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STATE AND PARTY REPORT

3 FEB. 1976 2:31 PM PAGE

ROLL NO. 32

H RES 937

RECORDED VOTE

CLOSED 3 FEB. 1976 1:59 PM

AUTHOR(S) MR. BOLLING.

ON AGREEING TO THE RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 9464, THE NATURAL GAS EMERGENCY ACT.

	AYES	NOES	PRES	NY
DEMOCRATIC	102	175		11
REPUBLICAN	128	9		7
OTHER				
TOTAL	230	184		18

File



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

ALABAMA

BEVILL YEA
 FLOWERS YEA
 JONES (AL) YEA
 NICHOLS YEA

BUCHANAN YEA
 DICKINSON YEA
 EDWARDS (AL) YEA

ALASKA

YOUNG (AK) YEA

ARIZONA

UDALL NY

CONLAN YEA
 RHODES YEA
 STEIGER (AZ) YEA

ARKANSAS

ALEXANDER YEA
 HILLS YEA
 THORNTON YEA

HAMMERSCHMIDT YEA

CALIFORNIA

ANDERSON (CA) NAY
 BROWN (CA) YEA
 BURKE (CA) NAY
 BURTON, JOHN NAY
 BURTON, PHILLIP NAY
 CORMAN NAY
 DANIELSON NAY
 BELLUMS NAY
 EDWARDS (CA) NY
 HANNAFORD YEA
 HAWKINS NAY
 JOHNSON (CA) YEA
 KREBS NAY
 LEGGETT NAY
 LLOYD (CA) NAY
 MC FALL YEA
 MILLER (CA) NAY
 MINETA NAY
 MOSS NAY
 PATTERSON (CA) NAY
 REES YEA
 ROYBAL NAY
 RYAN NAY
 SISK YEA
 STARK NAY
 VAN DEERLIN NAY
 WAXMAN NAY
 WILSON, C. H. YEA

BELL YEA
 BURGNER YEA
 CLAUSEN, DON H. YEA
 CLAWSON, DEL YEA
 GOLDWATER YEA
 HINSHAW NY
 KETCHUM YEA
 LACOMARSINO YEA
 MC CLOSKEY YEA
 MOORHEAD (CA) YEA
 PETTIS YEA
 ROUSSELOT YEA
 TALCOTT YEA
 WIGGINS YEA
 WILSON, BOB YEA

COLORADO

EVANS (CO) NAY
 SCHROEDER YEA
 WIRTH YEA

ARMSTRONG YEA
 JOHNSON (CO) YEA



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

CONNECTICUT

COTTER NAY
 DODD NAY
 GIAMMO YEA
 MOFFETT NAY

MC KINNEY YEA
 SARASIN YEA

LAWARE

DU PONT YEA

DRIDA

BENNETT YEA
 CHAPPELL YEA
 FASCELL YEA
 FUGUA YEA
 GIBBONS YEA
 HALLEY YEA
 LEHMAN YEA
 PEPPER YEA
 ROGERS NAY
 SIKES YEA

BAFALIS YEA
 BURKE (FL) YEA
 FREY YEA
 KELLY YEA
 YOUNG (FL) YEA

ORGIA

BRINKLEY NAY
 FLYNT NAY
 GINN NAY
 LANDRUM YEA
 LEVITAS NAY
 MATHIS NAY
 MC DONALD YEA
 STEPHENS NY
 STUCKEY YEA
 YOUNG (GA) NAY

HAWAII

HATSUNAGA YEA
 WINK NAY

IDAHO

HANSEN YEA
 SYMS YEA



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

ILLINOIS

ANNUNZIO NAY
 COLLINS (IL) NAY
 FARY NAY
 HALL NAY
 METCALFE NV
 MIKYA NAY
 MURPHY (IL) NV
 PRICE NAY
 ROSTENKOWSKI NV
 RUSSO NAY
 SHIPLEY YEA
 SIMON NAY
 YATES NAY

ANDERSON (IL) YEA
 CRANE YEA
 DERWINSKI YEA
 ERLENBORN YEA
 FINDLEY YEA
 HYDE YEA
 MADIGAN YEA
 MC CLORY YEA
 MICHEL YEA
 O'BRIEN YEA
 RAILSBACK NV

INDIANA

BRADENAS NAY
 EVANS (IN) NAY
 FITHIAN NAY
 HAMILTON YEA
 HAYES (IN) YEA
 JACOBS NAY
 MADDEN NAY
 ROUSH NAY
 SHARP NAY

HILLIS YEA
 MYERS (IN) YEA

IOWA

BEDELL NAY
 BLOUIN NAY
 HARKIN NAY
 MEZVINSKY NAY
 SMITH (IA) NAY

GRASSLEY YEA

KANSAS

KEYS NAY

SEBELIUS YEA
 SHRIVER YEA
 SKUBITZ YEA
 WINN YEA

KENTUCKY

BRECKINRIDGE NAY
 HUBBARD YEA
 MAZZOLI NAY
 HATCHER YEA
 PERKINS NAY

CARTER YEA
 SNYDER NV

LOUISIANA

BOGGS YEA
 BREAUX YEA
 HEBERT YEA
 LONG (LA) YEA
 PASCHAN YEA
 WAGGONER YEA

MOORE YEA
 TREEN YEA



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

THE

COHEN	YEA
EMERY	YEA

RYLAND	
BYRON	YEA
LONG (MD)	YEA
MITCHELL (MD)	NAY
SARBANES	NAY
SPELLMAN	NAY

BAUMAN	YEA
GUDE	NAY
HOLT	YEA

MASSACHUSETTS	
BOLAND	NAY
BURKE (MA)	NAY
DRINAN	NAY
EARLY	NAY
HARRINGTON	NAY
MACDONALD	NAY
HOAKLEY	NAY
O'NEILL	YEA
STUDDS	NAY
TSONGAS	NAY

CONTE	NAY
HECKLER (MA)	NAY

MICHIGAN	
BLANCHARD	NAY
BRODBHEAD	NAY
CARR	NAY
CONYERS	NAY
DIGGS	NV
DINGELL	NAY
FORD (MI)	NAY
NEBZI	NAY
O'HARA	NAY
RIEGLE	NAY
TRAXLER	NAY
VANDER VEEN	NAY

BROOKFIELD	YEA
BROWN (MI)	NY
CEDERBERG	YEA
ESCH	YEA
HUTCHINSON	YEA
RUPPE	YEA
VANDER JAGT	YEA

MINNESOTA	
BERGLAND	NAY
FRASER	NAY
KARTH	NAY
NOLAN	NAY
OBERSTAR	NAY

FRENZEL	YEA
HAGEDORN	YEA
QUIE	YEA

MISSISSIPPI	
BOWEN	YEA
MONTGOMERY	YEA
WHITTEN	YEA

COCHRAN	YEA
LOTT	YEA



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

STATE	NAME	PARTY	NAME	PARTY
MISSOURI	ROLLING	NAY	TAYLOR (MO)	YEA
	PARLISON (MO)	YEA		
	CLAY	NAY		
	HUNGHATE	YEA		
	LECHORD	YEA		
	LITTON	NAY		
	RANDALL	YEA		
	SULLIVAN	NAY		
BYINGTON	NAY			
MONTANA	BRUCUS	NAY		
	HELCHER	YEA		
NEBRASKA			MC COLLISTER	YEA
			SMITH (NB)	YEA
			THONE	YEA
NEVADA	DANTINI	NAY		
NEW HAMPSHIRE	WARMOURS	NAY	CLEVELAND	YEA
NEW JERSEY	DANIELS (NJ)	NAY	FENWICK	NAY
	FLORIO	NAY	FORSYTHE	YEA
	MELSTOSKI	NAY	RINALDO	NAY
	HOWARD	NAY		
	HUGHES	NAY		
	MACUIRE	NAY		
	MEYNER	NAY		
	MINISH	NAY		
	PATTEN (NJ)	NAY		
	RODINO	NAY		
	ROE	NAY		
	THOMPSON	NAY		
NEW MEXICO	PUNHELS	YEA	LUJAN	YEA



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

NY YORK				
ABZUG	NAY		CONABLE	YEA
ADDARDO	NAY		FISH	YEA
AMBRO	NAY		GILMAN	YEA
BADILLO	NAY		HORTON	YEA
BIAGGI	NAY		KEMP	YEA
BINGHAM	NAY		LENT	YEA
CHISHOLM	NY		MC EWEN	YEA
DELANEY	NAY		MITCHELL (NY)	YEA
DOWNEY (NY)	NAY		PEYSER	NAY
HANLEY	NAY		WALSH	YEA
HOLTZMAN	NAY		WYDLER	YEA
KOCH	NAY			
LAFALCE	NAY			
MC HUGH	NAY			
MURPHY (NY)	YEA			
NOWAK	NAY			
OTTINGER	NAY			
PATTISON (NY)	NAY			
PIKE	NAY			
RANGEL	NAY			
RICHMOND	NAY			
ROSENTHAL	NAY			
SCHEUER	NAY			
SOLARZ	NAY			
STRATTON	NAY			
WOLFF	NAY			
ZEFERETTI	NAY			
RTH CAROLINA				
ANDREWS (NC)	NY		BROYHILL	YEA
FOUNTAIN	YEA		MARTIN	YEA
KEFNER	YEA			
HENDERSON	YEA			
JONES (NC)	YEA			
KEAL	YEA			
PREYER	YEA			
ROSE	YEA			
TAYLOR (NC)	YEA			
RTH DAKOTA				
			ANDREWS (ND)	YEA



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

OHIO

ASHLEY	YEA
CARNEY	NAY
HAYS (OH)	NAY
HOTTL	NAY
SEIDERLING	NAY
STANTON, JAMES V.	NAY
STOKES	NAY
VANIK	NAY

ASHBROOK	YEA
BROWN (OH)	YEA
CLANDY	YEA
DEVINE	YEA
GRADISON	YEA
GUYER	YEA
HARSHA	NAY
KINDNESS	YEA
LATTA	YEA
MILLER (OH)	YEA
MOSHER	YEA
REGULA	YEA
STANTON, J. WILLIAM	YEA
WHALEN	NAY
WYLIE	YEA

OKLAHOMA

ALBERT	
ENGLISH	YEA
JONES (OK)	YEA
RISEHOOVER	YEA
STEED	YEA

JARMAN	YEA
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OREGON

AUCOIN	YEA
BURCAN (OR)	NAY
ULLMAN	YEA
WEAVER	NAY

PENNSYLVANIA

BARRETT	NAY
DENT	YEA
EDGAR	NAY
EILBERG	NAY
FLOOD	NAY
GAYDOS	NAY
GREEN	NAY
HOORHEAD (PA)	NAY
MORGAN	NAY
MURTHA	YEA
NIX	NAY
RODNEY	NAY
VIGORITO	NAY
YATRON	NAY

BIESTER	NAY
COUGHLIN	YEA
ESHLEMAN	NAY
GOODLING	YEA
HEINZ	YEA
JOHNSON (PA)	YEA
MC DADE	NAY
MYERS (PA)	YEA
SCHNEEBELI	YEA
SCHULZE	YEA
SHUSTER	YEA

RHODE ISLAND

BEARD (RI)	NAY
ST GERMAIN	NAY



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

SOUTH CAROLINA

DAVIS	NAY
DERRICK	YEA
HOLLAND	YEA
JENNETTE	NAY
MANN	YEA

SPENCE YEA

SOUTH DAKOTA

ABDNOR	YEA
PRESSLER	YEA

TENNESSEE

ALLEN	NAY
EVINS (TN)	NAY
FORD (TN)	NAY
JONES (TN)	YEA
LLOYD (TN)	NAY

BEARD (TN)	YEA
DUNCAN (TN)	YEA
QUILLEN	YEA

TEXAS

BROOKS	YEA
BURLESON (TX)	YEA
DE LA GARZA	YEA
ECKHARDT	NAY
GONZALEZ	NAY
HIGHTOWER	YEA
JORDAN	YEA
KAZEN	YEA
KRUEGER	YEA
MAHON	YEA
MILFORD	YEA
PATMAN (TX)	YEA
PICKLE	YEA
POAGE	YEA
ROBERTS	YEA
TEAGUE	YEA
WHITE	YEA
WILSON, (TX)	YEA
WRIGHT	YEA
YOUNG (TX)	YEA

ARCHER	YEA
COLLINS (TX)	YEA
STEELMAN	YEA

TAHOMA

HOWE	NAY
MC KAY	YEA

VERMONT

JEFFORDS NAY

VIRGINIA

DANIEL, DAN	YEA
DOWNING (VA)	YEA
FISHER	YEA
HARRIS	NAY
BATTERFIELD	YEA

BUTLER	YEA
DANIEL, R. W.	YEA
ROBINSON	YEA
WAMPLER	YEA
WHITEHURST	YEA



ROLL NO. 32

DEMOCRATIC

OTHER

REPUBLICAN

WASHINGTON

ADAMS NAY
 BONKER NAY
 FOLEY YEA
 HICKS NAY
 MC CORMACK NY
 NEEDS NAY

PRITCHARD

YEA

WEST VIRGINIA

HECHLER (WV) NAY
 MOLLOHAN YEA
 SLACK YEA
 STAGGERS NAY

WISCONSIN

ASPIN NAY
 BALDUS NAY
 CORNELL NAY
 KASTENMEIER NAY
 OBEY NAY
 REUSS NAY
 ZABLOCKI NAY

KASTEN
 STEIGER (WI)

YEA
 YEA

WYOMING

RONCALIO YEA

* * * * * * END OF REPORT * * * * *



THE WHITE HOUSE
WASHINGTON

March 10, 1976

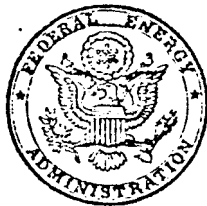
TO: CHARLIE LEPPERT

FROM: GLENN SCHLEEDE

Attached is a copy of the Administration's Alaskan Natural Gas bill which is being sent to the Hill today by Frank Zarb.

Also attached is a copy of the cover letter and fact sheet.

Attachments



FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D. C. 20461

F148

OFFICE OF THE ADMINISTRATOR

Honorable Nelson A. Rockefeller
President of the Senate
Washington, D.C. 20510

Dear Mr. President:

I am transmitting herewith a bill entitled the "Alaskan Natural Gas Transportation Act of 1976." This bill is designed to expedite the selection and construction of a system for the transportation of natural gas from the North Slope of Alaska to the lower 48 states.

The bill recognizes the importance to the Nation of prompt selection of such a transportation system, and will provide a means to obtain a decision on this vital issue as soon as feasible, but no later than October 1, 1977. At the same time, it will provide adequately for the detailed technical, financial and environmental studies that must be completed to assure a decision in the public interest, with participation by both the Congress and the Executive.

Production of natural gas in the United States continues to decline. This trend weakens the efforts the Nation must make to promote domestic production of energy resources, to reduce our dependence upon foreign energy sources and our vulnerability to another embargo. Although natural gas from Alaska is not the only answer to our energy needs, we must act now to assure that we can use this significant domestic energy resource as soon as possible. The long lead times required by the scale and sophistication of the engineering and construction effort to transport Alaskan gas argue strongly for an efficient decision-making process. Unnecessary procedural delay would be unconscionable.

Two applications for a system to transport North Slope natural gas to the lower 48 states are now pending before the Federal Power Commission. The Commission is well along in the difficult and complex task of reviewing and analyzing these applications as well as alternative systems. I believe that

it would be a mistake, as some have suggested, to truncate this carefully conducted deliberative process by the agency most familiar with the natural gas industry. While we need a prompt decision, we also need the right decision.

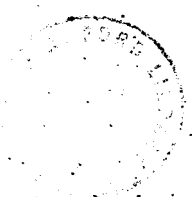
Nonetheless, selection of a system, because of the size of the project and the complexity of the decision, will transcend the responsibilities of any single Federal agency. Final selection of a route will involve national security, energy, environmental and diplomatic considerations which it is neither fair nor appropriate to ask the Federal Power Commission alone to resolve. Accordingly, the proposed legislation provides for the Federal Power Commission to complete its review and make a recommendation to the President by January 1, 1977. The proposed legislation provides for the final decision to be made by the President, with such information and recommendations from other Federal agencies as the President deems appropriate. The bill would require the President to make a decision as soon as possible after receipt of agency recommendations, but in no event later than August 1, 1977. The Congress would then have 60 days in which it might review and act upon this decision. If the Congress takes no negative action on the President's decision, the Federal Power Commission and other relevant Federal agencies are mandated to promptly issue, consistent with normal procedures and criteria, the needed certificates, permits, leases, rights of way and other necessary authorizations, which would occur after completion of a final environmental impact statement. In addition, the bill limits the scope and timing of judicial review, consistent with constitutional safeguards, so that lawsuits by private parties will not hamstring expeditious construction of a system that the President and the Congress have agreed is in the national interest.

These provisions of the bill are similar to those adopted by the Congress in the Trans-Alaska Pipeline Authorization Act of 1973. This legislation is no less urgent, and commends use of the same means promptly to assure a decision which carries out the public interest.

The Office of Management and Budget has advised that enactment of this legislation would be in accord with the energy program of the President. I urge early action by the Congress on this important legislation.

Sincerely,

Frank G. Zarb
Administrator



A BILL

To expedite the delivery of Alaskan Natural Gas to United States' markets, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Alaskan Natural Gas Transportation Act of 1976."

CONGRESSIONAL FINDINGS

Sec. 2. The Congress finds and declares that:

(a) A natural gas supply shortage exists in the United States.

(b) Large reserves of natural gas in the State of Alaska can help significantly to alleviate this supply shortage.

(c) The construction of a natural gas pipeline system to transport natural gas from Alaska to the contiguous 48 states at the earliest practicable time, is essential to the national interest.

(d) Alternative delivery systems for transporting Alaskan natural gas to the contiguous 48 states are available, and the decision as to the selection of a system is one which involves critical questions of national energy policy, international relations, national defense, and

economic and environmental considerations, and which therefore should appropriately be addressed by the Congress of the United States and the Executive Branch, in addition to the Federal Power Commission.

STATEMENT OF PURPOSE

Sec. 3. The purpose of this Act is to expedite the selection and construction of a natural gas transportation system for delivery of Alaskan natural gas to the contiguous 48 states through establishment of new administrative and judicial procedures. To accomplish this purpose it is the intent of the Congress to exercise its constitutional powers to the fullest extent in the authorizations and directions herein made and in limiting judicial review of the actions taken pursuant thereto.

DEFINITIONS

Sec. 4. As used in this Act;

(a) The term "Alaskan natural gas" means natural gas derived from the area of the State of Alaska generally known as the North Slope of Alaska, including the continental shelf thereof.

(b) The term "Commission" means the Federal Power Commission.

(c) The term "Secretary" means the Secretary of the Interior.

FEDERAL POWER COMMISSION REVIEW

Sec. 5. (a) Notwithstanding the provisions of the Natural Gas Act (15 U.S.C., §717-717w), the procedures established by this Act shall govern actions by the Commission with respect to review and approvals of applications for a certificate of public convenience and necessity filed by any person with respect to proposals to transport Alaskan natural gas from the State of Alaska for use within other states in the continental United States. The provisions of the Natural Gas Act shall apply to the extent they are not inconsistent with this Act. Any certificate of public convenience and necessity related to the transportation of Alaskan natural gas from the State of Alaska shall be issued by the Commission in accordance with section 9 of this Act.

(b) The Commission is hereby directed to complete its proceedings with respect to proposals for the transportation of Alaskan natural gas from the State of Alaska, which proceedings are pending on the date of enactment of this Act, and to transmit a determination thereon to the President by January 1, 1977.

(c) The determination required by subsection (b) of this section may be in the form of a proposed certificate of public convenience and necessity, or such other form as the Commission deems appropriate, and should include such information as the Commission deems appropriate, including:

- (i) estimated capital and operating costs, including analysis of any likely cost overruns;
- (ii) analysis of construction schedules and possibilities for delay;
- (iii) extent of reserves, both proven and probable, and their deliverability into a transportation system;
- (iv) analysis of environmental considerations, including pipeline design criteria, and maintenance and construction procedures;
- (v) financing capabilities;
- (vi) safety in design and operation;
- (vii) anticipated demand in, and deliverability to particular markets, including analysis of displacement questions and substitute fuels;
- (viii) anticipated transportation tariffs, both short-term and long term.

OTHER AGENCY REPORTS

Sec. 6. By February 1, 1977, the President shall require from such agencies as he deems appropriate the submission of reports to him with respect to the alternative methods for delivering Alaskan natural gas to the other states in the continental United States. Such reports should include information with respect to:

- (a) issues related to national energy policy;

- (b) environmental considerations, including a detailed study of the air and water quality and noise impacts;
- (c) issues related to pipeline safety and Liquefied Natural Gas transportation;
- (d) foreign policy aspects, including evaluation of the status of Canadian approvals and plans;
- (e) national defense, particularly questions of security of supply;
- (f) issues relating to natural resources, use of Federal lands, and fish and wildlife resources; and
- (g) issues relating to financing.

PRESIDENTIAL DECISION

Sec. 7. (a) As soon as possible after receipt of the reports required by section 6, but not later than August 1, 1977, the President shall issue a decision as to which system for transportation of Alaskan natural gas, if any, shall be issued the necessary approvals in accordance with sections 9 and 10 of this Act. The Presidential selection of the natural gas transportation system shall be based on the determination as to which system best serves the national interest in bringing Alaskan natural gas to the contiguous 48 states and shall include such terms and conditions as the President deems appropriate.

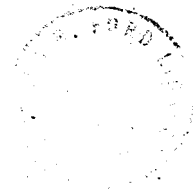
(b) The decision of the President made pursuant to subsection (a) of this section, along with a statement of the reasons therefor, shall be transmitted immediately to the Senate and the House of Representatives.

(c) The decision of the President shall become final as provided in section 8.

CONGRESSIONAL REVIEW

Sec. 8. (a) A Presidential decision issued pursuant to section 7 shall become final after the close of the 60-day period beginning on the day on which such decision is transmitted to the Senate and to the House of Representatives.

(b) If, because of Congressional action, the Presidential decision does not become final, the President may submit the same or a new decision to the Senate and the House of Representatives. Any such new submission may only become final in accordance with the procedures specified in subsection (a) in the same manner as a decision issued pursuant to section 7.



CERTIFICATION

Sec. 9. (a) The Congress hereby authorizes and directs the Commission, within thirty days after a Presidential decision has become final in accordance with section 8 of this Act, to issue all certificates, permits, and other authorizations necessary for or related to the construction, operation, and maintenance of the transportation system selected in accordance with sections 7 and 8 of this Act. The Commission, in issuing such certificates, permits or authorizations, shall include the terms and conditions set out by the President in his decision pursuant to section 7 of this Act.

(b) No action may be taken by any agency pursuant to this Act until any environmental impact statements considering a system for transportation of natural gas from Alaska to the contiguous 48 states, which statements are in draft form on the effective date of this Act, are completed in final form and filed with the Council on Environmental Quality.

Section 102(2)(C) of the National Environmental Policy Act of 1969 shall not be applicable to the Alaskan Natural Gas transportation system selected in accordance with this Act, except as provided in this subsection.

OTHER ADMINISTRATIVE AUTHORIZATIONS

Sec. 10. (a) The Congress hereby authorizes and directs the Secretary of the Interior, the Secretary of

Transportation, and other appropriate Federal officers and agencies to issue and take all necessary action to administer and enforce rights-of-way, permits, leases, and other authorizations that are necessary for or related to the construction, operation, and maintenance of the Alaskan natural gas transportation system; provided that, nothing in this subsection shall be construed to require the granting of any authorization relating to federal financial assistance.

(b) Rights-of-way, permits, leases, and other authorizations issued pursuant to this Act by the Secretary shall be subject to the provisions of section 28 of the Mineral Leasing Act of 1920 (30 U.S.C., §185) (except the provisions of subsections (h)(1), (j), (k), (q), and (w)(2)); all authorizations issued by the Secretary and other Federal officers and agencies shall include the terms and conditions required, and may include the terms and conditions permitted, by the provisions of law that would otherwise be applicable if this Act had not been enacted, and they may waive any procedural requirements of law or regulations which they deem desirable to waive in order to accomplish the purposes of this Act. The direction contained in subsection (a) of this section shall supersede the provisions of any law or regulations relating to an administrative determination as to whether the authorizations for construction of the Alaskan natural gas transportation system shall be issued.

(c) The Secretary of the Interior and the other Federal officers and agencies are authorized at any time when necessary to protect the public interest, pursuant to the authority of this section and in accordance with its provisions, to amend or modify any right-of-way, permit, lease, or other authorization issued under this Act.

JUDICIAL REVIEW

Sec. 11. The actions of the Federal officers concerning the issuance of the necessary rights-of-way, permits, leases, and other authorizations for construction, and initial operation at full capacity of the Alaskan natural gas transportation system, including the issuance of a certificate of public convenience and necessity by the Commission, shall not be subject to judicial review under any law, except that claims alleging the invalidity of this section may be brought within sixty days following the date of enactment, and claims alleging that an action will deny rights under the Constitution of the United States, or that the action is beyond the scope of authority conferred by this Act, may be brought within 60 days following the date of such action. A claim shall be barred unless a complaint is filed in the United States district court for the District of Columbia within such time limits, and such court shall have exclusive jurisdiction to determine such proceeding in accordance with the procedures hereinafter provided, and no other court of



the United States, of any State, territory, or possession of the United States, or of the District of Columbia, shall have jurisdiction of any such claim whether in a proceeding instituted prior to or on or after the date of enactment of this Act. Any such proceeding shall be assigned for hearing at the earliest possible date, shall take precedence over all other matters pending on the docket of the district court at that time, and shall be expedited in every way by such court. Such court shall not have jurisdiction to grant any injunctive relief against the issuance of any right-of-way, permit, lease, or other authorization pursuant to this section except in conjunction with a final judgment entered in a case involving a claim filed pursuant to this section. There shall be no review of an interlocutory or final judgment, decree, or order of such district court except that any party may appeal directly to the Supreme Court of the United States.

SEPARABILITY

Sec. 12. If any provision of this Act, or the application thereof, is held invalid, the remainder of this Act shall not be affected thereby.

FACT SHEET

PROPOSED LEGISLATION RELATIVE TO CONSTRUCTION OF A NATURAL GAS PIPELINE FROM ALASKA

Background

- ° Natural gas is a vital source of domestic energy. It accounts for 30 percent of total energy consumption and over 40 percent of non-transportation needs. Yet, domestic production of gas peaked in 1973 at 22.5 trillion cubic feet and has declined in each of the past two years. Domestic proved reserves have been declining since 1965, with the exception of 1969 when the North Slope Reserves were added to the national resource base. As a consequence of declining supply, curtailments have been increasing steadily since they were first experienced in 1970.
- ° While the President has declared that deregulation of new natural gas is the most important action that can be taken to improve our future situation, it is also imperative to assure that all possible proven sources of additional gas supply are developed. Such a source is the vast reserves on the North Slope of Alaska, estimated at 26 trillion cubic feet.
- ° Proposed alternative delivery systems for transporting Alaskan natural gas to the "Lower 48" States are now under consideration. Current federal studies indicate that proposals to deliver the gas are economically viable. Unless the federal selection and implementation processes are expedited, the delivery of this critical fuel will be delayed, and the costs of the proposed transportation systems will rise markedly. Delay will also increase the prospects of future curtailments and costs to the consumer.

Statutory Delays

- ° Current Alaskan gas transportation proposals involve critical questions of national energy policy, international relations, national defense, and economic and environmental considerations. These concerns are not, however, insurmountable and indeed, must be resolved quickly if delays in construction are not to inflate the ultimate costs of the system.
- ° Some of the areas of potential delay are:
 - Federal Power Commission

1. Issue a certificate of public convenience and necessity for the construction and operation of the transportation system (including the allowable tariff).
2. Authorize gas sale by Prudhoe Bay gas producers.
3. Approve agreements, including quantities and price, between parties affected by any proposed displacement of natural gas supplies.

- Interior Department

1. Permits for rights-of-ways over federal land, both in Alaska and the "Lower 48" States.
2. Assure that the interests of the Alaskan natives are fully protected.

- Environmental Protection Agency (and the affected States)

1. Permits for discharge of liquid waste into waters of the State, if relevant.

- Corps of Engineers

1. Permits for river crossings and for dredging of river bottoms.

- Coast Guard

1. Various approvals regarding construction and operation of liquid natural gas tankers, if relevant.

- Other Federal Agencies

1. Federal Maritime Commission, Public Health Service, Maritime Administration, Federal Communications Commission.

- Individual State Approvals

1. Alaska authorization on the natural gas Maximum Efficient Rates (MER) of production. Any other State authorization or permits regarding roads, sewage, coastal zone impacts, etc. Some States may institute additional

certification requirements to minimize adverse effects or to influence the selection process.

How Legislation Deals with These Factors

- The proposed "Alaskan Natural Gas Transportation Act of 1976" would expedite the selection and construction of a natural gas transportation system for delivery of Alaskan natural gas to the "Lower 48" States through the establishment of new administrative and judicial procedures.
- The Federal Power Commission is already engaged in comprehensive hearings on Alaskan Gas transportation proposals which they expect to complete by the end of the year. The Bill would require the FPC to complete its current proceedings and transmit a determination to the President by January 1, 1977. Such determination may be in the form of a proposed certificate of public convenience and necessity or such other form as the Commission deems appropriate.
- The President is required to obtain such other reports and recommendations with respect to the alternative delivery systems from other Federal agencies by February 1, 1977, as he deems to be appropriate.
- After reviewing the FPC's recommendations and other information, the President will select a route for the delivery of Alaskan natural gas and will transmit this decision, along with a statement to the Congress of his reasons, as promptly as feasible, but not later than August 1, 1977.
- The Congress will then have 60 days to review the President's decision before it becomes final. If Congress takes action to disapprove this decision, the President may submit the same or a new decision which would be subject to the same review process.
- If Congress takes no negative action on the President's decision, the Federal Power Commission shall issue all necessary authorizations within 30 days after the President's decision is final.
- To ensure adequate environmental safeguards, no authorizations may be issued unless a final Environmental Impact Statement has been completed.

- ° All Executive Agencies would be directed to expedite the issuance of all permits and authorizations necessary to implement the Presidential decision. The Act would also limit judicial review of all actions taken under the Act, including those relating to environmental questions.

THE WHITE HOUSE
WASHINGTON

May 18, 1976

MEMORANDUM FOR: MAX FRIEDERSDORF
THROUGH: CHARLES LEPPERT, JR. *CL*
FROM: TOM LOEFFLER *T.L.*
SUBJECT: Natural Gas Legislation

As a result of legislative activity in the Senate, Congressmen Jack Murphy, Bob Krueger and Bud Brown are circulating the attached legislation and soliciting co-sponsors for introduction in the House.

This proposed legislation is similar to that which was defeated by the House in February by a vote of 205 to 201. Basically it would immediately remove price controls for all on-shore new natural gas and continue controls for five years on off-shore new gas.

Attach.

cc: Pat Rowland



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Congress of the United States
 House of Representatives
 Committee on Interstate and Foreign Commerce
 Room 2125, Rayburn House Office Building
 Washington, D.C. 20515

May 13, 1976

W. E. WILLIAMSON, CLERK

MEMORANDUM FOR MINORITY MEMBERS, INTERSTATE & FOREIGN COMMERCE COMMITTEE

FROM: CLARENCE J. BROWN, RANKING REPUBLICAN, ENERGY AND
 POWER SUBCOMMITTEE

RE: NATURAL GAS DEREGULATION

Yesterday, several members of the Senate introduced a new Natural Gas bill, apparently an attempt to break the deadlock that was caused last February by the House rejecting the Senate-passed bill and enacting its own provision, the so-called Smith Amendment. This new Senate bill, S. 3422, is much more restrictive than the original Senate bill in that it establishes a ceiling of about \$1.60 per Mcf (subject to an inflation factor) on new on-shore gas, as opposed to the original Senate bill which eliminated all price controls on such gas immediately. In addition, the new Senate bill establishes permanent controls on off-shore new gas which for five years are equal to the Btu equivalent of the price of oil (presently about \$1.30 per Mcf). Thereafter, a ceiling price would be established every five years by the FPC pursuant to certain specified criteria.

My concern about this Senate proposal is that the ceiling prices will be lowered as the bill progresses through the Congress to the point that the prices fixed for natural gas will bring forth no new supplies. Even if the figures now proposed in the Senate bill prevail, the readjustment of price ceilings every five years will continue to discourage natural gas production.

In order to have an alternative to this legislation available to the House, I intend to introduce, in conjunction with Mr. Murphy of New York and Mr. Krueger of Texas, legislation similar to that which was defeated by the House in February by the very narrow margin of 205-201. The elements of this legislation are basically to remove price controls from all on-shore new gas immediately and to continue controls, subject to new FPC criteria, for five years on off-shore new gas. I would very much appreciate it if you would join me in co-sponsoring this legislation. A summary sheet of its provisions and a text of the bill are attached. If you wish to co-sponsor, please contact Jan Vlcek (x53641) or Randy Davis (x54324) by close of business on Wednesday, May 19.

ESSENTIAL PROVISIONS:

1. Removes, upon enactment, Federal price controls over new gas sales at the wellhead for on-shore production. The new gas definition is that contained in S. 2310 rather than H.R. 10480.
2. Retains FPC ceiling price authority over off-shore Federal land production through December 31, 1980.

Off-shore FPC ceiling prices would be set by rulemaking based upon four criteria:

- prospective costs;
- capital formation for exploration, etc.;
- promotion of conservation of natural gas; and
- consumer protection.

3. Regulation of transmission companies by the FPC and distribution companies by state commissions is not disturbed.
4. Establishes a statutory priority for essential agricultural uses in interstate commerce (subject only to residential, small commercial and health and safety services requirements).
5. Bans new gas sales boiler fuel use for electrical generation, and phases out over 10 years old gas sales for boiler fuel uses.

AN ACT

To assure the availability of adequate supplies of natural gas

Be it enacted by the Senate and House of Representatives
of the United States of America in Congress assembled,

SEC. 1. This title may be cited as the "Natural Gas Act
Amendments of 1976".

SEC. 2. The Natural Gas Act (15 U.S.C. 717 et seq.) is
amended by (1) striking out section 24 thereof (15 U.S.C. 717w); and (2)
amending section 1 thereof by redesignating subsections (a), (b), and (c)
as subsections (b), (c), and (d), respectively, and inserting therein the
following new subsection:

"(a) This Act may be cited as the 'Natural Gas Act'."

SEC. 3. Section 1(c) of the Natural Gas Act, as redesignated by
this title (15 U.S.C. 717(b)), is amended (a) by deleting "The" at the
beginning thereof and by inserting in lieu thereof immediately after "(c)"

the following: "(1) Except as provided in paragraph (2) of this subsection, the"; and (2) by inserting at the end thereof the following new paragraph:

"(2) Subject only to the provisions of section 24 of this Act, the authority of the Commission to regulate the sale of natural gas to a natural-gas company for resale in interstate commerce pursuant to this Act shall cease to exist with respect to, and shall not apply to, new natural gas after date of enactment, : Provided, however, That nothing contained in the Natural Gas Act Amendments of 1976 shall modify or affect the authority of the Commission in effect prior to the date of enactment of such amendments to (A) regulate the transportation in interstate commerce of natural gas or the sale in interstate commerce for resale of old natural gas, or (B) regulate sales for resale of natural gas by any natural-gas company which transports natural gas in interstate commerce or by an affiliate thereof which transports natural gas in interstate commerce."

SEC. 4. (a) Section 2 of the Natural Gas Act (15 U.S.C. 717a) is amended by redesignating paragraphs (7) through (9) as paragraphs (12) through (14), and by inserting the following new paragraphs:

"(7) 'Boiler fuel use of natural gas' means the use of natural gas as the source of fuel in a generating unit of more than 25 megawatts rated net generating capacity or in any unit which is part of an electric utilities system with a total net generating capacity of more than 150 megawatts for the purpose of generating electricity for distribution.

"(8) 'New natural gas' means natural gas sold or delivered in interstate commerce (A) which is dedicated to interstate commerce for the first time on or after January 1, 1976: Provided, That natural gas so sold or delivered from offshore Federal lands shall be committed for a contract term of not less than fifteen years or for the life of the reservoir if less than fifteen years: Provided further, That any natural gas sold by a producer in interstate commerce prior to the date of enactment hereof pursuant to limited term certificates (five years or less) or temporary emergency contracts shall not be considered, for the purpose of this provision, as having been committed to interstate commerce, or (B) natural gas produced from a reservoir discovered on or after January 1, 1976, or produced from wells initiated and completed in an extension of a previously discovered reservoir on or after January 1, 1976, regardless of whether or not the leases covering such newly discovered or extended reservoir were theretofore committed by contract or otherwise to the interstate market.

"(9) 'Old natural gas' means natural gas other than new natural gas.

"(10) 'Affiliate' means any person directly or indirectly controlling, controlled by, or under common control or ownership with any other person, as determined by the Commission pursuant to its rulemaking authority.

"(11) 'Offshore Federal lands' means any land or subsurface area within the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)).".

SEC. 5. (a) Section 4(a) of the Natural Gas Act (15 U.S.C. 717c(a)) is amended by adding at the end thereof the following new sentence: "The rates and charges made, demanded, or received by any natural-gas company for, or in connection with, a contract for the sale of new natural gas produced from offshore Federal lands shall be deemed to be just and reasonable, if they do not exceed the applicable national ceiling, established by regulation of the Commission or subsequently modified by the Commission pursuant to section 24 of this Act, in effect at the time when such new natural gas is either first sold or first transferred under such contract to a natural-gas company: Provided, however, That rates and charges in excess of such national ceiling may be authorized by the Commission to provide special relief to meet extraordinary expenses that could not be anticipated at the time the national ceiling was established or modified."

(b) Section 4(e) of the Natural Gas Act (15 U.S.C. 717c(e)) is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing, the Commission shall have no power (1) to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges,

or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 24 of this Act, or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to this Act."

SEC. 6. Section 5(a) of the Natural Gas Act (15 U.S.C. 717d(a)) is amended by striking the period at the end thereof and by adding the following: "Provided further, That the Commission shall have no power (1) to deny, in whole or in part, any rate or charge made, demanded, or received by any natural-gas company for, or in connection with, the purchase or sale of new natural gas, or that portion of the rates and charges of such company which relates to such purchase or sale, except (A) to the extent that such rates or charges, or such portion thereof, for new natural gas produced from offshore Federal lands exceed the national ceiling, established or modified by regulation of the Commission pursuant to section 24 of this Act,

or (B) in any case where a natural-gas company purchases natural gas from an affiliate or produces natural gas from its own properties, to the extent that the Commission determines that the rates and charges therefor exceed the current rates and charges, or portion thereof, made, demanded, or received for comparable sales by any person who is not affiliated with any natural-gas company; or (2) to order a decrease in the rate or charge made, demanded, or received for the sale or transfer of old natural gas by a natural-gas company if such rate or charge shall have been previously determined or deemed to be just and reasonable pursuant to this Act."

SEC. 7. Section 14 of the Natural Gas Act (15 U. S. C. 717m)

is amended by adding at the end thereof the following new subsection:

"(h) RESERVE INFORMATION. --(1) The Commission is further authorized and directed to conduct studies of the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas, however produced, throughout the United States and its possessions whether or not otherwise subject to the jurisdiction of the Commission, including the production, gathering, storage, transportation, distribution, and sale of natural, artificial, or synthetic gas by any agency, authority, or instrumentality of the United States, or of any State or municipality or political subdivision of a State. It shall, insofar as practicable, secure and keep current information regarding the ownership, operation, management, and control of all facilities for production, gathering, storage,

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transportation, distribution, and sale; the total estimated natural gas reserves of fields or reservoirs and the current utilization of natural gas and the relationship between the two; the cost of production, gathering, storage, transportation, distribution, and sale; the rates, charges, and contracts in respect to the sale of natural gas and its service to residential, rural, commercial and industrial consumers, and other purchasers by private and public agencies; and the relation of any and all such facts to the development of conservation, industry, commerce, and the national defense. The Commission shall report to the Congress and may publish and make available the results to the Congress and may publish and make available the results of studies made under the authority of this subsection.

"(2) In making studies, investigations, and reports under this section, the Commission shall utilize, insofar as practicable, the services, studies, reports, information, and programs of existing departments, bureaus, offices, agencies, and other entities of the United States, of the several States, and of the natural-gas industry, but such studies, investigations, and reports shall be based on information developed, or completely reviewed for accuracy, after the date of enactment of this subsection.

Nothing in this section shall be construed as modifying, reassignment, or otherwise affecting the investigative and reporting activities, duties, powers, and functions of any other department, bureau, office, or agency in the Federal Government.

"(3) In order to assist in determining necessary actions to eliminate the national emergency which exists with respect to natural gas supplies the Commission shall carry out and complete, not later than ninety days after the date of enactment of this subsection, an initial such study with respect to the total estimated natural gas reserves of fields and reservoirs and the current utilization of natural gas and the relationship between the two. Such study shall include specific estimates for individual fields and reservoirs but shall not include reserves controlled by small producers. On January 1, 1977, and at the beginning of each calendar year thereafter, the Commission shall, within the following ninety-day period, complete a review of the previous study and revise the results thereof to the extent necessary. A report of such initial study and each such review shall be made, within the time provided for the completion thereof, to the President and the Congress."

SEC. 8. The Natural Gas Act, as amended by this title, is further amended by adding at the end thereof the following four new sections:

"NATIONAL CEILING FOR RATES AND CHARGES

"SEC. 24. (a) The Commission shall, as soon as practicable after the date of enactment of the Natural Gas Act Amendments of 1976, and pursuant to rulemaking procedures under section 553 of title 5, United States Code, establish by regulation, and may from time to time modify, a national ceiling for rates and charges for the sale or transfer in interstate

commerce by any person of new natural gas produced from offshore Federal lands on or after January 1, 1976, through December 31, 1980. In establishing such national ceiling the Commission shall consider the following factors and only these factors:

"(1) the prospective costs attributable to the exploration, development, production, gathering, and sale of natural gas;

"(2) the rates and charges necessary to encourage the optimum levels of (A) the exploration for natural gas, (B) the development, production, and gathering of natural gas, and (C) the maintenance of proved reserves of natural gas;

"(3) the promotion of sound conservation practices in natural-gas consumption necessary to contribute to the maintenance of a supply of energy resources at reasonable prices to consumers; and

"(4) the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraphs (1) through (3) of this subsection.

"(b) The Commission shall monitor the national ceiling for rates and charges for the sale or transfer in interstate commerce by any person of new natural gas, and during the period such ceiling is in effect, commencing on July 1, 1976, the Commission shall report to the Congress not less than annually on the effectiveness of such national ceiling in meeting the factors set forth in subsection (a) of this section.

"(c) The Commission may authorize a person to charge an amount in excess of such national ceiling for new natural gas produced from offshore Federal lands from any high cost production area or vertical drilling depth as designated by the Commission pursuant to its rulemaking authority. In establishing such amount in excess of such national ceiling, the Commission shall consider the factors set forth in subsection (a) of this section and only those factors.

"(d) Any contract entered into after the date of enactment of the Natural Gas Act Amendments of 1976 for the sale of new natural gas for resale which involves the receipt by the seller of funds in advance of production of the natural gas covered by such contract shall be filed with the Commission at least 60 days in advance of deliveries thereunder. The Commission may thereafter require, after notice and opportunity for hearing, that the sales rate specified in such contract be reduced or modified as necessary to repay in full to the advancing party the principal of the advance and any interest thereon, upon such terms and conditions as the Commission may determine proper in the public interest.

"(e) Pending the establishment of a national ceiling pursuant to section 24(a) of this Act by a final Commission order which is no longer subject to judicial review and within 30 days after the enactment of the Natural Gas Act amendments of 1976 and on January first of each year thereafter until such establishment of a national ceiling, the Commission shall

establish an interim ceiling for rates and charges for the sale or transfer in interstate commerce by a producer of new natural gas produced from offshore Federal Lands which shall be effective January 1, 1976, and which shall be equivalent to the average dollar valuation per barrel of domestic crude oil used by the United States Geological Survey or its successor Federal agency or office in computing the royalties due the United States on account of crude oil produced from all Federal lands during the calendar month ending 30 days prior to such determination. Such interim ceiling price shall be expressed in one million British thermal units and shall be determined by dividing such average dollar valuation per barrel of crude oil by 5.8. After the establishment of a national ceiling pursuant to section 24(a) of this Act by final Commission order which is no longer subject to judicial review, any producer who has sold new natural gas produced from offshore Federal lands during the period the interim ceiling price was in effect shall thereafter have the benefit of the national ceiling: Provided, however, That the Commission shall have no power to order a reduction in the rates and charges for such sale below the interim ceiling price in effect on the dates of the establishment of the national ceiling.

"(f) From and after January 1, 1981, there shall be no ceiling price applicable to the sale of new natural gas produced from offshore Federal lands.

"(g) No price established by or pursuant to the Natural Gas Act

Amendments of 1976 for new natural gas shall be retroactive so as to affect any price for any gas sold prior to the effective date of this Act.

"NATURAL GAS FOR ESSENTIAL AGRICULTURAL PURPOSES

"SEC. 25. (a) Except to the extent that natural-gas supplies are required to maintain natural-gas service to residential users, small users, hospitals, and similar services vital to public health and safety, and notwithstanding any other provision of law or of any natural-gas allocation or curtailment plan in effect under existing law, the Commission shall, by rule, prohibit any interruption or curtailment of natural gas and take such other steps as are necessary to assure as soon as practicable the availability in interstate commerce of sufficient quantities of natural gas for use for any essential agricultural, food processing, or food packaging purpose for which natural gas is essential, including but not limited to irrigation pumping, crop drying, use as a raw material feedstock, or process fuel in the production of fertilizer and essential agricultural chemicals in existing plants (for present or expanded capacity) and in new plants. The Secretary of Agriculture shall determine by rule the agricultural, food processing, or food packaging purposes for which natural gas is essential. The Secretary of Agriculture shall also certify to the Commission the amount of natural gas which is necessary for such essential uses to meet requirements for full food and fiber production.

"(b). ESSENTIAL INDUSTRIAL PURPOSES. --Except to the extent that natural gas supplies are required to maintain natural gas service to users specified under subsection (a), the Commission shall exercise its authority under this title to assure, to the maximum extent feasible, the continuance of natural gas service to users using natural gas as a raw material and uses other than boiler fuel for which there is no substitute regardless of whether such users purchase natural gas under firm or interruptible contracts.

"(c) PROMPT CURTAILMENT DECISIONS. --The Commission shall decide applications for relief under subsections (a) and (b) as soon as practicable, but in no event later than 120 days of the time such applications are filed.

"NATURAL GAS CONSERVATION

"SEC. 26. (a) Except as provided in subsection (d) of this section, the Commission shall by rule prohibit boiler fuel use of natural gas affecting commerce not contracted for prior to January 1, 1976, unless, upon petition by the user, the Commission determines that --

"(1) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user; or

"(2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination.

"(b) Except as provided in subsection (d) of this section, boiler fuel

use of natural gas contracted for prior to January 1, 1976, shall be terminated by the user of such natural gas at the expiration of such contract or 12 years after the date of enactment of the Natural Gas Act Amendments of 1976, whichever is earlier, unless, upon petition of such user, the Commission determines that (1) alternative fuels, other than crude oil or products refined therefrom and propane, are not available to such user, or (2) it is not feasible or practicable to utilize such alternative fuels at the time of such Commission determination. The Commission shall modify or terminate certificates of public convenience and necessity relating to such contracts to the extent necessary to carry out the purpose of this subsection.

"(e) Except as expressly provided in subsection (b) of this section, the Commission shall not (1) modify, amend, or abrogate contracts entered into prior to January 1, 1976, for the sale or transportation of natural gas for boiler fuel use, (2) modify, amend, or abrogate certificates of public convenience and necessity authorizing the sale or transportation of natural gas under such contracts, except upon application duly made by the holder of a certificate under section 7 of this Act; or (3) prevent, impair, or limit, either directly or indirectly, the performance of any such contract or certificate: Provided, however, That the provisions of this subsection shall not modify or limit (1) any authority of the Commission to effectuate curtailment of natural gas sold by a pipeline to its customers or (2) the authority of the Administrator to issue orders authorized under the Energy Supply and Environmental Coordination Act of 1974.

"(d) The Commission shall also exempt from any rule under this section the burning of natural gas by powerplants for the purpose of operating pollution abatement systems.

"(e) The Administrator shall, by rule promulgated no longer than 30 days after enactment of this Act, prohibit all uses of natural gas that he determines are solely for ornamental or decorative purposes. Such gas prohibition shall be limited to uses which are outside of a residence or dwelling which has the installed capacity to use electricity. The prohibition shall take effect not later than 60 days after enactment of this title.

"(f) The Commission shall not prohibit the boiler fuel use of natural gas for the necessary processes of ignition, startup, testing, and flame stabilization by a facility, or for the purpose of alleviating short-term air quality emergencies or any other danger to the public health, safety, or welfare.

"(g) In implementing the provisions of this section, the Commission shall, to the extent necessary, apply the provisions of section 17 of this Act.

"(h) Nothing in this section shall impair any requirement in any State or Federal law pertaining to safety or environmental protection. The Commission, in determining feasibility or practicability where required by this section, shall not assume that there will be any lessening in any safety or environmental requirement established pursuant to State or Federal law.

"RATES AND CHARGES CEILING

"SEC. 27. The Commission shall, as soon as practicable after the date of enactment of the Natural Gas Act Amendments of 1975, and pursuant

to rulemaking procedures under section 553 of title 5, United States Code, establish by regulation, and shall every two years modify, a national ceiling for rates and charges for the sale in interstate commerce for resale of old natural gas, the sale of which gas is continued in interstate commerce after the expiration of a contract by its own terms (and not through the exercise of any power to terminate or renegotiate contained therein) for the sale or delivery of such natural gas. In establishing such national ceiling, the Commission shall consider the following factors and only these factors:

"(1) the costs attributable to the exploration, development, production, gathering, and sale of old natural gas;

"(2) the prospective costs of operation, reworking, installation of additional compression, and similar expenses, which costs are necessary to prevent abandonment in place of old natural gas reserves otherwise recoverable;

"(3) the reimbursement to the seller of (a) any severance, production, or other tax payable by the seller and levied on the value or volume of production at the wellhead; and (b) any royalty or royalties on natural gas which a producer is required to pay to a royalty owner under applicable State law;

"(4) the rate of return on seller's original capital investment which is sufficient to encourage the optimum level of investment in natural gas exploration and production; and

"(5) the rates and charges that will protect consumers of natural gas from price increases that would, in the absence of a national ceiling during periods of actual or anticipated shortages, exceed the rates and charges necessary to achieve the objectives of paragraph (4) of this subsection.

SEC. 9. Section 1 of the Natural Gas Act, as designated by this Act (15 U. S. C. 717), is amended by inserting at the end thereof a new subsection as follows:

"(d) Nothing in this Act shall prevent the intrastate transportation of natural gas first sold in commerce after the date of enactment of this subsection in an interstate pipeline as long as such intrastate transportation does not prevent service necessary to meet the requirements of interstate consumers and the rates for such transportation reflect the fully distributive costs of the interstate facilities used therein, and the provisions of this Act shall not apply to any such intrastate transportation or the intrastate facilities utilized in such service."