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Office of the White House Press Secretary

THE WHITE HOUSE

MODIFYING PROCLAMATION 3279, AS AMENDED, RELATING TO IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS, AND PROVIDING FOR THE LONG-TERM CONTROL OF IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS THROUGH A SYSTEM OF LICENSE FEES

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BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

## A PROCLAMATION

WHEREAS, I judge it necessary and consistent with the national security, taking into account the economic welfare of the Nation, that provision be made to defer scheduled increases in the fees applicable to imported petroleum and petroleum products for a period of two months; and

WHEREAS, it is my intention that refiners located in territories of the United States, and in foreign trade zones, shall participate in the Mandatory Oil Import Program upon terms not less favorable than domestic refiners, and

WHEREAS, in order to facilitate such treatment, it is necessary that the Administrator of the Federal Energy Administration be authorized to determine at what point the oil import license fees effective February 1, 1975 shall be deemed to apply with respect to crude oil entered into such territories and zones, and

WHEREAS, I judge it necessary to permit a system for the receipt by Puerto Rico of sums equivalent to the license fees on petroleum consumed in Puerto Rico, to be appropriated by the Commonwealth for the benefit of individuals and corporations resident therein, comparable to the system which I have proposed for other parts of the United States;

NOW, THEREFORE, I, GERALD R. FORD, President of the United States of America, acting under and by virtue of the authority vested in me by the Constitution and the laws of the United States, including Section 232 of the Trade Expansion Act of 1962, as amended, do hereby proclaim that, effective as of February 1, 1975, Proclamation No. 3279, as amended, is hereby further amended as follows:

Section 1. Subparagraphs (iii), (iv), and (viii) of subparagraph (1) of paragraph (a) of section 3 are amended to read as follows:

"(iii) with respect to imports of crude oil, natural gas products, unfinished oils, and all other finished products (except ethane, propane, butanes, and asphalt) entered into the customs territory of the United States on or after February 1, 1975, there shall be a supplemental fee per barrel of \$1.00, rising to \$2.00 on imports entered on or after May 1, 1975, and to \$3.00 on imports entered on or after June 1, 1975.

(iv) with respect to the fees imposed pursuant to paragraphs 3(a)(1)(i)-(iii), the amount of such fees shall be reduced, on a monthly basis, by an amount equal to any applicable duties paid less any drawbacks received during the same period, except

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that where duty drawbacks exceed the duty paid during that period, the net differences shall be applied to subsequent periods; provided that when the duty less drawbacks exceeds the fee imposed, the Administrator may provide that any excess may be used to reduce fees payable in subsequent months, such extended period not to exceed six months;

(viii) with respect to licenses issued pursuant to paragraph 3(a)(1)(iii) for imports other than (A) crude oil as defined for purposes of the Old Oil Allocation Program which is imported for refining or (B) products refined in a refinery outside of the customs territory as to which crude oil runs to stills would qualify a refiner to receive entitlements under the Old Oil Allocation Program, the Administrator may by regulation reduce the fee payable by the following amounts, or by such other amounts as he may determine to be necessary to achieve the objectives of this Proclamation and the Emergency Petroleum Allocation Act of 1973:

- for imports entered into the United States customs territory during the months of February, March and April, 1975, \$1.00 per barrel;

- for imports entered during the month of May, 1975, \$1.40 per barrel;

- for imports entered during the month of June, 1975, and thereafter, \$1.80 per barrel."

Section 2. Paragraph (a) of Section 3 is amended by adding subparagraph (5) to read as follows:

"(5) In order to ensure that refiners located in territories of the United States and in foreign trade zones are treated not less favorably than other United States refiners, the Administrator shall by regulation determine at what point crude oil, unfinished oils and finished products shipped into United States territories and foreign trade zones shall become subject to the fees imposed pursuant to paragraphs 3(a)(1)(i)-(iii)."

Section 3. Subparagraph (1) of paragraph (a) of Section 3 is amended by adding clause (x) to read as follows:

"(x) The Administrator shall by regulation reduce the fees payable by importers pursuant to paragraphs 3(a)(1)(i)-(iii) with respect to crude oil, unfinished oils, and finished products imported into Puerto Rico, or imported into Districts I-V and shipped to Puerto Rico, with or without further processing, and not shipped to Districts I-V, as crude oil, unfinished oils, or finished products, by the amount of any excise tax or other levy imposed and collected

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by the Government of Puerto Rico on such materials, Provided that refunds from or reductions in such excise tax or other levy are authorized in the same manner as are authorized with respect to payments prescribed by paragraphs 3(a)(1)(i)-(iii), Provided further that with respect to shipments to Puerto Rico from Districts I-V such shipments shall be deemed attributable to imported crude."

IN WITNESS WHEREOF, I have hereunto set my hand this  
fourth day of March, in the year of our Lord nineteen  
hundred seventy-five, and of the Independence of the  
United States of America the one hundred and ninety-ninth.

GERALD R. FORD

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