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THE PRESIDENT HAS SEEN....

FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

Handwritten notes: 40% - 11.30 - 40¢, 60¢ - 5.25 - 55¢, \$7.66, \$13.12, [2/8/75]

OFFICE OF THE DEPUTY ADMINISTRATOR

Handwritten signature: gmc4

MEMORANDUM FOR THE PRESIDENT

FROM: Frank G. Zarb

SUBJECT: Status of Natural Gas Legislation

The Energy and Power Subcommittee of the House Interstate and Foreign Commerce has completed action on a natural gas bill that:

- o adopts a short-term emergency provision similar to that passed in the Senate; but
- o rejects any long-term solution such as deregulation.

Chairman Dingell is strongly opposed to deregulation at this time, arguing that his committee will have to study the overall natural gas situation for some months before it can begin to develop an adequate solution to the nation's natural gas shortages.

The full Committee will take up the Subcommittee bill soon after the Thanksgiving Recess, although no date has been set. Many members, perhaps even a narrow majority, of the committee favor a Pearson-Bentsen approach to deregulation, but Dingell will probably be successful in his efforts to keep his bill from being amended to include a deregulation title. He is also working to get a rule out of the Rules Committee to prevent his bill from being amended on the House floor.

Our current discussions indicate that we have enough votes on the House floor to amend the Dingell short-term emergency bill with a Pearson-Bentsen type long-term deregulation provision. Consequently, legislative efforts are focused as follows:

- o Attempt to amend the Dingell short-term bill in full-committee with an improved Pearson-Bentsen provision. If unsuccessful,

- o Work with the Rules Committee to insure that the Dingell bill is reported under a rule that will allow it to be amended. Work in this regard is already under way in concert with our efforts in full committee.
- o Continue to work with selected House members to insure a successful vote for a Pearson-Bentsen amendment on the House floor if the way for such a vote can be paved.

Dingell is aware of our efforts. If we are successful with the Rules Committee, he is likely to follow a strategy similar to that adopted by Senator Magnuson in the Senate earlier this year of keeping the bill from coming up for floor action. We are doing what we can to forestall this possibility.

It should be noted that House action on natural gas does not appear to be related to your decision on the Omnibus Energy Bill developed by the Conference Committee. This could change, but the situation is stable at the current time.



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FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

OFFICE OF THE DEPUTY ADMINISTRATOR

A handwritten signature in black ink, appearing to be "Frank G. Zarb", written over the typed name of the Deputy Administrator.

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