

**The original documents are located in Box C28, folder “Presidential Handwriting, 9/25/1975” of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.**

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FEDERAL ENERGY ADMINISTRATION  
WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

September 25, 1975

MEMORANDUM FOR JIM CONNOR

FROM: FRANK G. ZARB

SUBJECT: IMPORT FEES

The President has agreed to withdraw 60¢ as result of this meeting.

Attachments

THE WHITE HOUSE  
WASHINGTON

September 20, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: FRANK ZARB  
FROM: JAMES E. CONNOR  
SUBJECT: IMPORT FEES

The attached letter was returned in the President's outbox without any indication of a decision. Please advise this office the status of this matter.

Thank you.

cc: Don Rumsfeld

Attachment:  
Memo from Frank Zarb dated 9/19/75 re  
Import Fees

Jim -

This came in the  
outbox ----

No indication of  
decision made ---

Action?

Trudy

return  
to  
to  
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the



FEDERAL ENERGY ADMINISTRATION  
WASHINGTON, D.C. 20461

September 19, 1975

OFFICE OF THE ADMINISTRATOR

## MEMORANDUM FOR THE PRESIDENT

FROM: FRANK G. ZARB

SUBJECT: IMPORT FEES

You announced on August 15 your intention to suspend the \$2.00 import fee on crude oil and the 60¢ fee on imported products if Congress did not extend price controls on old oil -- i.e., if your veto was sustained. As you will recall, this decision was based on the need to soften the economic impact of decontrol and, in the case of the 60¢ fee, to solve a regulatory problem in East Coast import markets.

It was further decided by your advisors to make any possible suspension of the fees retroactive to July 1 to strengthen our appeal of the court decision invalidating Presidential authority to impose fees on imported oil.

Although your veto was sustained, you have indicated your willingness to accept a short extension of price controls to allow additional time to work out a compromise decontrol plan. The fees are consequently still in effect, even though we have suspended actual collection of the fees pending the outcome of this issue.

As you know, Congressional action on the short extension is now uncertain. There are some who are trying to block the extension in order to bring about immediate decontrol and to negate the possibility of any compromise on oil prices. If this issue is not resolved - if Congress does not come to terms or appear close to that point - by September 30, your advisors agree with the following recommendations:

- . The \$2.00 fee on imported crude oil should be lifted on that date in order to soften the increase in oil prices that will begin occurring on October 1 (the industry cannot hold the line past that date in the absence of statutory controls) and to ease the transition of independent refiners into the free market;

- . Your intention to lift the \$2.00 fee on September 30 in the absence of a short extension, and positive evidence that an acceptable phase out program is close at hand, should be announced today. This action would not only give Congress a cut off date, but also signal the industry regarding the fee in time to affect their October pricing decisions;
- . The 60¢ fee on imported products should be suspended immediately, whether or not there is a short extension, in order to clear up uncertainties in the import markets for heating oil that could lead to temporary shortages this winter; and
- . The fees on crude and products for July and August should be collected in order to avoid any undue windfalls to the industry.

Solicitor Bork and his staff agree that the July and August fees can now be collected without jeopardizing our appeal to the Supreme Court.

If you agree with these recommendations, we will take steps to insure that all legal work necessary to implement these recommendations is completed by September 30.

To help settle the market place, we will also make an announcement today indicating the following:

1. Fees from July and August will be collected by the government on September 30.
2. The 60¢ fee will be terminated on September 30. (Since you have delegated to me the authority to accomplish this, there is no need to revise the Executive Order at this time.)
3. You will make your decision concerning the \$2.00 fee by October 1; that decision will depend on what kind of action appears to be forthcoming from the Congress in the way of a meaningful energy program.

THE WHITE HOUSE  
WASHINGTON

September 20, 1975

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

FRANK ZARB

FROM:

JAMES E. CONNOR *JEC*

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