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THE WHITE HOUSE

WASHINGTON

January 26, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

JACK MARSH
FRANK ZARB

FROM:

JIM CONNOR JEC

Confirming telephone message to Frank Zarb, the following notation was directed to you in the President's outbox:

"Talked with Speaker Albert and he plans to bring up Gas Deregulation legislation the week of February 2."

Because of the above development, the Recommended Telephone Call to Speaker Albert dated today by Frank Zarb is returned to him.

cc: Dick Cheney

THE WHITE HOUSE
WASHINGTON

Jack Marsh (Frank Zorb)

Talked with Speaker
Albert & he plans to bring
up the Drey legislation
the week of Feb. 7



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

January 26, 1976

OFFICE OF THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK G. ZARB *f*

SUBJECT: Talking Points for Call to Speaker Albert
Concerning Natural Gas Legislation

The House Interstate and Foreign Commerce Committee reported short-term emergency legislation just prior to the Christmas recess. The House Rules Committee, in a 12-4 vote, agreed to allow the short-term emergency legislation developed by Dingell to be open to amendments on the House floor that would also provide for the long-term deregulation of new natural gas.

Representative Krueger has prepared an improved version of the Pearson-Bentsen bill for amendment to the Dingell emergency bill. A joint effort by FEA, Krueger, and selected Congressmen, has created considerable support for the amendment. In fact, we believe we are now close enough to have the Krueger amendment succeed if a floor vote can be called.

John Dingell has been holding hearings on deregulation, partially in an attempt to block any floor action on deregulation. John Moss has also been holding hearings trying to establish a record of intentional withholding of production by oil and gas companies in order to try to defeat the Krueger amendment. These delaying actions are not having much impact, but the longer we wait for the House vote, the closer we come to the end of winter and the immediate threat of natural gas shortages.

To expedite action on the Krueger amendment, I recommend that you call Speaker Albert to indicate your desire that the vote not be inordinately delayed. He has postponed floor action several times, but now says that the vote will come to the floor in the first week of February.

Talking points for the call are attached if you agree with the recommendation.

TALKING POINTS FOR CALL TO
SPEAKER CARL ALBERT

NATURAL GAS DEREGULATION

1. Carl, you are as familiar as anyone with the problems that have been created by the government's regulation of gas prices. It is clearly a policy that has failed, both in terms of enabling of this country to produce its gas supplies and of protecting the consumer. The consumer who cannot get gas and has to either convert to a substitute fuel at a higher price or shut down his plant is clearly not being protected.
2. You are also familiar with the solution to this problem. After years of experience with Federal regulation, innumerable studies and Congressional hearings, it is absolutely clear that the only real solution is to deregulate gas -- to get the government out of the decisions of the market place.
3. I understand that the House Rules Committee has agreed to allow floor amendments to the Dingell emergency bill that would deregulate gas. I also understand that Representative Krueger and others have developed an improved version of the bill that passed the Senate that has considerable support in the House.
4. I hope this bill can be voted on soon, at least within the early February timeframe I hear you have indicated. Further delays cannot be tolerated or justified:
 - we need the emergency legislation for this winter;
 - we need to start now producing additional gas if we are to have the gas we need and to start reducing our dependency on foreign oil;
 - the facts are all in.
5. I hope you will do all you can to get this vote as quickly as possible and that you will also help us pass the Krueger bill. We have a real opportunity here, but further delays could impede our chances.