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THE WHITE HOUSE

WASHINGTON

December 20, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FRANK ZARB

FROM:

JIM CONNOR *JEC*

The following notation was directed to you in the President's outbox:

"Gasoline decontrol -- triggering mechanism"

"Can we or should we include a triggering device when it is sent up?"

Please follow up with appropriate action.

cc: Dick Cheney

*File  
answer  
attached x*

THE WHITE HOUSE  
WASHINGTON

Frank Job

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Gasolene decontrol

Triggering mechanism

Can we or should we  
include a triggering device  
when it is sent up?

THE PRESIDENT HAS SEEN....



FEDERAL ENERGY ADMINISTRATION

WASHINGTON, D.C. 20461

December 22, 1976

OFFICE OF THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK G. ZARB *FZ*

SUBJECT: GASOLINE DECONTROL TRIGGER

A handwritten signature in black ink, appearing to be "FZ" or similar initials, written in a cursive style.

In response to your questions of 20 December:

- o The notice requesting public comment on FEA's preliminary findings and views with respect to gasoline decontrol did not specifically propose a "trigger." It did ask for comment on whether a trigger would be appropriate. All those representing consumer interests supported a trigger mechanism.
- o It is our present intention to propose a trigger mechanism in conjunction with any proposal to decontrol gasoline. Our judgment is that this is essential to achieve Congressional approval of any decontrol proposal, but I will consult with you before any final decision is made.
- o The trigger would operate monthly through August 1977, to cover the first summer driving season after decontrol. As with middle distillates now, the trigger will compare actual average retail gasoline prices to an index of what we estimate prices would have been under continued controls. Should actual prices exceed the index level, FEA would hold public hearings to determine the causes and then take action to restore prices to levels below the index values. Such action could include reimposition of regulations if required.