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## FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

March 8, 1975

OFFICE OF THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

FROM: Frank G. Zarb  
Administrator

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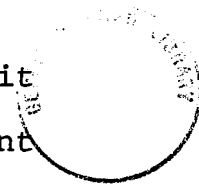
MRJ

SUBJECT: House Commerce Committee Amendments to  
the Emergency Petroleum Allocation Act  
of 1973

On Tuesday, March 4, the full House Commerce Committee reported H.R. 4035, which would amend the decontrol procedures of the current Allocation Act and extend the present mandatory petroleum allocation program from August 31, 1975, to December 31, 1975.

The bill as reported would:

- Require price regulation amendments which raise the price of old domestic crude more than 50 cents per barrel to be submitted to the Congress as decontrol exemptions from the Allocation Act.
- Permit price increases of old domestic crude without submission to the Congress if the increase is 50 cents per barrel or less, and is intended to compensate producers for declining field production or costs of secondary and tertiary recovery methods.
- Extend from 5 to 15 days the period in which either House can veto a decontrol exemption plan or price increase of old crude of more than 50 cents per barrel.
- Make procedural changes which would make it more difficult to "ram through" decontrol plans by parliamentary maneuvers to prevent



resolutions of disapproval from reaching the floor of either House within the 15-day period.

- Limit flexibility in phasing-in decontrol without Congressional consideration of each step in the process, because the rudimentary provisions of the current law permit many regulation changes approaching decontrol without their being considered "exemption plans" that require Congressional consideration and acquiescence.
- Make the factual findings necessary for decontrol under the Allocation Act not subject to judicial review.
- Extend the current Allocation Act through December 31, 1975.
- Extend from June 30, 1975, to December 31, 1975, authority to issue coal conversion orders under the Energy Supply and Environmental Coordination Act of 1974.

The bill as reported is not too bad, though we intend to keep the pressure on Congress that extension of the Allocation Act will not solve our problems. We intend to continue working with the committees of the House and Senate to chip away undesirable elements of this legislation and its Senate counterpart as they proceed in the Congress.

