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THE WHITE HOUSE

WASHINGTON

February 2, 1976

MEETING WITH REPUBLICAN CONGRESSIONAL LEADERS

Monday, February 2, 1976

6:00-7:00 p.m. (60 minutes)

The Cabinet Room

From: Max L. Friedersdorf

*M.L.F.*

I. PURPOSE

To discuss strategy on H.R. 9464, the Natural Gas Emergency Bill.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The House will open debate Tuesday on H.R. 9464, and although the Administration supports short-term emergency gas purchasing authorities, it is imperative that this bill be amended to include long-term deregulation of new natural gas. Such authority is contained in the Krueger amendment. The bill should also be amended to delete a requirement for statutory interference with local utility pricing, delete a troublesome citizen suit provision, and add a provision for emergency gas purchases by high priority end users.
2. The Rule permits a vote on the Krueger amendment and an effort will be made to defeat the Rule by opponents of long-term deregulation (Dingell, Eckhardt, et.al.).
3. The Republican whip check on the Rule looks encouraging with prospects of losing only about 20 Republicans.

B. Participants: See TAB A

C. Press Plan:

Meeting has been announced; Press and White House photos; Zarb and leaders available for briefing afterwards.

III. AGENDA

See TAB B

IV. TALKING POINTS

See TAB C



PARTICIPANTS

The President  
Administrator Zarb  
Assistant Administrator Hill

SENATE

Hugh Scott  
Bob Griffin  
Carl Curtis  
Bob Stafford  
John Tower  
Ted Stevens  
Paul Fannin

HOUSE

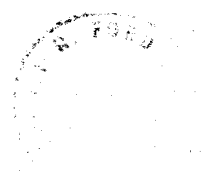
Bob Michel  
Sam Devine  
Barber Conable  
Jack Edwards  
Jim Quillen  
Guy Vander Jagt  
Bud Brown  
Carlos Moorhead  
Jim Broyhill  
Jim Collins

STAFF

Bob Hartmann  
Jack Marsh  
Dick Cheney  
Phil Buchen  
Max Friedersdorf  
Jim Lynn  
Brent Scowcroft  
Jim Cannon  
Alan Greenspan  
Bill Seidman  
Ron Nessen  
Doug Bennett  
Vern Loen  
Bill Kendall  
Charles Leppert  
Tom Loeffler  
Russ Rourke  
Bob Wolthuis  
Eric Zausner

REGRETS

The Vice President  
John Rhodes  
John Anderson  
Lou Frey  
John Heinz



AGENDA

- 6:00-6:10 p.m.  
(10 minutes)            The President opens the meeting and discusses the need for passage of long-term natural gas deregulation.
- 6:10-6:20 p.m.  
(10 minutes)            The President calls upon Frank Zarb for supplementary remarks.
- 6:20-6:45 p.m.  
(25 minutes)            The President calls upon the leaders for comments. (Bob Michel for whip check update; Bud Brown, Jim Broyhill, Jim Collins and Carlos Moorhead as Committee and Subcommittee Members handling the bill.)
- 6:45-7:00 p.m.  
(15 minutes)            The President opens the meeting to general discussion and questions.
- 7:00 p.m.                The President adjourns the meeting.



TALKING POINTS FOR CONGRESSIONAL  
LEADERSHIP MEETING

NATURAL GAS DEREGULATION

- . I understand that natural gas legislation may be brought up on the House floor tomorrow and that we have a good chance of passing the Krueger amendment to the Dingell emergency bill if the opponents of deregulation fail in their attempts to frustrate the legislative process.
- . This House vote could well be one of the most important votes the Nation ever takes regarding its energy future -- its ability to become independent. Failure to deregulate new gas could result in an additional 2 million barrels per day of oil imports by 1985.
- . There is absolutely no reason not to deregulate new gas. The issue has been studied to death; trends of current regulation and the reasons for those trends (declining domestic production) are perfectly clear; it is time to act.
- . We have been fortunate this winter in that our earlier estimates of shortages have not come completely to pass. But we cannot let the lessening dangers of this winter lessen the need or motivation for action. We have been lucky -- mother nature did for us with its warmer temperatures what the Congress has been unable to do -- but our luck will not last forever. The situation is deteriorating so rapidly that even mother nature will not be able to help in the months ahead.
- . There are, of course, costs to deregulating new gas -- gas will cost more in the future. But the benefits are greater: not only will we be able to use our remaining supplies of our cleanest fuel, but our vulnerability to embargoes will be reduced dramatically. Besides, the costs will be no different to the Nation from deregulation than from continued regulation. If regulation continues, the gas will not be produced, and consumers will have to switch to higher priced oil. The issue of protecting the consumer is thus a false issue -- it is simply a question of our gas versus someone else's oil.
- . As you know, the Administration supports the basic thrusts of the Krueger amendment. Frank is here to discuss the Krueger bill and the advantages we see in it over and above the Pearson-Bentsen bill passed by the Senate.
- . Frank, why don't you spend a few minutes going through the bill.