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THE WHITE HOUSE

WASHINGTON

June 11, 1975

ENERGY MEETING WITH BIPARTISAN CONGRESSIONAL LEADERS

Thursday, June 12, 1975
8:00-9:00 a.m. (1 hour)
The Cabinet Room

From: Max L. Friedersdorf *MLF*

I. PURPOSE

To discuss a compromise on the Ways & Means Energy Bill with Members of the House leadership.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. The House Ways & Means Committee has reported an unacceptable energy tax bill which is being debated this week on the House Floor.
2. Many amendments are being considered and this is an appropriate time to put forward a potential compromise which the President could accept.
3. The President has designated Frank Zarb as his principle negotiator with the Congress on energy and the meeting today will afford the opportunity to reaffirm Zarb's role and the President's desire for cooperation and compromise.

B. Participants:

See Tab A

C. Press Plan:

No announcement of the meeting. White House photographs only.

III. TALKING POINTS

See Tab B



PARTICIPANTS

The President
The Vice President

HOUSE

Carl Albert
Tip O'Neill
John Rhodes
John McFall
Bob Michel
Al Ullman
Herm Schneebeli
John Dingell
Clarence Brown
Barber Conable

Staff

Secretary of the Interior Morton
Don Rumsfeld
Jack Marsh
Alan Greenspan
Max Friedersdorf
Frank Zarb
Dick Cheney





FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

June 11, 1975

OFFICE OF THE ADMINISTRATOR

BRIEFING ON ENERGY POLICY OPTIONS AND RECOMMENDATIONS

Thursday, June 12, 1975
8:00-9:00 a.m. (60 minutes)
The Cabinet Room

From: Frank Zarb

I. PURPOSE

To discuss a compromise on the Ways and Means Energy Bill with the House leadership.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

1. House Ways and Means has reported an unacceptable energy tax bill which is now being debated on the floor.
2. Many amendments are being considered and this is an appropriate time to put forward a potential compromise which you could accept.

B. Participants: Rogers Morton, Frank Zarb, Max Friedersdorf, John Marsh, Donald Rumsfeld, Richard Cheney, Alan Greenspan, ~~James Lynn~~, ~~James Cannon~~,
Congressmen John Rhodes, Al Ullman, John McFall,
John Dingell, Robert Michael, Barber Conable, Herman Schneebeli, Thomas O'Neill, Clarence Brown.

C. Press Plan: No press plan at this time.



III. TALKING POINTS

1. I'm glad you could come on such quick notice, but I felt it was important that we discuss the Ways and Means Energy Tax Bill which is now being considered on the floor of the House.
2. I think you all know how important I think it is to get a comprehensive energy program enacted.
3. I am worried, however, over our seeming inability to reach a compromise which the American people can then accept, particularly in light of the 160 amendments which have been offered to the Ways and Means bill and the potentially endless debate and its uncertain outcome.
4. While there are many provisions of HR 6860 which are personally very troublesome, there is a possibility of compromise which I want to discuss with you this morning. If we can agree on several major points, I think we can put together the votes needed on a bipartisan basis to enact a good bill.
5. I am prepared to support a bill which has:
 - ° Mandatory new car efficiency standards and penalties such as those in the Dingell Bill.
 - ° A quota system such as that in the current bill, including temporary modifications for New England.
 - ° If you insist, I will accept a three cents gasoline tax, but no higher.
6. However, I can only do this if all of the following elements are included in the bill:
 - ° Legislate a \$2 import tariff and do not restrict Presidential authority under the Trade Expansion Act.
 - ° Delete the energy trust fund.
 - ° Include windfall profits tax to allow phased-in decontrol and collect the profits caused by the import fees.
 - ° Put in a larger and more rapid excise tax on natural gas.



- Remove many of the extraneous tax credit and accelerated amortization provisions.
 - Provide rebates to the economy of the taxes collected.
 - A decontrol plan which is a compromise between the two year program I have proposed and the four year plan Chairman Dingell supports.
7. These proposals are obvious compromises for Republicans and Democrats alike. But the result would be a fair bill and one which the Government and the people could support.
 8. I am prepared to join you in publicly supporting such a compromise.
 9. I have not touched on the many other critical pieces of legislation needed to increase domestic energy supplies, but if we reach an agreement here I think we can do so readily in these other areas also.
 10. I would welcome your views on these suggestions.

