FEDERAL ENERGY ADMINISTRATION
COMMUNICATIONS AND PUBLIC AFFAIRS

FEDERAL BUILDING
WASHINGTON, D.C. 20461

FOR IMMEDIATE RELEASE January 3, 1975

FEDERAL AGENCIES REDUCE ENERGY USE BY
24 PERCENT DURING FISCAL YEAR 1974

Departments and agencies of the Federal government reduced anticipated energy demand by about 24 percent in fiscal year 1974, more than tripling the original objective, Frank G. Zarb, Federal Energy Administrator, announced today.

This savings is equivalent to about 90 million barrels of oil and $725 million in lower energy costs to the American taxpayer. As noted, it significantly exceeds the 7 percent reduction in anticipated energy use that Federal agencies were directed to achieve last fiscal year.

Details of conservation measures and accomplishments under the Federal Energy Management Program (FEMP) during fiscal year 1974 are contained in its first annual report, published today.

The Federal program is administered and monitored by FEA's Office of Energy Conservation and Environment, under the direction of Assistant Administrator Roger W. Sant.

Zarb praised the 11 cabinet departments and the five most energy-intensive agencies in the Executive Branch, all of which were the leading participants in the program. The five major agencies are: GSA, NASA, VA, AEC, and EPA. These 16 departments and agencies own or operate more than 99 percent of the Federal government's vehicles, occupy 99.7 percent of all owned and leased Federal buildings, and employ 98 percent of all Federal personnel.

"Together," Zarb said, "they have set an excellent example for the rest of the Nation in prudent energy management. Because their diversified use of energy represents a cross-section of U.S. consumption, their proven methods of energy management and their commitment to conservation can be of great value to state and local governments, business and industry, institutions and private citizens.

"I congratulate every Federal employee who had a part in this remarkable achievement including those in the smaller Federal agencies that also proved to be formidable energy-savers."

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At the same time, Zarb called upon all government agencies for continued cooperation and assistance to meet a new challenge set forth by President Ford. In a memorandum to the heads of departments and agencies on October 18, President Ford directed that the Federal Energy Management Program be continued. He also established an energy savings goal for Federal agencies for fiscal year 1975 of 15 percent below that consumed in fiscal year 1973. Attainment of this goal will result in energy savings equivalent to approximately 55-60 million barrels of oil during the year.

Among the major findings in the FY 1974 annual report were:

-- The Department of Defense, by far the largest energy user in the Federal establishment, compiled the largest savings during the year, 25 percent. NASA was second, at 24 percent; GSA was third, at 21 percent; tied for fourth place, each at 20 percent, were DOT and Labor; the VA was fifth at 19 percent; and the Department of Interior, at 17 percent, was next.

-- The savings were achieved by tightly managing the use of energy in buildings and facilities and the use of fuels in motor vehicles, aviation, ships and equipment.

-- About 55 percent of the savings were in aviation and jet fuel, 17 percent in ship fuel, 8 percent in electricity, 6 percent in natural gas, and lesser amounts in other fuels.

Also included in the annual report are the FEMP results for the fourth quarter. In the April-June period the 16 Federal units achieved a 20 percent savings. Separate reports were published earlier on each of the first three quarters of FY 74.

During the currect fiscal year, 10 additional units of the government are submitting quantitative reports on energy consumption, bringing the total participants to 26. The new units are the Civil Service Commission, U.S. Postal Service, Panama Canal Company, Tennessee Valley Authority, Federal Power Commission, Federal Communications Commission, Interstate Commerce Commission, Small Business Administration, Civil Aeronautics Board, and the Office of Management and Budget.

Copies of the Fiscal Year 1974 Annual Report may be obtained by contacting:

Press Room
Office of Communications and Public Affairs
Federal Energy Administration
Washington, D.C. 20461
(202) 964-3538

-FEA-

Media Inquiries: 964-4781 Media Contact: Jim Merna
Press Room: 964-3538

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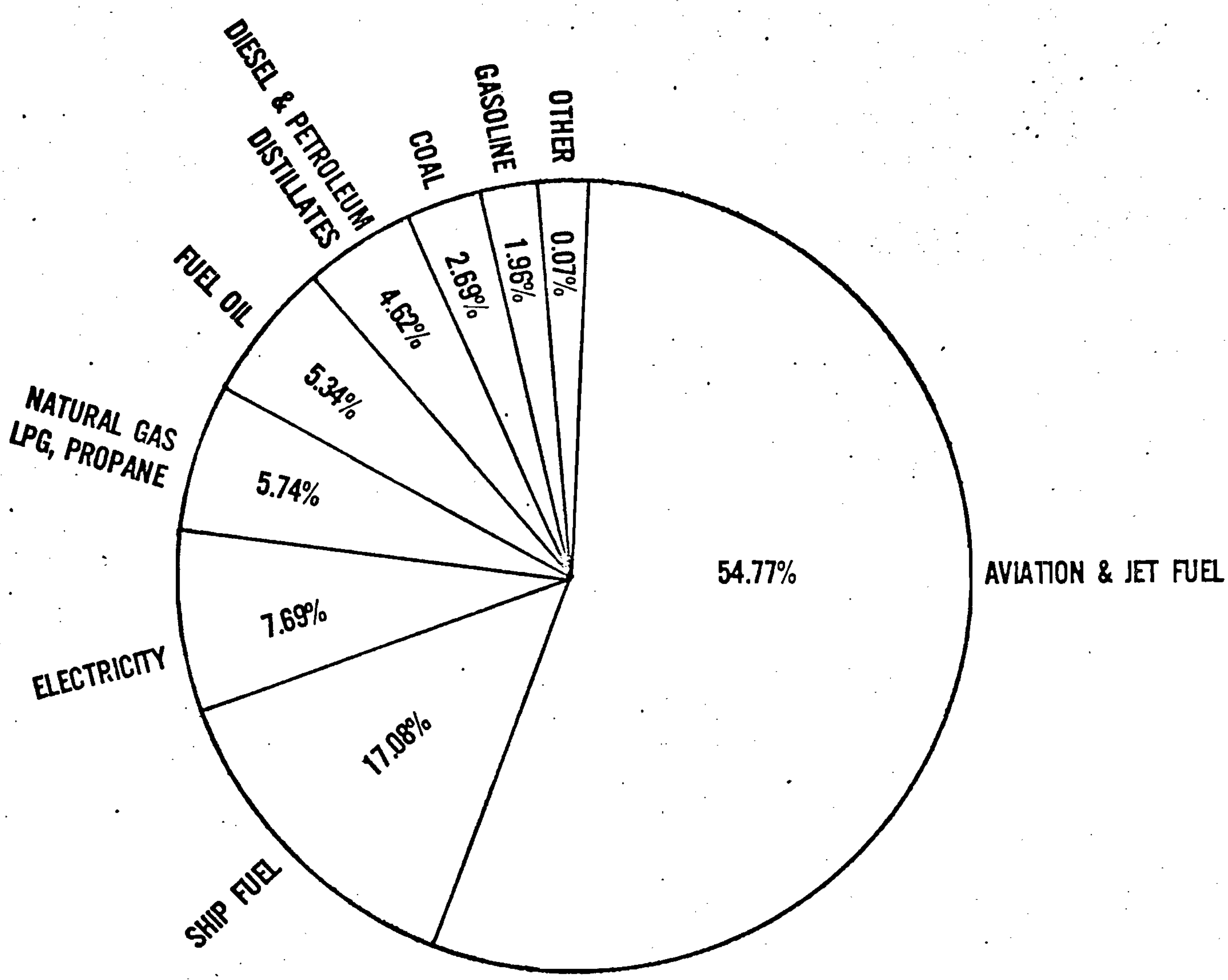
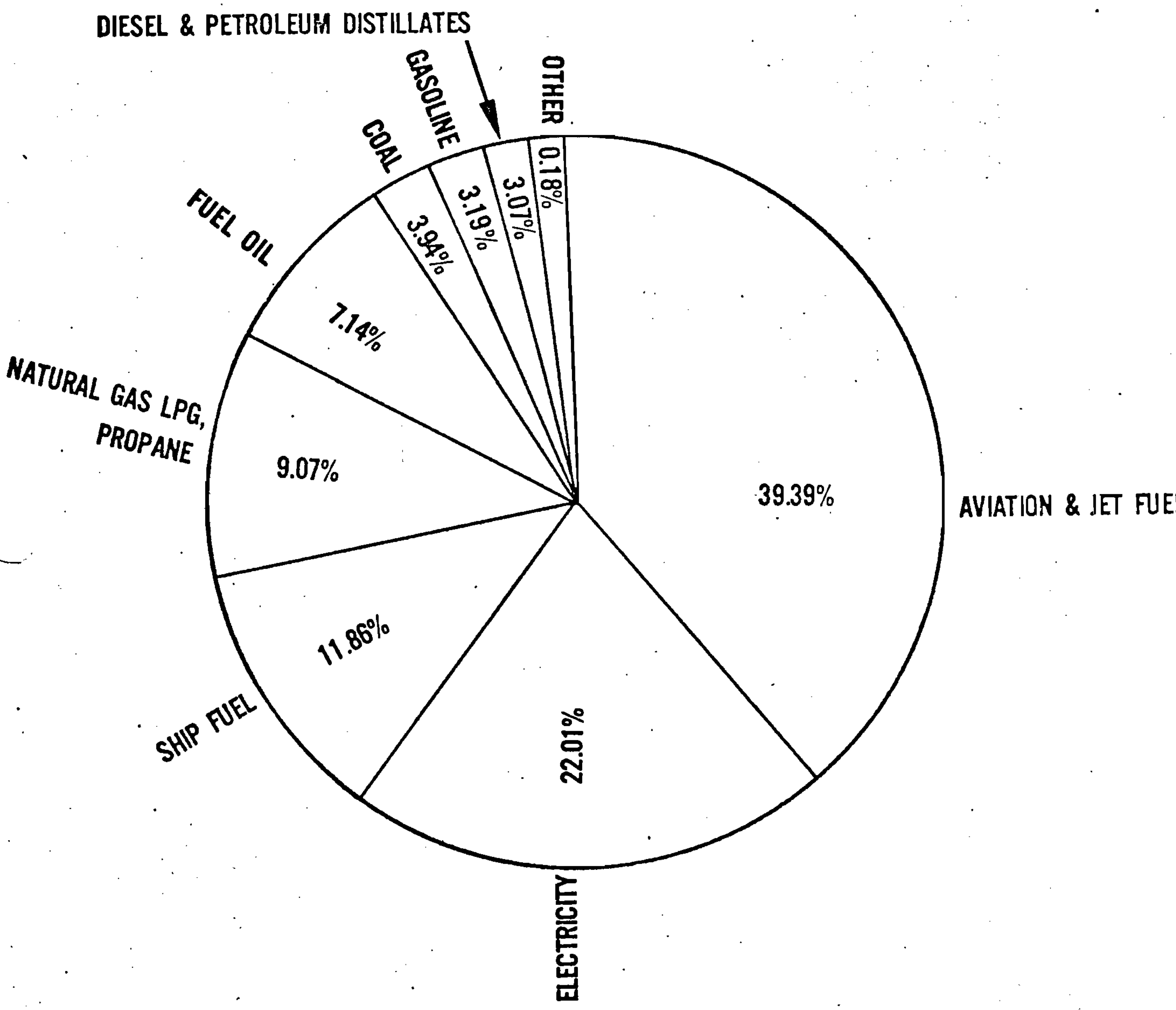
FEDERAL ENERGY SAVINGS BY SOURCE
FISCAL YEAR 1974



SAVINGS ARE EXPRESSED AS A PERCENTAGE OF THE 524,920,330,000,000 ($524,920 \times 10^9$) BTUs SAVED IN TOTAL BY FEDERAL AGENCIES

FEDERAL ENERGY CONSUMPTION BY SOURCE
FISCAL YEAR 1974



ENERGY USE EXPRESSED AS PERCENTAGE OF THE 1,687,926,470,000,000 ($1,687,926 \times 10^9$) TOTAL BTUs USED BY FEDERAL AGENCIES

ENERGY CONSERVATION PERFORMANCE BY AGENCIES
FISCAL YEAR 1974

AGENCY	ADJUSTED FY 73 BASELINE*	ANNUAL FY 74 CONSUMED*	PERCENT SAVED	PERCENT OF TOTAL GOV'T USE
Defense	1,900,401	1,426,567	25	84.49
NASA	38,118	29,043	24	1.72
GSA	69,252	54,967	21	3.26
Transportation	25,810	20,699	20	1.22
Labor	1,818	1,450	20	.08
Veterans	32,910	26,734	19	1.58
Interior	13,594	11,250	17	.66
Agriculture	11,161	9,427	16	.55
Commerce	3,704	3,225	13	.19
HEW	8,218	7,285	11	.43
Atomic Energy	96,895	87,094	10	5.16
EPA	359	323	10	.01
HUD	449	411	9	.02
Treasury	3,319	3,029	8	.17
State	6.2	5.7	7	.001
Justice	6,834	6,414	6	.38
	2,212,848	1,687,923	24	100

*In billion Btu's (Btu's x 10^9)

Data may not add to totals shown in other tables because of independent rounding.

ENERGY CONSERVATION PERFORMANCE
4TH QUARTER, FISCAL YEAR 1974

AGENCY	4TH QUARTER FY 73 BASELINE*	4TH QUARTER FY 74 CONSUMED*	PERCENT SAVED	PERCENT OF TOTAL GOV'T USE
Defense	453,499	360,310	21	85.07
Atomic Energy	23,183	20,970	10	4.95
GSA	15,875	11,427	28	2.69
Veterans	8,084	7,058	13	1.66
NASA	9,660	6,863	29	1.62
Transportation	7,871	6,193	21	1.45
Interior	3,101	2,503	19	.59
Agriculture	2,663	2,314	14	.54
Justice	2,109	1,890	10	.44
HEW	2,137	1,834	14	.43
Treasury	978	908	7	.21
Commerce	947	802	15	.18
Labor	386	329	15	.07
HUD	98	79	20	.01
EPA	81	62	23	.01
State	1.86	1.8	3	.0004
TOTALS	530,674	423,544	20	100

Data may not add to totals shown in other tables because of independent rounding.

*In billion Btu's (Btu x 10^9)

FEDERAL ENERGY ADMINISTRATION
COMMUNICATIONS AND PUBLIC AFFAIRS

FEDERAL BUILDING
WASHINGTON, D.C. 20461

FOR IMMEDIATE RELEASE January 3, 1975

WHOLESALE PETROLEUM ADVISORY GROUP TO REVIEW CRUDE EQUALIZATION, ENERGY CONSERVATION

The Crude Equalization Program will be reviewed at the Federal Energy Administration's Wholesale Petroleum Advisory Committee meeting on Tuesday, January 7, in Atlanta, Georgia. The Committee also will discuss energy conservation measures.

Established to advise FEA on the selling of heating oil, gasoline, and residual fuel at the wholesale level, the Committee will review suppliers' distribution and pricing problems and compliance difficulties encountered in the agency's 10 regions.

Committee members include representatives from independent oil companies, fuel oil jobbers, deepwater terminal operators, residual fuel and gasoline jobbers, environmentalists, State and local governments, and residential, commercial, and industrial consumers. The chairman is Gorman C. Smith, FEA's Acting Assistant Administrator for Operations, Regulations, and Compliance.

The meeting will convene at 9 a.m. at the Regency Hyatt House, 265 Peachtree Street, N.E., Atlanta. It is open to the public. Further information may be obtained from Fenton Quinn, Acting Public Information Officer for FEA's Atlanta Regional Office, at 404-526-4950.

-FEA-

Media Inquiries: 964-4781
Press Room: 964-3538
Public Inquiries: (202) 634-7610

Media Contact: Kathy Litwak

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FEDERAL ENERGY ADMINISTRATION
COMMUNICATIONS AND PUBLIC AFFAIRS

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WASHINGTON, D.C. 20461

FOR IMMEDIATE RELEASE DECEMBER 18, 1974

ZAUSNER APPOINTED
ACTING DEPUTY ADMINISTRATOR OF FEA

Federal Energy Administrator Frank G. Zarb today announced the appointment of Eric R. Zausner, 30, as Acting Deputy Administrator of the Federal Energy Administration (FEA). Zausner will also continue to serve as FEA Assistant Administrator for Policy and Analysis.

In his new post, Zausner will share responsibility for implementation of FEA's programs and policy. He will assist Mr. Zarb in developing policies relating to the production, conservation, use, control, distribution, and allocation of energy. The Deputy Administrator position has not been filled since John C. Sawhill was advanced from that post to Administrator in April 1974.

As FEA Assistant Administrator for Policy and Analysis, Zausner presided over the compilation of the recently released Project Independence Report. The Report, a multi-volume study of America's production and use of energy, provides the analytical framework for development of a comprehensive national energy policy.

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Eric R. Zausner has served with the Federal Energy Administration since its inception in Dec. 1973 as the Federal Energy Office. He served initially as Assistant Administrator for Economic and Data Analysis and Strategic Planning; and Acting Assistant Administrator for Energy Conservation and Environment.

Prior to his FEA service, Zausner was Deputy Assistant Secretary of the Interior for Energy. His responsibilities in that post included the development and direction of three new energy staff offices -- the Office of Energy Conservation, the Office of Energy Data and Analysis, and the Office of Energy Research and Development -- some of whose functions were subsequently incorporated into FEA.

At Interior, Zausner also presided over the Office of Oil and Gas, the Office of Coal Research, and the energy-related activities of the Bureau of Mines and the Geological Survey. He worked directly with the Assistant Secretary for Energy and Minerals in overall energy policy matters.

Zausner has served as a Senior Staff Member on the President's Council on Environmental Quality. His responsibilities included the direction of all economic and quantitative analysis and policy development in solid waste and energy.

Prior to his position with the Council, Zausner served as Chief of the Management Sciences Section, Bureau of Solid Waste Management, now the Office of Solid Waste Management Programs of the Environmental Protection Agency.

Zausner received his Master of Business Administration degree in Finance from the Wharton School, University of Pennsylvania, and a Bachelor of Science degree in Electrical Engineering from Lehigh University.

Zausner resides with his wife, Marjorie, in McLean, Virginia.

"Eric Zausner has a grasp of the complexities of energy issues that is equalled by few," Zarb said in making the announcement. "His expertise is vital to our on-going efforts to provide the President with viable policy options from which to forge a national energy policy."

-FEA-

Media Inquiry: 964-4781 Contact: Bill Pearl

E-74-515

FEDERAL ENERGY ADMINISTRATION
COMMUNICATIONS AND PUBLIC AFFAIRS

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WASHINGTON, D.C. 20461

FOR IMMEDIATE RELEASE DECEMBER 5, 1974

FEA AMENDS REFINER PRICE RULES FOR "NON-PRODUCT COSTS"

The Federal Energy Administration today announced three changes in its petroleum pricing regulations dealing with "non-product costs" -- increased expenses other than the cost of crude oil, incurred in the refining of petroleum products which refiners may later pass on to purchasers.

The changes -- published in today's Federal Register and effective immediately for determining prices that can be charged in January 1975 -- will permit FEA to more effectively monitor refiners' increased costs and the prices they are charging for fuel.

The first of the three amendments specifies that crude oil used to fuel a refinery's boilers is a non-product cost. The second adopts additional new, specific categories of non-product cost increases which the refiners may use to justify their price increases. The third eliminates the previous requirement that refiners notify FEA in advance of their price increases to reflect their increased expenses.

FEA said the refinery fuel costs will be treated as non-product cost increases. The Agency added that the change will apply to all refinery boiler fuels -- whether or not they are derived from crude oil.

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FEA identifies eight categories of non-product costs which may be used by refiners to justify their price increases. These are refinery fuel costs, refinery labor costs, additive costs, marketing costs, costs of utilities, costs of pollution control equipment, costs of fuel containers, and interest expenses.

Although advance notification is no longer required, increased non-product costs must be reported to FEA, and a 30-day waiting period from the time non-product costs are incurred and any price increases are implemented must still be observed. A provision imposing profit margin limitations on all refiners who use non-product cost increases to justify their price increases also remains in the regulations.

Today's amendments are among several changes in FEA's price regulations originally proposed last Sept. 6. The public was invited to comment on these proposals before Sept. 27 and more than 80 comments were received by FEA during those 21 days. Twenty persons also presented their views on the proposals at FEA public hearings Sept. 30 and Oct. 1.

Other changes in the price regulations proposed Sept. 6 are still being considered by FEA.

-FEA-

Media Inquiry: 964-4781
Press Room: 964-3538
Public Inquiry: 634-7610

Contact: Bob White

E-74-504

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE JANUARY 27, 1975

FEA SEEKS DATA ON MARKET SHARES
OF REFINED PETROLEUM PRODUCTS

The Federal Energy Administration announced today it is surveying wholesale and retail marketers of refined petroleum products to obtain past and current information about the distribution and market shares of those products.

Survey forms have been sent to gasoline stations, nonbranded independent gasoline marketers, refiners, and product importers. Forms will be sent in February to retail marketers of propane, distillate fuel oil and residual fuel oil.

"These surveys have been initiated in compliance with the reporting requirements of the Emergency Petroleum Allocation Act of 1973," said FEA Administrator Frank G. Zarb.

Mr. Zarb said that under the Act, FEA must report monthly to Congress on changes in the aggregate market shares of nonbranded independent, branded independent, and other marketers, such as refiner-marketers, of refined petroleum products.

He said that other information relating to the distribution of refined petroluem products is being collected under the authority of the Federal Energy Administration Act of 1974.

The survey of gasoline stations will provide estimates of the market shares at the retail level, and will be conducted on a regular, monthly basis, with the Bureau of the Census acting as collection agent for the FEA. The first survey results will be published in February 1975.

The survey of nonbranded independent gasoline marketers was mailed on January 11, 1975. It will identify historical trends in the aggregate retail market share of this class of distributors since 1972, and will be conducted regularly, to provide estimates of monthly retail market shares.

The survey of refiners and product importers will monitor exchanges of refined petroleum products between refiners, and the sales of these products to both end-users and other marketers. It will also measure changes in these distribution patterns since January 1972. This survey was mailed in early January, and an ongoing monthly survey is planned for the Spring of 1975.

A survey of retail marketers of propane, distillate fuel oil and residual fuel oil is scheduled to begin in February 1975. It will monitor changes in the aggregate retail market shares of various marketing classes for these products since 1972 and will also be continued on a monthly basis.

Copies of the forms used in these surveys may be obtained by writing:

Federal Energy Administration
Code 2896
Washington, D.C. 20461

-FEA-

Media Inquiry: 964-4781
Press Room: 964-3538
Public Inquiry: 634-7610

Contact: Bill Pearl

E-75-16

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE January 29, 1975

FEA ORDERS GULF OIL TO COMPLY WITH
CRUDE OIL ENTITLEMENTS PROGRAM

The Federal Energy Administration today issued a remedial order requiring Gulf Oil to comply immediately with FEA's Crude Oil Entitlements Program.

Gulf informed FEA Administrator Frank G. Zarb earlier today of its intention not to comply with the provisions of FEA's regulations requiring them to buy entitlements. The entitlements program is designed to equalize the cost of crude oil for all U.S. refiners by granting them all access to an equal amount of price-controlled "old" crude oil.

Refiners with less than the national average of 41% of "old" crude oil are issued entitlements to enough "old" crude oil to bring them up to the average. Refiners with more than the national average must purchase those entitlements at a cost of $5.00 per barrel in order to process that "old" crude.

Every month, FEA issues a list of oil companies, showing who must buy and who may sell entitlements, and how many entitlements they must exchange. The first entitlements list, published Jan. 10, covered crude runs for the month of November, and required Gulf to buy 775,693 entitlements.

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Upon notification of Gulf's intentions, FEA felt compelled to issue a Remedial Order for Immediate Compliance. Such an order is issued only in cases where there is a strong probability that a violation has occurred, or is about to occur, and where irreparable harm will result if the violation is not enjoined immediately.

"I am taking this action," said Administrator Zarb, "because the Crude Oil Entitlements Program is essential to the equalization of petroleum costs in this country. Non-compliance with the program would certainly have a severe and irreparable impact not only on the consumer, but on the small and independent refiners and those independent marketers who have had to depend on more costly uncontrolled domestic and imported oil, and whose ability to compete has been greatly reduced."

The Remedial Order notified Gulf that FEA regulations provide for civil penalties of up to $2,500 per day, or criminal penalties of up to $5,000 per day, for non-compliance with FEA orders and regulations.

- FEA -

Media Inquiry:	964-4781
Press Room:	964-3538
Public Inquiry:	634-7610

Contact: Ed Vilade

E-75-19

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

EMBARGOED FOR RELEASE UNTIL:
MONDAY, FEBRUARY 3, 1975, 4 PM

ZARB DISCOUNTS RATIONING, CALLS FOR IMPLEMENTATION OF PRESIDENT'S PROGRAM

Mandatory gasoline rationing will contribute nothing to the national drive for energy self-sufficiency, Federal Energy Administrator Frank G. Zarb said today.

"It (rationing) will do absolutely nothing to produce one more barrel of oil or one more cubic foot of natural gas," Zarb told participants in a White House Field Conference on Energy and the Economy in Atlanta, Ga.

Instead of rationing, Zarb called for quick implementation of President Ford's Energy Program "which I am confident will get us out of our (energy) difficulties."

Zarb said the $30 million in estimated revenue from the President's proposals to gradually increase import fees and excise taxes will be returned to the economy through a series of tax credits and rebates to private citizens and to industry.

"This recirculated money will stimulate the economy and ease the bite of higher energy prices," Zarb said.

Zarb also urged quick approval of the President's energy conservation proposals including:

- New Federal standards for housing & commercial establishments, which he said would save more than half a million barrels of oil per day by 1985.

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● New standards of efficiency for major appliances which would save another half million barrels a day.

● Tax credits to homeowners who improve the heating and cooling efficiency of their homes, a saving of another half million barrels.

Administrator Zarb further called on all Americans to support the President's low-income energy conservation program, offering direct subsidies to low income and elderly homeowners for insulation and other energy-conserving home improvements.

"All of these are strong proposals and they would work," Zarb said, adding that "while we conserved in these ways we would be hurrying to develop our energy resources."

-FEA-

Media Inquiries: 964-4781
Press Room: 964-3538
Public Inquiries: 634-7610

Media Contact: Bob White

E-75-26

Federal Energy News

Federal Energy
Administration
Washington
D.C. 20461

EMBARGOED FOR RELEASE UNTIL NOON
MONDAY, FEB. 3, 1975

January 31, 1975

FY 1976 BUDGET OF 112.4 MILLION PROPOSED FOR FEA

The Administration today proposed and sent to Congress a fiscal year 1976 budget of $112,435,000 for FEA. Authorizing legislation is also being requested from Congress for an additional $75 million -- $55 million for assistance to low-income homeowners for improved insulation and $20 million to expedite siting of energy facilities. The regular budget is a decrease of $14.6 million from fiscal 1975's estimated budget of $127 million.

The Agency's FY '76 budget covers these program areas:

Executive direction and administration, $30.5 million -- Includes expenses of Administrator and supporting services: legal, financial, personnel, and procurement, as well as public affairs, congressional affairs, private grievances and redress, and State liaison.

Policy and analysis, $23.6 million -- Includes long-range energy policy analysis and development of a national energy plan; short and long-range supply and demand forecasting; coordination of energy-related programs, policies, and legislation; development of deregulation and decontrol strategies; and all Automatic Data Processing support for FEA.

Regulatory programs, $21.7 million -- Supports a National energy policy by assessing current and future energy supplies, and by providing voluntary allocation management of energy resources as national needs require. This area also provides analytical and statistical information to accurately evaluate the status of energy resources.

Energy conservation and environment, $25.6 million -- Develops information through economic and policy analysis to promote efficient use and development of energy resources. Also provides policy analysis on environmental issues and fulfills FEA's responsibilities under the National Environmental Policy Act. Other major efforts: developing and implementing new governmental programs to reduce energy demand in the transportation, building, industrial, and utilities areas, and conducting public education and multimedia campaigns in support of energy conservation. Also provides support on energy conservation to States and localities.

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Energy resource development, $9.7 million -- Develops and implements national policies and programs to increase production and use of energy from present domestic sources. Also facilitates development of new domestic energy sources, and handles total program management of all activities leading to national energy self-sufficiency.

International energy affairs, $1.4 million -- Reviews and coordinates all FEA international activities, National Security Council matters, international agreements, multinational energy negotiations, transportation of energy from abroad, and liaison with defense and nuclear agencies. This includes development of policy options for oil sharing, mandatory conservation, emergency supply, encouraging multinational energy programs, and development and evaluation of U.S. export-import policy options.

In addition to these areas, FEA is proposing legislation for an additional $75 million to include:

--Energy conservation and environment, $55 million -- For a program offering direct subsidies to homeowners to assist them in the installation of insulation to conserve energy.

--Energy resource development, $20 million -- For removing obstacles to energy facility siting, and assuring timely development of new energy facilities in accordance with proper land use.

The budget provides for a total of 1,715 permanent positions, down from 3,125 in FY 1975. The change is due to a gradual phasing down of personnel involved in the Mandatory Allocation Program, which expires August 31, 1975.

Special overview hearings on the energy program with Administrator Frank Zarb of FEA, Secretary of the Interior Rogers C.B. Morton, and Dr. Robert Seamans, ERDA Administrator, will be held by the House Interior Subcommittee the week of Feb. 24. Regular Congressional budget hearings are planned for mid-April to early May.

FEA was officially established June 27, 1974, with a legislative mandate of two years.

A comparative budget fact sheet is attached for fiscal years 1974 through 1976.

-FEA-

Media Inquiries:	964-4781	Media Contact:	Carol Curtis
Press Room.	964-3538		
Public Inquiries:	634-7610		

FEDERAL ENERGY ADMINISTRATION

FACT SHEET

FISCAL YEAR 1976 BUDGET (PROPOSED)

	1974 actual	1975 est.	1976 est.
	(in thousands of dollars)		
Program by activities:			
Executive direction and administration......	$ 3,737	$ 31,778	$ 30,452
Energy policy and analysis...........	2,600	21,314	23,574
Regulatory programs....	32,791	42,725	21,749
Energy conservation and environment.........	1,963	17,805	25,566
Energy resource development.........	2,430	11,928	9,708
International energy affairs.............	826	1,485	1,386
Total direct program financing..............	$ 44,347	$ 127,035	$ 112,435
Proposed legislation for later transmittal:			
Energy conservation and environment.........			$ 55,000
Energy resource development.........			20,000
Total proposed legislation			$ 75,000
Object classification:			
Personnel compensation.	$ 19,199	$ 56,693	$ 42,166
Personnel benefits: civilian...........	1,648	4,531	3,410
Benefits for former personnel...........			83
Travel and transportation of persons..........	1,808	3,296	1,619
Transportation of things	334	354	577
Rent, communications, and utilities...........	3,841	8,165	9,124
Printing and reproduction	1,138	2,021	1,320
Other services...........	41,956	49,985	53,055
Supplies and materials...	846	687	652
Equipment................	3,063	1,303	429
Total obligations..........	$ 73,833	$ 127,035	$ 112,435

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	1974 actual	1975 est.	1976 est.
Personnel summary:			
Total permanent positions.........	3,075	3,125	1,715
Average paid employment..............	596	3,133	2,283
Average GS grade.....	8.48	10.19	10.86
Average GS salary....	$ 14,243	$ 17,786	$ 16,835
Average salary of ungraded positions..	$ 8,721	$ 10,335	$ 17,611

Federal Energy News

Federal Energy Administration
Washington
D.C. 20461

FOR IMMEDIATE RELEASE FEBRUARY 6, 1975

FEA EYES SURPLUS FEDERAL PROPERTY FOR ENERGY SITES

Frank Zarb, Administrator of the Federal Energy Administration (FEA), is announcing today details of a program to encourage sale of surplus and excess Federal lands for energy-related uses.

The plan, implemented in cooperation with the General Services Administration and the Department of Defense, involves identifying surplus land and facilities with energy use potential, then matching them with interested individuals, agencies, and companies in the energy field.

In a Presidential memorandum last April, the White House directed the General Services Administration, FEA, and the heads of all other Federal agencies to work together to give energy siting needs consideration in the disposal of surplus property. Since then, a number of sites with possible energy use potential have been identified. Of these, at lease two -- Oklahoma's Camp Gruber and Montana's Glasgow AFB -- are being evaluated by FEA for use as sites for energy-related projects.

Under the new program, each FEA regional office is maintaining a list of Federal property declared surplus by GSA in that region, and also compiling a matching contact list of parties needing land or facilities for energy uses. FEA will help prospective purchasers to obtain surplus land and facilities for energy purposes.

"Already, for example, surplus properties are being studied for conversion to energy uses such as a refinery, marine off-loading and electric power plants providing both jobs and a source of energy for the area where they are located," Zarb said. "Converting surplus Federal land and facilities resulting from base closures, consolidations, and program cutbacks or realignments to private energy projects will help both local economies and domestic energy production.

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"Our work with the President's Interagency Economic Adjustment Committee — which helps offset local impacts of Federal cutbacks -- will complement and parallel our energy objectives, and insure the best possible use of government resources. If our FEA staffs in the regions are apprised by industry of its need for, or interest in, a specific Federal property, we can then work with the prospective purchaser to insure that full consideration is given to use of the land as an energy site."

The Federal Property and Administrative Services Act of 1949 authorizes the Federal Government to transfer ownership of its surplus real property to State and local governments, private industry, and individuals. The Act gives GSA responsibility for directing the designation of property as surplus and for selling the property at fair market value. Thousands of acres of land and existing facilities worth millions of dollars have been transferred to private ownership under the Act.

State and local government agencies, companies, and individuals interested in acquiring surplus Federal lands and facilities for energy use are asked to contact the FEA Regional Administrator in their area. (List follows)

-FEA-

Media Inquiry: 964-4781
Press Room: 964-3538
Public Inquiry: 634-7610

Contact: Carol Curtis

REGIONAL ADDRESSES & TELEPHONE NO'S.

Robert Mitchell, Administrator — 617/223-3730
FEA, Region I
150 Causeway St.
Boston, Mass. 02114
Maine; N. H.; Vt.; R.I.; Mass.; Conn.

Alfred Kleinfeld, Administrator — 212/264-1021
FEA, Region II
26 Federal Plaza
N.Y., N.Y. 10007
N.Y.; N.J.; Virgin Islands; Puerto Rico

Joseph A. LaSala, Administrator — 215/597-3890
FEA, Region III
1421 Cherry St.
Phila., Pa. 19102
Del.; Va.; W. Va.; Md.; D.C.; Pa.

Kenneth Dupuy, Administrator — 404/526-4885
FEA, Region IV
1655 Peachtree St., N.E.
Atlanta, Ga. 30309
N.C.; S.C.; Fla.; Ala.; Miss.; Tenn.; Ky.; Canal Zone

N. Allen Andersen, Administrator — 312/353-8420
FEA, Region V
Federal Office Bldg.
175 West Jackson Blvd.
Chicago, Ill. 60604
Mich.; Ind.; Wis.; Minn.; Oh.; Ill.

Delbert Fowler, Administrator — 214/749-7345
FEA, Region VI
2626 West Mockingbird Lane, P.O. Box 35228
Dallas, Texas 75235
La.; Ark.; Okla.; N. Mex.; Tex.

James Newman, Administrator — 816/374-2061
FEA, Region VII
P.O. Box 15000
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E-75-32

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE FEBRUARY 18, 1975

FEA HITS FOOTDRAGGING BY OIL AND GAS OPERATORS ON RESERVES QUESTIONNAIRE

More than 10,000 operators of the Nation's oil and gas fields were firmly reminded last week of their obligation under law to provide data on their activities for a Federal Energy Administration study mandated by Congress.

The operators were sent notices of noncompliance because they failed to respond to the first part of a two-part FEA questionnaire mailed to them last December. Part I of the questionnaire was due within 10 days of receipt. Part II is due on or before March 1, 1975.

The questionnaires were sent to 22,000 operators to provide FEA with data on the amount of oil and gas originally in place in discovered fields, the volume of proved reserves remaining, production rates over the last 5 years, and current production capacity.

"It's vital we receive the data in these questionnaries by the March deadline, and we look to the cooperation of the Nation's operators to provide it," said FEA Administrator Frank G. Zarb.

Zarb said the data is needed for an analysis of U.S. oil and gas reserves, resources, and productive capacity which FEA must submit to the President and Congress by June 1975, as required by the Federal Energy Administration Act of 1974.

Under the FEA Act, failure to provide FEA with data requested could result in administrative or judicial compliance proceedings with possible imposition of civil and/or criminal penalties of up to $5000 for each day of noncompliance.

-FEA-

Media Inquiry: 964-4781 Contact: Bill Pearl

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE

FEBRUARY 12, 1975

FEA OPTIONS STUDY ON GOVERNMENT-PETROLEUM INDUSTRY RELATIONS RELEASED

The Federal Energy Administration today released "An Evaluation of the Options of the U.S. Government in Its Relationship to U.S. Firms in International Petroleum Affairs."

The study is a major effort to identify future relationships among the major oil producing, supplying, and consuming entities involved in the international petroleum market.

The study examines the changing realities of international petroleum sphere, giving particular attention to proposals.

- That information on present and future significant international petroleum arrangements should be available to the U.S. Government.

- That the U.S. Government should have the power to review and approve international petroleum transactions where they affect significant aspects of national interest.

- The establishment of a Federal Reserve Board type group with carefully defined administrative action standards to minimize the possibility of regulatory power abuse.

The study issue was whether the U.S. Government should have a greater role in international petroleum affairs and to examine the possible forms that role would take.

The study focuses on the ways international initiatives which already appear to be established U.S. policy might be implemented.

These initiatives include continuation and broadening of consumer country cooperation under the International Energy Program and, undertaking broadly based consumer-producer nation discussions.

Other International study suggestions include:

- Establishment of Federal Government authority to enter into selected bilateral petroleum arrangements.

- Establishment of an industry-wide association of companies from consumer countries to coordinate international petroleum supply arrangements.

In each case, the study focuses on the impact of these approaches upon U.S. national interests and the international petroleum system.

National Policy options include:

1. Removal or modification of federally created incentives and disincentives to international petroleum production.
2. Regulation of oil companies as public utilities.
3. Establishment of a national system to limit petroleum imports.
4. Regulation of all significant international supply arrangements.
5. Creation of a petroleum corporation, fully or partially owned by the Federal Government, to engage in international activities.
6. Coordination of international supply arrangements through an industry-wide association of consumer country companies.
7. Bilateral arrangements between the United States and producer governments.
8. Establishment of an international organization to coordinate national petroleum policy with other importing countries.
9. Establishment of multilateral negotiations between producing and consuming countries.

Each of the nine policy options is examined and evaluated against U.S. national objectives.

The evaluation part of the study involved personal interviews by the firm with representatives of foreign and domestic petroleum companies, with representatives of the Executive and Legislative branches of the U.S. government, and with government officials in selected foreign countries. Public interest groups, petroleum consuming interests, and environmental groups were also consulted.

Directed by Robert B. Krueger, Senior Partner of the firm Nossaman, Waters, Krueger, Marsh and Riordan, of Los Angeles, California, the study is based on information and analysis of the legal, political, and economic aspects of the international petroleum supply system.

The California firm has earned a national reputation for studies which focus on the relationships between public interests and policies and the private sector.

In 1968, Mr. Krueger completed a major Study of the Outer Continental Shelf Lands of the United States for the Public Land Law Review Commission. This study is still used for the analysis of U.S. public policy and private energy interests. Krueger also serves as advisor to the U.S. Law of Sea Conference delegation.

-FEA-

Media Inquiries: 964-4781
Press Room: 964-3538
Public Inquiries: 634-7610

Media Contact: Donald Creed

E-75-44

Federal Energy News

Federal Energy Administration
Washington
D.C. 20461

FOR IMMEDIATE RELEASE

FEBRUARY 28, 1975

FEA REPORT TO CONGRESS SAYS DOMESTIC ENERGY PRODUCTION, CONSUMPTION DOWN IN 1974

Domestic production and consumption of fossil fuels declined 3.0 and 3.1 percent respectively in 1974, according to a Federal Energy Administration Quarterly Report issued to Congress.

The Report contains data for the fourth quarter of 1974 and for the entire year.

"This report shows the Congress and the Nation that there's no time for footdragging on enactment of the President's program to spur energy conservation and production," said FEA Administrator Frank G. Zarb.

"It also shows that 1974 domestic energy price increases have resulted in significant energy savings without causing painful shortages," said Zarb.

"That's exactly what we are trying to achieve in 1975 and beyond through our energy tax proposals."

Other highlights of the FEA Report:

--Domestic crude oil production in 1974 declined steadily to an average of 4.5% below the 1973 level. Total petroleum supply (production plus imports minus exports without regard to stock changes) dropped 3.4% from 1973. Domestic demand for petroleum, calculated by FEA on a Bureau of Mines basis and reflecting a buildup of stocks in 1974, declined 3.8% from 1973. Net imports (total imports minus total exports) of petroleum decreased 3.3%.

--Coal production in 1974 was less than three-tenths of 1% below the 1973 level and would have been 6% higher than in 1973 had it not been for the coal strike and the 5-day miners' memorial holiday. Net coal exports increased 9.7% during 1974, while total coal supply (production plus imports minus exports without regard to stock changes) declined 1.4%.

E-75-61

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08128, 02036, 01442,
07850, 04022, 07032

--Natural gas and natural gas liquids production in 1974 was 3.0% and 2.2%, respectively, below 1973 levels. Net natural gas imports declined 10.2%, while total natural gas supply (production plus imports minus exports without regard to stock changes) dropped 3.7%.

--Net imports of fossil fuels were down 6.1% in 1974 from 1973.

--All indices of oil and gas exploration were up in 1974. Average number of rigs in operation was up 24% over 1973 and number of wells drilled (exploratory wells for new pools of oil or gas & development wells in existing pools, including dry holes) was up 19.6%. Oil wells brought in (exploratory and development excluding dry holes) increased 28.4%; gas wells brought in increased 12.5%, reaching an all-time high of 7,182. The number of successful exploratory wells for new pools increased 31.3% for oil and 30.6% for gas from 1973.

--Although the number of oil and gas wells drilled in 1974 was up 19.6%, the footage drilled rose only 11.0%. Consequently, there was a 7.2% decrease in the average depth of a well. This suggests that most drilling activity was aimed at testing shallow structures in areas where past experience indicates that the reservoirs discovered are likely to be small. Thus, proven reserves per oil or gas well may turn out to be lower in 1974 than in 1973.

--Dramatic increases in the price of oil over the past 15 months should result in an upward revaluation of reserves discovered before 1974, since the American Petroleum Institute-American Gas Association definition of proven reserves restricts them to those "recoverable...under existing economic and operating conditions." Presently, there is uncertainty within the industry about how to calculate this factor since it is not yet clear what prices or net return after taxes will be.

--Although natural gas discoveries appear to have increased substantially in 1974, it will be some time before the results will have a significant impact upon supply. Meanwhile, natural gas imports declined 7.5% from last year due to Canadian restrictions on exports.

--Although utility sales of gas declined along with marketed production, revenues rose, due to rate increases and a shift from interruptible sales to higher priced firm service.

--Fourth quarter 1974 domestic demand for petroleum products was 17,281,000 barrels per day, slightly below the average for the fourth quarter of 1973 when the effects of the oil embargo were beginning to be felt. It was also 3.3% below a previous forecast made by FEA in April.

--Total imports of crude oil and products for the fourth quarter, 1974, were within 1% of 1973 levels, although the composition of the imports changed--with product imports down 18% and crude oil imports up by the same percentage.

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--Fourth quarter 1974 coal and lignite production was down 16% from the fourth quarter of 1973, due to the loss of about 30 million tons during the coal strike.

--Marketed production of natural gas in the fourth quarter of 1974 continued to decline, averaging 2.6% below 1973, although production was slightly above the third quarter 1974 level, a normal seasonal change.

FEA's Quarterly Report to Congress is prepared on a regular basis in compliance with provisions of the Energy Supply and Environmental Coordination Act of 1974 (Public Law 93-319).

It contains separate sections on resource development, coal, natural gas, crude oil, refined petroleum products, and nuclear energy.

The Report will be available to the press and public in three to four weeks. Public copies will be sold by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Press copies will be available at no charge in the Press Room (room 220), Office of Communications and Public Affairs, Old Post Office Building, Washington, D.C. 20461 (Tel: 202-964-3538).

Press or public wishing to view the Report can do so weekdays from 8:00 a.m. to 4:30 p.m. in the FEA Public Affairs Reading Room (room 206), Old Post Office Building, 12th & Pennsylvania Ave. N.W., Washington, D.C. (Tel: 964-3563).

Summary tables from the Report are attached:

-FEA-

Media Inquiries: 964-4781
Press Room: 964-3538
Public Inquiries: 634-7610

Media Contact: Bill Pearl

SUMMARY TABLE: DEMAND, REFINERY OUTPUT AND IMPORTS

	Demand			Refinery Output			Imports		
	1974	1973	% Change	1974	1973	% Change	1974	1973	% Change
Motor Gasoline	6,531	6,673	-2.1	6,357	6,527	-2.6	214	132	+62.1
Jet Fuels (Nap & Kero)	1,011	1,050	-3.7	842	859	-2.0	178	204	-12.7
Distillate	2,933	3,080	-4.8	2,690	2,820	-4.6	278	380	-26.8
Residual	2,592	2,796	-7.3	1,072	971	+10.4	1,544	1,827	-15.5
Other Products (inc avia. gas)	3,528	3,656	-3.5	2,426	2,447	-0.9	375	415	- 9.6
Total Products	16,595	17,254	-3.8	13,387	13,624	-1.7	2,589	2,958	-12.5
Crude Oil	-	-	-	-	-	-	3,499	3,244	+ 7.9

Source: 1973 Bureau of Mines.

1974 1st 9 months - Bureau of Mines.
last 3 months - Federal Energy Administration.

Table 1.--Daily average U.S. domestic production of fossil fuels

Month	1974 Coal[1]	1974 Crude oil[2]	1974 NGL	1974 Natural gas[3]	1973 Coal[1]	1973 Crude oil[2]	1973 NGL	1973 Natural gas[3]
Year	1,616	8,771	1,686	60.21	1,621	9,187	1,738	62.05
Dec.	1,235	8,471	1,725	60.97	1,570	9,044	1,729	62.13
Nov.	1,029	8,458	1,740	60.67	1,661	9,144	1,774	62.10
Oct.	1,894	8,568	1,686	58.52	1,754	9.172	1,756	62.10
Sept.	1,749*	8,621	1,638	58.70	1,611	9,077	1,741	60.48
Aug.	1,622	8,681	1,676	57.97	1,802	9,161	1.748	61.16
July	1,543	8,754	1,657	58.94	1,413*	9,195	1,737	60.65

[1]Thousands of tons.
[2]Thousands of barrels (includes lease condensate).
[3]Natural gas marketed production (billion of cubin feet).

*Revised

Note: NGL (Natural gas liquids) for November & December 1974 estimated.

Sources: Coal-1974, FEA;

Table 2.--Daily average U.S. domestic production of fossil fuels, in trillion Btu

Month	1974 Coal	1974 Crude oil	1974 NGL	1974 Natural gas	1974 Total	1973 Coal	1973 Crude oil	1973 NGL	1973 Natural gas	1973 Total
Year	38.8	50.9	6.8	62.2	158.7	38.9	53.3	7.0	64.4	163.6
Dec.	29.7	49.1	7.0	62.8	148.6	37.7	52.4	7.0	63.9	161.0
Nov.	24.7	49.0	7.0	62.8	143.5	39.9	53.0	7.2	63.9	164.0
Oct.	45.5	49.7	6.8	59.7	161.7	42.1	53.2	7.1	62.8	165.2
Sept.	42.0*	50.0	6.6	60.8*	159.4*	38.7	52.6	7.0	62.8*	161.1*
Aug.	39.0	50.3	6.8	59.7*	155.8*	43.3	53.1	7.1	62.8	166.3*
July	37.1	50.8	6.7	60.8	155.8*	33.9*	53.3	7.0	62.8	157.0*

*Revised

Note: Conversion factors: crude oil-5.8 MM Btu/b; natural gas-1.03 MM Btu/1000 cu. ft.; natural gas liquids-4.05 MM Btu/b; coal produced-24.01 MM Btu/ton; coal exported-26.90 MM Btu/ton.

Sources: Crude oil and coal-1974, FEA; other data from Bureau of Mines.

Table 3.--Daily average net U.S. imports (exports) of fossil fuels
(imports less exports)

Month	1974 Coal[1]	1974 Petroleum[2]	1974 NGL	1974 Natural gas[3]	1973 Coal[1]	1973 Petroleum[2]	1973 NGL	1973 Natural gas[3]
Year	(159)	5,677	188	2.4	(145)	5,764	207	2.7
Dec.	(79)	6,164	200	2.7	(157)	5,519	200	2.7
Nov.	(214)	6,134	221	2.6	(173)	6,409	253	2.8
Oct.	(228)	5,901	173	2.6	(189)	6,093	211	2.8
Sept.	(159)	5,711*	140	2.1*	(113)	5,961*	171	2.6*
Aug.	(152)	5,972*	139	2.4*	(165)	6,089*	200	2.5*
July	(167)*	6,099*	136	2.3*	(135)*	5,764	168	2.5*

[1]Thousands of tons net
[2]Crude oil natural gas liquids and major refined products (thousands of barrels net).
[3]Natural gas (billions of cubic feet net).

*Revised

Sources: Petroleum and coal-1974, FEA; other data from Bureau of Mines.

Table 4.--Daily average net U.S. imports (exports) of fossil fuels, in trillion Btu

Month	1974 Coal	Petroleum	NGL	Natural gas	Total	1973 Coal	Petroleum	NGL	Natural gas	Total
Year	(4.28)	34.06	0.76	2.47	33.01	(3.90)	34.58	0.84	2.78	34.30
Dec.	(2.13)	36.98	.81	2.78	38.44	(4.22)	33.11	.81	2.78	32.48
Nov.	(5.76)	36.80	.90	2.68	34.62	(4.65)	38.45	1.03	2.88	37.71
Oct.	(6.13)	35.41	.70	2.68	32.66	(5.08)	36.56	.85	2.88	40.71
Sept.	(4.28)*	34.27*	.57	2.16*	32.72*	(3.04)*	35.77*	.69	2.76*	35.18*
Aug.	(4.09)*	35.83*	.56	2.47*	34.77*	(4.44)*	36.53*	.81	2.58*	35.48*
July	(4.49)*	36.59*	.55	2.37*	35.02*	(3.63)*	34.58*	.68	2.58	34.21*

*Revised

Note: Refined petroleum products import mix: 6.00 MM Btu/b.

Sources: Coal and petroleum-1974, FEA; other data from Bureau of Mines.

Table 5.--Daily average U.S. domestic supply of fossil fuels, in trillion Btu

Month	1974 Coal	Petroleum	NGL	Natural gas	Total	1973 Coal	Petroleum	NGL	Natural gas	Total
Year	34.52	84.96	7.56	64.67	191.71	35.00	87.88	7.84	67.18	197.90
Dec.	27.57	86.08	7.81	65.58	187.04	33.48	85.51	7.81	66.68	193.48
Nov.	18.94	85.80	7.90	65.48	178.12	35.25	91.45	8.23	66.78	201.71
Oct.	39.37	85.11	7.50	62.38	194.36	37.02	89.76	7.65	65.68	200.11
Sept.	37.72*	84.27*	7.17	62.96*	192.12*	35.66*	88.37*	7.69	65.56*	197.28*
Aug.	34.91*	86.13*	7.36	62.17*	190.57*	38.86*	89.63*	7.91	65.38*	201.78*
July	32.61*	87.39*	7.25	63.17*	190.42*	30.27*	87.88*	7.68	65.38*	191.21*

*Revised

Sources: Coal and petroleum-1974, FEA; other data from Bureau of Mines.

Table 6. --Supply, demand, and stocks of all oils in the United States daily average, in thousands of barrels

	1974	1973	1972
Domestic production:			
Crude oil and lease condensate------------	8,771	9,187	9,441
Natural gas plant liquids-----------------	1,686	1,738	1,744
Total domestic production---------------	10,457	10,925	11,185
Imports:			
Crude oil---------------------------------	3,499	3,244	2,216
Refined products--------------------------	2,589	2,958	2,525
Total imports---------------------------	6,088	6,202	4,539
Other hydrocarbons and hydrogen refinery inputs--------------------------	38	30	28
Total new supply----------------------	16,583	17,157	15,954
Unaccounted for crude oil-----------------	-18	23	28
Processing gain---------------------------	483	453	388
Total supply--------------------------	17,048	17,633	16,370
Changes in stocks of all oils-------------	+218	+135	-232
Total disposition of primary supply----	16,830	17,498	16,602
Exports:			
Crude oil---------------------------------	4	2	1
Refined products--------------------------	219	229	222
Crude losses------------------------------	12	13	12
Total domestic demand---------------------	16,595	17,254	16,367
End-of-year stocks of all oils: (thousand barrels)----------------------	1,098,462	1,008,307	958,979

Source: Jan-Sept 1974 - BOM; Oct-Dec 1974 - FEA
1973-1972 - BOM

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE FEBRUARY 28, 1975

VOLUNTARY CONSERVATION EFFORTS STILL STRONGLY EMPHASIZED, GOVERNORS' CONFERENCE TOLD

The President's energy program depends heavily on voluntary conservation efforts, Federal Energy Administrator Frank G. Zarb told the Nation's Governors today.

Zarb responded to a policy position on national energy policy adopted by the National Governors' Conference at their Mid-Winter Meeting in Washington on February 20. He expressed his appreciation to the Governors for their "continuing support" and for accelerating their efforts to attain a national voluntary energy conservation program.

The Governors' resolution declared that a conservation program "of massive proportions...on largely a voluntary basis," must be the central focus of our Nation's short-range energy management program.

In a letter to Utah Governor Calvin L. Rampton, Chairman of the National Governors' Conference, Zarb said, "The portion of the President's program that has received the most public attention includes strong mandatory measures that we think are essential if the country is to reach a goal of energy invulnerability by 1985. This in no way means that we have abandoned the need for volunteerism -- our program depends heavily on such actions."

As an example, Zarb cited a supplemental budget request submitted to Congress calling for a five-fold increase in funds to carry out a public education/voluntary conservation campaign.

The successful development and implementation of this campaign, the letter stated, will require close coordination with the states and the involvement of every public official and citizen in reducing energy consumption.

Zarb cited progress made on energy matters between the Federal Government and the States during last week's meeting of the National Governors' Conference.

He pointed to an agreement reached among staffs of FEA, the Governors' Conference, and the Natural Resources and Environmental Advisory Committee. This agreement, the FEA Administrator said, will provide "an expanded and more orderly method of defining issues and sharing information on a wide range of energy problems, including voluntary conservation."

Zarb concluded by noting that he has requested by separate letter to Vermont Governor Thomas P. Salmon, Chairman of the Governors' Conference Energy Committee, a meeting with that Committee for about April 1.

"Such a meeting," Zarb said, "particularly in the area of voluntary conservation, could prove a major milestone in our common effort to achieve our Nation's energy goals."

-FEA-

Media Inquiries: 964-4781
Press Room: 964-3538
Public Inquiries: 634-7610

Media Contact: Jim Merna

E-75-64

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE MARCH 12, 1975

FAILURE TO DEREGULATE NATURAL GAS IMPERILS
ENERGY INDEPENDENCE, ZARB SAYS

Congressional failure to deregulate new natural gas will jeopardize any program designed to reduce vulnerability from foreign oil dependence by 1985, according to FEA Administrator Frank G. Zarb.

That conclusion was contained in the Administration's comments on the natural gas bills now being marked up by the Senate Commerce Committee. Zarb forwarded the comments to the committee on March 7.

The President's goal for achieving energy independence calls for the reduction of anticipated oil imports by one million barrels per day in 1975. It was noted that the gas shortage this year is equivalent to over one million barrels of oil per day.

The volumes of gas being curtailed this winter are 107 percent more than last winter, and the gap between demand and supply is rapidly widening.

The Administration predicted "further unemployment and reduced national output as a result of cutbacks to industrial consumers" and stated that "the volume of oil imports needed to replace gas could rise as high as 3-1/2 to 5 million barrels per day by 1985" without deregulation. "Over 50 percent of the energy used by U.S. industry comes from natural gas, and the shortage is expected to affect almost 16 percent of projected firm demand from September 1974 through August 1975."

E-75-79 -more-

05952, 05944, 07032, 03062

"Last year's experience with rising prices and gas curtailments strongly suggest that the cost of continued regulation to gas users might well exceed that of deregulation," according to the Administration.

Contrary to opponents' claims, new gas deregulation is the least inflationary energy option and will not raise consumer prices unduly in the years ahead.

Preliminary FEA estimates on new gas deregulation indicate that "the impact on the average annual residential bill would by $10.21 in 1976, $13.30 in 1977 and $19.15 in 1978," representing respective percentage increases in the annual bill for those years of 6.2, 8.0 and 11.5.

While praising the Commerce Committee for moving forward in its deliberations on the 10 pending bills, the Administration outlined the significant flaws in the bills that seek to continue controls on new gas prices. In a March 5 letter signed by Secretaries Rogers C. B. Morton, William E. Simon, and Zarb the Administration also requested an opportunity to present new analyses in a public hearing, a request that was denied in a March 6 letter from Senators Warren G. Magnuson and Adlai E. Stevenson, III.

-FEA-

Media Inquiry: 964-4781
Press Room: 964-3538
Public Inquiry: 634-7610

Contact: John Donnelly

E-75-79

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

EMBARGOED FOR RELEASE UNTIL
10:30 A.M., MONDAY, MARCH 24, 1975

FEA TO EXAMINE METHODS TO ACHIEVE
MORE UTILITY EFFICIENCY, LOWER RATES

Philadelphia -- Federal Energy Administrator Frank G. Zarb today announced that FEA would enter into a series of funding agreements totaling almost $1.2 million with state and local governments to promote greater efficiency in the generation and use of electric power.

Zarb, speaking to consumer groups and other interested citizens attending the national FEA-sponsored Consumer Energy Workshops, said the goal of these agreements is to "Ensure the provision of adequate electric power, efficiently produced, equitably priced, and prudently used."

The agency has over the past several months received 32 proposals for demonstration projects from 26 states and six municipalities. Announcements will soon be made on the funding in the current fiscal year of the four or five best test projects as determined by the agency's review process.

Zarb said, "This interest has evolved from the President's recognition that the high cost of fuel, particularly imported fuel, has impacted heavily upon utilities and their consumers, and disproportionately upon the poor and aged."

Zarb further pointed out that several of the 32 proposals deal with inverted rate structures and other rate concepts which provide the first block of power at reduced rates and amounts above that at higher rates.

-more-

02830, 01734, 02826,
01936, 09152,

E-75-92

He also invited additional proposals on innovative rate designs for funding after July 1, 1975.

Some of the other ideas being considered for test projects in fiscal year 1975 include:

- Charging lower rates for electric consumption during low-demand periods, which is similar to the telephone rate structure of lower rates for certain time periods.
- Reviewing load control techniques for temporarily interrupting customer-approved loads during peak periods.
- Developing customer storage systems to provide practical means for consumers to utilize off-peak power.

In a related move, Zarb also announced the formation of an FEA study group to assess the role of electric power in the Nation's energy future. This group would also develop policies for a balanced growth of electricity usage and peak demand, which will advance energy independence goals. The results of this policy development will be presented in a public symposium scheduled for early June.

"Our aim is a comprehensive policy framework for the future of electric power, a framework which will serve the mutual interests of consumers, environmentalists, the electric power industry and public regulatory agencies," Zarb added.

-FEA-

Media Inquiry: 964-4781 Contact: Gene Curella

Press Room: 964-3538
Public Inquiry: 634-7610

E-75-92

Federal Energy News

Federal Energy Administration
Washington
D.C. 20461

JOINT RELEASE WITH GOVERNOR OF MAINE

EMBARGOED FOR RELEASE UNTIL
10:00 A.M., MARCH 26, 1975

FEA HELPS STATE OF MAINE INSULATE HOMES OF POOR AND ELDERLY

Federal Energy Administrator Frank G. Zarb and Maine's Governor James G. Longley today announced a $90,000 pilot program that will "winterize" 675 substandard homes of the State's low-income families during the months of April and May, and provide data for similar programs in other states.

Administrator Zarb said the FEA will provide $75,000 for the project, with the State contributing $15,000.

Governor Longley expressed appreciation for FEA's quick action on the State's proposal for the project. The project, to be administered by Maine's Office of Community Development and Services, is based on the State's successful emergency F.U.E.L. program of 1974. Through that program more than 2,800 homes were "weather-proofed" in four months by volunteers and others working through 13 Community Action agencies with materials purchased with an Office of Economic Opportunity grant.

Through the FEA-State test program, 315 homes occupied by low-income families and 360 homes of low-income elderly residents will be fitted with needed insulation, caulking and weatherstripping, at an estimated average cost of $100 per home for materials. The State and FEA will share administrative, research and travel costs.

Data on materials and weather-proofing procedures collected during the project will be used by FEA to help other interested communities inaugurate similar projects, according to Zarb. "The experience and information we gather through the Maine project and others that may be funded later will be very valuable in implementing the Winterization Assistance Act of 1975 when it becomes law," Zarb added.

The Administration's proposed Winterization Assistance Act of 1975 would authorize appropriations of $55 million for each of the fiscal years 1976 through 1978 to help States develop and implement programs to insulate the dwellings of low-income persons, particularly the low-income elderly.

-FEA-

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E-75-95

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Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE APRIL 3, 1975

FEA SCHEDULES HEARING ON 3-CENT PRICE HIKE GRANTED TO SERVICE STATION DEALERS

Federal Energy Administrator Frank G. Zarb said today that FEA will hold a public hearing April 24 and, if necessary, April 25, before making a final decision to increase, decrease, keep at its present level, or eliminate the three-cent price increase granted service station dealers last year to cover "non-product" cost increases.

"We've received many comments on this issue since we announced that we were going to review it," Zarb said. "For this reason, plus the need for additional data, we've decided that a public hearing is the most appropriate way to proceed before we make our final decision."

FEA price control regulations limit prices at the retail level to the May 15, 1973 price plus the increased cost of gasoline since that time. In addition, last year during the Arab oil embargo, FEA allowed service station dealers to increase prices by the three-cents margin per gallon to compensate for increased "non-product" costs (such as wages, utilities, taxes, and insurance) and for the additional non-product cost increases per gallon which resulted from reduced sales of gasoline.

Since that time, gasoline supplies have returned to normal, but non-product costs of gasoline retailers have further increased. FEA has thus concluded that the changed conditions warrant a reconsideration of the three-cent non-product increment to determine whether it should be increased, decreased, or kept at three cents.

The hearing will be held beginning at 9:30 a.m., in Room 3000-A of the Federal Building, 12th and Pennsylvania Avenue, N.W., Washington, D.C.

-FEA-

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Federal Energy News

Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE APRIL 23, 1975

ZARB URGES HOUSE-SENATE CONFEREES TO CONSIDER CHANGES IN STRIP-MINING BILL

Strip-mining legislation now before Congress could diminish the supply of coal needed for energy independence, have an inflationary impact and contribute to unemployment, according to FEA Administrator Frank G. Zarb.

In a letter to Rep. Morris Udall, D. Ariz., chairman of the House-Senate Conference Committee now marking up the strip-mining measure, Zarb noted that the President's proposed surface mining bill, transmitted to Congress Feb. 6, was designed to "strike a balance between our objective of improving environmental quality and other national objectives including increased energy independence and a strong economy..." He added that he was pleased that some changes recommended by the President had been adopted in the current House and Senate-passed versions.

However, he added, the Administration is still very concerned over some provisions of the legislation. He urged committee members to weigh carefully those provisions which might have adverse impacts on coal supply and inflation, and to agree on "a bill which achieves a balance among our national objectives."

Zarb pointed out that domestic coal production is one of the major steps this country can take to stem its growing dependence on foreign oil. The Administration's goal is 1.2 billion tons of coal per year, a doubling of current levels, by 1985. The Congressional Democratic Leadership's goal is even more ambitious, he noted, calling for production of 1.37 billion tons by 1985. "The Conference should not adopt a bill that is inconsistent with these goals," he said.

As it now stands, he added, the Senate-passed bill would reduce expected coal production by as much as 162 million tons, or 22%, in its first year, and the House bill the same amount. That is equivalent to 215 million barrels of oil, which would have to be made up primarily from imports. The additional dollar drain would be more than $2.3 billion and 10,000 jobs would be lost.

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Total estimate of job losses resulting from the bills range up to 36,000, primarily in already-depressed areas such as Appalachia. Consumers would pay an additional $130 to $204 million in taxes on coal, $171 million in increased coal production and reclamation costs, and $100 to $160 million for Federal and state government activities to carry out the bill's requirements, Zarb said.

In the long term, said Zarb, the provisions of either version could prevent as much as 72 billion tons of coal from ever being mined. That is 53% of the total 137 billion tons of coal in the Nation's demonstrated surface-mineable reserve base.

"Administration officials stand ready to work with you to discuss... changes, with the objective of developing legislation that is in the public interest," Zarb concluded. "If ever there was a time during which the nation faced the necessity of balancing its environmental and energy priorities, it is now."

-FEA-

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E-75-125

FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

APRIL 22, 1975

OFFICE OF THE ADMINISTRATOR

Dear Mr. Chairman:

As you recall, on February 6, 1975, the President transmitted to the Congress a proposed surface mining bill which would (a) strike a balance between our objective of improving environmental quality and other national objectives including increased energy independence and a strong economy, and (b) build upon the bill from the last Congress but avoid problems which made that bill unacceptable.

I am pleased that some of the changes from last year's bill that the President recommended have been adopted by one or both Houses and are now being considered by the Conference Committee. However, I am writing to emphasize anew the Administration's considerable concern with some provisions of the pending surface mining legislation, S. 7 and H.R. 25, the differing versions of which are now being considered by the Conference Committee.

The Administration favors action to protect the environment and reclaim land disturbed by surface mining of coal and to prevent abuses that have accompanied such surface mining in the past. But surface mining legislation also involves other fundamental national objectives and issues including (a) energy independence, (b) outflow of dollars to other nations, (c) unemployment, and (d) higher consumer costs, particularly for electricity.

I urge the Conferees weigh carefully the developments affecting these important issues that have occurred since the Congress began considering this legislation.

1. <u>Energy Requirements</u>. Increased domestic coal production is one of the major steps this country can take to stem its growing dependence on foreign oil. The President's program called for doubling coal production to 1.2 billion tons by 1985. The energy plan advanced by the Congressional Democratic leadership calls for 1985 production of 1.37 billion tons. The Conference should not adopt a bill that is inconsistent with those goals.

Interior and FEA estimate that the Senate-passed bill (S. 7) would reduce expected coal production by 40 to 162 million tons (5 to 22%) in the first full year of its application; and that the House-passed bill (H.R. 25) would reduce production by 62-162 million tons (8 to 22%). These estimates do not include potential delays from litigation or stringent interpretation of ambiguous provisions of the bill.

Each ton of coal is equivalent in energy value to roughly 4.3 barrels of oil. If the legislation were to result in loss of only 50 million tons of coal per year, an energy equivalent of 215 million barrels of oil would have to be obtained primarily from imported oil. These additional imports will increase dollar outflows by more than $2.3 billion and cost more than 10,000 jobs.

2. Inflationary Impact. Consumers have already been subjected to higher costs because of our heavy reliance on expensive foreign oil. If domestic coal, which is used primarily in producing electricity, must be replaced by foreign oil, consumer costs will be forced even higher. In addition, consumer prices or taxes would reflect the added cost of $130 to $204 million in taxes on coal, $171 million in increased coal production and reclamation costs, and $100 to $160 million for Federal and State government activities to carry out requirements of the bills.

   Unnecessary burdens of the legislation will fall most heavily on small mining operations and may put many out of business. This runs the risk of lessening competition in the coal industry and could contribute to higher prices.

3. Unemployment. As indicated above, greater outflow of dollars means loss of jobs in the United States. In addition, Interior and FEA estimate that jobs lost as a result of legislation would range from 9,000 to 36,000 in the case of the Senate bill and 14,000 to 36,000 in the case of the House bill. These employment losses would hit hard in those areas such as Appalachia that have been struggling to improve their economic conditions. It is true that some jobs would be created by the requirements to reclaim areas abandoned in the past but this would involve dislocation of employees and fewer job gains than losses.

4. Locking up domestic coal. In addition to near term reduction in expected coal production, Interior and FEA

have estimated that the Senate-passed bill has the potential of preventing mining of 12 to 72 billion tons of coal and the House-passed bill from 33 to 72 billion tons. These amounts constitute 9 to 53% of the total 137 billion tons of coal in the Nation's demonstrated reserve base which are potentially mineable by surface methods.

I urge the Conferees to take these developments into account and to report a bill which achieves a balance among our national objectives. I would also remind the Conferees that substantial progress has been made by leading coal mining states in developing effective controls to reduce adverse effects of surface mining.

I call your attention particularly to the need to:

- Modify citizen suit provisions to avoid unnecessary and unacceptable production delays or curtailments.

- Change hydrologic disturbance provisions to avoid requirements which would be impossible to meet, are unnecessary to provide reasonable environmental protection, or which would preclude most mining activities.

- Reduce the excise tax on coal to 10¢ per ton because this amount would be adequate to support a fund for reclamation of abandoned surface mined lands.

- Remove the special unemployment provisions which would result in unfairly discriminating among classes of unemployed persons, would set undesirable precedents, and are inconsistent with unemployment program modifications signed into law on December 31, 1974.

- Make clear that State laws and regulations do not cover Federal coal lands.

- Avoid requirements that preclude mining in alluvial valley floors which could lock up surface mineable coal reserves.

- Avoid setting new precedents with respect to water rights.

- Permit surface mining on national forest lands when this is found to be in the national interest.

Administration officials stand ready to work with you to discuss these and other changes, with the objective of developing legislation that is in the public interest. If ever there was a time during which the nation faced the necessity of balancing its environmental and energy priorities, it is now.

Sincerely,

Frank G. Zarb
Administrator

Honorable Morris Udall
Chairman of the Conference Committee
House of Representatives
Washington, D.C. 20515

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE APRIL 30, 1975

FEA AUTHORIZES $1.2 MILLION FOR
ELECTRIC UTILITY EFFICIENCY DEMONSTRATION PROJECTS

The Federal Energy Administration (FEA) today stepped up its efforts to provide long term relief to electric utility customers, announcing funding agreements totalling $1.2 million with six State and local governments. The agencies will conduct demonstration projects designed to promote greater efficiency in the generation and use of electric power.

FEA Administrator Frank G. Zarb announced that proposals by Arizona, Arkansas, California, Connecticut, New Jersey and Ohio were chosen for these electric power conservation projects from among 32 received from State governments and municipalities.

The proposals were solicited by FEA last January for field demonstrations of techniques to conserve energy in the generation, transmission, local distribution and end-use of electricity.

The purpose of these agreements, Zarb stressed, will be to demonstrate immediately, in actual utility systems, the feasibility of non-traditional electric power rates, load control techniques, and utility-sponsored energy conservation programs.

The $1.2 million, subject to final contractual negotiation, represents FEA authorized funding for fiscal year 1975.

The total proposed cost of the six multi-year studies is $7.8 million, of which $3.4 million is Federal funding and the remainder State, municipal, and private funds. FEA funding in subsequent years will be contingent upon satisfactory performance and the availability of funds.

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The selected State and local government agencies and the participating utilities are as follows:

Public Agencies	Participating Utility	Funding (FY 75)
1. Arizona Fuel and Energy Office	Arizona Public Service Corp. (Phoenix)	$210,000
2. City of Los Angeles	Dept. of Water and Power	170,000
3. New Jersey State Energy Office	Jersey Central Power & Light Co. (Morristown)	160,000
4. Public Utility Commission of Ohio	Dayton Power & Light Toledo Edison Buckeye Power (Columbus)	220,000
5. Connecticut Public Utilities Commission	Northeast Utilities (Hartford)	230,000
6. Arkansas Public Service Commission	Arkansas Power & Light (Little Rock)	210,000

Each of the six projects will include field demonstrations of "peak load pricing" under which lower rates would be charged to consumers for electricity used during off peak hours. In addition, the Arizona, New Jersey, and Ohio projects will demonstrate technology for reducing peak demand by remotely controlling customer-approved residential loads such as water heating.

In announcing these funding decisions, Zarb noted that electric power today represents 25% of all energy consumed by the Nation. Within the next 25 years it will become even more important, Zarb added, citing estimates that by 1985 electricity will represent 38% of all energy consumed, and over 50% by the year 2000.

Taking these projections into account, the FEA Administrator pointed out that electric power soon will be the Nation's primary energy source.

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"Therefore," Zarb stated, "we must ensure the capability of utilities to supply adequate electricity to the nation at reasonable prices, while minimizing the inefficiencies which occur not only in the consumption of generator fuels, but also in the ultimate consumption of electricity itself.

"Although in some limited respects these two objectives may conflict, we believe that this is not generally the case and that energy conservation need not complicate but can actually enhance the financial situation of utilities. In fact, balanced growth of both electricity usage and peak demand would be in the mutual interest of such diverse groups as regulatory authorities, environmentalists, consumers, and utility executives."

-FEA-

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Public Inquiry: 634-7610

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E-75-134

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE May 5, 1975

ZARB APPEALS FOR CONGRESS TO REMOVE UNNECESSARY RESTRAINTS ON COAL

Federal Energy Administrator Frank G. Zarb said today Congress must impose an "even-handed approach" to the Clean Air Act Amendments and strip mining bill or place a self-imposed legislative embargo on our key energy source -- coal.

Speaking before the American Mining Congress in Pittsburgh, Zarb pointed out the coal industry in America is "beset by uncertainty"...largely because of uneven or ambiguous government regulation.

The F.E.A. chief stressed that the Administration's current proposals to amend the Clean Air Act and Strip Mine Legislation have been offered "in a spirit of compromise" to restore balance to government controls.

Zarb reiterated that the Administration's key immediate goal for coal use could be accomplished if the government will:

- Convert a number of existing power plants from oil and gas to coal. (Zarb added that 75 plants may be eligible immediately for this transfer);
- Ensure the continued use of coal by power plants now using it;
- Require new power plants to be capable of burning coal; and
- Convert other large fuel-burning facilities to coal.

"If Congress will amend the current legislation affecting coal we could be saving almost a million barrels of oil a day between 1977 and 1980," Zarb said, and we could do so without impairing human health or the environment.

-FEA-

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Federal Energy News

Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE MAY 9, 1975

FEA ANNOUNCES PROGRAM TO ENCOURAGE THE USE OF COAL BY THE NATION'S POWERPLANTS

The Federal Energy Administration today announced final regulations designed to prohibit some powerplants and other major fuel-burning installations from burning natural gas or fuel oil as their primary sources of energy.

This would be done by issuing "prohibition orders" to oil or gas-burning utilities with existing plants that could burn coal.

The regulations also enable FEA to issue "construction orders" which would require powerplants now in their early planning stages to develop capabilities for using coal rather than natural gas or petroleum products to fire their boilers.

Authority for the regulations stems from the Energy Supply and Environmental Coordination Act of 1974 (ESECA).

The regulations do not mean that FEA can immediately or automatically order any U.S. powerplants to start burning coal. Before any such coal conversion orders can be issued, FEA must first conduct a series of public hearings in six major U.S. cities between May 20 and June 9. The hearings follow "Notices of Intent" to issue prohibition orders that are being sent to utilities.

The first of these hearings will be held May 20 in Kansas City, Mo. and will involve powerplants and major fuel-burning installations in Iowa, Kansas, Missouri, and Nebraska.

Other hearings -- with dates to be announced in the near future -- will be held in Atlanta, New York, Chicago, Boston, and Philadelphia and will involve about 70 other powerplants and major fuel-burning installations.

Powerplants involved in the Kansas City hearing -- all of which are now burning coal or have burned it in the past -- include: Ames Electric Utility, Ames, Ia.; Iowa Electric Light & Power, Cedar Rapids, Ia.; Iowa Power and Light, Des Moines, Ia.; Iowa Public Service Co., Sioux City, Ia.; Kansas Power & Light, Topeka, Kan.; K.C. Board of Public Utilities, Kansas City, Kan.; K.C. Power & Light Co., Kansas City, Mo.; Nebraska Public Power District, Columbus, Nebr.; and Springfield City Utilities, Springfield, Mo.

FEA Administrator Frank G. Zarb made the announcement on the powerplant conversions today.

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After its hearings on Notices of Intent, FEA will determine whether a prohibition order should be issued to a specific company or companies.

Findings that must be made before prohibition orders can be issued include:

--An analysis of the adequacy of coal supply and transportation facilities for each powerplant.

--The practicability of each plant's burning coal instead of natural gas or petroleum products under its boilers.

--A determination for each powerplant as to whether it had the capability on June 22, 1974 (the date ESECA went into effect) to burn coal.

FEA said it also must determine in each case whether a prohibition order would impair the reliability of service to the area served by the plant.

FEA also noted that it would not issue construction orders in cases where coal supplies were inadequate or where issuance of the order would impair reliability of service.

Upon issuance of prohibition or construction orders, the Environmental Protection Agency must certify that the plant in question could burn coal in compliance with clean air standards, or determine the earliest possible date that the plant could burn coal under the terms of a compliance date extension that would be issued by EPA.

Only after EPA had given its approval could FEA issue a Notice of Effectiveness putting its order into effect. EPA estimates that, under normal conditions, it would take three to six months to process an application from a recipient of an FEA order.

"The prohibition and construction orders," Zarb said, "are essential first steps in encouraging the Nation's powerplants and major fuel-burning installations to use coal, our most abundant energy source, while preserving important environmental objectives."

Under terms of the ESECA, Zarb said, all prohibition and construction orders must be issued by June 30, 1975. He added that the public will have the opportunity to comment in all cases prior to the issuance of either type of order.

Written comments concerning the Kansas City hearing should be submitted to Executive Communications Federal Energy Administration, Box DD, Washington, D.C. 20461. Comments must be submitted by 4:30 p.m., May 22, 1975.

The first hearing in Kansas City will begin at 9 a.m., May 20, on the mezzanine of the FEA Regional Office, 112 East 12th Street, Kansas City, Mo. 64142.

-FEA-

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E-75-151

Federal Energy News
Federal Energy Administration
Washington D.C. 20461

FOR IMMEDIATE RELEASE

MAY 23, 1975

ZARB ISSUES WORD OF CAUTION TO
AMERICAN MOTORISTS FOR MEMORIAL DAY WEEKEND

Federal Energy Administrator Frank G. Zarb today appealed to the Nation's motorists to "drive 55 and stay alive" on the eve of the three-day Memorial Day weekend.

Zarb pointed out that over the three-day Memorial Day weekend last year 390 Americans lost their lives on U.S. highways, according to official Department of Transportation statistics.

"This was 149 fewer deaths than in 1973 -- accountable in large measure to the 55 mph speed limit enacted by Congress during the 1973-74 Arab oil embargo," Zarb said.

The temporary speed limit enacted during the embargo has since been superseded by a permanent national maximum speed limit of 55 mph on interstate highways. This was accomplished as a key segment of the Federal-Aid Highway Amendments Act of 1974, Public Law 93-643, signed into law by the President on January 4, 1975.

"I have noted recently a trend among some Americans to disregard the 55 mph law. I would hope that reflection on last year's lowered Memorial Day casualties will underscore the necessity for everyone to fully comply with the provisions of this life-saving, fuel-saving measure," Zarb said.

Zarb added: "In addition to saving lives, the lowered speed limit saves one of this Nation's most precious commodities -- gasoline. At a time when we are importing 6.4 million barrels of oil each day, it becomes more obvious than ever before that we must curb all unnecessary consumption. The private citizen can help achieve considerable savings for himself and his country by holding down driving speeds and eliminating unnecessary automobile trips."

-FEA-

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