

EMBARGOED FOR RELEASE,
UNTIL 2:15, E.S.T.

APRIL 5, 1976

Office of the White House Press Secretary

THE WHITE HOUSE

STATEMENT BY 'THE PRESIDENT

In my first State of the Union Message more than a year ago, I set forth goals for regaining energy independence for the United States. I also outlined a comprehensive and ambitious national program needed to achieve our energy goals. The first goal is to reduce our growing reliance on imported oil.

We have launched energy programs that are possible within existing authorities and I have asked the Congress for the additional legislative authority that we must have. My proposed Energy Independence Act of 1975 contained thirteen specific programs to encourage energy conservation and increase domestic energy production. More recently, I sent to the Congress proposals dealing with nuclear energy, investment in energy facilities, and other measures needed to achieve our goals.

One of the original thirteen proposals was especially important because it permitted immediate action to produce more oil here in the United States. There are only a very few steps like this that are possible. Generally, it takes three years or more to bring new oil production on line.

Actions to increase domestic oil productions are critical because oil imports have grown to the point where they now account for almost 40% of the petroleum we are using. We are even more dependent now than we were a little over two years ago when we experienced the disruption of an oil embargo.

I am, therefore, pleased to sign into law today the Naval Petroleum Reserves Production Act of 1976 which puts in place one more element of our program to reduce dependence on foreign oil.

The Naval Petroleum Reserves had special importance when they were established over 50 years ago to guarantee an adequate supply of oil for the U.S. Navy. Today, the Reserves have even greater importance to the whole Nation because they can help reduce our dependence on imported oil and help stem the outflow of American dollars and jobs.

This new Act directs the Secretary of the Navy to commence a vigorous production program from the three Naval Petroleum Reserves located in California and Wyoming. The Act also redesignates the fourth Naval Petroleum Reserve in Alaska as a National Petroleum Reserve and transfers the jurisdiction to the Department of the Interior in June 1977. Production from the Alaskan Reserve is not authorized at this time, but the Act specifically calls upon the President to submit a development plan and appropriate legislation to the Congress. Work has already begun on those measures.

more

The new Act also makes it possible for production from the Naval Reserves to contribute directly to the creation of the Strategic Petroleum Reserve authorized in the Energy Policy and Conservation Act which I signed on December 22, 1975. Once established, the Strategic Reserve will provide both a deterrent to future embargoes and a significant means to offset the effects of any future supply interruption.

The Strategic Reserve will permit us to have needed petroleum much more readily available in the case of an emergency for our Armed Services and other critical national needs.

When in full production, the three Naval Petroleum Reserves in California and Wyoming will provide more than 300,000 barrels of oil per day. The development and production of Naval Petroleum Reserve Number One in Elk Hills, California, will make the biggest contribution.

The U.S. share of this production, about 80 percent, may be sold at auction and up to 25 percent of that amount could be set aside for sale to small refiners. At the President's discretion, all or part of the U.S. share may be used to build up the Strategic Petroleum Reserves. The Act authorizes use of revenues from the sale of petroleum for work on the Naval Petroleum Reserves, for the National Reserve in Alaska, and for the Strategic Petroleum Reserve.

This Act is an important step toward reversing our declining domestic oil production and it is another sign that we are making progress. Four of my original 13 proposals were included in the Energy Policy and Conservation Act which I signed into law on December 22, 1975.

The Congress still has before it 18 major energy proposals, including those remaining from the original 13 I submitted in January 1975 and others I have submitted since then. We need those measures to conserve energy and to increase domestic production. Congress must act on those measures so that we can achieve our national goals for energy independence.

#