, including myself, that such a meeting would be most profitable if it took place after the conferees had had several preliminary meetings to narrow the issues. However, it is important to note that H.R. 7014 and S. 622 lack the provisions necessary to fulfill our energy requirements. Some provisions would actually increase our dependence on foreign oil to the detriment of the American people.

I have directed Frank Zarb to meet with you and the conference leaders to determine when such a meeting could produce the best results.

Sincerely,



The Honorable Harley O. Staggers
Chairman
Interstate and Foreign Commerce Committee
House of Representatives
Washington, D. C. 20515

bcc: Albert/O'Neill/McFall/Phil Burton/Rhodes/Michel/Anderson
Devine/Clarence Brown/Conable/Schneebeli