

FOR IMMEDIATE RELEASE

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Office of the White House Press Secretary

THE WHITE HOUSE

MODIFYING PROCLAMATION NO. 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, pursuant to the authority of Section 232 of the Trade Expansion Act of 1962, Proclamation No. 3279, as amended, was modified by Proclamation No. 4341 of January 23, 1975, in order to impose a system of supplemental license fees on imported petroleum and petroleum products; and

WHEREAS, the system of supplemental license fees on imported petroleum and petroleum products was imposed pursuant to an investigation and recommendation by the Secretary of the Treasury in accordance with the provisions of Section 232 of the Trade Expansion Act of 1962; and

WHEREAS, the scheduled increases in the level of fees established by Proclamation No. 4341 were deferred by Proclamation No. 4370 of April 30, 1975, in order to afford Congress an opportunity to propose alternative programs for discouraging importation into the United States of petroleum and petroleum products in such quantities or under such circumstances as threaten to impair the national security; and

WHEREAS, such alternative programs have not been developed and are unlikely to be enacted in the near future; and

WHEREAS, I judge it necessary and consistent with the national security to reinstitute the originally scheduled increase in the supplemental fee to the level of \$2.00 per barrel; and

WHEREAS, the Administrator of the Federal Energy Administration has recommended that certain other changes in the license fee system be made;

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 June 1, 1975, Proclamation No. 3279, as amended, is hereby further amended as follows:

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Section 1. (a) Clauses (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 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 charged against imports made on or after February 1, 1975, except 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) any material imported for refining that qualifies for inclusion in a refiner's crude oil runs to stills under the Old Oil Allocation Program 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 through May, 1975, \$1.00 per barrel;

-- for imports entered during the month of June, 1975, and thereafter, \$1.40 per barrel."

(b) Paragraph (b) of Section 3 is amended by redesignating the existing paragraph (b) as (b)(1), and by adding a new paragraph (2) to read as follows:

"(2) With respect to allocations and licenses issued prior to June 1, 1975, for which a bond was not required or with respect to which a bond was required in amounts less than the full amount of the fees imposed pursuant to this Proclamation, the Administrator may, by regulation, provide for such bonding procedures as he deems necessary."

Sec. 2. (a) Paragraph (c) of Section 5 is amended to read as follows:

"(c) The Administrator of the Federal Energy Administration may modify or alter the composition of the Appeals Board or abolish the Board and establish such other appellate procedures as he deems appropriate."

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(b) A new paragraph (d) is added to Section 5 to read as follows:

"(d) The authority granted by this Section shall expire on April 30, 1980."

Sec. 3. Paragraph (1) of Section 11 is amended to read as follows:

"(1) The term 'imports' includes both entry for consumption and withdrawal from warehouse for consumption, but excludes unfinished oils and finished products processed in United States territories and foreign trade zones from crude oil produced in the United States."

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

GERALD R. FORD

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